

# George Bush blew strategic openings

by Lyndon LaRouche

*This statement was issued by LaRouche, a candidate for the 1992 presidential election, on Feb. 6.*

I would like to draw your attention for a moment to the font of upcoming major developments, which is not the Persian Gulf, but Eastern Europe and Moscow.

Recently, the United States government has been officially trying to play down very profound, radical changes which have occurred in the Soviet Union. Officially, as of Feb. 1, the Soviet Union has gone under de facto martial law, military control—not full martial law, but effectively so. Gorbachov, as the spokesman of perestroika and glasnost, is a thing of the past, though he is still nominally the President under the control of a tripartite-type force of military, KGB, and a nationalist faction.

Russia has moved back toward the Cold War—not all the way, but in that direction. And George Bush, preoccupied with the Gulf, has been doing everything, together with his administration, to try to conceal from the American public the looming reality of new confrontations shaping up in Eastern Europe, around Moscow.

## George Bush blew it

In short, President George Bush blew it. He blew it in several ways.

First, as of 1989, the United States and the West in general, had a genuine opportunity to make an historic breakthrough in relations between Western Europe, Eastern Europe, and Moscow. We could have had everything we should have desired, in terms of the foundations for a peaceful future in Europe, but George blew it.

The first thing that was done, which blew it, was the United States backing of former British Prime Minister Margaret Thatcher, in what's been called the "Polish model." That is, instead of allowing Poland to develop its economy in a rational way, we took the newly freed Poland, or semi-freed Poland, and we shoved down its throat International Monetary Fund (IMF) conditionalities. In fact, what Jeffrey Sachs, the Harvard professor of economics, proposed, and what was shoved down Poland's throat, was pretty much the kind of austerity which the Nazi regime had imposed on Poland back in 1939. It was that drastic. And I warned at the time, that if this kind of development of Poland was going to be the model for U.S. relations with the Soviet Union, and Eastern Europe in general,

then we were in for trouble with Moscow.

That's what the United States did, that's what Britain did, that's what the continental Europeans reluctantly tolerated. That's what happened, and all the fine relations with Moscow blew up. They're gone for the time being.

The situation is not yet entirely hopeless, but it would require a drastic change in U.S. financial policy and economic policy toward Europe and Eastern Europe in order to get us out of the present mess on that front, the Gulf aside.

The basic problem is that the Soviet government does not know what to do with its own economy. It's come out of communism, and was trying to imitate, without much understanding, what was called the free market economy, which is pretty much the form of economy that is collapsing in Britain and the United States right now. We're in a depression, not a recession. And, Moscow trying to adopt our depression, at the time its own communist system had collapsed, was about the worst idea anyone had come up with. But in point of fact, virtually no one in Moscow understands anything about economics, at least not in this twilight zone they're caught in right now.

So, everything is collapsing. The basic thing that had to be done was, forget the free market. Plunging into an experiment like that, while it may please ideologues around Mrs. Thatcher or George Bush, or the *Wall Street Journal* crowd, doesn't really do much for an economy.

## 'Productive Triangle' is key

What's needed is to get down to some basics which I laid out at the end of 1989, in a proposal which became known throughout Europe as the "Productive Triangle" proposal.

I proposed that, since Paris, Vienna, and Berlin represented an approximate triangular area of Europe, with the highest concentration of productivity and so forth in the world, that the proper thing to do was to build infrastructural bridges like radii or spiral arms reaching out from this Triangle into Eastern Europe and elsewhere, to integrate this 500-million-person market in Europe, which has suddenly emerged, on an effective infrastructural basis. That meant transportation, water management, power generation and distribution, and so forth.

The objectives of this are to be threefold. First, the use of this development effort for infrastructure, to build up what we call high-technology middle-layer industry: small machine tool shops, repair shops, high-technology, skilled specialties in construction—the kinds of shops and service industries that make industry work. Then, on that basis, to develop industry, on a high-tech basis, and also, to develop agriculture.

That project would work. What we would do is simply use the idle or redundant labor in Eastern Europe, absorb it in these kinds of much-needed projects to provide the high-tech from the West, use up every kind of facility of production in the East, no matter how backward it was, in order to contribute something to this process. Build up a foundation, Marshall

Plan-style, in about 18 months to two years; we'd have a pretty good foundation, and things would begin to move.

