

shift of regime, to put the emphasis on the representative branches of power, ensuring the dominance of the representative branch.

The first step of the new regime, would be to put in place a ramified supervisory system, recruiting millions of people into monitoring functions. It seems to me, that this will be the right sort of mechanism of popular enthusiasm, if each person himself takes part, and has the opportunity to monitor things and influence change. Then, taking a total inventory of each country's resources, because not everything in Bolivia, in Mexico, in Bulgaria, in Russia, and in Ukraine, has yet been stolen or destroyed; on the basis of a full inventory, to know what the people actually have, then to create a bank in each country, with its own powerful financial system, and, of course, to replace the world financial system, because it would be very difficult to hang on in just one country. And then, we will move to build the Eurasian Land-Bridge.

Then, the new regimes, with the new economic policy, with healthy finances, will work to create new jobs, in order to raise the standard of living in their countries, and to assist the recovery throughout the planet. Then, our prospects are truly bright.

No support for IMF's 'imposed' reforms

by Volodymyr Marchenko

Taking part in the work of these conferences, both today's and the one that took place over the weekend, I got the impression that the LaRouche movement has delved thoroughly into the economic recipes imposed by the International Monetary Fund, and precisely forecast the consequences to which those reforms would lead, and, with the passage of time, is proceeding to more precise proposals about what needs to be done as alternatives to the IMF reforms.

How the IMF works, how its policies are imposed in our country, is clear. The recipes are the same for everybody: Credits are offered, with conditions attached, and there is no responsibility assumed for the results.

The scientists and citizens within the countries, however, having become familiar with the IMF proposals, have themselves already, to a significant degree, been able to forecast the sorry consequences, if they're implemented in every country. Neither the workers, nor people in industry and agriculture, nor the economists, nor the politicians, nor the citizens accept these reforms. And, there is no mass political support for these reforms within Ukraine. We refer to these reforms as "imposed"—against the will of the people.

How could these reforms be implemented in Ukraine and

other countries? Here, I would like to draw the attention of the LaRouche movement to the matter of the organization of power within a nation, because, in our view, it was precisely the organization of power, that made it possible to open the borders of our country to the IMF's policies.

The struggle to change the constitution in each country of the former Soviet Union, took place in different ways. It was a very fierce battle, almost everywhere. Tatyana Koryagina, as a deputy of the Russian Parliament, the legislative branch of the government, together with her colleagues, came under artillery fire in the White House. After the gross violation of the Constitution and the rights of parliamentarians, an illegal referendum was held, to adopt a new Constitution of Russia, which concentrated virtually all the power in Russia in the hands of one person, the President.

A forced constitution

The constitutional revolution in Ukraine proceeded in a milder form. The Constitution of Ukraine, however, was adopted against the will of the people, at night, when the parliamentarians were forced to work 24 hours a day, and there was free champagne being served to the deputies at the canteen in the Parliament. At the same time, the deputies were threatened with the possible dissolution of Parliament, and a ban of those parties that did not agree with the new constitutional conception. The articles of the Constitution were voted on not one at a time, as they should have been, but by groups of articles. Ukraine's Constitution was adopted with gross violations of procedural norms.

I would like to touch on just one problem of the Ukrainian Constitution—the powers of the President of Ukraine. Let us consider, whether it would be possible for our President to change the economic reform policy within the country.

Tatyana Koryagina gave the example of how people with mental problems were the ideologues for the economic reforms in Russia. We can cite similar examples in Ukraine. Let me mention one person: Viktor Penzenik, an ideologue for the implementation of IMF-prescribed reforms in Ukraine. Four times, the Parliament of Ukraine has forced the resignation of one or another government in which Viktor Penzenik was working, either as minister of economics or vice-premier. Yet, Viktor Penzenik remained and kept working under all the premiers; he's on his fourth prime minister.

Two years ago, the Council of Industrialists and Entrepreneurs of Ukraine passed a resolution, which was an ultimatum to President Kuchma, demanding the removal of Penzenik as an ideologue of destructive economic reforms. When they met with us, these industrialists were absolutely certain that Penzenik would be removed. However, he remained, and he's continuing to implement the same policy to this day.

How did this become possible?

I would like to draw your attention to the powers with which the President is endowed, in Ukraine. This is Article 160 of the Ukrainian Constitution. I will try to enumerate the

points, though not all of them.

