

Christian Economics vs. IMF In East Europe

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 national chairman of Rural Solidarnosc Roman Wierzbicki 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 1980's, farmers' incomes have 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.

Dr. Tibor Kovats, the speaker of the Working Group for a New Europe, emphasized the necessity of orienting to the actual living conditions in other nations and coordinating possible mutual actions against the shock therapy of the IMF and against the GATT dictates.

Productive Credit

Helga Zepp-Larouche, president of the Schiller Institute in Germany, stressed 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." The only solution is "the concept of



EIRNS/Richard Magraw

Warsaw conference delegates deliberate over economic strategy.

political stabilization through economic development," she said. "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."

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 East Europeans reject because of their experience in the communist period, Tennenbaum stressed that it is neither good nor bad in itself; it is 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, "state dirigism" is quite a sensible instrument. "The dirigism of the corporatist system of labor-intensive slave labor—and the ideas of Keynes and Schacht—have nothing to do with what the Schiller Institute is proposing."

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

IMF Only Steals

Small shocked the audience by comparing the current situation in Peru to Auschwitz, as a direct result of IMF policies. Some found this hard to accept: "We agree that the IMF is bad, but we must 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.

In the intense debate that ensued, Helga Zepp-LaRouche stressed that Eastern Europe must link up with Ibero-America to "sink the ship" of the IMF. Don't wait for the Western Europeans to give you aid: 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.