

Hungarians study LaRouche 'Triangle' to cure economy

by Birgit Vitt

On Monday, Feb. 18, a joint meeting took place in Budapest between POFOSZ, the Association of Former Political Prisoners, and the Schiller Institute. The theme of the symposium was "The Role of Hungary in a Unified European Economic Miracle." Some 60 people heard representatives of the three government parties, parliamentarians, professors, scientists, representatives of small and medium-sized businesses, and farmers address the issues of European and regional development.

Hungary today faces the same problems as eastern Germany, Poland, and the Czechoslovak republic. The fledgling democratic regime, a coalition made up of the Hungarian Democratic Forum, the party of Prime Minister Jozsef Antall, the Christian Democrats, and the small farmers' party, has so far set forth no comprehensive program for the economic development of the nation.

The forint, Hungary's currency, is rapidly being devalued, as the basic necessities become ever more expensive. Since Jan. 1, petroleum, which is imported from the Soviet Union, has had to be paid for with hard currency. Gasoline costs the equivalent of over \$12 a gallon. One-third of Hungary's 10 million people live on the edge of poverty, and joblessness is climbing. The country is in debt to foreign creditors, especially the International Monetary Fund (IMF), for \$20 billion. One of the major controversies in domestic policy is over the reprivatization of land and property.

The phenomenon, that the old Communist Party cadres are also the new managers for most of the companies set up in the service sector, is typical of Hungary, too. Real estate at bargain basement prices is changing hands between the old communists and Western corporations.

Hungary's news media pose a particular problem. The new government has no organ under its own control. The German media empire of Axel Springer, which has a "conser-

vative" reputation inside Germany, shows quite another face in Hungary. Like the U.S.- and Australia-based Rupert Murdoch group, it has been buying up the old communist papers at the regional level, taking over the journalistic staff, and making life difficult for the young democracy.

Zepp-LaRouche addresses Hungarians

This is the background for the first conference ever addressing Hungary's role in a "Productive Triangle," the concept launched by Lyndon LaRouche. The idea centers on a high-speed rail transport network which would connect the three capitals Paris, Berlin, and Vienna and thus create the infrastructural basis for a high-technology industrial boom which would radiate out to the rest of Europe and spark a global economic revival.

POFOSZ, the association of the "Heroes of 1956," recognized that it would have to take an active role in formulating the future policy of Hungary. It has taken its orientation from European statesmen of the postwar era like Konrad Adenauer, the first chancellor of the Federal Republic of Germany, and Charles de Gaulle, founder of the French Fifth Republic, in their Christian ideal of the West.

POFOSZ president Jenő Fonay opened the symposium and extended an especially warm welcome to Helga Zepp-LaRouche, the president of the Schiller Institute of Germany, who had already addressed the organization at the national holiday in Budapest's Sports Palace last October.

Mrs. Zepp-LaRouche entitled her remarks, "Adam Smith and the Third World War, or Friedrich List and Peace Through Development." In her analysis of the present strategic conjuncture, she stressed that the Marxist system of economy in the East as well as the Adam Smith system in the West have both collapsed. The revolutions which in Central and Eastern Europe have arisen out of this breakdown process, have given Western

governments an unheralded opportunity to help in the economic reconstruction of the newly liberated countries.

Against this, she continued, the Anglo-Americans have started the Persian Gulf war, which works as a strategic attack on the potential of an economically and politically strong Europe. Even the Soviet Union feels itself to have been deceived by Western economic treachery, as the recent statements of Prime Minister Pavlov about the practices of Western bankers against the Soviet Union make clear. At the same time, Moscow is profiting from the fact that the eyes of world public opinion are fixed on the Gulf, so that the Soviets can carry out massacres in the Baltic and regroup for operations against democratic movements in other republics.

Mrs. Zepp-LaRouche warned that the economic situation in Central and Eastern European countries is now far worse than in the days of the communist dictatorships, because the architects of the free market economy have marched in with brutal looting methods to squeeze out the last plunder from the countries and populations there. The productive level of today's east German states, formerly the German Democratic Republic, has sunk below the level that prevailed there in 1929!

