

than Tennenbaum, a scholar from the U.S. who heads the scientific research of the Schiller Institute in Germany, reported on the evaluation of the current world crisis by the well-known American economist Lyndon LaRouche, founder of the new scientific tendency called physical economy.

“In connection with the further deterioration of the world financial crisis in late September and early October, Lyndon LaRouche circulated three personal memoranda, arguing for the necessity of emergency reorganization on a world scale. In the memorandum, ‘What Each Among All Nations Must Do Now,’ he observed that all countries are currently burdened by ‘derivatives’ and kindred, fictitious financial instruments, with a nominal value of more than \$100 trillion. Unless that mass of fictitious claims is wiped off the books, very soon the result will be an economic catastrophe, unprecedented in world history—the total, and chaotic destruction of public and private financial assets and monetary systems.

“LaRouche harshly criticizes the so-called ‘crisis management’ and ‘playing by the rules,’ proposed by various financiers, which he believes will ruin entire countries.

“As a way out of the crisis, he proposes an ‘action program,’ containing ‘directives’ of a certain type, comparable to ‘the tactic for execution of a combat mission’ (*Auftrags-taktik*). This makes it possible to avoid quibbling over supra-national structures, and to proceed quickly to success.”

LaRouche’s eight points

The *Ekonomicheskaya Gazeta* article then quoted the eight points of LaRouche’s memorandum, as well as the three

leading considerations, enumerated under “The principle of emergency action” (*EIR*, Oct. 9, pp. 5-6).

“The general directives, put forward by LaRouche in his ‘program,’ define actions that can be taken unilaterally by sovereign nations. He proposes first to establish, ‘pragmatically,’ some relative values for currencies, referencing their prices prior to what the hedge-funds and other financial pirates unleashed during 1997. Next, to set up international projects and lines of credit, for increasingly large-scale movement into physical-economic forms of growth, in basic economic infrastructure, agriculture, manufacturing, and the transfer of high-technology capital into relatively less-developed regions. The methods which the Franklin Roosevelt administration copied from the U.S. economic expansion of 1861-1876, provide the model of reference sufficient for this purpose. Another excellent model for comparison is the Kreditanstalt für Wiederaufbau in Germany, in the period of post-war economic reconstruction. . . .

“His analysis of the causes of the crisis, rooted in erroneous state economic policy, has brought Lyndon LaRouche to his idea of the necessity for a ‘combat mission’ orientation. . . . This approach is especially important for solving difficult economic tasks, especially under conditions of continuous and ever more acute world financial crisis.”

The Oct. 8 issue of *Ekonomicheskaya Gazeta*, which was available for circulation the day of the seminar, carried Muravinsky’s skewering of former Argentina Minister of Finance Domingo Cavallo, promoter of the “currency board” model, and recent guest in Moscow.

Georgian political figure urges Clinton to appoint LaRouche

Dr. Vakhtang Goguadze, former Speaker of the Parliament of Georgia, on Oct. 21 released his Open Letter to the President of the United States, Bill Clinton. The text follows:

Greetings from Georgia, which in the past was so distant, but today is rather close to you. We regret that our decades-long expectations about the American image have not been altogether fulfilled. We may say bluntly, that our tendency is not very desirable for the U.S. We would like to develop a more open and moral policy.

I, personally, and many of my compatriots are impressed by the philosophy and economic theory of Mr. Lyndon LaRouche, the well-known U.S. political figure

and scientist, who is deeply respected in Georgian society. Glory and Honor to such Americans.

I should say that his insightfulness and analytical approach in politics, culture, and economics, taken together, are no accident, and this is borne out in practice. He is not one of those political thinkers, who confuse wishes with reality. His trenchant forecasts about the world financial crisis are by no means based on some merely empirical or narrowly economic analysis. His negative attitude toward pop-culture and his concept of the necessary healing and intellectual renewal of society provide some prospect for the preservation and development of American prestige, on the propaganda of which the superpower spends so many billions of dollars.

We think it would be beneficial both for the U.S. and for the new friends of the U.S., to propose to you to invite Mr. Lyndon LaRouche as your economic adviser.

[Signed]

Vakhtang Goguadze
former Speaker of Parliament,
Member of Parliament of Georgia,
Doctor of Philosophy, Professor