
Interview: Lyndon LaRouche

Reconstructing Ukraine requires recognition of the enemy

The following exchange between EIR's William Engdahl and Democratic presidential candidate Lyndon LaRouche took place on March 8.

EIR: In recent discussions with Ukrainians about the crisis in their country, they said, yes, it's vital to talk about substantial infrastructure projects along the lines of Mr. LaRouche's "Productive Triangle" program, but we face a situation where, at the present rate, we may not make it as an integral, functioning economy for two, three, or four months longer.

They pointed out that, since Jan. 2, the Gaidar price shock has devastated the fragile stability of the Ukrainian economy, which at the time was considerably healthier than that of Russia. It has forced Ukraine into similar steps, simply because the ruble is the currency of the Ukrainian as well as the Russian economy (the Russians have used this as economic blackmail on the terms of trade), and it is devastating Ukraine. This was before Yeltsin this morning announced the free float of bread, milk, and sugar prices, which will worsen the situation.

And a nasty phase-two is going into effect, which Anders Åslund of the Stockholm School of Business, a friend of "shock therapy" advocate Jeffrey Sachs, has indicated is a credit rationing by the Russian government of rubles to businesses in Russia, and that will mean a shortage of rubles in Ukraine.

It's being hailed by Sachs and Åslund as the cure for the hyperinflation, but the effect on Ukraine is an acceleration of the chaos, unemployment, and disorder.

They also pointed out that American advisers are delaying the production of a Ukrainian national currency, which should have been introduced six months ago. The net effect is that Ukraine has no national currency notes to put into circulation to insulate themselves from these ruble-induced shocks.

They asked, what do we do immediately, today? What would you suggest?

LaRouche: There are, of course, a panoply of optional measures along Listian lines which can be taken by a group, a concert of nations from the region of the former Warsaw Pact members and the Community of Independent States (CIS). This will intersect the Russian internal situation, and there-

fore the following comment is required.

There are no measures which can be proposed as workable under these circumstances except as such proposals are subsumed features of a *consciously uttered political conception*; by "political," I mean not only something shared among an inner circle, but something spread among the population, at least in significant part. But the concept which *must be had*—otherwise, nothing exists which could work: What is happening in continental Europe and in eastern Europe, the former Warsaw Pact nations, in the former Yugoslavia, and in the CIS nations today, is primarily controlled, in terms of western policy—which means International Monetary Fund [IMF] policy—by geopolitical thinking in which the concern of the British and their American partners, today, is as before World War I and II—the first directly caused by the British, the second caused as an outgrowth of the Anglo-American policies of the 1920s and 1930s, the Versailles policies. They're doing the same thing again.

Remember, the essence of this matter is expressed by the case of Czar Alexander II's armed neutrality alliance, in effect, with Lincoln, with the cause of the American defense against the British puppet, the Confederacy, and the reaching out from Moscow toward economic cooperation with Berlin and Paris, particularly on the railroad question. The issue being the development impulse, as characterized by, particularly, Count Sergei Witte, not Stolypin, but Count Sergei Witte, for Eurasian economic development, including the implicit liberation of China from the British imperial regime.

The second issue, which is related to that, is the fear by the Anglo-Americans that the nations of eastern Europe and the CIS would align themselves in a common cause with the nations of South America, Africa, and southern Asia for a new global economic order based on the right of all nations to economic development, technological progress, and so forth.

A 'scorched earth' policy

This is what the Anglo-Americans fear. So therefore, what they are doing is not mismanaging assistance to eastern Europe and the CIS nations. The British are determined to destroy, to bring to absolute ruins, to a virtual economic scorched-earth condition, each and all of the nations of east-



Women show their rations coupons to buy food in Russia in 1991. Today under free floating prices, the situation is even more chaotic and affects other republics like Ukraine.

ern Europe and of the present CIS, former Soviet, states and regions. That is the Anglo-American purpose! The IMF is the leading instrument for implementing that policy. The recommendations, which are so warmly received as assistance by certain quarters in eastern Europe and Moscow, are *not* assistance, but they are absolute malice, Anglo-American malice, against the peoples and nations of each and all of these states.

This has two aspects. On one side, it is a stated policy of the Anglo-American policymakers and their running dogs in the U.N., the IMF, and other institutions, as well as in the CIA (for example, this has been openly stated by William Webster, William Colby, and others).

Economic fascism as ‘free trade’

On the other hand, this is an instinctive response. Let me make a distinction between the two. First of all, there is a geopolitical policy. We’re dealing with the fag end of the Versailles system as that system was reformed at Yalta and so forth, at the end of World War II. The Versailles system is based on nothing but the axiomatics of the Halford MacKinder geopolitical doctrine of *crushing* the heartland of Eurasia and *crushing* what we call today the developing regions of the planet, the former colonial regions, and to maintain a system of Anglo-American domination over the planet in which relations within Eurasia and within the various parts of South and Central America are managed internally by balance of power techniques, in which the entire world is subjected to a system of economic fascism under the guise and label of “free trade.”

So the system is both acting, consciously using the policies such as those of Sachs and the IMF, for the deliberate purpose of wrecking, destroying the potential of the states of eastern Europe and the CIS to ever become viable states in the foreseeable future, and they’re using the free trade policy, the so-called Sachs policy and related policies, as an instru-

ment of that policy.