The President of Ukraine appoints the prime minister of Ukraine, he appoints the leaders of the central organs of the Executive branch, he appoints the prosecutor-general, he appoints one-half of the staff of the National Bank of Ukraine, he appoints one-half of the members of the Council on Radio and Television Broadcasting, he appoints the head of the anti-monopoly committee, the head of the state property fund, and the head of the radio and TV committee. He has veto power over decisions taken by the government of Ukraine. He is supreme commander-in-chief of the Armed Forces of Ukraine. He hires and fires the higher officer corps of the Armed Forces.

The President heads the National Security and Defense Council. The President appoints one-third of the Constitutional Court. The President determines the composition of the judiciary, and much more.

Presidential control

What kind of responsibility is there, for the activity of the President? Theoretically, by referendum, the population has the right to express no confidence in the President. However, it is the President who schedules a referendum for the expression of the popular will.

There is the very interesting Article 111 of our Constitution, on the procedure for impeachment of the President, which is no-confidence in the President by the Parliament. The Parliament has tried to launch an impeachment process, because Kuchma, as prime minister, had signed a decree allowing the creation of pyramid investment firms, like MMM in Russia, which solicited cash from the population, and bore no responsibility for what happened to it. The parliamentary investigatory commission established that that decree was signed by the current President of Ukraine.

I shall tell you about Article 111, about the procedure that must be followed, to express no-confidence in the President. The Parliament holds hearings, it sets up a commission; for this to happen requires a simple majority. The commission is formed, does its work, and submits its findings for confirmation by the Parliament. The next vote requires a two-thirds majority, and that's not impeachment. The matter is turned over to the Constitutional Court. As I already mentioned, the President appoints one-third of the Constitutional Court, and he influences another third through the other institutions of the judiciary, appointed by him.

The Constitutional Court reviews the matter. If it determines that the President's actions are criminal, then the President is still not yet impeached. The Constitutional Court's decision is then returned to the Parliament, and there's one more review, which requires an 80% majority. This is still not impeachment, because this decision has to be reviewed by the Supreme Court of Ukraine. But, the President has a role in supporting the Supreme Court. Consequently, when yesterday Webster Tarpley asked us, during our television inter-

view, how the President can look the citizens in the eyes, when the economy is in the shape it is in—he can just not look in their eyes.

He is not worried about the domestic situation. What worries him, is international support, and, therefore, every time a new Constitution or new government program is about to be adopted, our President visits the United States. He secures political support, and proceeds to continue to implement the reform policy, requested by the IMF.

Under the current Constitution, it's virtually impossible to affect economic policy. The President vetoes parliamentary decisions, and may be overridden only by a two-thirds vote. We were able on three occasions, during 1996 and early 1997, to vote up a demand that the President speak before Parliament, giving a state of the nation report, and a report on foreign relations. He doesn't show up, and the Constitution gives us no grounds to call him to account.

'The IMF can sleep soundly'

If we look at the demands that have been implemented on the structure of power, which came from the IMF, we see that a President with this degree of power, is able, in addition to economic policy, to determine personnel questions. On his own, he appoints to the upper echelons of the Executive branch, those candidates demanded by the IMF. The IMF can sleep soundly, because it doesn't even have to be on the scene, in order for its cadre to carry out its policy in Ukraine.

There is also the question of the regions, which also do not accept the current economic policy. They have to be suppressed. How does the Ukrainian Constitution provide for this? This is done in Articles 180 through the 190s. According to these articles, full Executive branch power [in a province] belongs not to somebody elected by the population, but to a person appointed from above, by the President. He is answerable only to the President.

There is also a marvelous article in our Constitution, No. 41, which certifies the results of the economic policy carried out by the IMF. This article establishes the inviolability of only one form of property—private property.

Therefore, we say that even if we were to replace the President with a new one, the Constitution mandates that any President, objectively, will defend the consequences of the IMF's policy. The President is virtually independent of any influence from his own people. But, on the international level, conditions can be created around the President, either to discredit him, which he wants to avoid, or to provide him with political support. At present, he'll receive that support only if he implements the IMF's policy.

Therefore, if we look at means to change the economic reform policy, we in Ukraine, at least, see a change in the Constitution as one of the important conditions for this, a change in the power structure.

According to European and international norms, the government of any country should carry out the will of its people.

