

BRICS Leaders Demand Just Financial System

March 29—The leaders of Brazil, Russia, India, China, and South Africa (BRICS), meeting today in New Delhi, attacked the “aggressive” use of “excessive liquidity” by the central banks of “advanced countries” in expanding the world financial crisis, and warned that “the situation concerning Iran cannot be allowed to escalate into conflict.” The statement was issued after the final day of the fourth annual BRICS summit, one of the fora for meetings among the leaders of especially Russia, China, and India, over recent years.

There were bilateral meetings between the leaders, as well as the full meeting of Russian President Dmitri Medvedev, Indian Prime Minister Manmohan Singh, Chinese President Hu Jintao, Brazilian President Dilma Rousseff, and South African President Jacob Zuma. In another direct dig at the trans-Atlantic economic policy, the leaders also asserted that “the concept of a ‘green economy,’ still to be defined at Rio+20 [the UN Conference on Sustainable Development, to

be held in Rio de Janeiro, Brazil, on June 20-22] must be understood in the larger framework of sustainable development and poverty eradication and is a means to achieve these fundamental and overriding priorities, not an end in itself.”

They called “for a more representative international financial architecture, and the establishment and improvement of a just international monetary system that can serve the interests of all countries and support the development of emerging and developing economies. Moreover, these economies having experienced broad-based growth are now significant contributors to global recovery.”

The leaders discussed enhancing already rapidly growing trade by extending credit using their own currencies, and eventual creation of a joint development bank for infrastructure projects, all of which were discussed at the meeting of the five nations’ trade ministers in Delhi yesterday.

The trade ministers stated that they are “concerned over the current global economic situation. . . . [E]xcessive liquidity from the aggressive policy actions taken by central banks to stabilize their domestic economies has been spilling over into emerging market economies, fostering excessive volatility in capital flows and commodity prices.” They said it is “critical for advanced economies to adopt responsible macroeconomic and financial policies.”

‘Iran Has a Crucial Role To Play’

The leaders warned: “The situation concerning Iran cannot be allowed to escalate into conflict, the disastrous consequences of which will be in no one’s interest. Iran has a crucial role to play for the peaceful development and prosperity of a region of high political and economic relevance, and we look to it to play its part as a responsible member of the global community. We are concerned about the situation that is emerging around Iran’s nuclear issue. We rec-



The leaders of the BRICS countries, meeting in New Delhi, made clear their intention to establish economic and strategic policies independent of the dying trans-Atlantic system. Shown (left to right): the leaders of Brazil, Russia, India, China, and South Africa.

ognize Iran's right to peaceful uses of nuclear energy consistent with its international obligations."

Afghanistan, they said, "needs time, development assistance and cooperation," and they "underscore[d] the need for more effective regional and international cooperation for the stabilization of Afghanistan, including by combating terrorism." For Syria, they expressed "deep concern at the current situation," called for peaceful means to deal with the crisis, and gave their support to the initiative of UN-Arab League envoy Kofi Annan.

On the economic front, the Delhi Declaration states: "We have considered the possibility of setting up a new Development Bank for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development. We direct our Finance Ministers to examine the feasibility and viability of such an initiative, set up a joint working group for further study, and report back to us by the next Summit."

Russia's *Expert* magazine reported recently that the

idea for setting up the new development bank came from India, and that it would be financed exclusively by these nations—many of which, especially China, have very large foreign exchange and gold reserves—to promote projects in those countries. The main emphasis will be on developing industry, *Expert* reported.

The China Development Bank Corp., Russia's State Corporation Bank for Development and Foreign Economic Affairs, India's Exim Bank, the Brazilian Development Bank, and the Development Bank of Southern Africa signed the "Master Agreement in Extending Credit Facility" in local currencies and the "BRICS Multilateral Letter of Credit Confirmation Facility Agreement."

A New Model of Relations

The BRICS could become one of the key elements in the system of global government, President Medvedev said, and should develop a new model of relations beyond any established stereotypes and above "bridges" or "intermediaries." Brazilian President Rousseff warned that the economic crisis "will not be overcome simply through measures of austerity, fiscal consolidations, and depreciation of the labor force, let alone through quantitative easing policies that have triggered what can only be described as a monetary tsunami."

Hu Jintao and Manmohan Singh met to discuss economic and other relations. Joint trade has grown 20-fold since 2000, rising 20% last year alone, to almost \$74 billion. They also formally declared 2012 the year of Sino-Indian friendship, and decided to enhance political trust to resolve outstanding issues like the decades-old border dispute and what senior Chinese official Luo Zhaohui told reporters is "very sound momentum" in their bilateral ties.

Singh and Medvedev discussed scaling up civil nuclear cooperation and enhancing trade ties, which lag far behind Chinese-Indian trade levels. They reaffirmed their cooperation on the Russian-aided Kudankulam nuclear plant, where work has re-started after being held up by anti-nuclear protests¹ in Tamil Nadu. They also discussed the agreements for the units III and IV of the Kudankulam nuclear plant that will enhance the civil nuclear ties between the two countries. The pacts were "almost ready," Russian Amb. Alexander M. Kadakain said in an interview early this week.

1. See Ramtanu Maitra, "West-Based NGOs Stall India's Nuclear Program; But at Whose Behest?" *EIR*, March 23, 2012.

A Strategic Defense of Humanity



Were the United States to eject Obama, and reciprocate Russia's offer for an SDE (Strategic Defense of Earth), we would not only avert the danger of thermonuclear war in the short term, but we would eliminate the reason for humanity to ever go to war again. Peace, is not the negation of conflict; it's an active commitment among all peoples to "the common aims of mankind."

An LPAC video presented by Natalie Lovegren (12 minutes).

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