

Slovakia debates economic policy: LaRouche vs. IMF

by Angelika Beyreuther-Raimondi

In the beautiful headquarters in Bratislava of the Christian Democratic Movement of Slovakia, the Schiller Institute sponsored on June 17—with strong organizational support from the Movement—a daylong meeting on the topic of Lyndon LaRouche's proposal for a European Productive Triangle and the "Science of an Economic Policy Based on Christian Principles."

The chairman of the Schiller Institute in Germany, Mrs. Helga Zepp-LaRouche, and the other Schiller Institute speakers were presented by Dr. Papay, the leader of the Christian Democratic Education Center. Dr. Hrnčiar, the leader of the Christian Democratic foreign division, delivered the official greetings. Dr. Papay also saluted on the podium, Slovakia's Forestry and Water Management Minister William Oberhauser, as well as a guest delegation from Budapest, led by the president of the Association of Hungarian Political Prisoners, Mr. Fonay. The 60 guests included leading figures of the different Slovakian ministries, several parliamentarians, scholars from various universities and institutes, and active members of the Christian Democratic Movement.

Following a presentation on the Productive Triangle by Ralf Schauerhammer, Mrs. Zepp-LaRouche developed in her speech the basic problem of the neomalthusian "new world order" of George Bush, which is in total contrast to the new world economic order put forward by her husband, Lyndon LaRouche, on the basis of Christian principles. She gave examples from almost 20 years of recent history, of how the LaRouche movement and, since 1984, the Schiller Institute had evolved as the international institutional counterepole to the neomalthusians.

Both President Fonay of the Association of Hungarian Political Prisoners and the chief of the association's foreign section, Dr. Tibor Kovats, appealed strongly for friendship for the two neighboring peoples, and extolled "that which binds us together," namely, "the economic-political program for the future." Dr. Kovats declared that with our friends of the former East bloc lands, "we will not just 'dream a unified

European dream,' but we will work together, without illusions, with a serious commitment on economic policy."

Slovakia and the Productive Triangle

Mrs. Beyreuther-Raimondi, in her speech on the consequences of the "shock" austerity policy of the International Monetary Fund and the World Bank, warned that this policy should be rejected for Czechoslovakia, as it had led national economies into ruin wherever this "lethal IMF medicine" had been adopted. Paolo Raimondi counterposed the policy of the "industrial capitalist Friedrich List" to the "ideology of the monetarist Vaclav Klaus," who is the national Czechoslovakian finance minister. Raimondi called on participants to look back to the historic example of the successful industrial revolution, and not to the ideological authors of bankrupt economic systems which characterize today's American and British models.

The discussion pivoted around the question of what is the best economic course today. One spokesman for a Slovak ministry stated that his ministry would have been happy to host a conference on the Productive Triangle, but that since the IMF was at that very moment conducting negotiations in Slovakia, the Schiller Institute's views on that question had become too hot to handle. The concrete question was posed in manifold ways as to what possibilities are available other than IMF "medicine."

There was great skepticism about the West. "Where are our partners in the West, who will support us, if we reject the IMF prescriptions and implement the Productive Triangle?" There was also skepticism about certain assertions of the Schiller Institute: "Can you really compare the highly industrialized nation of Czechoslovakia with Third World countries? If we adopt the IMF conditions, will it really have the same results for us as in the Third World? Aren't there also some positive examples of the effects of IMF conditions, such as Portugal, Spain, Greece, or Turkey?"

In August 1990, the Christian Democratic prime minister of Slovakia, Dr. Jan Carnogursky, gave the German magazine *Parliament* an interview, in which he expressed his wish "that Bratislava will attain the importance of Vienna and Budapest." He added: "The city has all the preconditions for that in its geographical position." The geographical position of the historic city on the Danube River is in fact extraordinarily interesting within the context of an overall European infrastructure project. Not only would Slovakia's location bring major economic advantages to this country, if the Productive Triangle concept were implemented, but also, the high ratio of skilled labor power in its 5 million people. In the cited interview, Dr. Carnogursky also indicated that "political awareness in Slovakia is more shaped on the model of Christianity than is the case for the Bohemian states."

In the controversy over the right direction for Czechoslovakian economic policy, this fact may play an important future role: Slovakia has a Catholic majority and its people



The Castle in Prague, seat of Czechoslovak President Vaclav Havel, where the Schiller Institute was invited on May 23 to present its economic program to experts from ministries, research institutes, and universities during a half-day seminar sponsored by the George Podebrady Foundation for European Cooperation.

Richard Mignaw



In Bratislava, Ralf Schauerhammer outlined the infrastructure projects which make up the "Productive Triangle" plan.



Paolo Raimondi, who spoke in Prague and Bratislava on Friedrich List, contrasting his concept of National Economy to the policies of monetarist Finance Minister Vaclav Klaus.



