

## Soviet Economy by Mark Burdman

### Schiller Institute speaks in Kiev

*Ukrainians get to hear about the difference between "American System" economics, and the phony Harvard brand.*

A Schiller Institute delegation, composed of Anno Hellenbroich and Michael Vitt from Germany, was invited as official speakers to the conference of the Ukrainian Rukh (Popular Front) in the capital city of Kiev which took place over the June 14-16 weekend. The theme of the conference was "The Economic Renaissance of the Republic of Ukraine." At the peak point of the weekend, about 250-300 people were in attendance.

Despite relative plenty of such items as cosmetics and some kinds of clothing in the stores, the fact that food rationing prevails in Kiev has made Ukrainians quite aware of the economic breakdown crisis.

Two very different conceptions of economics came into conflict, with the LaRouche view put forward by the two Schiller spokesmen presenting a sharp contrast to representatives of the "Harvard mafia" who were also speakers at the conference.

The keynote address was given by the head of the Rukh, who welcomed the victory of Boris Yeltsin in Russia and the decision to change the name of Leningrad back to St. Petersburg. He was followed by the president of the Polytechnical University in Kiev, who spoke on "the economic sovereignty of Ukraine," and the importance of a package of measures of denationalization, privatization, establishment of relations with foreign countries, and a reliance of Ukraine on its own currency and its own resources. He gave an interesting overview of Ukraine's potentials, comparing it in size to France, and noting that it is as big as Poland and Czechoslova-

kia together, with vast agricultural and mineral resources, plus a potential for an ambitious energy grid.

Then came a certain Professor Schreiber from the Harvard Center for International Management Education, who couldn't refrain from "letting it all hang out." After some words about the need to obtain Western business skills, he cynically commented that "Western capital does not need the Ukraine," and that capital is not motivated by "sentiments and emotions." He said "the free market" means that one is free to either succeed or fail, and told a story (allegedly based on a 12th-century Ukrainian tale), about how it is perfectly all right to sell a person into slavery if that person doesn't pay his debts, since that is a way of protecting the foreign merchant!

Schreiber and his colleagues were trying to play upon the proclivity of many Ukrainians who have lived for decades under the communist system, to uncritically support "free market" ideology as the apparent opposite of what they know and hate.

In this context, the presentations of Hellenbroich and Vitt tapped into an enthusiasm for Lyndon H. LaRouche's proposal for a Berlin-Paris-Vienna "Productive Triangle" as the locomotive for a global industrial rebirth, and for economic progress and sovereignty more generally.

Anno Hellenbroich exposed "the failure of radical liberal economics, of British, Adam Smith utopianism." He contrasted this with the papal encyclical *Centesimus Annus*, and stressed the importance of the sovereign indi-

vidual's labor and production. He said that "the radical shock therapy of Jeffrey Sachs has failed, as expressed by the policies of the International Monetary Fund." He contrasted to this the views of LaRouche on physical economy: the tradition of Gottfried Leibniz, Friedrich List, Alexander Hamilton, and Henry Carey.

Drawing attention to the Berlin Declaration issued in March, where 100 Eastern and Western economists demanded implementation of the LaRouche Triangle, he showed some slides of proposed examples of infrastructural projects in transportation and water management, including the TransRapid railway.

Michael Vitt spoke on the activities and history of the Schiller Institute, and its work in some 50 countries around the world. He stressed that Europeans must think in terms of solutions for the entire world economy. He drew attention to the holocaust in Africa, to the cholera in Ibero-America caused by a lack of health and other infrastructure, and the bankruptcy of financial systems which follow IMF policies. He pointed to the fact that the United States is a net capital importer, and to the growing foreign debt of Eastern and Central European countries. Vitt quoted from LaRouche's policy paper on the reconstruction of Eastern Europe (see *EIR* of May 10, 1991), on the difference between the "Lombard System" and a productive investment system.

The Schiller Institute presentations were warmly applauded. People's Deputies from both Moscow and Ukraine, and citizens from different parts of Ukraine, expressed interest in the Triangle program. One participant shouted out, when Hellenbroich showed maps of the proposed Productive Triangle, "What about Odesa?"—the Ukrainian port.