

## Christian economics battles the IMF in East Europe

by Our Special Correspondent

At a conference in Warsaw, Poland April 6-7, international political activists, parliamentarians, and economists met to discuss Lyndon LaRouche's proposed alternative to the murderous "shock therapy" program of the International Monetary Fund: the science of Christian economy. The meeting was organized by Polish Rural Solidarnosc, the Budapest-based Working Group for a New Europe, and the Schiller Institute. Participants came from Poland, Croatia, Romania, Russia, Slovakia, Ukraine, Hungary, Georgia, Germany, Indonesia, India, Italy, and the United States.

Opening the conference, the president of Rural Solidarnosc documented the collapse of Poland's economy under the IMF program. Surely, he said, there must be some other solution. Twenty-eight percent of Poland's work force is employed in agriculture, he said, and since the beginning of the 1980s, farmers' income has fallen dramatically. In this country, rich in agricultural potential, there is now an absurd situation in which food is being imported, and the internal market is thereby being further undermined.

Helga Zepp-LaRouche, the president of the Schiller Institute in Germany, emphasized in her keynote address that there is an irreconcilable conflict today between the international banking system and the rest of the planet. "It is the economy that must serve the interests of man," she said, "not the other way around. . . . As long as monetarist policies are followed, the global depression will continue to intensify. This threatens to plunge us, worldwide, into a catastrophe which can only be compared with the collapse of the fourteenth century." The only solution is "the concept of political stabilization through economic development," she said. "What we need, therefore, is first of all a political declaration by the governments of the sovereign nation states of Europe, that they intend to work out a common infrastructure program as the prerequisite for an economic recovery. . . . The impulse for an upswing can only come from a dirigistic intervention from governments, which, through a process of creation of productive credit outside the scope of current budgets, give credits for specific projects, to overcome unemployment and get production going."



*Lyndon LaRouche's program for a Productive Triangle of European infrastructure development was presented in Budapest, Hungary, Feb. 2, 1991, by (left to right): Dr. Jonathan Tennenbaum, Helga Zepp-LaRouche, Dr. Tibor Kovats.*

She described Poland's history as providing a conceptual model for what is needed. Poland's Constitution of 1791 was the first codified constitution in Europe in modern times, and was preceded only by the U.S. Constitution. It was based upon the concept of natural law, of "God's love."

Dr. Jonathan Tennenbaum of the Schiller Institute spoke on the methods of productive credit creation, according to the system of political economy associated with Alexander Hamilton, Friedrich List, Count Sergei Witte, and Lyndon LaRouche. State credit creation cannot function without great investments in infrastructure, he said. As for the concept of "state dirigism," which many eastern Europeans reject because of their experience in the communist period, Tennenbaum stressed that it is neither good nor bad in itself; it's a question of what the state's intervention is directed toward. In the hands of political leaders who are guided by a Christian image of man—to the effect that the goal of economic policy is to further the creativity of the individual man—"state dirigism" is quite a sensible instrument. "The dirigism of the corporatist system of labor-intensive slave labor—and the ideas of J.M. Keynes and Hjalmar Schacht—have nothing to do with what the Schiller Institute is proposing."

### **'The IMF doesn't give money; it steals it'**

Dennis Small, the coordinator of the Schiller Institute's work in Ibero-America, gave a report on the effect of the IMF's austerity conditionalities in that part of the world, and described the revolution that is beginning to occur against this policy, in Venezuela, Brazil, and other countries. Small

shocked the audience by comparing the current situation in Peru to Auschwitz, as a direct result of the IMF policies. Some found this hard to accept: "We agree that the IMF is bad, but we have to get money from somewhere." Small challenged the eastern Europeans present: You are under an illusion if you think that the IMF *gives* money; the IMF only *steals* money. You had the courage to get off the sinking ship of communism, and now we are telling you that the "free market economy" is a sinking, ship too. You are going to have to do it again!

In the intense debate that ensued, Zepp-LaRouche pointed out that the key problem in Poland is that, according to a recent poll, 62% of the youth want to leave the country. A skilled engineer can make more money sweeping the streets in a western country, than he can in his profession back home. Poland needs a vision of scientific and technological progress for the future, an apparatus to foster it, like Japan's Ministry of International Trade and Industry (MITI). It should build a "science city."

She stressed that eastern Europe must link up with Ibero-America to "sink the ship" of the IMF. Don't wait for the West Europeans to give you aid, she said; they won't do it. *You* must be the ones to demand a replacement for the IMF, based on Lyndon LaRouche's Paris-Berlin-Vienna "Productive Triangle" concept of infrastructure development.

*In the report that follows, we document the effect of the IMF's looting, and the spread of LaRouche's contrary economic program, in two countries: Poland and Lithuania.*