Angelika Raimondi developed the dossier on the crimes of the IMF in the Third World and Eastern Europe at the Schiller Institute conferences.

This demonstration, demanding independence for Slovakia, greeted Vaclav Havel on his first trip to Munich, Germany in early 1990. The current Slovakian premier, Dr. Carnogursky, seeks a state treaty in which Slovakia's sovereignty would be established, and it would then delegate powers to the federal regime in Prague.



are therefore more disposed to an economic order based on Christian principles.

Czechoslovakia's current crisis

The situation in Czechoslovakia is critical. According to estimates, overall production fell 25% in the year between March 1990 and March 1991. In construction, the decline was 43.9%. Consumer prices rose about 63% and prices to industrial manufacturers more than 71%. The average real income collapsed about 35%. This reversal corresponds to about double the decline of Czechoslovakia's industrial production in the four years after 1929—the onset of the last Great Depression.

In Slovakia, things are even worse. This is where heavy machinery construction and the arms industry are concentrated, as well as the big metalworking and chemical complexes. Unemployment has climbed sharply. The monetarist finance minister Vaclav Klaus is therefore even more disliked in Slovakia than in the Bohemian and Moravian parts of the country.

Political clashes

On June 17, in the Moravian city of Kromeziz under the chairmanship of President Vaclav Havel, the fifth negotiating session opened between the Czech and Slovak republics concerning the future constitutional shape of the state. Prime Minister Carnogursky argued for a state treaty between the two republics guaranteed by international law, in which the sovereignty of Slovakia would be established, and as an autonomous state it could then delegate powers to the federal regime in Prague, such as foreign and defense policies.

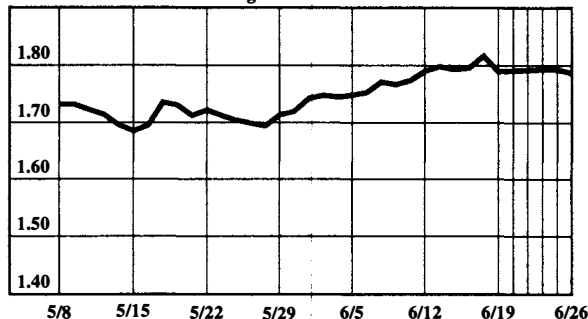
Finance Minister Klaus, who has been for some months also the chairman of the small Democratic Citizens Party, put out an ultimatum-like declaration before the negotiations started, rejecting all the Slovakian proposals. It is to be hoped that the personal relations between Havel and Carnogursky, from their days as political prisoners under the communist regime, may help to overcome the difficulties which are making deep divisions in the country, especially because of this kind of provocative behavior.

The dyed-in-the-wool "Anglo-Americans" among Czech politicians, like Vaclav Klaus, will find it more difficult in the future, if their "leading lights" continue to behave rudely by European standards. When U.S. Vice President Dan Quayle recently met with the elites of the Eastern European countries in Bardejov, Czechoslovakia, not only did the behavior of the American security forces shock the central and eastern Europeans, who could not help but compare their arrogance to memories of the Russian occupation; but the cost of the American visit was so high—and the Quayle entourage's actions so downright "imperial"—that the politicians whose populations are supposed to swallow the ordered drastic austerity measures, were quietly tallying things up and thinking about the Yalta sellout.

Currency Rates

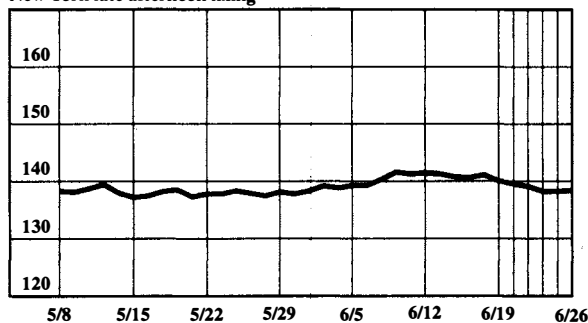
The dollar in deutschemarks

New York late afternoon fixing



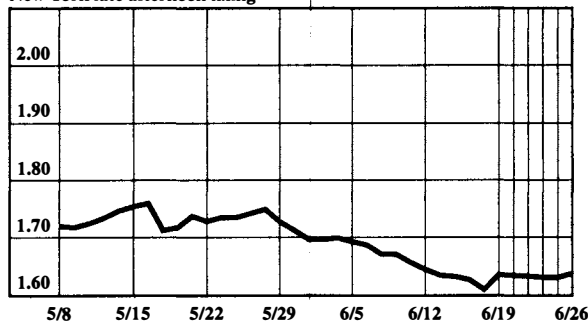
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

