

## LaRouche Addresses Russian Duma on Economic Crisis

by Jonathan Tennenbaum

June 29, 2001 may well be remembered in the future as an historic day. U.S. 2004 Presidential pre-candidate Lyndon H. LaRouche, Jr. addressed, for the first time, an official hearing in the Russian Parliament—the State Duma—on the key points of his policy for reorganization of the world financial system and launching a global economic recovery centered on Eurasian cooperation. The parliamentary hearings, “On Measures To Ensure the Development of the Russian Economy Under Conditions of a Destabilization of the World Financial System,” were held under the chairmanship of Sergei

Yu. Glazyev, head of the Duma Committee on Economic Policy and Entrepreneurship.

In addition to Lyndon LaRouche, who was the first speaker at the hearing, the event was also addressed by Schiller Institute (Germany) President Helga Zepp-LaRouche, Schiller Institute scientific adviser Dr. Jonathan Tennenbaum, Italian Sen. Ivo Tarolli, Ambassador of Malaysia to Russia Datuk Yahya Baba, and top Russian financial experts and scholars, including the famous Academician Dmitri Lvov, head of the Economics Division of the Russian Academy of



*Lyndon LaRouche addresses a committee of the Russian State Duma, on June 29, 2001, at hearings “On Measures To Ensure the Development of the Russian Economy Under Conditions of a Destabilization of the World Financial System.”*

Sciences. The event was attended by some 150 parliamentarians and government advisers, and simultaneously broadcast to all Duma offices, and to the Kremlin, by closed-circuit television. Official written transcripts were issued the following Monday, July 2.

Although LaRouche's authority has been rapidly growing worldwide, especially since the collapse of the "New Economy" bubble in the United States and elsewhere, this was the first official invitation of its kind, coming from the parliament of a major world power. Observers pointed to the significant irony, that the invitation came from Russia, and not LaRouche's own U.S.A.—the epicenter of the ongoing financial crisis.

The day before the Duma hearings, an international press conference was held at the famous Central House of Journalism in Moscow. Before a packed audience of journalists and television cameras, Glazyev, Lyndon and Helga LaRouche, Jonathan Tennenbaum, and the Russian finance expert Dmitri Mityayev spoke on the main themes to be addressed at the Duma hearing. The press conference was attended by 5 television stations, 2 radio networks, and 17 major newspapers and magazines, and broadcast simultaneously on the Internet. Excerpts of the press conference were broadcast on several television stations the same evening (see last week's *EIR*).

The official parliamentary hearings began at 10 a.m. on June 29, in the building of the Russian State Duma. We present below extensive excerpts from the proceedings, some translated from Russian and some in the original English.

In the evening, after the successful Duma hearings, members and close contacts of the Schiller Institute celebrated a dinner toast, declaring June 29, 2001 to be "Schiller Day in Moscow."

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Sergei Yu. Glazyev

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## Russia Is Facing Financial Shocks

*The following are Sergei Yu. Glazyev's opening remarks at Parliamentary hearings "On Measures To Ensure the Development of the Russian Economy Under Conditions of a Destabilization of the World Financial System," held in the Maly Zal of the building of the Russian State Duma, June 29, 2001. The hearing was under the chairmanship of Glazyev, who is chairman of the Duma Committee on Economic Policy and Entrepreneurship. The text has been translated from Russian, and subheads have been added.*

Our Parliamentary hearings will be devoted to an urgent prob-

lem: the adaptation of the Russian economy to threats from the global financial crisis.

We remember very well the events of 1998, when within a period of only two weeks the Russian economy was devalued by a factor of 30. And to this very day, millions of citizens cannot recover their savings, which were lost as a result of the financial collapse, and they probably will never get them back. The Russian banking system has not regained its maximum pre-crisis level, for either assets or capitalization. Therefore, it is very important for us today, when the Russian economy has entered a growth phase, to carefully evaluate our own sad experience and the experience of other countries, in order to ensure that the potential threats, connected with the deepening of the global financial crisis, do not interrupt the recovery of our industry and our economy as a whole.

The situation appears rather contradictory. On the one hand, we are told that there is no direct danger of a financial catastrophe, and, in particular, that the American economy, according to the statements of many officials, will successfully emerge from the state of instability which arose last year and at the beginning of this year. Nevertheless, there exist certain laws of economic development, whose action cannot be avoided, and which we should always bear in mind, regardless of conjunctural economic fluctuations.

We have invited well-known financial experts to our hearings, working on financial markets, macroeconomic forecasting, and the legal regulation of investments. Among them I am grateful to Mr. LaRouche, Mrs. LaRouche, Mr. Tennenbaum, and Mr. Karl-Michael Vitt, for agreeing to our proposal that they put forward the results of their investigations, which, in general, are quite well-known in the world and which show the depth of the crisis situation in the global financial system. We have colleagues here, who accepted our invitation. On behalf of the Committee on Economic Policy, I want to express our thanks to them.

Unfortunately, our Deputies, and the Russian public in general, have only a weak appreciation of the real data on the state of the global financial system. One can say very directly, that neither in our press, nor in discussions, is this theme regarded today as an urgent one, requiring attention.

I do not wish to run ahead of the presentations. I hope, or rather I am certain, that they will be interesting and comprehensive. But, I would like to say a few words, perhaps, to shape our discussion.

### The Bubble Economy

As you can see from reports received—in spite of the appearance of prosperity, both in our country, and in the leading Western countries—in reality, the global financial system is experiencing rather major problems. Beginning in 1971, we have had a unique situation in the world, when the U.S. dollar has assumed the role of a global currency, whose emission is not subject to any serious restrictions.

The financial structures, tied to the money-emission center of the American currency, function under loose budgetary