

Washington shaken up by briefing on Russia

by Rainer Apel

Leaders of the political opposition to International Monetary Fund policies in Russia, Ukraine, Georgia, Armenia, and Latvia, speaking at an afternoon seminar sponsored by *EIR* at the Barcelo Hotel in Washington, D.C. on Feb. 16, presented a devastating picture of why IMF-sponsored shock therapy economic policies against the former East bloc must be dropped. Between 40 and 50 guests, including representatives of embassies and congressional offices, journalists, and other observers of the scene in the former East bloc, attended the seminar.

The speakers, grouped into two panels, were among the best qualified to give a realistic view of the eastern world "outside of Yeltsin," which most western experts and policymakers tend to ignore. They outlined the economic, political, and moral collapse of their nations, which is creating the conditions for another world war. All had come to Washington at the invitation of the Schiller Institute, a think-tank for nation-building policies founded by Helga Zepp-LaRouche, wife of American statesman and physical economist Lyndon LaRouche.

'Instead of the invisible hand, we got the invisible foot'

Reviewing developments in Russia after the collapse of the old Soviet regime, but especially the developments since he delivered a speech in May 1993 at the Navy Club in Washington, Prof. Taras Muranivsky, rector of the Ukrainian University of Moscow, made the sarcastic remark in his presentation which opened the seminar that a growing number of economists in Russia were becoming opposed to the government's "free market reforms" because instead of the "invisible hand" of Adam Smith, Russians had been given the "invisible foot" and had, in their overwhelming majority,

been kicked into poverty. Nine months ago, he said, hyperinflation in Russia was at 2,000% and industry had collapsed by 25%. Now he said, the situation is far worse, with production down 30-40%.

Muranivsky stressed that the only way out of the crisis is to emphasize the use of science and technology. Infrastructure development is key, he said, and there must be international links of cooperation between Russia and Central Europe. He had proposed such a perspective to the Clinton administration, he said, and these were ideas developed by Lyndon LaRouche.

The presentations that followed the one by Muranivsky documented that, under the "reforms" that have been carried out upon the advice of the IMF, the World Bank, and western "experts" such as Jeffrey Sachs of Harvard University in the past four or five years, impoverishment has also become the fate of every other nation and republic of the former East bloc in addition to Russia.

Konstantin Cheremnykh, a journalist and democratic activist from St. Petersburg, for example, reported that a typical scene in that Russian city every morning at about 6 a.m. is that of poorly clad people gathering at the fences of the big meat-producing companies to see whether they can buy a bone or two that some of the company's workers have been able to salvage from the "production waste" that morning. People are being morally degraded by their poverty, Cheremnykh said. The "free trade" imposed by Russian President Boris Yeltsin is leading to the elimination of entire vulnerable sections of the population, such as the elderly, who, if they become ill, can't get treatment. This is treason, Cheremnykh said.

Or, as Vladimir Kilasoniya, an official of the Ministry of Economics of Georgia, reported, the Georgian population, which has witnessed the collapse of the entire agricultural sec-

tor of the nation, is now faced with such absurd phenomena as the country having to import eggs from Israel—at prices that the vast majority of the citizens cannot afford.

Or, giving yet another example of the outrageous situation that has developed in the East, Cheremnykh reported the case of a resident of St. Petersburg who has figured out a “clever” way of making a living when normal work is either not available or, if it is, cannot secure the average citizen’s existence: He steals from a hospital contaminated clothes that are designated to be burnt for hygienic reasons, to sell them on the black market for good rubles. That person would not even pose the question how many more Russians might become infected with serious diseases from wearing those clothes.

