

How Gore went to bed with Bush, Sr. and wound up with Natasha Kagalovsky

by Jeffrey Steinberg

Last week's issue of *EIR* provided further evidence of Vice President Al Gore's role in perpetuating the destruction and looting of Russia that was launched during the Presidency of George Bush, with the full complicity of Bush and the entire "Bush league" administration.

But *EIR*'s attention to the Gore role should not be confused with an effort currently being led by Katherine Graham and her *Washington Post*, to use Gore's complicity in the drive to destroy Russia, as a means of selling an otherwise unsellable George W. Bush as a "lesser of two evils" candidate for the Presidency in 2000. In fact, the usual crew of "British-American-Commonwealth" (BAC) club-owned Republicans and their mouthpieces, including Katherine Graham, have every intention of using their hypocritical attack on Gore, as a means of wrecking the current President, and of preventing Clinton from dumping the insane Russia policy which he inherited from George Bush, and which he has never effectively reversed.

There are some signs that just such a U.S. government policy shift is being contemplated. On Sept. 2, Jacques Sapir, a leading French scholar of Russian affairs, published a piece in the semi-official newspaper of the French government, *Le Monde*, identifying the long-standing Western policy of supporting International Monetary Fund-allied Russian gangster-politicians, as an unmitigated disaster that must be reversed immediately.

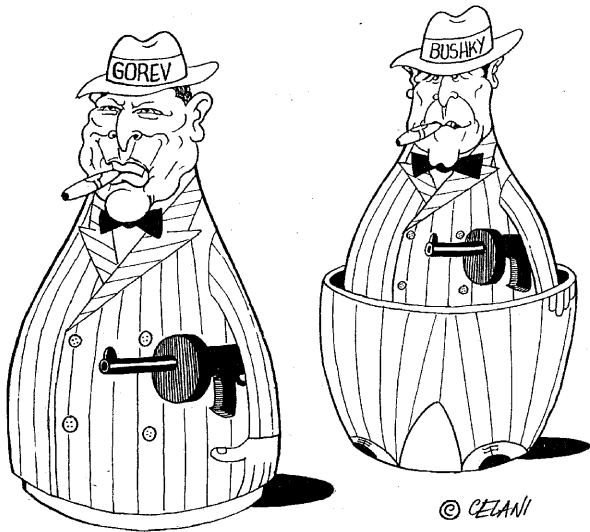
"The Western governments and the IMF had since long claimed," he wrote, "that by supporting Yeltsin and the small group of liberals in his entourage, they were defending democracy and the market economy. They have to admit today,

thanks to the work of judges from Switzerland and from the United States, and thanks to the investigations carried out during the time when Primakov was prime minister, that they facilitated the work of a band of robbers and swindlers."

Sapir demanded that Western governments end their meddling on behalf of Russia's criminal elites, such as Anatoli Chubais and Yegor Gaidar, and support debt relief and currency regulations, to enable Russia's genuine leadership to bring the country back from the brink of ruin.

There are ample reasons to believe that the views expressed by Sapir in his *Le Monde* article, are shared by a growing number of continental European leaders, and, even, by President Clinton himself.

It is in this light, that the assault on Clinton-Gore for "losing Russia" must be placed in the proper framework: President George Bush, in league with his "English nanny," Margaret Thatcher, bears far greater responsibility for the destruction, looting, and criminalization of Russia, than anyone in the Clinton administration. The fact that the thoroughly corrupt Al Gore was the principal water boy for the Bush-league policy of dismantling Russia from 1993 onward, only serves to further illustrate the nature of the beast. Al Gore, today, is the leading representative of the "Project Democracy," a.k.a. "Third Way" policies, launched during the 1980s by the Bush machine, in tandem with London. Gore's crimes — including his now widely exposed collusion with Russia's onetime master kleptocrat, Viktor Chernomyrdin — are "Bush league" offenses, carried out on behalf of the same anti-Clinton forces who had already decimated Russia before the Clinton inauguration in January 1993.



