

Geithner cynically downplayed the significance of this phenomenon in the United States, saying that the economic policy ideas of “Buchanan and the left” are “not close to threatening the mainstream view in the U.S.” He said that President Clinton is a true believer in the wonders of “free trade,” and has simply continued the policies of the Bush administration in this regard. This shows “how strong the consensus is in favor of liberalization. The broad neo-classical consensus is *intact* in the U.S.”

Finally, Geithner proclaimed, “most Americans are still too parochial, and insulated enough,” to have meaningful views about the problems posed by “globalization.” Here again, this was disinformation: In a speech made one day earlier, at the Economic Strategy Institute in Washington, Gephardt had singled out “globalization” as one of the central reasons for a growing “economic hunger and anxiety” that “President Clinton himself” has pointed to.

A queasy feeling

Geithner later affirmed his agreement with Kapstein, that there is no significant “systemic risk” to the global financial system, and that the recent big crises (Barings, Daiwa, Mexico) show how resilient the system is, rather than the reverse. Not surprisingly, a representative from the British embassy in attendance was clucking that, while all the

speakers were “very much in line with the City of London view,” Geithner, in particular, “thinks along the same lines as I do.”

One emotional intervention was made from the floor, by an Ebert Foundation expert on Mexico. He charged that the speakers had completely ignored the vital matter of the relation of the financial markets to the real, physical economy, and had misrepresented the causes of the crisis in Mexico. He correctly affirmed that Mexico had, indeed, profoundly suffered from “liberalization,” “globalization,” and the North American Free Trade Agreement (NAFTA). In response, the speakers who were covering up for the ongoing collapse of the financial system, betrayed their utter intellectual bankruptcy. Geithner again sung the praises of the capital markets, saying the successes in the U.S. economy were a testament to how “more open and more competitive financial markets” are “efficient at financing growth” and creating employment. Strauss-Kahn pitched in: “The financial sphere and the real economy are well-linked. This has been disputed for years, and we will not solve it here.” So much for reality.

The irony of the event, is that the moderator’s name, Kotz, is the literal German-language translation for the American slang expression for the act of regurgitating. That was certainly the feeling of many in the audience, by the time the four-hour event had drawn to a close.

Correction

In our March 1 issue, the article “IMF Admits That It Is Exacting a ‘Brutal’ Toll from Russia” contained errors in the tables on the collapse of Russian basic industry and agricultural production. We reprint the correct tables here.

TABLE 1
Collapse of Russian basic industry, 1990-95

	1995	1994	1995 as a percentage of 1994	1995 as a percentage of 1990
Electricity (billion kilowatt-hours)	862	876	98%	78%
Oil (million tons)	307	316	97%	58%
Natural gas (billion m ³)	595	607	98%	92%
Coal (million tons)	262	272	97%	67%
Ferrous metals (million tons)				
Iron	39	36	107%	66%
Steel	51	49	104%	57%
Metal-cutting machine tools (thousands)	16.5	18.2	90%	23%
Stamping presses (thousands)	2.08	3.1	68%	7%
Trucks (thousands)	113	142	80%	39%
Tractors (thousands)	21	28.7	75%	10%
Combines (thousands)	6.4	12	53%	6.7%
Chemical industry (million tons)				
Sulphuric acid	6.9	6.3	110%	54%
Synthetic fabric	0.23	0.19	116%	66%
Gasoline	28	26.4	106%	68%
Diesel/fuel oil	66	70	94%	66%

TABLE 2
Collapse of Russian agricultural production, 1990-95

	1995	1994	1995 as a percentage of 1994	1995 as a percentage of 1990
Grain (harvest, million tons)	64.7	81	80%	60%
Potatoes (harvest, million tons)	37.7	34	110%	94%
Livestock (millions of head)				
Cattle	39.2 ¹	44	89%	81%
Hogs	22.6 ²	25	89%	75%
Sheep and goats	28.4 ³	36	78%	62%
Milk production (million tons)	5.8	7.2	80%	32%
Meat production (million tons)	2.3	3.2	71%	28%

1. Or 29 (from non-government studies).
2. Or 13 (from non-government studies).
3. Or 18 (from non-government studies).