

the inevitable doom of any regime in Russia which is seen as too friendly to the Anglo-American chief perpetrators of these economic policies by Russians, but it must be faced that *the present international monetary structure is doomed in any case*; and to sacrifice the prospects of peace with Russia, to sacrifice peaceful stability in Russia, for the sake of this IMF-dominated structure, is pure insanity.

The essence of the problem at the moment is characterized by the worst bubble in all history, a bubble dominated by the explosion of trillions of dollars, tens of trillions, scores of trillions of dollars, of accumulation of trade in so-called derivatives.

If this is tolerated, and if the present forms of deregulation and free trade upon which this bubble is based continue to be tolerated, then the entire world will collapse into the worst depression in modern history, since at least the fourteenth century in Central Europe.

The issues on the table at the summit

Therefore, we must be prepared to sacrifice *immediately* the entire structure of these present IMF-dominated relationships. Respecting Russia, what is needed is not simply economic aid.

First, we must remove the threat from the southern flank of Central Europe, in order to make Europe once again the potential springboard for material aid to the process of reconstruction of Eastern European states and the former Soviet Union.

Secondly, respecting Russia: The debt of Russia must not simply be reorganized, but reorganized in a manner analogous to the way in which U.S. Treasury Secretary Alexander Hamilton, under our President George Washington, reorganized the debt of the United States during the period 1789 through 1794.

The debt must be restructured to be used as the basis for issuance of credit throughout the former Soviet Union for the rapid reconstruction of the agriculture, industry, and infrastructure of Russia and adjoining/cooperating states. Only in that way can this cancer be tamed and the pyramided debt turned into an instrument of fostering stability and general economic recovery.

In addition to solving this problem in Yugoslavia, the United States must be prepared to sacrifice its own commitment to so-called radical free trade, to radical deregulation, to de-industrialization at home, in order to put on the table, with the Russians and others, the proposal as follows.

First of all, we must accept the principle of *sovereign* nation-states as the basis in national political economy for internal development of states and for economic cooperation among sovereign states. The idea of denationalization of the world, is a piece of unworkable lunacy which can only lead to the worst result. We must restore the principle of *sovereign* nation-states with *sovereign* national political economies. That is the basis for all workable monetary-economic agree-

ment; and on that basis, the current external debt of Russia can be reorganized in a Hamiltonian fashion.

Secondly, we must recognize that the world is in fact in the throes of a depression now dominated by the largest, most cancerously expanding financial bubble in all history. This bubble must be brought under control, and the source of this disease, the present IMF and related radical monetarist proposals, such as those associated with former Prime Minister Margaret Thatcher of Britain, must be extirpated from the policies of western nations and the world institutions, as an abomination, whose horror and implications are now understood as one of the greatest errors of the 20th century.

We must return to the kinds of axioms of policymaking in these matters, which existed prior to the 1970s launching of this bubble of deregulation, deindustrialization, and radical free trade.

Those are the primary issues which must be put on the table at any meeting between President Boris Yeltsin and President Clinton if *real progress* is to be made.

Clinton comments on SDI as option

On March 23, in his first press conference since his inauguration, President Clinton was asked about his priority for the Strategic Defense Initiative.

Question: "Mr. President, given the fact that both the START I and the START II treaties are hostage to the political outcome in Moscow and given also the potential for conflict, armed conflict, between Russia and Ukraine, are you prepared to draft contingency plans, at least, that would either restore funding or add funding to the Strategic Defense Initiative, if not the space-based part, at least the ground-based element, as a hedge against the worst possible outcome?"

Answer by President Clinton: "Well, we're not in a position to make a judgment about the worst possible outcome now. I mean, keep in mind—and let me say I've talked to President Kravchuk twice about the Ukraine's position on START I, and I'm very concerned about the very issues you raised. But let me say that even as we speak, I'm not ready to say that there's a strong likelihood that we can't proceed with both START I and START II and that we can't resolve the conflicts between Russia and Ukraine. If that becomes apparent that we can't, then we will obviously assess our position and all of our options."