

Conference in Moscow On Collapse of Global Financial System

A conference on “The Threat of a Crisis of Global Reserve Currencies” took place on March 6-7 near Moscow, at the Bor resort center, belonging to the administration of the Russian President. The conference, which was sponsored by the Russian Federal Foundation for Appraisals and the Institute for Crisis Studies, focussed particularly on the economic and financial situation in the United States, and the implications of the global financial crisis for Russia and other nations. The gathering was attended by some 200 persons, including several members of the Russian lower house of parliament (State Duma), representatives of the Russian Economics Ministry, and of the governments of Moscow and several Russian regions, the Association of Russian Banks, several dozen leading banks and financial consulting companies, as well as economic institutes, foreign embassies, and major press.

LaRouche’s Ideas Presented

The first speaker was Schiller Institute scientific adviser Dr. Jonathan Tennenbaum, who presented Lyndon LaRouche’s analysis and programmatic proposals for reorganization of the world financial system, which LaRouche himself had just laid out a day earlier at the March 5 *EIR* seminar in Berlin (see *EIR*, March 16, and articles elsewhere in this section). Tennenbaum’s 40-minute presentation focussed on the historical genesis of the present, ongoing global financial collapse, and the necessity for rapid consolidation of long-term trade and economic agreements, based on LaRouche’s concept of a basket of commodities and pivoted on large-scale infrastructure development of the “Eurasian Land-Bridge,” as the basis for creating a new global financial and economic order.

Tennenbaum’s presentation was prominently reported by the Russian business news service RBC, as well as in an interview with the national radio station Radio Rossiya. The Russian translation of LaRouche’s “On a Basket of Hard Commodities: Trade Without Currency” paper (*EIR*, Aug. 4, 2000), and the call by a group of Italian parliamentarians for a New Bretton Woods conference, were distributed among participants, and later placed on the website of the conference. Even the rival web publication Gazeta.ru, insisting in its coverage that “the dollar will *not* collapse,” focussed on the presence of a colleague of “the infamous American economist” LaRouche, and attempted to debate the “Basket of Commodities” approach.

Other speakers included the well-known economic analyst Mikhael Khazin (co-author of a recent Russian book on *The Crash of the Dollar*); Mikhail Delyagin, economics adviser to Russian political figures Yevgeni Primakov and Yuri Maslyukov; Alexander Anasimov, a leading Russian expert on the Chinese financial system; two members of the Russian State Duma; an economics analyst of the Military Academy of Russia; a representative of the German Bundesbank (who spoke about the potential of the euro); the Ambassadors of Malaysia and Venezuela; and several financial advisers connected to Russian banks and investment funds.

Hardly any speaker or commentator at the conference seriously disputed the existence of a global financial crisis, and the possibility of a drastic collapse of the dollar. On the contrary, the most frequent question posed, was what to do with the billions of dollars held by Russian citizens, and which constitute a major part of Russian assets and savings, both inside and outside the country. Much discussion was focussed on possible alternatives to the dollar as a reserve currency and basis for trade, including particularly the European currency, the euro, but also the possibility that the Chinese currency, in the form of a “golden yuan,” might emerge as a regional currency in Asia.

An extended, lively discussion of LaRouche’s proposals occurred on the second day of the conference, among a smaller circle of financial experts. There, Tennenbaum, speaking in Russian, cautioned participants against looking for purely financial-technical options and solutions to the crisis, which will not work. The key to surviving the crisis, he said, is a change in thinking, dropping the ideologies of “globalization, deregulation, and privatization” and going back to the kinds of thinking which typified U.S. President Franklin D. Roosevelt’s policies for economic recovery from the Great Depression, and the relatively successful 1945-64 period of the U.S., Western European, Japanese, and other economies. This means rebuilding the world’s physical economy, including by large-scale state-sponsored projects for transport, energy, water and other infrastructure, and advanced science and technology, as the concrete means to develop what the great Russian-Ukrainian scientist Vladimir I. Vernadsky called the “noosphere.”

A Malaysian Contribution

The closing session was addressed by Malaysian Ambassador to Russia Datuk Yahya Baba, who described the measures taken by his country to protect its economy from the financial crisis, and the background of Malaysian Prime Minister Dr. Mahathir bin Mohamad’s fight against globalism. He emphasized the importance of Mahathir’s recent discussions with Russian President Vladimir Putin, and the pledge of both countries to work closely together in the economic and technical fields. Malaysia is watching the U.S. situation very closely, and preparing itself for big changes in the global economic situation, he said.