

anyway.” He added, “If American policy is constructed solely on Gaidar, then I feel sorry for American policy, and for Russian policy even more so.”

Khasbulatov’s proposed economic policy, which appeared in *Nezavisimaya Gazeta* in early April, focused on the destruction of Russian industry and the fact that land reform was entirely stalled, which will affect the spring planting. He ridiculed the idea of a balanced budget, warning that what must be addressed are “the ‘bottlenecks’ of the economy; their identification is an important and complicated task for the government which should be resolved with help from the Russian Federation’s Supreme Soviet.”

### Economy determines security

Khasbulatov warned, “Today the threat of economic collapse is more manifest than the military threat. The prospect of an irreversible technological backwardness [threatens] . . . vitally important national interests.

“It should be remembered that there is no . . . absolute ‘non-military’ security. For it is the economic potential that determines the possible level of military might. . . . A super high level of armaments is causing major structural anomalies that are wreaking havoc with the national economy. Now that military expenditures have been slashed, the problems of the militarized economy are becoming increasingly apparent. The result is the emergence of a threat to the scientific and technological potential of the defense industry, the collapse of its production structure, brain drain, and sharp changes in the social climate in many cities with an industrial structure dominated by the enterprises of the military-industrial complex.”

But Khasbulatov failed to address the most vital need of Russia—a major program to upgrade its infrastructure, with special attention on high-speed rail transport to facilitate agricultural needs and distribution of industrial production. Russia cannot simply return to the command economy of the 1950s, ’60s, and ’70s. Economist Lyndon LaRouche’s “Productive Triangle” program must be assimilated by those like Khasbulatov who have an understanding of economy based on physical principles.

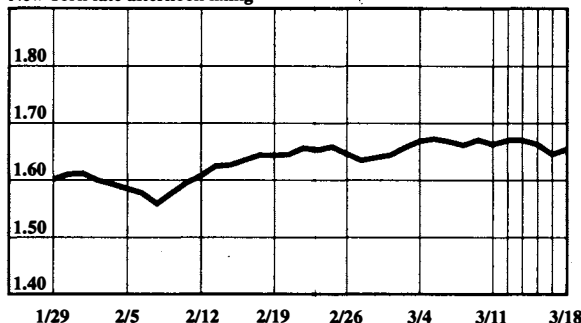
Although the 6th Congress may rubber-stamp Yeltsin’s programs, indications are that if the reforms continue, the military may step in. In an interview on April 3, Gen. Nikolai Stolyarov of the Joint Armed Forces Committee of the CIS was asked what would “desperation of millions of civilians and the sufferings of thousands of military men” lead to?

Stolyarov replied, “It would be quite wrong to believe that democracy is invincible and that totalitarianism has collapsed forever.” He added, “I am sure that no political provocateur can involve the Armed Forces into an adventure. But this does not mean that the military can be forced to withstand more and more trials. It is a political betrayal of the military to view them as having unending patience. This is also a sin all of us share.”

## Currency Rates

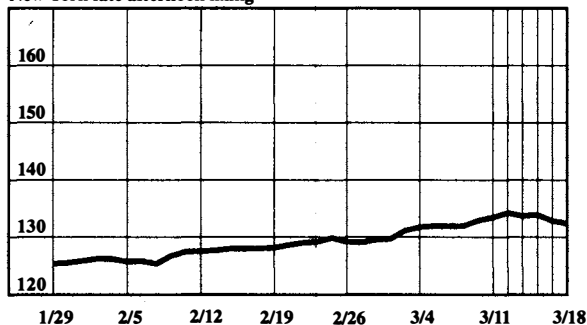
### The dollar in deutschemarks

New York late afternoon fixing



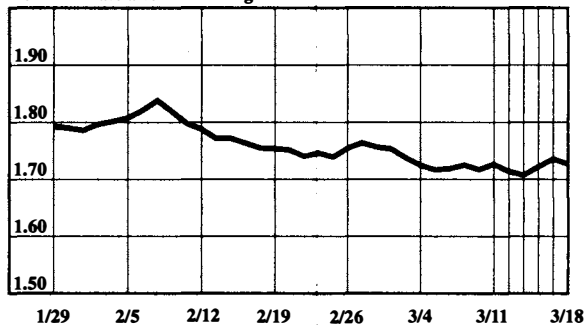
### The dollar in yen

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

