

Russia to get no aid, but IMF looting

by Denise Henderson

The consensus which is emerging from a series of meetings in late January about how to approach Russia's economic ills, continues the pattern set by the Anglo-American financial community toward Third World countries: Loot as much as possible through imposition of International Monetary Fund (IMF) conditionalities, and give as little as possible in return.

The Anglo-American plans were made clear at what was billed as a "Coordinating Conference on Assistance to the New Independent States," held on Jan. 22-23 in Washington, D.C., and was further developed at a Group of Seven (G-7) meeting which followed on Jan. 25. Although President George Bush gave an opening address to the Washington meeting in which he pledged that the United States would give the rather stingy sum of \$645 million in new aid to the republics of the former Soviet Union, known as the Community of Independent States (CIS), there is little doubt that Bush, Secretary of State James Baker, and the foreign ministers of the G-7 intend to hand the CIS over to an IMF dictatorship resulting in even more ferocious economic dislocation than the CIS is already undergoing.

Secretary of State Baker, despite rhetoric about the "peacetime battle to support democracy and freedom," made clear in his opening address that "humanitarian aid" would be given *only* in the context of "international financial institutions"—the IMF—which will "work with the Russians and others to devise credible long-term reform plans." IMF-style reform has been exemplified by the disastrous freeing of prices which Russian President Boris Yeltsin undertook Jan. 2 on the advice of the free market maniacs like Harvard's Jeffrey Sachs and Sachs's Russian sidekick, Yegor Gaidar. The "reform" means that now, people in Russia have no bread.

Baker also declared that "public-private partnerships . . . can leverage contributions, multiplying the value of our efforts."

'Citizens Democracy Corps'

Translated, that means a call to continue the policy of looting the raw materials of lesser-developed countries which has been followed by Henry Kissinger's colleague, Deputy Secretary of State Lawrence Eagleburger, in the Balkan states. In fact, the chief U.S. public-private partnership named by Baker, the Citizens Democracy Corps, Inc.

(CDC), held a meeting parallel to that of the Coordinating Conference, which drew 200 non-profit organizations. Its speakers were listed as including Eagleburger and East-West financial operative George Soros, as well as Bush and Baker.

The CDC, headed by Drew Lewis, the chairman of the Omaha, Nebraska-based Union Pacific Railroad, is currently advising Poland on how to "privatize," i.e., demolish, its railway operations.

The G-7 meeting held on Jan. 25 continued the IMF theme, with British Foreign Minister Douglas Hurd and German Foreign Minister Theo Waigel registering their support for almost immediate Russian entry into the IMF, which will enhance greatly the ability of these western financial sharks to loot the CIS, particularly the resource-rich and industrially developed republics of Russia, Belarus, Ukraine, and Kazakhstan.

IMF deploys its 'field teams'

And, even as the Coordinating Conference met, the IMF had set up an office in Russia and sent out field teams to determine the "viability" of other CIS republics, specifically, whether they meet the requirements to join the Fund. An IMF official told the press corps in Moscow that "the program is going in the right direction and it has lots of things that we recommend—opening up the economy, removing controls, liberalizing prices, and giving a chance to private ownership."

The Russians themselves seem to have some idea of what London and Washington really intend, as indicated by a commentary by Yuri Sigov published in the Moscow-based *Nezavisimaya Gazeta* and headlined "Is James Baker the 'CIS Minister of Foreign Affairs?'" The article asks, "Why are the leaders of the states of the former U.S.S.R. always telephoning America?" and notes that Baker has been invited "to commit an act which used to be punishable under the law in our country—to intervene' in our internal affairs and teach the independent governments how they should act in the area of human rights, how they should conduct trade, and with whom they should cooperate."

But the 12-nation European Community does not seem to be entirely in agreement with Baker. Member nations of the EC, which have been providing aid all along to the CIS and its republics, saw Bush's pledge as just more of the same approach put forward by the State Department and White House ever since the CIS was formed in December.

For one thing, the EC has repeatedly scored the U.S. for talking about aid endlessly, but contributing none. The EC has so far committed about \$4 billion to aiding the CIS; Japan has pledged \$2.6 billion—and the U.S. (aside from Bush's \$645 million) has offered to sponsor an airlift. Also, the CIS states were excluded from the Coordinating Committee conference in Washington. That made many wonder what, in the absence of the recipients of the projected aid, would be "coordinated."