

Warning: Bush league agitates for 'Pinochet' dictatorship in Russia

Sources in Moscow report a renewed campaign, from International Republican Institute outlets there, for a "Pinochet" dictatorship in Russia. The Chilean ex-leader's name is shorthand for a radical free trade policy, with vicious austerity for the population, imposed by a military regime. The IRI is the "Republican" wing of the U.S. National Endowment for Democracy.

Vitali Naishul, a Russian proponent of Friedrich von Hayek's free trade doctrine, is a leading promoter of the "Pinochet" model. In 1996, he was attached to the Presidential campaign of Gen. Aleksandr Lebed. In recent weeks, several Russian press revived Naishul's 1996 "Chilean" theme, using the occasion of the 25th anniversary of Pinochet's coup in Chile.

This past Labor Day weekend, Naishul was in attendance at the von Hayek-founded Mont Pelerin Society's conference in Washington, D.C., hosted by the Heritage Foundation. The event had two main themes: 1) how to counteract the growing move of nations to re-regulate financial affairs, and 2) the crisis in Russia.

Yegor Gaidar, the original von Hayekian radical who launched Russia's reform disaster as premier in 1992, was interviewed by the French daily *Libération* Sept. 23 under the title, "Russian Society Is Waiting for a Dictator." Gaidar outlined a "pessimistic" scenario for Russia's future: "If you read the press, you would have observed that we are witnessing the birth of a personality cult, that of General Pinochet. The vast majority of society is demoralized, and is waiting for a dictator who, with his strong hand, is going to restore order, and bring the country into the paradise of the market."

Dr. Sergei Glazyev debated former Premier Yegor Gaidar. Glazyev asserted that the Russian economic crisis resulted from "a primitive, erroneous and criminalized policy," and that a national economy that "has not withstood these monetarist experiments," now needs re-regulation in order to recover. "The issue is not whether to print money or not," said Glazyev, "but what to print money for? . . . The state has to guarantee science-related branches of industry, earmarking finances not for the GKO pyramid, but to protect enterprises and investment."

Academician Lvov, interviewed in *Rossiyskaya Gazeta* of Sept. 18, summed up his policy outline: "[Under] current conditions, it is necessary not to focus on portfolio invest-

ments, but to endeavor to make Russia into a huge assembly site and to produce competitive goods. Including by the use of Western technologies. We should galvanize our internal reserves and at the same time carry out structural transformations in the real economy. . . . If Gerashchenko puts money into competitive projects and the real economy, into production units that are now idle, growth would become a reality already this year, in 1998."

Documentation

Russian Academy of Sciences open letter

The members of the Economics Division of the Russian Academy of Sciences, for which Academician Dmitri Lvov is the academician-secretary, submitted their "Open Letter to the President, Federal Assembly, and Government of the Russian Federation" in mid-September. Kommersant-daily published it on Sept. 15, under the snide headline "Basic Directions for Economic Policy," which alludes to the title of Soviet five-year-plans. Passages in brackets are summaries.

Scientists from the Economics Division of the Russian Academy of Sciences have been and remain initiators and advocates of profound social and economic transformations in the public life of our country. They have always supported, and continue to do so, a thought-through and considered transition to a socially oriented and effectively regulated market economy, and the creation of the basis for a civil society and its comprehensive democratization.

At the same time, we distinguish the main highways leading to such transformations, from the clumsy, primitive, and at times unprofessional methods of so-called "shock therapy." We repeatedly warned both the President and the government of the danger of experimentation with the economy of such an enormous country as Russia, on the basis of recommendations from foreign consultants and experts, untested by our own science and without corroboration in practice. As a result, Russia has been thrown far backwards. The destruction of its scientific and technological, economic, and intellectual potential has commenced, the impoverishment of the population has assumed a gigantic scale, the moral principles of society have been subverted, and criminality is brazenly rampant.

Now, when Russia is on the brink of the abyss, once again, without any consultations with domestic science, the latest model is being proposed—now, the Latin American version. [Domingo Cavallo, ex-Finance Minister of Argentina, had just spent a week in Moscow to promote a version of the British imperial Currency Board scheme for Russia, in con-