

Author: Russia Looks Good Versus U.S., China

By [The Moscow Times](#)

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Nassim Taleb, author of “The Black Swan,” said ballooning debt in the United States and the risk of asset bubbles in China make the Russian economy look comforting by comparison.

“When I look at the future, I feel comforted by a country like Russia,” Taleb said Wednesday in Moscow at a conference organized by Troika Dialog. He said he feels “a little nervous about China and very nervous about the United States.”

Russia has “resilience” after going through “several crises over the past hundred years,” whereas the United States “can’t sustain shocks,” said Taleb, whose 2007 best seller argued that most people underestimate the frequency of rare events that have a major effect on markets.

The Federal Reserve is injecting \$600 billion into the U.S. financial system by purchasing Treasuries in a second round of quantitative easing to stimulate the economy.

Chinese Premier Wen Jiabao pledged on Wednesday to rein in speculation on property, and the country's central bank has raised benchmark rates twice since mid-October and boosted reserve requirements for banks to damp inflation.

The budget deficit in the United States is worse than the fiscal problems in Greece, which received a bailout last year from the European Union and the International Monetary Fund to stem its soaring borrowing costs and avert the risk of a default, Taleb said.

The United States is covering its fiscal shortfall "partly by printing, partly by going to find the fool to buy the bonds. So really we have a very fragile situation in the United States, without, unlike Greece, having the IMF on top," the New York University professor told the conference.

Russia's Finance Ministry sold 53.2 billion rubles (\$1.8 billion) of ruble-denominated bonds due in 2013 Wednesday, the largest amount of so-called OFZ notes ever sold, according to Central Bank data going back to 2003.

Finance Minister Alexei Kudrin said state debt was at 9.5 percent of gross domestic product. Lawrence Summers, a former U.S. Treasury secretary, said Wednesday in Moscow that he expects the U.S. economy to grow faster than the 3 percent "consensus forecast" of economists. The United States will provide "significant impetus" to the global economic recovery in the next few years, he said.

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