

activity of any organization.

Certainly, the IMF deserves criticism, and its policies are often unfair to developing countries, and other countries. But examples may also be given of its positive role, in stabilizing the situation in various countries. If we take Russia, IMF aid has evidently helped to maintain a somewhat stable situation during the four years that Boris Yeltsin has been in power. It is not a question of whether or not each of us likes or does not like the Yeltsin government, but that, generally, thanks to IMF assistance, that regime has survived four years, while the situation was relatively stable.

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—L.N. Rytov

Abalkin: At what cost? Half of industrial production. The rise in the death rate. One-third of the population below the subsistence level. The prospect of the Mexico scenario.

Rytov: I have very little time, so I shall not react to these comments, but would draw Academician Abalkin's attention: Regarding the collapse of production, I am talking not about economic stabilization, but political stabilization.

Abalkin: And I was talking about the price paid. This stabilization included the shelling of the Parliament, and the establishment of a general situation of terror.

Rytov: If we look at Africa, which I work on, there are several examples of the positive role of the IMF. Take, for example, the economic situation in Egypt after Nasser. Or, take the small country of Lesotho: The IMF saved the population there from hunger, after its secession from South Africa.

The question evidently arises: Is it worth it for developing countries to take loans from the International Monetary Fund and other international financial organizations? We have seen the terrible figures from Mexico. They are literally very frightening. But it seems to me, that these figures—minus one, plus three equals five—are a little tricky. What about this question: Wasn't Mexico taking new loans, not just paying on the old ones? I am thinking of the last years of Ceausescu, when Romania did not take any new credits, and paid off its previous debt in full. The result was an explosion of social anger, which did away with Ceausescu.

Therefore, the IMF's aid to Mexico may be interpreted as an attempt at enslavement; but on the other hand, it may be seen as an attempt to prevent a social explosion in Mexico.

Because an attempt to pay off the old debt, without taking any new credits, would mean even more belt-tightening for the population. And the price of a social explosion, or a revolutionary explosion, in that case would be far greater than paying interest to the IMF. I wanted to draw attention to the fact that it is impossible to study economic problems, in any particular country or in the world, except in connection with social problems.

At present, the International Monetary Fund is offering huge credit assistance to a newly independent country in Africa—the Republic of South Africa. Some people say that the IMF is *imposing* these credits. To date, the R.S.A. government has, in effect, turned down these credits. But as a result of this posture, the solution of the main economic and social problems facing the country is threatened—the reconstruction and development program. This program is aimed at improving the standard of living of the country's black population. The danger exists, that if the situation of the poor, black population does not improve in the coming five to ten years, a social explosion could ripen that would assume racial features—clashes between blacks and whites.

Finally, if we talk about the global level, about the possibility of a worldwide economic collapse, such international economic organizations as the IMF, GATT, and others can probably be viewed not only as factors threatening the economy, but as counterweights, deterrents to the threat of collapse, able to deploy such powerful economic mechanisms as changing currency rates, interest rates, and so forth.

I beg to disagree with the conclusion about an inexorable end of civilization, for the reason that I do not believe the world will end before the second coming of Christ.

Leonid Abalkin

Mr. Abalkin is an Academician, director of the Institute of Economics, Russian Academy of Sciences.

Esteemed colleagues, all those wishing to speak have had the floor, and we are nearing the conclusion of our work. I would like to remind you about the tradition of our round table. We do not pass a verdict here, on who is right, or who is right to what degree. This is not our purpose.

On the basis of the principles I mentioned at the outset, I would like to sum up very briefly.

On our first aim: Did we succeed in bringing together a powerful charge of intellectual energy, which would yield discussion and engagement of various ideas, and thus enrich us and move us all forward? I would answer that question in the affirmative. Irrespective of what I personally agreed or disagreed with, I found this discussion to be extraordinarily useful and fruitful.

