

it *the science* of physical economy, and that the books and articles we have translated are based on the achievements of philosophy, mathematics, geometry, physics, and other sciences; because, in his view, economics is just as much one of the natural sciences as these others are.

I think that Academician Landau's joke was very true, when he divided the sciences not into natural science and the humanities, but into natural and unnatural sciences. Recently I received a call from a member of the Academy of Sciences,



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a doctor of physical and mathematical sciences whose name I don't wish to mention, who asked me, after having read LaRouche's works: “Maybe there's something here I don't understand. Perhaps there is some eclecticism here.” I answered that, in order to understand what eclecticism is today, one must take a look at recent issues of *Voprosy Filosofii*, as well as—forgive me, Leonid Ivanovich—*Voprosy Ekonomiki*. When we began to be allowed to use theories other than Marxism, we began to use all of them, indiscriminately.

LaRouche's physical economy, meanwhile, traces a very precise, clear line from Plato, through Nicolaus of Cusa, then Leonardo da Vinci, Leibniz, Alexander Hamilton, Mathew and Henry Carey, Friedrich List, which encompasses our scientists such as Mendeleev, Witte, and Vernadsky. Throughout, this theory is counterposed to empiricism, nominalism, and so forth.

In my limited time, I would like to state literally three or four theses, which provide the conceptual basis for overcoming the crisis, by which we are more and more surrounded.

First: A continued policy of individualistic liberalism will lead to a deepening of the crisis and to the further spiritual and moral disintegration of society.

Second: The extreme exaggeration of the role of moneta-

rist methods, in attempts to overcome the crisis, will lead to a prolonged collapse of production and the dysfunction of the financial and credit system itself. The disease is the same, as identified by Mr. LaRouche and Dr. Tennenbaum for the world economy, and by Dr. Senchagov for the Russian economy. It is what the French economist Maurice Allais called tumors, financial bubbles, on the living body of the economy.

Third: The “post-industrial society” utopianism, promoted by Russian economists, distracts attention from the productive forces of society, and wrongly overemphasizes the importance of the service sector. Taking the example of the United States, I could cite not only the evaluations of scientists and politicians such as LaRouche or [Senator] Edward Kennedy, but also the *proponents* of that pseudo-conception—“post-industrial society”—when they talk about the transformation of American into one big casino, living at the expense of other countries of the world. And we try to portray this as a good development!

Fourth: Continuation of the previous privatization policy will yield nothing but disaster. Marivilia Carrasco told us a lot about Mexico, but she omitted one very important thing: that in Mexico, there are forums taking place, which have become a regular institution, with participation from throughout Latin America, under the title, “There Is Life after the Death of the International Monetary Fund.” And when Leonid Ivanovich [Abalkin], in one of his articles once, wrote that Presidents and governments should wash their hands of the question of forms of property ownership—whether private, or state—and should not get involved in that, I completely agree with him.

The last point, is that we are served very poorly by pseudo-scientific ecologism, or environmentalism. This activity is aimed straight at the destruction of the country's electric power system.

We should think about these problems and, armed with truly scientific methods, we can do something to solve them in our country. If I have gone over my time limit, it is only because of the time required for translation.

Abalkin: Esteemed colleagues, I have notes from four more participants in the round table. I think that each of them should get the floor. I repeat that the materials will be available in the record. I give the floor to Yelena Nikolayevna Viduta.

Yelena N. Viduta

Yelena Viduta is with the Plekhanov Russian Economic Academy.

Mr. LaRouche, I would like to thank you again for being so attentive, not only to the fate of the world community, but specifically to the fate of our country. I am very pleased, today, to see you not only in the company of those who welcomed you at the State Duma last year, but to see here Leonid

Ivanovich Abalkin, who enjoys great authority, not only among economists, but also among politicians; and it seems to me, that this cooperation will expand, which will benefit our country, as well as the whole world.

I can endorse completely, what Dr. Tennenbaum said today. He is a representative of another country, the United States, but what he stated regarding the principles of national economy, is, I think, unquestionably applicable to our situation. Specifically: Without a doubt, we need protectionism;



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state regulation of the economy; and to turn our attention, today, not merely to the redivision of property ownership. Unfortunately, many parties of the left and the right are fixated on this question of the redistribution of property. But today, priority attention should be given to state regulation of the economy, and coordination.

I was very pleased when Dr. Tennenbaum came recently, with [Michael] Liebig from Germany, and they focussed first and foremost on the question of productive investment, defining this as the main task for our state. It is clear that credit and financial policy in the framework of our state, should be subordinated to this main task of stimulating productive investment.

Now, something on the international financial system. Unfortunately, I cannot agree with the viewpoint of Mr. Koro-lyov, who holds that what happened in 1945 was an attempt to return to the system that had prevailed in the 1930s. The point is that there was an attempt to achieve balance in international trade through measures based on classical economic theory. But then, after the intervention of Mr. Keynes, it became clear that the main factor upsetting the equilibrium was the growth of each country's national income, rather than the fluctuation of prices. The question on the agenda was rather more serious: how to stabilize international trade relations, after 1945.

It is understood, that any country making recommendations to the coordinating bodies of the International Monetary Fund, attempts to uphold its own interests. And it is quite clear, today, that the IMF defends the existing strategy of international financial relations, because this is the most advantageous for the wealthiest country—the United States. So it is very good that there are people in the United States like LaRouche, who rise above national problems, and become major geopoliticians; he has, I think, established absolutely new coordinates for international financial relations, for the world economy.

In my view, the main task that a new regulatory body will face—and it may also be called the International Monetary Fund—will be to stimulate and promote productive investment in all countries. It may be that this new International Monetary Fund will have to announce a debt moratorium for each country. And perhaps it really will be sufficient to have one single monetary unit for the whole world, like the SDR [Special Drawing Rights]; in determining the value of this unit, the weight of each country will have to be taken into account, from the standpoint of the growth of the real purchasing power of national currencies, which will be chiefly determined by the rate of growth of production of consumer goods in each country. Of course, all of this will need to be brought into correspondence with the growth of the money supply in each country.

And it seems to me—this is just my personal wish—that the interaction of such major political figures as Lyndon LaRouche and Leonid Abalkin should not be limited to round table discussions, but that they might proceed to make some joint, constructive statements, the essence of which would be understandable for the leaders of both the U.S.A. and Russia.

Abalkin: Thank you. Zabrodotsky, Yuri Nikolayevich, president of the “New Thinking” Academy. Next will be Koryagina.

Yuri Zabrodotsky

Mr. Zabrodotsky is president of the Novoye Myshleniye Academy.

In order to be as concise as possible, I have sketched a diagram; but insofar as most people won't be able to see it, I can demonstrate this simple scheme with the five fingers of one hand.

A short preface to that: No measures for solving various problems of development will yield any result, in my view, as long as the proposed solutions lie outside the solution of the fundamental contradiction of civilization. I would define the main contradiction of civilization, as the contradiction between all known modes of production, and the modes of life. Another phrase on this: What defines the qualitative essence of a mode of life? The qualitative essence of any mode