At the same time, as we see in the self-destruction of the Anglo-American economies by a similar policy, this ideology, this kind of free trade policy, has become an *internal* part of the belief structure and behavior of the leading institutions of Great Britain and North America. Thus, when they go into eastern Europe, they go *instinctively* for this kind of operation, at the same time that they recognize, when they apply it to foreign countries, if not to their own, that this is a way of destroying Eurasian and developing nations—each and all.

These people must be viewed as more malicious than Adolf Hitler and the Nazis. Once that is understood, and once the system that we might call the Listian system is adopted as the counterpole to this—as for example, writers such as Mathew Carey made clear in his book called *The Olive Branch* in the second decade of the 19th century—then the appropriate measures would tend to be adopted and supported successfully.

Without that understanding, appropriate measures probably would not be adopted, and if adopted, would not work. So there is no administrative scheme which might be sneaked in which would either be successfully imposed or, if successfully imposed, work, *unless* it starts from this adversarial conception that the Anglo-Americans are the enemies of the human race, and it is a *defense* against these enemies’ will to destroy—not only their will, but their *want*, that is, they are not only willfully destroying, but the characteristics of their belief and behavior impel *them* to destroy, even if they were not intending to do so, that is, in the kind of suggestions they could make, generally.

Now, the constraint which the Anglo-Americans fear—that is, those who are more prudent than others—is that some of them will say, yes, if we push Yeltsin successfully to do what he’s doing, with Gaidar and so forth, then what will happen is, the Russian people themselves will scream. And

under these circumstances, what was formerly the Red Army, the Russian part of it, will come, out of its ideology, its deeply embedded cultural impulses, to the rescue of the Russian people. Under those terms you would have, of course, a dictatorship, which would, in a mechanistic but forceful way, do what it could to prevent the chaos and starvation of the Russian people.

We know what that would mean, within the area which was formerly the Soviet Union; and we know the radiating impact of that upon eastern Europe.

Now, for various reasons, it should be obvious, even the saner minds among those ideologues who believe in the western Anglo-American geopolitical view would view these measures presently taken by the IMF, Sachs, and so forth, as insane, for practical reasons, not moral ones.

So that's the nature of the situation which we're dealing with.

How to approach short-term needs

Measures can always be taken to match productive resources with needs, particularly essential needs. The first principle: There must be no significant unemployment. An unemployed person is a person who could produce. This works especially if we can have cooperation among relevant nations to share the benefit of their scant resources, to make sure there is no suffering, and to proceed upon that foundation to build something which can be the starting point for real growth.

So, I think what we're dealing with is not a question of finding something *immediately* to solve the problem, although there are immediate solutions that are required. What is required is a political conception of what the real strategic issue is globally: How to save these parts of the world at the time that the Anglo-American economies are collapsing internally.

That strategic outlook subsumes the immediate action, as opposed to the long-term action. The danger in this situation is that the immediacy of certain cruel needs is so great, that one falls into the trap of opposing, or seeing long-term and medium-term requirements and objectives as in conflict with short-term urgency. Once we accept the idea that short-term urgency or expediency must push aside medium-term to long-term considerations, we're making the same mistake that stupid jerks like Sachs are making, we're falling into a similar kind of error. That we must never do.

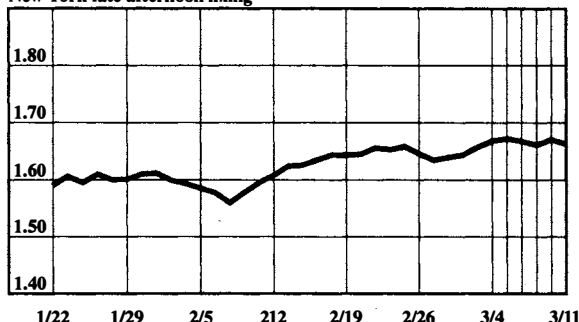
The solution is a *political* conception of where we must go. And therefore, in order for us to survive to where we must go, we are taking the following measures *for the purpose* of getting to the medium-term and long-term building process.

We must not make a dichotomy between the short-term urgencies on the one side, and the medium- and long-term goals on the other. We must integrate them under a unified political conception of who is doing what to whom, and what our objectives are.

Currency Rates

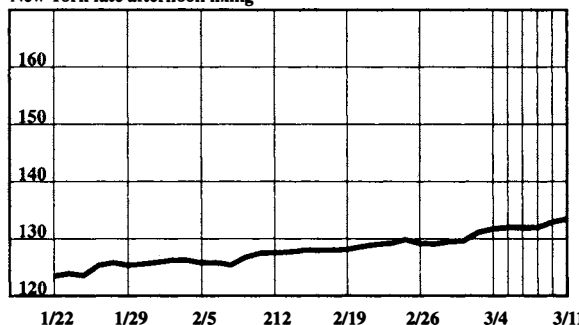
The dollar in deutschemarks

New York late afternoon fixing



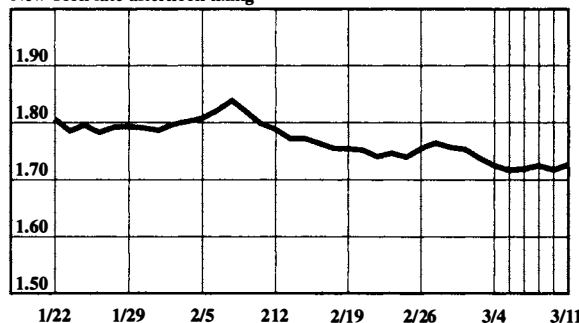
The dollar in yen

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

