

Financiers fear Ukraine's Vitrenko, campaigner vs. IMF

by Rachel Douglas

Shrapnel ripping into the abdomen of Natalia Vitrenko, candidate for the Presidency of Ukraine, may be only the bloodiest symptom of fear on the part of an international financial oligarchy, haunted by an idea more powerful than theirs: the return of sovereign nation-state leaderships, who say, "Save the nations and the people, not the pyramids of financial titles to loot!"

"The present fatally ill global financial and monetary system must be radically reorganized. It can not be reformed, it must be reorganized. This must be done in the manner of a reorganization in bankruptcy, conducted under the authority not of international institutions, but of sovereign governments." Those words of U.S. Presidential candidate Lyndon LaRouche, to an *EIR* seminar in Washington, D.C. in March 1998, resound louder and louder.

From Malaysia, Prime Minister Dr. Mahathir bin Mohamad comes to the United Nations and the United States to report on the successes of the past year, since Malaysia imposed exchange controls on Sept. 1, 1998, and tells the Asia Society, among others, that "the International Monetary Fund (IMF) is not an option for Malaysia" (see p. 4, this issue). In Russia, economist Sergei Glazyev reviews the setbacks to capital flight and the beginnings of a turnaround in the real economy, relative to the previous period of deep collapse, under the September 1998-May 1999 Primakov government, and affirms that the future lies with such policies: "We used national economy as a basis for elaboration of plans for economic development, both in the pre-revolutionary and post-revolutionary Russia. This is a very natural approach from the standpoint of all our historical experience. . . . So, at the moment, there is a strong interest in Mr. LaRouche's ideas in Russia, and there are a lot of followers of this approach, and I am sure that it will work" (*EIR*, July 23, 1999).

Doctor of Economic Sciences Natalia Vitrenko, running for President of Ukraine, said in her interview in the Sept. 17, 1999 *EIR*: "When we cut off relations with the IMF, we can simultaneously use our own resources and attract foreign investment on a civilized basis. The question is often asked: Where will the money come from? If not from the IMF, then where? . . . Compare what happened in Ukraine and in China. China did not accept IMF credits, and banned currency exports by law. They have strict exchange controls. Ukraine, however, fulfilled its obligations to the IMF—liberalized exchange regulations and permitted an outflow of capital." As co-author with Helga Zepp-LaRouche of the 1997 Appeal to President Clinton to Convoke a New Bretton Woods Conference, Vitrenko stated her confidence that such an effort will succeed: "I think as President of Ukraine, I shall be able through communication with other Presidents and institutions of power, and through putting forward and implementing proposals along these lines, to create an alternative to the IMF."

Fear that Vitrenko could win the Oct. 31 Presidential election is now palpable, among Ukraine's *nouveaux riches* and their foreign patrons. The assassination attempt against her, in which 47 people were injured, four of them seriously to critically, took place Saturday, Oct. 2, after a campaign meeting in Inhulets, eastern Ukraine. Vitrenko and Volodymyr Marchenko, a fellow Member of Parliament and leader of the Progressive Socialist Party of Ukraine, gave details of the attack on them at an Oct. 6 press conference in Kiev, a full transcript of which follows this article.

The Ukrainian elections

Vitrenko's party, the Progressive Socialist Party of Ukraine (PSPU), has existed only since 1996. A member of



An election poster for Ukrainian Presidential candidate Natalia Vitrenko features Lyndon LaRouche's famous "Triple Curve" diagram. Officially known as the Typical Collapse Function, it is a schematic representation of the soaring of financial and monetary aggregates in a "bubble" economy, while the physical economy collapses through the floor.

Parliament since 1995, Vitrenko split from the Socialist Party of then-Speaker of the Parliament Oleksandr Moroz. She proceeded to defy all appearances of leading a mere splinter party, with the strength of her competence in economics and her personal commitment to mass organizing. Lacking media coverage, except for live broadcasts of sessions of Parliament, she and PSPU members have toured the country ceaselessly over the past several years. In Kiev, they carried out hunger strikes on the floor of the Parliament, in opposition to national budget austerity plans, designed to meet IMF demands. By 1997, Vitrenko had won a "most popular woman in Ukraine" radio call-in poll.

In March 1998, the PSPU showed that it was not a "fringe" party, breaking the 4% of the vote barrier in nationwide elections, and entering the Parliament as a bloc of 14 deputies.

Natalia Vitrenko campaigns for President on the backdrop of a huge graphic reproduction of LaRouche's famous "Triple Curve" illustration of a "typical collapse function." She tells her audiences: This is what I warned you about, and I know what to do to spark an economic recovery, when we freeze our foreign debt payments and stop doing business with the bankrupt IMF.

What it was that Vitrenko warned about, she spelled out in an address, prepared for *EIR*'s seminar in Bad Godesberg, Germany, in April of this year, which was published in full in *EIR* of May 7, 1999. Vitrenko did not attend in person, only because the Ukrainian Parliament had resolved against all travel by its members to NATO countries, during NATO's bombing of Yugoslavia.

She reported: "In the first quarter of 1999, the Gross Domestic Product of Ukraine contracted by another 4.2%. This decline has been continuous since 1990; in 1998, GDP was at

60.2% of its previous level, and was the equivalent of \$36 billion. Ukraine's foreign debt is growing at a catastrophic rate. It is approaching \$12 billion. Debt service payments, alone, require \$2.2 billion in budget spending by Ukraine in 1999 (while the total size of the budget is expected to be 24 billion hryvni, or \$6 billion at the current rate of exchange). . . .