The task of politicians, is to provide a mechanism for carrying out the will of the people, because democracy is not so much the process of democratic elections, as the process of monitoring the activity of governments, Presidents, and Parliaments, and the extension of the mechanism of political supervision of the higher agencies of power. Only this can sustain an economic reform policy that is to the benefit of the nation.

From The Question Period

IMF, Soros death count raised at policy forum

These are excerpts from the FDR-PAC policy forum question and answer session on Feb. 19, on eastern Europe and Russia.

Helga Zepp LaRouche: We have heard that the reform policies have actually caused a collapse in the demographic development of Russia. Could you give us figures: How many people have been killed by these policies? And, second, could you comment on the dollarization in the economy?

Natalya Vitrenko: The question mentioned Russia, but I understand that the whole situation, also in Ukraine, is of interest.

In 1990, the population of Ukraine was approaching 52 million. At the end of 1996, there were 51 million people in Ukraine. That is, we have already lost 1 million. According to the government's plans—and we were given the calculations on this in the Parliament—a continuation of the reform policy will lead to a further reduction in the population of Ukraine, by the year 2000, by another 1.2 million people. Comparing this with somewhere in the United States, this would be equivalent to the population of the entire state of New Hampshire. The government quite calmly handed out these prognoses, which predict a fourfold increase in unemployment between 1996 and the year 2000, while the population is to fall by 1.2 million.

Based on the results of 1996, mortality exceeded the birth rate in Ukraine by 375,000. The average life expectancy has fallen from 75 to 71. Particularly terrible is the collapse of the birth rate, and mass abortions. Ukraine is first in the world in abortions.

Concerning dollarization of the economy: When Gaidar came to visit us and held a press conference at the Parliament of Ukraine—a briefing on how excellent his monetarist devices are—I asked him a question: “Doesn't it seem to you, that the growth of dollarization in both Russia and Ukraine, denotes a loss of sovereignty? Have we not shifted over to servicing the United States, which is suffering its own depres-

sion?” Yegor Gaidar began to deny this very vehemently, but so unconvincingly, that our press, which are by no means sympathetic to our positions in Parliament, nonetheless acknowledged that Gaidar's arguments were absolutely unconvincing.

The level of dollarization of the economy is constantly growing. In 1995, it was 32%, and by 1996, 47%. According to economists' calculations, we had helped America—by the fact that the dollar circulates in Ukraine—we have provided America \$10 billion in “emission revenues,” what is earned by printing those dollars.

Speaking in Davos, our President also counted among his successes, the implementation of a monetary reform. It was implemented in October 1996, in a way that totally contradicted what we recommended and international experience—even just the example of Ludwig Erhard in West Germany. A very primitive redenomination occurred: five zeroes were knocked off. What this effectively did, was legalize speculative capital, without any control, without any reduction factor; everything was just exchanged for the new bills.

Conducting the monetary reform in that way, missed the chance to improve the financial system. There is no ban on the influx of foreign currency, and some of the IMF credits are used for interventions on the currency markets to provide artificial support for the hryvny [the Ukrainian currency]. If this drug addict's needle were removed, the hryvny would collapse.

Social damage from IMF policies

Tatyana Koryagina: We are trying to calculate the social damage from the policy of the IMF. There are definitely no precise figures; these are estimates. If we talk about the potential number of people who could die, as a direct result of the IMF reform policy, the most conservative estimate for Russia, would be that 2 million people have died already. But, besides the physical deaths, there are also a tremendous potential losses, which are now latent in society, having to do with stress, potential nervous breakdowns, the virtual cessation of family formation. There has been an enormous increase in the number of abortions in Russia. We currently have a project, which is attempting to make quantitative estimates of these results. Potentially, it may be possible even to express this in economic, and monetary, terms.

But, still, I don't think any monetary expression will convey the true scope of the losses, because when a nation is being destroyed, when the basis of whole peoples is being subverted, this is a loss for all of world civilization, for humanity. And, therefore, I think that the IMF can be brought to justice with even stricter responsibility than was applied at the Nuremberg trials. After all, fascist Germany was engaged in an openly declared war, as a state, and they did not conceal their cannibalistic philosophy. They didn't kill people in their apartments with a slow death, but they set up concentration camps. That could be ascertained, and physically confirmed.

I believe that the IMF, this international financial oligar-