

Kohl, Gorbachov rebuff Bush 'flea market' policy

by Rainer Apel

The July 15-16 talks in Moscow between West German Chancellor Helmut Kohl and Soviet President Mikhail Gorbachov, were an important step toward dumping the "free market" policies which are hurtling the world economy into the worst depression of this century. Much to the chagrin of President George Bush and Britain's "Tin Lady" Margaret Thatcher, Kohl and Gorbachov ignored the call for the imposition of International Monetary Fund "conditionalities" on the Soviet Union—a policy which Bush and Thatcher thought they had wrapped up at the recent Group of Seven economic summit in Houston—and instead moved on a course of intense bilateral economic relations aimed at reviving both the Soviet and the European economies.

The agreements made by Kohl and Gorbachov (see *Documentation*) make rapid reunification of Germany inevitable. However, the key question the future of the U.S.S.R. economy, played only a marginal rôle in the talks. Anglo-American pressure has been massive for the imposition of the "Polish model" of IMF austerity upon the Soviet domains. One leading U.S. economist, Lyndon LaRouche, warned on July 18 that "The United States is determined to impose Bush's policies, that is, 'flea market' policies, intended to wreck the economies of Japan and Western Europe in the fashion Britain has been turned into a basket case, and the United States destroyed by the Reagan-Bush-Carter flea market policies."

Kohl welcomed in cornfield

Having arrived by airplane from Moscow in the afternoon of July 15, Kohl and Gorbachov flew by helicopter for a short tour of the region of Stavropol, Gorbachov's birthplace. The helicopter landed close to a cornfield, the two leaders mounted a Soviet harvester and spoke with farm workers.

Gorbachov broadly hinted at Moscow's desire for substantial German investment in the food sector, saying that Germany has a great potential at hand, with "thousands of well-trained East German specialists who know the language and our economy." Kohl did not indicate any intentions of doing that, but the day after Kohl's return from the Soviet Union, the two East and West German ministries



Russians took trains into Moscow in 1988 to buy sausage. Even the Popov administration in Moscow dares not issue passes to the miserable refugees living in Moscow train stations or camped in the suburbs, because once the door were opened, an unstoppable flood of humanity from the countryside would swamp the capital.

Ogonyok

of agriculture announced that on an emergency basis, East German surpluses of pork and beef will be delivered to the Soviets. One million "surplus" hogs ("surplus" only because West Germany's food industry is sending increasing numbers of hogs into East Germany) and 300,000 tons of beef will be transported to the Soviet Union over the remaining six months of this year.

A number of projects have been under discussion for some months. A team of experts of the German industry toured the Ukraine in late April, looking for investment potential in the field of grain storage and food-processing industries. Another team had a tour of the Kemerovo district in the Kuzbass region, where the Soviets want the Germans to build meat processing factories and refrigerated warehouses. The West German Economics Ministry has commissioned an in-depth analysis in the Ryazan region, 200 kilometers south of Moscow, for pilot projects of integrated food supply chains from the harvesting areas to the department stores where the consumer buys his food.

But West German industry is hesitant to make commitments for long-term investment, so long as the central state bureaucracy is not replaced by regional administrations that are manned by competent people rather than Communist Party officials who know nothing but their party slogans.

Political currents within the newly emerging regional political leaderships throughout the Soviet empire are very sensitive to that problem, and are attempting to remedy it quickly. On the same day that Kohl arrived in Moscow for his talks with Gorbachov, the parliament of the Russian Federative Republic (R.S.F.S.R.) endorsed the creation of special eco-

nomie zones open to Western investors. The three zones indicated for the western part of the R.S.F.S.R. were Vyborg, Leningrad, and Kaliningrad.

The need for a 'grand design'

An immense degree of economic diversification is therefore on the horizon, and infrastructure and farm investment programs will likely develop along specific projects in specific regions of the U.S.S.R. For example, the railroad lines running through Poland which are predominantly used for transport of commodities between East Germany and the westernmost regions of the U.S.S.R., and those around the special zones of economic cooperation, will be the first to be restored or built anew.