### Implement the 'American System'

That's what we should have done. We didn't do it.

Instead, we said let's use the free market method, and that has been a terrible mess, a terrible failure, as we see in the case of Poland, and we see also what's happened in the eastern part of Germany, where such a promising development has been entirely wasted, or nearly entirely wasted, as the greed of a few free market fanatics in West Germany has nearly destroyed the territory taken over from the former German Democratic Republic.

What we have to do, is do that now. We have to dump the free market economy, so-called, and go back to the good old-fashioned American System, as President Washington's Treasury Secretary Alexander Hamilton would have understood that, or as President Abraham Lincoln would have understood it, not this kind of silly thing that's failed. Go back to that, let Eastern Europe and Moscow know that's exactly what we intend to do, give up George Bush's crazy idea of a post-industrial new world order and that sort of thing, it's a failure anyway, and begin to establish a foundation in cooperative economic relations among states, on which we can build the foundations of political stability and political cooperation.

## Judge slaps down Minn. Attorney General

Duluth, Minnesota District Court Judge John Oswald issued a strongly worded order Feb. 14 against the actions of Minnesota Attorney General Hubert "Skip" Humphrey III's office for hoodwinking him into signing forfeiture orders against the Constitutional Defense Fund (CDF) and other organizations associated with the LaRouche movement. Humphrey's office had used illegal Nixon-style tactics in an attempt to completely shut down the LaRouche movement's ability to publish or carry on normal business operations (see *EIR* Feb. 15, p. 73).

Oswald's order states:

"Based on the arguments of counsel, documents submitted by the parties, and testimony given at the hearing, the Court makes the following:

#### "Order

"It is ordered that all previous Orders of this Court requesting seizure warrants of bank accounts or other property of 'Various Lyndon LaRouche Organizations' are hereby vacated.

"It is further ordered that the Minnesota Attorney General's Office immediately discontinue any litigation currently proceeding based on any of the previous Orders of this Court referred to in Paragraph #1."

CDF director Warren A.J. Hamerman commented: "Judge Oswald is the second judge in less than two weeks to slap down the outrageous actions of Minnesota Attorney General Humphrey. Less than two weeks ago, Philadelphia Common Pleas Judge John Herron likewise vacated his previous order seizing CDF's bank account, stemming from the same Minnesota action. The Philadelphia judge, like the Minnesota judge, acted because he felt that the Minnesota Attorney General had abused the law and tricked him into

signing an order in an *ex parte* proceeding."

Hamerman continued, "The Minnesota Attorney General tried to shut down CDF, *Executive Intelligence Review*, and other organizations by seizing their accounts and records for an alleged 'theft through swindle,' several months after the alleged victim and these organizations had reached a civil settlement on all outstanding claims. In effect, the Minnesota Attorney General's office tried to execute someone for murder, despite the fact that the alleged victim was alive, well, and on reasonable terms with the accused.

"Humphrey's actions represent at least the third time—outside of their bad faith misconduct in criminal prosecutions—that government agencies in conjunction with the Anti-Defamation League (ADL) and other private members of the 'Get LaRouche' task force have been slapped down by the courts for twisting the law. In April 1987, the federal government instituted what Bankruptcy Court Judge Martin V.B. Bostetter later found to be an improper and bad faith involuntary bankruptcy proceeding against publishing and scientific entities. Similarly, in the spring of 1990 at the direct instigation of, and with assistance from, Mira Lansky Boland of the ADL, private litigants in a civil action in Pennsylvania unsuccessfully attempted to illegally and improperly seize the bank accounts of CDF and numbers of companies associated with the LaRouche political movement.

"The particular targeting of CDF can be directly traced to the ADL. Shortly after the railroad conviction of Lyndon LaRouche, Mira Lansky Boland published an analysis in the newsletter of the ADL targeting the Constitutional Defense Fund for elimination. This pattern of bad faith, misconduct, and disregard for the law has been the trademark of the 'Get LaRouche' task force, and must be brought to justice. It is the only reason that political prisoner Lyndon LaRouche has had to wrongfully spend over two years in federal prison."