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Looking down on the smoking ruins of the world's stock markets and financial institutions from the Alpine foothills, Russian President [Dmitry Medvedev](#) took consolation where he could find it last week by celebrating the joys of American decline.

The era of "unipolarity" -- of the United States setting itself up as the "mega-regulator" of world affairs -- has reached a well-deserved end, Medvedev told other leaders with undisguised satisfaction. That failure became indisputable in August, he continued, when the United States was powerless to prevent Georgia from attacking Russian forces and Russia from responding by invading its neighbor.

Dump America Inc. was the implicit geopolitical stock tip that Medvedev gave his listeners at the World Policy Conference, a three-day leadership brainstorming session staged here by Ifri, France's leading think tank. Another invisible subtext ran like a television crawl line across Medvedev's chest as he spoke: [The Kremlin](#) is back in the business of recruiting needy client states.

Medvedev spoke here Wednesday, a day after his government indicated that it would respond favorably to Iceland's request for a \$5 billion bailout of that country's cratering banking system -- much to the consternation of Estonian President Toomas Hendrik Ilves and other Baltic leaders. "Containment seems not to be an option in the time of globalization's free capital flows," Ilves told me glumly.

The Russian president also laid out new details of an initiative to have European leaders negotiate a new security treaty with Russia that would marginalize [NATO](#) and the United States. He also talked up proposed Russian-[European Union](#) agreements that would exclude America altogether.

These are bleak, life-support days for the Bush administration, which has seen its early audacity race into hubris and now train wreck. Its democracy promotion efforts in Iraq, Afghanistan and elsewhere are in deep trouble, its free-market ideology is being blamed for contributing to the world financial crisis, and the Democrats look poised to take control of Washington. For Medvedev and [Vladimir Putin](#), his patron and prime minister, the iron is irresistibly hot.

But as I listened to the freewheeling discussions, I wondered if the widespread obituaries being written for American power and all that it stands for might not turn out to be premature. I did not hear the deep questioning of the American model of capitalism that I expected at this moment of financial terror, and Medvedev's blatant attempt to drive wedges between Europe and the United States was effectively blunted by French President [Nicolas Sarkozy](#).

We will be glad to discuss European security with you, Sarkozy responded directly to Medvedev, but we will be joined by "our friends and allies, the Americans. . . . Such matters concern them, too."

Sarkozy also warned his guest that new security arrangements for Europe would not recognize "spheres of influence" (a concept recently endorsed by Medvedev) and would have to be based on democratic freedoms and respect for human rights. "Balance-of-power politics cannot guarantee stability for our continent," Sarkozy added.

Music to the ears of an American participant. But for me the high point was listening to three democratically elected leaders from the developing world advise their Western peers not to give up on supporting democracy and market liberalization in their countries and everywhere else.

"Free elections are the only way out of crises" that would spark repression or chaos for dictatorial regimes, said Mongolian President Nambaryn Enkhbayar. His view was strongly echoed by Kenyan Prime Minister [Raila Odinga](#).

"Trade and investment are vital to Africa's ability to work its way out of today's economic mess," said Senegalese President Abdoulaye Wade. "You in the North should be truly Keynesian about this crisis. Put your billions into



investments in Southern Hemisphere countries to create real assets and jobs -- not financial bubbles -- and you will get the best returns possible."

And Saudi Arabia's Prince Turki al-Faisal -- while warning that Western countries should not try to force-feed democracy to the kingdom -- acknowledged that a country that refused to try any "of the dishes that democracy has to offer risks starving to death."

There was, to be sure, skepticism and anger in [Evian](#) over what Sarkozy called the excesses of "financial capitalism," which routed huge pools of savings away from the productive economy into the pursuit of unrealistic returns before slamming into the ditch.

But there was a solid consensus also for global oversight and regulation, not for a renunciation of the free market. Medvedev's Dump America message did not make much progress. What the world seems to await is better American leadership, not its elimination.