"Meanwhile, pensioners in Ukraine go seven and eight months without receiving their pensions. Or, rather, they don't go; they die before their time. Retired workers, veterans of labor, have an especially high rate of suicide. It would help even if pensions were at a human level, but no—in Ukraine today, a retirement pension ranges from a minimum of \$10 per month, to a maximum level of \$15. . . . Teachers are not paid their wages (these arrears have been accumulating since 1996), which turns them into beggars, blackmailers, and bribe-takers. The rising prices for textbooks makes even secondary education inaccessible to the poorest layers of the population, of which there are hundreds of thousands of people.

"Physicians, too, are turned into extortionists. The hospitals are robbed blind, and the doctors try to not even think about their Hippocratic Oath. Scientific schools are being destroyed. The 1999 budget provides for the already humiliatingly wretched level of 0.4% of GDP to fund science. But even that is not disbursed.

"Ukraine, which not so long ago was a highly developed member-nation of the UN, has been turned into a disaster zone, where a brutalized people, corrupted officials, and overt bandits represent a threat to world civilization as a whole."

Vitrenko documented the course of the policy decisions that yielded such results, through the series of government

Does AP sympathize with terrorism?

Statement of Helga Zepp-LaRouche on the assassination attempt against Natalia Vitrenko, Oct. 6, 1999.

On Oct. 5, the Associated Press news service published a dispatch from its correspondent Sergei Shargorodsky in Kiev, on the attempt on the life of Ukrainian Presidential candidate Natalia Vitrenko, in which 47 people were injured, some of them seriously. The article is chock-full of nothing but half-truths and untruths, and the author quite distinctly allows his regret to come through, that the attack on Dr. Vitrenko miscarried. The publication of the dispatch in this form by AP, must be seen as a threat against Dr. Vitrenko for the remainder of the electoral campaign.

The truth is, that Natalia Vitrenko has warned for a long time of what would be the consequences of Ukraine's submitting to the IMF's reform policy. It is not only the catastrophic state of the Ukrainian economy, that demonstrates how absolutely right she was. Even in the United States and continental Europe, a debate has already broken out on the theme: "Who lost Russia?" in the course of which a whole range of people have expressed their conviction, that the IMF is responsible not only for the economic downfall of Russia after 1991, but also for systematically preparing the soil for corruption and organized crime. The same thing holds true for Ukraine.

Natalia Vitrenko is anything but "anti-Western." On

the contrary, already in February 1997 she co-authored with me an appeal to President Clinton, urging him immediately to convoke an emergency conference for a New Bretton Woods System, in order to overcome the international financial and economic crisis. This Appeal to President Clinton to Convoke a New Bretton Woods Conference was signed by more than 1,500 prominent persons, among them:

José López Portillo, former President of Mexico (1976-82)

Gen. João Baptista Figueiredo (ret.), former President of Brazil (1979-85)

Godfrey Binaisa, former President of Uganda (1979-80)

If Dr. Vitrenko were anti-Western, would she have co-authored this initiative, addressed to the American President, and would she have taken the trouble to seek support for this reorganization, in Ukraine itself and on an international level?

The real grounds for the attack on Dr. Vitrenko are that she is attempting, as a patriot, to defend Ukraine from exploitation by the international financial oligarchy's megaspeculators, and that, as a trained economist, she has arrived at the same analysis as Lyndon LaRouche. In her electoral campaign, she uses the graph of LaRouche's famous "Triple Curve," which illuminates the yawning chasm between the real economy and the speculative bubble. Whoever the criminals in Ukraine may be, who are responsible for the attack, the answer to the question "Cui bono?" points in the direction of the international financial oligarchy.

policy commitments, expressed in memoranda to the IMF throughout this decade.

All the austerity notwithstanding, the foreign debt cannot be paid. This summer, Ukraine has repeatedly been described—by officers of the cabinet and even the President of the country, as well as financial market observers—as "definitely heading for a default," or "on the verge of financial collapse."

Break-out

What to make of Vitrenko's candidacy, which has soared in popularity throughout the summer? The international wire services echoed the Kiev liberal press, in glossing Vitrenko as "the self-styled only true Marxist." The English-language weekly *Kyiv Post* headlined "Vitrenko's Mushroom Cloud," over a denunciation of her advocacy of reconstituting the country's nuclear deterrent (in collaboration with Russia and Belarus), because Ukraine is under attack. The dominant

line in these circles, was that President Leonid Kuchma was quietly bestowing media and other favors upon Vitrenko, in order to split the electorate of Moroz, Communist Party leader Symonenko, and other leftist candidates. The purveyors of this line included some of the same sources, who suggested that Vitrenko had "bombed herself" on Oct. 2, when she was almost killed!

Vitrenko's rating continued to rise, including in the polls of Project Democracy-flavored organizations that hold her in low esteem. She had repeatedly defied media and pollster understatements of her ability to command support, due to her uncompromising opposition to IMF monetarism. Now, the Democratic Initiatives Foundation was showing her with 17.4% support, against Kuchma's 24.3%, in July; in August, Socis-Gallup estimated Vitrenko at 23%, Kuchma at 30.6%, Symonenko at 19.9%. If no candidate wins an absolute majority on Oct. 31, there is to be a run-off. On Sept. 12, the *Kyiv Post* acknowledged that Vitrenko could defeat Pres-