

# Schiller Institute Joins Ukraine Meeting On Physical Economy

More than 140 economists, intellectuals, students, journalists, and representatives of cultural, educational, and religious organizations, met in Kiev, Ukraine on Dec. 7, to honor the Ukrainian economist Sergei Podolinsky (1850-91), a pioneer in the science of physical economy. In attendance were two representatives of Lyndon LaRouche and the Schiller Institute, who addressed the opening session of the conference.

The event marks an important turning point in the political process in Ukraine, where “reforms” dictated by the International Monetary Fund (IMF) have led to an economic and infrastructural breakdown even worse than in Russia. The Podolinsky Society, which sponsored the conference, was founded in March 1999 by circles of the Christian Republican Party of Ukraine, as a rallying-point for forces from many political directions, looking to physical economy as an alternative basis for the economic future of the country. It is notable, that many of the conference participants, including founding members of the Podolinsky Society, had earlier attended lectures given by Lyndon LaRouche during a visit to Kiev in June 1995, as well as an exhibition and seminar marking the 15th anniversary of the international Schiller Institute, which took place at the Vernadsky Library (the largest library in Ukraine) in April 1999.

## The Tradition of Sergei Podolinsky

The conference was opened in the main hall of the National Economic University by the Rector of the University, Anatoli Pavlenka, who was followed by the honorary president of the Podolinsky Society, one of the most famous personalities in Ukraine, the author Mykola Rudenko. Rudenko, who spent years in prison as a dissident during the Soviet period, stressed Podolinsky’s significance as a Ukrainian patriot, for reviving the real national tradition of economics, as opposed to both Soviet official Marxism and indiscriminately following Western so-called experts.

After a presentation by the Society’s Chairman, Prof. Volodymyr Shevchuk, on the importance of reviving the ideas of Podolinsky and of physical economy today, the audience was addressed by Schiller Institute representative Jonathan Tennenbaum, who began by noting that the 150th anniversary of Podolinsky’s birth was taking place at a crucial turning

point in world history. The crash of the so-called New Economy stocks by 50%, wiping out over \$3 trillion of nominal capital, is not the end, but just the beginning of the greatest financial collapse in modern history. This is a very dangerous crisis, but also a great opportunity. The discrediting of prevailing ideas and prejudices, and the weakening of the institutions of the Wall Street/London financial oligarchy, provides the opportunity for a radical shift in world economic policy, based on the principles of physical economy. In this context, the pioneering work of Podolinsky on the link between increased productivity of labor and the increase in per-capita energy consumption and the flux-density of energy, take on new importance.

Tennenbaum briefly presented the basic principles of physical economy, as developed by Lyndon LaRouche in the most advanced form. Only when all of LaRouche’s constraints are fulfilled, can one talk of real economic growth. Exactly the increasingly radical violation of those constraints, over the last 30 years, is the underlying cause of the present breakdown crisis of the world financial system. Fortunately, the means are at hand to rebuild the world economy, using large-scale, high-technology infrastructure projects centered on the Eurasian Land-Bridge, and based on the kinds of regional cooperation outlined by LaRouche in his paper on “Trade Without Currency” (*EIR*, Aug. 4, 2000), and which are beginning to take shape around the initiatives in East Asia by the Association of Southeast Asian Nations plus China, Japan, and South Korea — ASEAN-Plus-3.

Tennenbaum was followed by the leading expert on Podolinsky in Ukraine today, Prof. Ludmila Kornijchuk, who presented a newly published book with works by Podolinsky in Ukrainian. Then, Schiller Institute representative Karl-Michael Vitt took the podium to pay tribute to two persons who had played a crucial role, both in reviving interest in Podolinsky, and in propagating the ideas of LaRouche in Russia and Ukraine over the last ten years — the late beloved organizer and president of the Schiller Institute in Moscow, the Ukrainian Taras Muranivsky, who died on July 17, and the well-known physical-scientist Pobisk Kuznetsov, who died on Dec. 4. A speech by Muranivsky on the tradition of physical economy in the work of Podolinsky and other Ukrainian and Russian scientists, was published in *EIR*, May 7, 1993 (“Let Us Unify Morality and Economics in Russia, Ukraine”). Kuznetsov had led the Podolinsky revival by republishing one his major works in 1991. The conference participants observed a minute of silence in honor of Muranivsky and Kuznetsov.

The afternoon session of the conference heard presentations on various aspects of Podolinsky’s work and physical economy, including from students who joined the debate on the economic future of Ukraine.

One day after the conference, the Kiev city government decided to erect a memorial tablet on a house where Podolinsky had lived.