

## Editorial

# Dump Sachs, choose LaRouche

Harvard's insane economist Jeffrey Sachs, the man who "conquered inflation" in Bolivia by bringing in the cocaine mafia, is being featured in media interviews these days calling for urgent aid to the former Soviet republics to stave off economic disaster. Secretary of State James Baker, after much hemming and hawing, announced on Jan. 23 that the United States would send "52 sorties" of military planes to Russia over a two-week period, carrying emergency food relief.

What a farce! Let those who are concerned about the economic collapse of the former Soviet empire repeal the disastrous "flea market" economic policies of Jeffrey Sachs, the policies which are worsening the crisis day by day.

In Russia itself, although the Sachs austerity program remains hegemonic, there is growing recognition that this is leading to disaster. As Genrikh Trofimenko, analyst for Moscow's U.S.A. and Canada Institute, told a Washington audience on Jan. 16, "It is ironic, that American economists who can't even get the sluggish U.S. economy moving, come to Moscow with recipes that they think will revive the Russian economy." The effect, he reported, is that the black market now reigns supreme. "The idea is to steal everything that is not tied down."

The Sachs-man on the scene in Washington, Deputy Prime Minister Yegor Gaidar, promised in a Jan. 5 interview that "in three or four weeks," the price rises instituted on Jan. 2 would stabilize, and things would begin to improve. That time has now elapsed, and the world can see that the opposite has occurred.

The "free market" program peddled by Sachs and the International Monetary Fund, meanwhile, takes its worldwide toll of death and disaster. On Jan. 16, six students were killed by police in the former Soviet republic of Uzbekistan, and hundreds injured, as they protested the price rises which have placed food beyond the budget of the average citizen. In Uganda, where 1.5 million people are officially infected with the AIDS virus, news services report that the only "growth industry" now is coffin-making.

It is therefore with pleasure that we note new signs

of opposition to the Sachs policy, including from some unexpected sources.

- In Poland, a purge is under way of the pro-Sachs faction in the government—not a moment too soon for that beleaguered country.

- In Croatia, there is a growing awareness that the next phase in the war must be a fight for a pro-development economic policy.

- Some economists and political analysts in the United States are beginning to draw the same conclusions—ranging from *Aviation Week's* recent editorial in favor of Hamiltonian economics, to congressional testimony by the Washington editor of *Atlantic Monthly*, against blaming the Japanese for the fact that we have wrecked our own industry.

One of the most interesting of these recent statements came from Melvin Fagan, former director of the U.N. Economic Commission for Europe, in a commentary in the Jan. 22 *International Herald Tribune*, titled "Shock Therapy Is the Wrong Treatment." Wrote Fagan, "Boris Yeltsin's shock therapy is likely to bring economic anarchy that destroys the nascent democracy throughout the former Soviet Union." Yeltsin has made the mistake of "following the advice from foreign advisers and from some fledgling economists in his entourage who seem to have gained their knowledge of market economics from Milton Friedman-type textbooks."

The alternative to the Sachs-mania is to apply the *Science of Christian Economy*, the program put forward in Lyndon LaRouche's new book of that title. In our first issue of this year, commemorating the 200th anniversary of Alexander Hamilton's *Report on Manufactures*, the reader can find an elaboration of this policy as it manifested itself historically through the fight for the "American System" from Hamilton especially through the end of the last century. Today this means, concretely, the implementation of LaRouche's Paris-Berlin-Vienna "Productive Triangle" of high-technology development, as the motor for a worldwide recovery. No other method will work—neither free market austerity nor Keynesian "pump priming."