

LaRouche 1995 Warning to State Duma Featured in Russian Magazine

July 14—The Russian monthly journal *VVP* came out today with an article titled “Endgame for Financial Globalization,” which we publish here in a translation by *EIR*, along with a commentary by Lyndon LaRouche. Written by Alexei Perochinny and other participants in the “Global Adventure” economics website, the article notably leads with a quotation from LaRouche’s June 6, 1995 speech at the Russian State Duma, on the coming breakdown of the global financial system.

The authors draw out the historical comparison of the current crisis with the breakdown in the 14th Century.

The name of the monthly, *VVP*, stands for “Gross Domestic Product” in Russian, but it also coincides with the initials of Prime Minister Vladimir Putin, who is featured in every issue. With a print run of 20,000, *VVP* is circulated at many government ministries and boasts an array of national and regional officials on its advisory board.

Endgame for Financial Globalization

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Today, especially since 1987, with what’s called derivatives speculation, the rate of growth of financial aggregates, attributable to pure financial speculation, is three times, at least, greater than the gross national product of the entire world’s economy. If you look at the rate of growth of these financial aggregates, you find that it has gone onto a hyperbolic scale. If you take the rate of growth of the financial aggregates in respect to physical production per capita, it’s even worse. Whenever you see that in a physical process, you

would say: “*Here is a discontinuity, here is a singularity, we’ve come to the end of the system.*”

—**Speech by Lyndon LaRouche at the State Duma of the Russian Federation, June 6, 1995¹**

The Current Condition of the U.S. Financial System

During the past 12 months (June 2009-May 2010), average monthly U.S. Federal budget revenue was \$173 billion, while spending was \$287 billion, with the U.S. national debt increasing at an average rate of \$139 billion (80% of budget revenue).² By comparison, two years ago (June 2007-May 2008) average monthly budget revenue was \$214 billion, while spending was \$242 billion, and the U.S. national debt increased at an average rate of \$46 billion (21% of budget revenue).

Even without adjusting for inflation, we can see that the drastic reduction in U.S. budget revenue, combined with increased outlays, has led to a several-fold increase in the gap between revenue and spending.

Could this gap be reduced by slashing government spending several-fold? Let us look at the breakdown of U.S. spending (average monthly levels over the past 12 months):

- interest on the national debt—\$34.7 billion (20.1% of monthly revenue)
- unemployment benefits and food stamps—\$18.6 billion (10.7%)
- social programs—\$62 billion (35.8%)
- defense—\$55 billion (31.8%)
- healthcare—\$84.6 billion (48.9%)
- other (science, the space program, infrastructure)—32 billion (18.5%)

1. Schiller Institute of Science and Culture, Bulletin No. 6, <http://larouchepub.com/russian/bulletins/sib6/sib6b.html>

2. U.S. Department of the Treasury, <https://www.fms.treas.gov/mts/index.html>