"Russian" Mafia

The Prince of Thieves

Nothing more clearly symbolized Bush's commitment to the free market and IMF looting of Russia, than his June 5, 1991 appointment of longtime Texas Democratic Party fixer Robert Strauss as his ambassador to Moscow, replacing Jack Matlock. At the time, Lyndon LaRouche dubbed Strauss the "Prince of Thieves," the man George Bush dispatched to Moscow to teach the Russian oligarchs how to more professionally loot the country of its raw material wealth, drain its banks of cash, and dismantle its once-powerful military-industrial-scientific complex.

Strauss had long-standing ties to the Bush-Baker duo. Indeed, all three men were products of the Brown Brothers Harriman "invasion" of Texas, a generation earlier. In 1980, while he was running Jimmy Carter's failed re-election campaign, and while James Baker III was a central figure in the Reagan-Bush campaign, Strauss and Baker, along with Strauss's son, were partners in a West Coast business venture. Strauss and his wife were intimate personal friends of George and Barbara Bush. The two couples spent long hours together at the White House during the height of Bush's early 1991 Desert Storm war against Iraq, when, according to Presidential biographer Bob Woodward, Bush was near nervous breakdown.

At the time of his appointment to the Moscow posting, Strauss was the attorney and a board member for Dwayne Andreas's Archer Daniels Midland grain cartel; he held similar positions with RJR Nabisco, the tobacco and food cartel owned by the family of Bush White House general counsel C. Boyden Gray; and he was also a director of Conrad

Black's Thatcherite media cartel, the Hollinger Corporation—along with Thatcher and Henry Kissinger.

Indeed, today, Strauss is a director of a Washington think-tank, the Forum for International Policy, for which George Bush's National Security Adviser, Gen. Brent Scowcroft, and Lawrence Eagleburger, Bush's Secretary of State, serve as president and chairman, respectively. Gen. Colin Powell, Bush's Chairman of the Joint Chiefs of Staff; Robert Gates, Bush's CIA Director; and Condaleeza Rice, the NSC's Russia desk officer (and today a leading "foreign policy" adviser to G.W. Bush's Presidential campaign), are also on the Forum's board. Thus, Strauss's ties to the Bush machine remain unbroken to the present. The Forum for International Policy might be appropriately called "a Bush league of their own."

One of Strauss's most pressing missions, during his tenure in Moscow, was to ensure that Russia and the other nations in the newly formed Commonwealth of Independent States were drawn into the IMF—to assure that no measures were taken to interfere with the wholesale looting of Russia. Bush made Russian enslavement to the IMF a major theme of his 1992 State of the Union speech, and a subsequent Washington summit with the newly anointed Russian ruler, Boris Yeltsin.

Even earlier, President Bush had given his personal stamp of approval to the "shock therapy" policies imposed on post-Soviet Russia by the IMF and Western speculators. At the very start of his administration, President Bush had singled out Poland for "the IMF treatment," delivering a major policy address on April 17, 1989, in which he vowed that the United States would "not offer aid without requiring sound economic practices in return"—an unambiguous endorsement of the "shock therapy" policies already imposed on Poland, courtesy of Harvard University austerity-maven Jeffrey Sachs. For years to come, the "Polish Model" would be synonymous with vicious IMF austerity measures, and the wholesale looting of the national patrimony of one eastern European nation after another by Western bankers. On July 10, 1989, Bush personally travelled to Warsaw to reiterate that there would be no large-scale U.S. aid to Poland, but that Poland must swallow the "market-oriented economic policies" prescribed by the IMF, the World Bank, and other multilateral agencies.

Giving Russia the 'Polish treatment'

Robert Strauss arrived in Moscow during the final months of the Soviet Union, and he and Bush were on hand for the imposition of the first "shock therapy" treatments, at the hands of a combination of foreign predators and already-corrupted Russian "reformers" (see chronology on page 72).

Fritz Ermarth, the longtime top Soviet analyst at the CIA, wrote in a recent issue of *The National Interest* magazine, that in the spring of 1992, he had gone to the Bush White House with evidence that upwards of \$20 billion had been looted

LaRouche: Bush to be hit by Gore scandal

The following statement by Presidential pre-candidate Lyndon LaRouche, was released by LaRouche's Committee for a New Bretton Woods on Aug. 28.

