

never supported while he was in office. Chernomydin conferred with Zyuganov on Aug. 20, about the situation in the Russian banking system, and possible principles of the formation of a coalition government, according to Zyuganov. Meanwhile, Aleksandr Shokhin, head of (Chernomyrdin's) Our Home faction in the Duma, accused the government of "undermining the authority of the President." He charged that Yeltsin was inadequately informed on the situation in the

financial sphere. Shokhin said that the government, by devaluing the ruble, "had in fact admitted that its financial policies are bankrupt."

Grigori Yavlinsky, leader of the Yabloko party who prides himself as an economist, claimed that "bad management," not the global financial crisis, was the reason for the Russian crisis. Vladimir Zhirinovskiy, head of the Liberal Democratic Party of Russia, said only that Central Bank

## A timely LaRouche forecast published in Russia

*"Perestroika for the world. And That Means Radical," was the headline of Prof. Taras Muranivsky's article, excerpted below. It appeared in the weekly Ekonomicheskaya Gazeta on Aug. 13, the very day the Russian financial system was paralyzed by speculative financial attacks.*

The traditional international seminar of the Schiller Institute and the European Labor Committees took place July 25-26 in the picturesque village of Oberwesel, on the banks of the Rhine, in the Federal Republic of Germany. The theme was, "The Struggle to Defeat the Oligarchy's Control of the World and Establish a New, Just World Economic Order." Helga Zepp-LaRouche, president of the Schiller Institute in Germany, gave the keynote. The main idea of her report is contained in a quotation from it: "Either humanity will free itself from the unjust oligarchical institutions very soon, or civilization will be totally destroyed." . . .

The American economist and political figure Lyndon LaRouche, who forecast the current financial cataclysms early on, spoke on the problem of oligarchism, warning that in the immediate weeks ahead, the crisis could reach the point of no return. The measures that belatedly agitated strategists—beholden to oligarchical interests—are proposing or attempting to adopt, will only hasten the collapse of the world financial system. Therefore, the problem of its radical reorganization is becoming urgent.

Exploring the roots of oligarchism, LaRouche cited the French economist François Quesnay, with whose conceptions the notion of oligarchism is associated. It was Quesnay, who differentiated between the landlords and the rest of the population, on the basis of principles that later became known as "Darwinism." In the service of the oligarchical world order, Quesnay ascribed to a handful of landlords, unlimited rights, allotting to the rest of the

citizens the miserable position of "working cattle."

"The essence and functional significance of all types of oligarchs," says LaRouche, "is that they are all parasites, existing thanks to various forms of usury, which are established by sacrificing people, who are degraded to the situation of working cattle." LaRouche links the problems of the financial system today, with the actions of precisely such oligarchs.

In an interview, published in the Taiwan weekly *Business Weekly* (13-19 July), LaRouche was asked the following question about the causes of the Asian financial crisis: "Was it an inevitable phenomenon of economic development under the free market of capitalism?" He replied: "The continuing observations of Malaysia's Prime Minister Mahathir bin Mohamad are correct. Although the so-called 'Asia Tigers' were ripe for such a crisis, the immediate cause of the crisis in Asia had been the willful looting of the Asian currencies through operations of 'hedge funds,' such as George Soros's operations. The deeper roots of the problem are global, not Asian. The present international financial and monetary system reached the global breaking-point during the last half of 1997. . . .

"The present crisis should not be described as a product of 'capitalism.' There are two definitions of the term 'capitalism.' One is the so-called American System of Alexander Hamilton, the Careys, Henry Clay, Friedrich List, and Abraham Lincoln, the so-called 'protectionist' system. The term 'capitalism' is also used to describe a directly opposing financial system, the 'free trade' system used by the British, Dutch, Portuguese, and French colonialists. The cause of the present global, systemic crisis, is the influence of the most extreme version of a so-called 'free trade' model." . . .

Approximately one week after this seminar, a new wave of crisis engulfed not only Japan, the Asian countries, and Russia, but also Wall Street. The seminar participants proposed that statesmen and scientists consider and support a draft memorandum, for proposal to the September session of the UN General Assembly.

(The *Ekonomicheskaya Gazeta* publication continues, with the text in Russian of a "Draft Memorandum for an Alliance of Sovereign Nation-States.")