

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

of life is defined by the principle, according to which the natural product is appropriated—whether by the cancer cell's principle, of taking more than one gives, or by the sower's principle, of giving more than one takes. If economists and other analysts were to proceed from original causes, in their analysis of crisis phenomena, this would undoubtedly help Mr. LaRouche swiftly to destroy the highly destructive conceptual models of development, existing today. They are pathological.

If we want to talk about genuine expanded reproduction, we must talk about a triune quality of development. The triune



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quality. There are three elements to this development. Now, I will make use of one hand. If my little finger is the x-axis and my thumb is the y-axis, the three rising development vectors in the middle can be enumerated as follows: the main productive forces, the production of material goods, and population growth. This is how civilization should develop, taking into account the so-called main productive forces. Today, however, you may ask any economist, and not one of them will be able to tell you how the natural component is taken into account, in the calculation of cost. The logic of this initial mistake results in further mistakes, later on.

The author of physical economy has taken a huge step, with his well-argued refutation of models that are destructive for development. Today—using my hand again, to demonstrate—the production of material goods and the growth of population occur at the expense of the corrosion of the biosphere, of the conditions for development. When this upper curve begins to intersect the lower curves, this expresses all the problems of our time. If we take civilization as a whole, we are developing in a degenerative, pathological fashion.

There are different degrees of seriousness of decay. If we take the so-called developing countries, the situation looks

like this: The upper two curves are falling, while the population is growing. The environment is degraded, production is falling, but the population is growing.

Abalkin: We have everything falling at once.

Zabrodotsky: Absolutely right. If we look at Russia today, all three are going down. This is an extreme degree of pathological development, an extreme degree of degradation.

But, as is often said, in absolute darkness, the sense of vision becomes sharper, and he who wishes to see, begins to see better. In this context, we see beyond a doubt the progressive nature of LaRouche's ideas. We also see the work of certain of our own thinkers, who unfortunately have not been mentioned here today, but whose work is very important, and who could provide very important supplementary arguments in favor of LaRouche's theories. I have in mind, above all, our thinker from the end of the last century—Podolinsky. He was the first to introduce the concept of mankind's "energetic budget." I think that his work contains a key for the analysis of the discontinuity we have today, the separation between the physical aspect and the fictitious part, which is what economists use as their calculating instrument today. Thank you for your attention.

Abalkin: Thank you. Tatyana Ivanovna Koryagina, the well-known economist and public figure in our country. The last speaker, then, will be Mr. Rytov from the Africa Institute.

Tatyana I. Koryagina

Tatyana Koryagina is the director of the independent agency, Socio-Economic Programs, Prognoses, and Alternatives (SEPPA).

Esteemed colleagues, dear guests. We are tired already, and I shall try to speak briefly.

It seems to me that a distinguishing feature of our conversation today, primarily among economists, is the constant interweaving of national and global economic problems, with political problems. In the longer perspective, as Mr. LaRouche indicated, we are talking about analyzing the course of historical time. I would even say—about the sacred meaning of history, and the struggle between good and evil.

Many of my colleagues have spoken in the language of geometry today, and I, too, maintain my own triangle. In the framework of that triangle, I would pose three questions: How? Why? and Who?

How, was outlined in the first presentation, by Mr. LaRouche, when the more general description of the international financial crisis incorporated the mechanisms of low-intensity conflicts. The problem of *why* was outlined in a number of presentations, and I would say that it is the problem of the battle over resources.

And—continuing the discussion with Mr. Korolyov—while I fully support the viewpoint that we should be con-