The Schiller Institute leader went on to unfold the economic model of the "Productive Triangle" by means of which Europe could be rebuilt, so that it can take up its true responsibilities for the lives of the poorest of the poor in places like Africa. The rudiments of this plan, first proposed by her husband, the imprisoned American statesman Lyndon LaRouche, are the concepts of a science of Christian economics, she said. Mrs. Zepp-LaRouche noted that they correspond to the ideas expressed in Pope John Paul II's 1987 encyclical *Sollicitudo Rei Socialis*.

Jonathan Tennenbaum, co-author of a book on the "Productive Triangle" issued in German by EIR GmbH of Wiesbaden (several chapters of which appeared in English in *EIR* over the past year), gave a detailed overview of the infrastructure projects which would allow united Europe to grow economically in an orderly and rapid way. He especially underlined the necessity of putting Hungary's domestic market on a sound footing, which would take priority over debt repayment and any strategies to increase exports.

He called for protective tariffs to discourage imports of consumer goods, as proposed by 19th-century German economist Friedrich List, rather than free trade policies, and advised that only goods which Hungary cannot produce itself—especially the most modern capital goods—should be imported. Tennenbaum also proposed a tax and credit policy which channels investments into productive projects in agriculture and industry.

In a brief report, Karl-Michael Vitt, another Schiller Institute collaborator from the industrial Ruhr region of Germany, laid out the scale of the world's debt crisis. He said that due to International Monetary Fund policies, the developing sector is bankrupt and starving, and the United States is the world's biggest debtor. He stated flatly that there is no chance

of maintaining this system, or of repaying these debts. One country has to take the first step, Vitt concluded: "Hungary was the first one to tear down the Wall, now it can be the first country which tears down the IMF system!"

In the discussion that ensued, many participants expressed their delight that finally someone was showing an interest in the economic development of Hungary. One businessman asked, "Do we not have the problem that morality and technological development are linked to each other?" Jenő Fonay of POFOSZ stated that the new companies and the money remain mostly in the hands of the old communists. Zepp-LaRouche responded that, instead of accepting the mediocrity of current leaders, "What Hungary needs is a vision. You have to mobilize until the government adopts the Productive Triangle program."

Western governments negligent

POFOSZ was founded in 1988 and has 70,000 members, more than any of the newly founded political parties. Its members are the Freedom Fighters and heroes of the Hungarian Revolutions of 1956 and 1988, especially those who were imprisoned. POFOSZ helped bring the new anti-communist Hungarian government to power.

The Schiller Institutes, simultaneously founded at the impetus of Helga Zepp-LaRouche in spring 1984 in West Germany and the United States, and since then organized in many other countries, began with the idea of healing the dangerous policy rift between Europe and the United States and addressing the worldwide economic, moral, and strategic crisis by reviving the highest ideals held in common by the American Revolution and the German Classics, especially embodied in the work of the poet Friedrich Schiller (1759-1805). Since their third international conference in late 1984, the Schiller Institutes, and Helga Zepp-LaRouche personally, have been especially linked worldwide with the drive to implement a new, just world economic order.

The day before the "Triangle" symposium, on Feb. 17, Zepp-LaRouche had addressed a 300-person gathering of the POFOSZ, also in Budapest. Speaking as a German political leader, she thanked the participants for having "made it possible for my country to reunify; and I say this especially, because what you did has not been acknowledged adequately yet."

She criticized Western governments for not taking advantage of the opportunity to develop the infrastructure of the newly freed Eastern European countries, instead allowing the "financial sharks" like the International Monetary Fund to come in and destroy what was left of the economies of countries like debt-strapped Poland.

Despite the Persian Gulf war, and the tremendous problems faced by Eastern Europe, Zepp-LaRouche urged the participants "not to give up hope." She also presented the conference with a bust of the German poet of freedom, Friedrich Schiller: "Schiller said the greatest work of art is the building of political freedom."