

market” — had lost everything in a matter of days.

It was a gigantic looting operation of the poorest country in Europe. The International Monetary Fund (IMF) had provided the *coup de grâce* when it demanded that the Albanian government and Parliament not pass an already finalized bill, requiring a “safety” deposit, before engaging in “pyramid” speculation. The crash was mercilessly destructive.

Reportedly, the loot ended up in the safe of some very prestigious Western banks. The consequence was an explosive rebellion, the collapse of the state, and the criminalization of a high percentage of the population. Many Albanians became, from one day to the next, refugees, black marketeers, cannon fodder for the mafia clans, ready to do everything to survive. The organized-crime groups (with close links with the Italian Mafia) rapidly took over the pieces and fed on the misery and destruction of a whole country.

So, nobody should pretend to be surprised at the expansion of the organized-crime activities, at the sight of the escalation of prostitution, smuggling, trading in refugees, at the sight of the mass of human beings degraded and sold, as in the darkest days of feudalism. The cause of that degradation is to be found in those “foreign investors” and those “financial institutions.”

One of the consequences of the resulting uprising was the looting of the Albanian armories. A UN study reveals that at least 200,000 Kalashnikov automatic assault weapons from Albania ended up in the KLA arsenals. A large number of them ended up in the black market, sold or exchanged for drugs. At that point, in the opinion of many observers, the situation became irreversible.

But the 1997 explosion had deeper roots. The “free-market” reforms imposed on Albania in 1992 by the IMF and the World Bank had weakened its economic system. It is symptomatic that the financial pyramid schemes, a legalized form of gambling, were strongly “suggested” by the foreign creditors, which grew like mushrooms following the “loan-shark” policy of the IMF. After having devoured the Albanian assets privatized by the government under the IMF’s prod, they demanded more.

In Albania and in Kosovo, many youth and teenagers, surrounded by an upside-down world dominated by fear, rage, and an abysmal injustice, were easy prey of the KLA recruiting. From a few hundred men, the KLA became rapidly an army.

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In Belgrade, a Way Out of Bloody Warfare

by Elke Fimmen

On June 7-8, a German-French delegation of the Schiller Institute was invited to Belgrade and Novi Sad, Serbia, by the Institute for Economic Sciences. Jacques Cheminade of France and Elke Fimmen of Germany, spoke at a seminar on the theme, “The World Financial System in the process of Globalization — Is There Only One Solution?” chaired by the director of the economics institute, Prof. Mile Jovic.

Thirty guests, including university professors, government representatives and parliamentarians, as well as several press and institutions, attended the seminar. The following day, a conference took place, under the aegis of the Belgrade institute, together with the university’s Department of Technical Sciences in Novi Sad. Radio Belgrade, which is broadcast nationally, aired an interview with Cheminade and Fimmen.

Great interest was shown, not only in their detailed analysis of the systemic collapse of the world financial system, and the economic situation of the United States, but also in the strategic alternative proposed by Lyndon LaRouche, in the New Bretton Woods system and the Eurasian Land-Bridge. Yugoslavia, which joined the Bretton Woods agreements in 1948, had played an important role in the Non-Aligned Movement, under Josip Broz Tito. And, historically, an important alliance with countries like India and China, as well as, of course, Russia, has grown up.

What attracted enormous attention, on the part of the participants in the seminars, was the Schiller Institute’s manner of dealing with the devastating International Monetary Fund (IMF) shock therapy, privatization, and deregulation policies, and counterposing to them, the reconstruction and development of the real economy, particularly around infrastructure. Equally interesting, was the financial instruments required for this, in terms of credit creation, reflecting the historical precedents of Franklin Deland Roosevelt’s New Deal, Charles de Gaulle’s dirigistic economic planning, or the German Kreditanstalt für Wiederaufbau (Credit Bank for Reconstruction).

No Reconstruction, Except for the Mafia

The economic condition of the country is devastating: With the hyperinflation of 1992-93 and the economic embargo during the war against Croatia and Bosnia-Herzegov-

ina, the population became impoverished, while the mafia flourished. In 1999, the NATO bombing attacks against Yugoslavia, finished off the job. Essential infrastructure, such as the bridges over the Danube, railway links, and important big industrial installations were destroyed. Since the end of the war, two years ago, there has been a lot of talk coming out of the West, but almost nothing has been rebuilt.

Until October last year, Milosevic was the “reason” for this hesitation, but this is no longer acceptable. Still very little has happened, except for the activities of the financial vultures, who, with the help of the IMF measures, are trying to pick up the remaining jewels of the economy. In a private discussion, a representative of the Organization for Security and Cooperation in Europe (OSCE) said openly, that there was simply no interest in rebuilding the country’s economy.

For example, of the four bridges which once served the important northern city of Novi Sad and its 300,000 residents, only one road bridge has been rebuilt. And it is in the bridges, that the water supply system is integrated. The railway bridge was repaired quickly, because it is the link between Hungary and Greece, but it is only temporary. Another bridge is lying in the Danube, which could be rather easily rebuilt, because the pieces have not been fully destroyed. And then there is a pontoon bridge, which must urgently be replaced by a regular bridge, in order for the Danube to finally become navigable again, as an important European waterway.

In Novi Sad, people could not understand why the Danube bridges in the northernmost area of Serbia, which has nothing to do with Kosovo, were bombed in 1999 by NATO, and why the Europeans have been sitting idly by, instead of making the Danube navigable again. Such questions led to discussion of the Anglo-American inspired geopolitical background to the destabilization of Europe, after the collapse of Communism, in which the Balkan wars of the first half of the 1990s played an important role, in preventing a healthy integration of Eastern and Western Europe, and destroying the Balkans as a bridge to the Near East and Asia.

Building Not Only over the Danube

In Novi Sad and Belgrade, where the Sava and the Danube converge, one can grasp the strategic significance of the country. Except for the street signs in Cyrillic, Belgrade does not appear different from any other Central European city, with its roads and parks from the 19th Century, and its areas of new buildings. The beautiful city of Novi Sad is strongly influenced by the Austro-Hungarian tradition, while in its southern quarters, there are 18 Orthodox monasteries.

In Fimmen and Cheminade’s discussions, it became clear that, following the policies of the last decade, which have led to the economic and political ruin of the country, people are seeking new alternatives. The IMF policy of privatization

and deregulation, which is being pushed from abroad, as the condition for “aid,” will give the devastated country no promise for the future. It is vividly recalled, that it was precisely this sort of “medicine,” which under the advice of IMF guru Jeffrey Sachs, laid the groundwork for the breakup of Yugoslavia.

At that time, the central government in Belgrade had, under IMF pressure, rejected existing infrastructure plans for the republic and for links to other states in the region and the rest of continental Europe. Instead, the IMF programs for monetary shock therapy, with mass layoffs, factory closures, and prioritized payments of foreign debt service, were forced through, with disastrous consequences.

The LaRouche-Riemann concept of physical economy, as presented by Cheminade, struck a chord that has to do with the tradition of scientific and technological progress of the Yugoslavia of yesterday. Along with all the the insecurity regarding the developments in Kosovo, southern Serbia, and Montenegro, it was clear that far-sighted political forces want to build a true bridge, in a future in which the Balkans may finally play a productive role with Europe. Such a common vision in the context of the Eurasian Land-Bridge, provides the foundations for the states in the region to avoid being manipulated into more bloody wars, and to overcome the horrible experiences of the last decade.



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