Much of what was said here coincides with the research being done at our institute. In brief, we have reached the

conclusion that in the last third of the twentieth century, radical shifts in the development of human civilization have taken place. The development of human civilization is taking absolutely different directions, and with different tendencies, than were anticipated by the best thinkers not so long ago. The nature of this shift in the development of civilization still needs to be conceptualized, from the standpoint of identifying both its positive and its negative aspects. In our opinion, however, not a single one of the theories existing in the world, or in science, has yet been able to answer the questions that have arisen, that have been posed by reality. In addition to all the other crises—ecological, financial—there is a general, worldwide crisis of the social sciences, and social thought. To use the well-known words of Kuhn, today we are facing the necessity of developing a new paradigm in the social sciences, a new paradigm, which would explain the past and present of human society. I view everything of interest being done in various scientific schools of thought in the world today, as the first small steps in a search for this new paradigm. I also see all the work of Professor LaRouche as a step on the path to this paradigm, but not as the ultimate answer to all the questions or a fully formed new type of social consciousness.

I would like to distinguish those consequences which follow from the imperfection of theoretical concepts, from those that have other causes. Of course, I am prepared to endorse the criticism of monetarism, the primitive notions of monetarism, but I would not be inclined to attribute everything solely to those mistakes; although they do have a very strong influence on people. What I would like to emphasize, is what I was saying before—that they have a powerful reproductive capacity. The errors of monetarism have a strong basis for reproducing themselves.

‘Well-armed, well-trained adversary’

It would be better to put it more simply: The old men will die off. The centers of monetarism are recruiting *the best students, all over the world*—from Russia, from China, and so forth. They pay people high stipends, to attend their universities, business schools, IMF training programs, and so on. They are training people to be just like them, who will take their place in the governments of the relevant countries, and in the apparatus of the IMF and other international organizations.

The same resources are financing publication of a huge quantity of literature, preaching these ideas. Powerful electronic information networks, including television, have been coopted for the purpose of imposing these ideas. So I would like to say that we are facing a rather powerful, well-armed and well-trained adversary, which will not surrender its positions without a fight. Furthermore, this is augmented by a second factor, namely economic interests. The conduct of that policy yields a very high return, which makes it possible to buy off not only individual people, but entire governments; to finance the training and recruitment process generously.

I think that this is a big task, which needs to be discussed further, on a global scale. We should, somehow, raise an alarm in the world community, including the world scientific community, about the dangerous consequences of such a one-sided, extreme conception of politics and financial affairs.

But, on the other hand, there is a practical question here: the problems of Russia today. I, too, am not inclined to paint a picture of Apocalypse. But, in analyzing the destruction of the technological nucleus of our economy and the loss of our leading positions in several areas of economics, science, and education, I conclude that we still have a reserve of two



I conclude that we still have a reserve of two or three years at most, after which the destruction . . . will become irreversible, and the fate of Mexico will descend upon Russia full-force.

—Leonid Abalkin

or three years at most, after which the destruction, including the destruction of the genetic pool of Russian [*rossiiskogo*] society will become irreversible, and the fate of Mexico will descend upon Russia full-force. Studies show that if these policies continue for two to three years, the debt noose will tighten around the neck of the Russian economy, and it will be tightened automatically—if there is not a radical break with these policies, during the next two to three years.

While from the standpoint of this intellectual exchange, I think we have already accomplished the task of today's round table, and accomplished it well, there is the second task I mentioned—to awaken public opinion and draw the attention of political forces to the problems Mr. LaRouche has posed, and to the discussion that unfolded around them. I think that we must break through the wall of silence: to publish the proceedings of this round table as soon as possible; to make a certain amount of publicity around them; if possible, to publish them in several languages. This will have to be discussed in a working meeting; we cannot vote on it. But I think that we should record our shared, firm consensus that this material should be distributed as widely as possible, and public attention drawn to it, not only in Russia, but perhaps also in other countries.