This diversification, however, contains a danger: Given the state of increasing disarray in the Soviet economy, these special zones of development may end up like oases in an advancing desert, if not linked with each other in an all-encompassing program. There is an urgent need for a "grand design" that involves many regions at once. This is why many European officials are showing increasing interest in a plan devised by Lyndon LaRouche for a European "Productive Triangle" based on sound principles of physical economy rather than short-sighted pragmatism.

Kohl and Gorbachov announced on July 16 that they want to sign an all-encompassing treaty on mutual economic cooperation within a year. But this treaty must do more than contain the usual statements of general political intent. It must define central, bigger projects of infrastructural improvement that are important for the development of all regions alike.

The eight-point declaration

The historic German-Soviet agreement that will end Soviet military occupation of German territory before the end of 1994 was contained in an eight-point declaration read out by Chancellor Kohl at a joint press conference with Soviet President Gorbachov in Zheleznovodsk on July 16. The eight points are:

- 1) Unification is confined to the territories of the Federal Republic of Germany, the German Democratic Republic, and Berlin.
- 2) At the moment German unification is completed, all four Power responsibilities and powers will be completely terminated.
- 3) A reunited Germany will have full and unlimited sovereignty to freely and independently decide which alliance, if any, it desires to be a member of. Kohl added that united Germany will become a member of NATO; that is the view of his government and of the G.D.R. government of De Maiziere.
- 4) United Germany will conclude a bilateral treaty with the Soviet Union for the withdrawal of Soviet troops from the territory of the former G.D.R. The Soviet troop withdrawal is to be completed within three to four years.
- 5) There will be no extension of NATO structures during the time of the Soviet withdrawal onto the territory of the former G.D.R. Territorial units of the German armed forces not under NATO jurisdiction, will be stationed on former G.D.R. territory. After the Soviet withdrawal, Germany may station German units of NATO on formerly East German territory, but no foreign troops. No weaponry that has a nuclear capability, i.e., delivery systems, will be allowed on the former territory of the G.D.R.
- 6) The troops of the Western Allies and Soviet units may remain in Berlin during the time of the Soviet withdrawal. Force levels could be reduced, but not raised above current levels. After the Soviet withdrawal is completed, Germany will negotiate with the Western Allies for the withdrawal of their Berlin garrisons.
- 7) The German armed forces will be reduced to a ceiling of 370,000 by the completion of the Soviet withdrawal. Reductions in German troop strength will begin with the signing of a Conventional Forces in Europe (CFE) agreement.
- 8) United Germany will renounce the manufacture and possession of nuclear, chemical, and biological weapons, and will subscribe to the nuclear non-proliferation treaty.

The new political parties in Russia

by Rachel Douglas

Hardly anybody expressed the political weakness of the no-longer-ruling Communist Party of the Soviet Union better than ideology chief Vadim Medvedev, at its 28th Congress at the beginning of July. Accused from the floor of having surrendered Marxist-Leninist ideological values, Medvedev sniffed, "What kind of ideology was it, if one person managed to ruin it in such a short period of time?"

As the CPSU writhes in its death throes, new political parties have burgeoned, since their creation was legalized earlier this year. The following survey identifies the major new parties and what they stand for, in which the most striking common feature is the utter lack of an economic program apart from confused notions about a "free market" or "privatization." There is a positive aspect to this. In view of the demise of the free market ideologues (see LaRouche's comments, p. 6), this lack of a policy means that Russia is a blank slate where a workable policy, such as that now being introduced through Helmut Kohl as the spokesman for a soon-to-be united Germany, has a real chance of taking hold.

This report concentrates on Russia-based parties. In the other republics, the captive nations that are at various stages of claiming their independence from Moscow, new parties double as powerful independence movements, like Rukh in Ukraine or Lithuania's Sajudis.

Democratic Platform

A draft "Democratic Platform" for the Communist Party of the Soviet Union was printed in *Pravda* this past spring. Its main innovation was to reject the "democratic centralism" that always required Bolsheviks to toe the party line. On April 10, the CPSU Central Committee issued an open letter against Democratic Platform, which asked how those who denounced the CPSU could stay within it. Some of the adherents of Democratic Platform exited the CPSU at that point, others later, during the 28th Congress.

There were indications in *Pravda* that the CPSU apparat feared huge recruitment by Democratic Platform from the party ranks. Although the apparat-dominated delegate selec-