The ‘Great Criminal Revolution’

Practices such as the above document the decline of moral standards also among the population under the regime of an economic “reform” policy that has created what Viktor Kuzin, leader of the Moscow Bureau for Human Rights Defense, described as the “Great Criminal Revolution.” The West, Kuzin said, has to see that the reality behind the policy of its much-beloved President Yeltsin is the rise of organized crime, which goes along with the targeted removal of all state institutions and independent political organizations that have called for action against that process. The West has to take notice of the fact that many political parties which for good reasons—the increasing poverty among the population being one of them—have voiced opposition to Yeltsin’s “reforms,” were simply thrown off the ballot before the Dec. 12, 1993 elections and are, therefore, not seated in the new Russian parliament.

The West, Kuzin said, has to know that the entire structure of state investigators, police, and other security officials who either have looked into the activities of organized crime and its overlaps with the new elites of the Russian administration, or potentially might do so, has to a large extent already been abolished by Yeltsin—by the same Yeltsin that is hailed as the “beacon of reforms” by western experts.

Those 60,000 “newly privatized enterprises” that President Clinton spoke of during his recent visit to Moscow as an “encouraging sign of the progress that reforms have made,” are but a small number of those who have aligned themselves with the new Russian mafia and pay their dues so that they appear in the official statistics, Dmitri Glinsky, chairman of the Young Russia Union party, explained sarcastically at the seminar. The others that have not aligned themselves are not listed, and therefore not noticed by the West.

Interest in the proposals of LaRouche

The depth of the destruction that has been experienced by the vast majority of Russians and by that part of the elites who have managed not to be corrupted by the Yeltsin reforms, has, as Prof. Wolter Manusadjan, president of the International Ecological Academy (the “Academy of 100”),

said in his seminar presentation, led many to study with great interest and fascination the proposals made by the American economist Lyndon LaRouche. LaRouche’s unique expertise in the principles of physical economy has, therefore, gained many supporters among Russian scientists. This is also the main motive behind the recent decision of the “Academy of 100” to elect LaRouche to their body of international members, Manusadjan reported.

The expertise of LaRouche is also contributing essential aspects to the work of economic experts of the National Democratic Party of Georgia, Vladimir Kilasoniya, a leading member of that party, reported. A proposal for the extension of LaRouche’s proposal for the creation of a “Paris-Berlin-Vienna Productive Triangle” for industrial and infrastructural development in post-1989 Europe into a project for development of the Caucasus, is now being worked out by a special commission of his party, Kilasoniya said.

The potential of the scientific and high-technology sectors of the former Soviet Union, even in the small, newly independent republics such as Armenia, is immense, and can still be mobilized for great infrastructure projects despite the fact that work in those sectors has come to a standstill, largely under the regime of the post-1989 “reforms.” Haik Babookhanian, a member of the Yerevan City Council and the presidium of the Union of Constitutional Rights of Armenia, stated in his presentation. The fact that up until five years ago, Armenia still pursued such ambitious technology projects as nuclear power development and the construction of maglev railway lines, is certainly almost unknown in the West. Today, in a situation of war (with Azerbaijan) and economic war (with the IMF), Armenia has been forced to stop all those projects.

Armen Zatikyan, another Armenian speaker, voiced surprise about the fact, that under the strong influence of British geopolitical interests, western diplomacy in the Caucasus has ostensibly been taken over by outright double standards of political judgment that have created the paradox where two former generals of the Soviet KGB are viewed as the two foremost “democratic” leaders of nations in the Caucasus today: Eduard Shevardnadze of Georgia and Haidar Aliyev of Azerbaijan. If these two politicians were portrayed as “outstanding leaders” by Britain’s diplomats, they should then run for political office in London, but not in Georgia or Azerbaijan, Zatikyan recommended.

The latest product of western free-market ideology that is being marketed in the East is a game called “win a citizenship in an important country.” This is, as speakers from several of the nations at the seminar confirmed, a lottery for immigration and employment in the United States, in which every Caucasian, Ukrainian, and Russian citizen is permitted to take part, on the condition that he invests between \$15 (in Armenia) and \$100 (in Ukraine). The lottery board is run by western banks and their eastern representatives, in close cooperation with the respective eastern governments and the U.S. Immigration Board.