

<http://larouchepac.com/news/2009/02/19/yakunin-hits-russian-financial-authorities-calls-exchange-co.html>

February 19, 2009 (LPAC)--Vladimir Yakunin, head of Russian Railways and a long-time associate of Prime Minister Vladimir Putin, has called for the immediate imposition of exchange controls, as Russia's vaunted foreign currency reserves are rapidly eroded. Yakunin pointed the finger at "the fiscal authorities" -- shorthand for Deputy Prime Minister Alexei Kudrin's Finance Ministry and the Central Bank of Russia under Sergei Ignatyev -- for shelling out trillions of rubles in bank bailouts, which were promptly converted to dollars and left the country. He spoke in an interview published yesterday in the *Financial Times* of London, where Yakunin has been attending the annual Russian Business Week in London. Kudrin had been in London the previous week, to coordinate the Russian and British positions for the April G20 summit.

According to the *FT*, Yakunin said that temporary curbs on taking money out of the country should have been imposed last year, when the Central Bank began to draw down \$200 billion (so far) in reserves to support the ruble. It wasn't done then, Yakunin said, but it should be done now: "Better late, than never."

In an article to appear in tomorrow's *Slovo* weekly, Prof. Stanislav Menshikov notes that the additional \$50 billion in capital flight from Russia during January must have been almost totally due to Russia's own banks taking money out of the country, since the majority of foreign speculative investment had already fled Russia in November-December. Thus, Russian banks, likely including state-owned institutions, are taking the bailout money they receive from the state, converting it to dollars and sending it abroad. Russia's foreign currency reserves have dropped from a high of \$597 billion last summer, to \$383 billion in February 2009.

The *Financial Times* linked Yakunin's implicit attack on Kudrin to the article published by Moscow Mayor Yuri Luzhkov this week, in which Luzhkov called for abandoning "monetarism" in order to restore investment in industry and infrastructure.

In October 2008, Yakunin notably told *Kommersant* daily that he had known about the coming crisis for some years, because American economist Lyndon LaRouche personally warned him, "Vladimir, I can tell you with certainty that the economic crisis is already under way." He quoted LaRouche on the crisis being caused by the sacrifice of the real economy to the "virtual" economy of speculative finance.

<p>Paid for by the Lyndon LaRouche Political Action Committee P.O. Box 6157, Leesburg, VA 20178, www.larouchepac.com and Not Authorized by Any Candidate or Candidate's Committee</p>
--