

## Editorial

# *A New World Monetary System*

A leading political spokesman in Russia took the occasion of a press conference Feb. 5, to put on the agenda the most crucial issue in world politics today: the creation of a new world monetary system. This proposal is of decisive importance for policymakers and citizens everywhere.

Sergei Glazyev, a renowned Russian economist and parliamentarian, who is now attempting to run for President of Russia, began his statement by arguing that Russia had to play a world leadership role, based upon projecting a “just, humanist model of state organization.” He then concretized his idea of this role:

“The top priority in world politics today, where Russia could play a leading role, is the creation of a new architecture of world finance. Under pressure of the excessive printing of dollars over the past 30 years, the world financial system is collapsing. It is very close to a crash.”

Glazyev pointed out, “I have been warning for a long time” of the dangers of a policy of hanging everything on the U.S. dollar. Now, what is needed is a new financial architecture, using national currencies. For various reasons, Glazyev noted, China will not take the initiative to create such a system.

But, he went on, “Russia can and should take this initiative.” The world financial system should not depend on one national currency. Glazyev said this approach had been discussed with European Union official Romano Prodi, when the latter was in Moscow. The Europeans would support this, the Chinese want it, the Indians want it. Glazyev said that taking such an initiative was “the most important thing Russia could do in world politics,” which pivots on the economic and financial questions.

What a breath of fresh air! Can you imagine any such thing being said in the U.S. Presidential race? Outside of the statements of Lyndon LaRouche, that is.

Yet, what Glazyev is saying, is absolutely on the mark. The bankruptcy of the dollar system, upon which the world financial system is based, is *the* fundamental issue in the world today. All the complaints about poverty, job loss, trade inequity, and debt burdens can only

be addressed by openly declaring the current system to be bankrupt, and creating a new just system, worked out through long-term treaty arrangements among sovereign nation states.

Glazyev also has the nerve to say that the world financial system is collapsing, after a period of 30 years of hyperinflationary policies. Within Eurasia, such candor is by no means as rare as it is in the United States, but the implications for leading governments are generally avoided. Economist Glazyev, however, who is well familiar with the analysis and proposals of Lyndon LaRouche, is embracing Russia’s responsibility for dealing with this bankruptcy by creating a new system—although this is by no means a consensus view within Russia.

The fact is that the world monetary system is rapidly headed for the same kind of breakdown—or worse—as was faced during the Long Term Capital Management and Russian bond crises of September 1998, and very possibly within the timeframe between now and the Russian Presidential elections, scheduled for March 22 of this year. Only agreements between leading nations to create a new system, can avoid the devastation that such a blowout, or the consolidation of global police-state power that would avoid such a blowout, could cause.

What Glazyev’s statement further underscores, is what Lyndon LaRouche has repeatedly stated about his own proposals for a new monetary system. Immediately upon his being elected, he said, or possibly even after he were fully accepted into the Democratic Presidential race, the behavior of international governments would change toward the United States. These major governments, like Russia, China, India, and the Europeans, would be eager to respond to LaRouche’s proposal for a meeting to discuss new forms of international cooperation, especially in economics.

As the dollar and debt crises worsen in the days and weeks ahead, keep Sergei Glazyev’s proposals in mind. They, like the proposals of American Presidential candidate Lyndon LaRouche, represent the wave of the future—if we are to have one.