There is an old saying, "Never mention the rope in the house of the hanged." The roots of the money-laundering scandal involving Vice President Gore all lead directly back to former President George Bush. The money-laundering operations lately involving the Bank of New York [BONY] were all set up under President Bush, and by the Bush apparatus. Al Gore simply jumped, "barnyard epithets" and all, into the same trough already occupied by George Bush's gang.

Some of you may recall, that when President George Bush appointed Bob Strauss to his Moscow posting, I issued a statement commenting on that appointment: George Bush is sending the Prince of Thieves to Moscow to teach the KGB how to steal. ("The Coming Blowout of the Financial System," July 3, 1991, LaRouche Presidential campaign statement; interview of Lyndon LaRouche by

Viktor Kuzin, November 1993.) That was how the BONY money-laundering operation, among many related things, came into existence.

Later, during the course of my several visits to Moscow, I launched an inquiry into the role of corrupt operations by circles associated with Bush and also certain Democratic Party figures, in running large-scale mafia operations contrary to the interests of both Russia and the United States. ("IRI's Friends in Russia: The Anti-Utopia in Power," Part 1, and "Mont Pelerin Pushes the Criminal Economy," in *EIR*, Sept. 6, 1996; "Russian 'Democrats' Recruited to Conservative Revolution," Part 2, in *EIR*, Oct. 4, 1996.)

True, I have denounced Vice President Al Gore repeatedly for his part in these dirty operations. ("Gore Caught in Corruption with Wall Street Cronies," *EIR*, Jan. 29, 1999; and "Gore Caught in International Murder and Theft Ring," *EIR*, March 19, 1999.) However, in these matters, the apparatus of former President George Bush is much, much dirtier than Al Gore.

Don't you wonder, whether or not the *Washington Post* or the *Wall Street Journal* have the honesty to report on the Bush gang's role in this vast money-laundering scandal?

While you are wondering, read the attached summary of certain relevant facts about the Bush connection in this affair.

from Russia by a combination of government bureaucrats, "former" KGB officers, and the emerging new class of Russian privateers. But rather than receiving encouragement to help the Russian government track down the thieves and their ill-gotten gains, Ermarth was told, "The answer was 'no.' . . . The main rationale was the following: Capital flight is capital flight. . . . It doesn't matter who has the money or how it was acquired, even if by theft; so long as it is private. It will return to do good things if there was a market."

Such rank cover-up, by the Bush White House, including the top Russia expert at the National Security Council, surpasses Al Gore's 1995 infamous "barnyard epithets" which he reportedly scribbled on the front cover of yet another CIA report, warning that Prime Minister Viktor Chernomyrdin had stolen an estimated \$5 billion, and had funnelled it into private accounts overseas.

The Bush-Thatcher policy, designed by the Mont Pelerin Society, of drawing no distinction between criminal capital and legitimate investment, set the stage for the wholesale looting of Russia, that burst into the headlines of the major world media on Aug. 19, 1999, with the *New York Times*'s "revelation" about the Russian billions laundered into the Bank of New York.

Incredibly, nine days later, one of Russia's new breed

of "oligarchs" deeply implicated in the Bank of New York money-laundering scandal, contacted the *New York Times* to "explain" how the cash flows were "innocent transactions." Mikhail Khorodkovsky, who headed the now-defunct Menatep Bank, and who is currently the chairman of Yukos Oil, told the *Times* on Aug. 28, that he had been at an "exclusive meeting in Russia's Presidential offices attended by a handful of powerful Russian financiers" shortly before the Russian ruble was devalued in August 1998. At the meeting, the oligarchs were informed of the planned devaluation, and they successfully pressed then-Prime Minister Sergei Kiriyenko to declare a 90-day freeze on commercial foreign debt payments. During this period, Khorodkovsky "explained," billions of dollars in capital fled Russia, and much of the money landed in the Bank of New York. But this was not "mafia money"; this was "legitimate" flight capital! Indeed, to this day, there are no laws against insider trading in Russia—a legacy of the Bush-Thatcher policy that there is no such thing as "dirty" money—as long as it's in private hands.

EIR recently exposed the fact that the same "bankers' logic" has been formalized by the IMF: The IMF now demands that countries such as Colombia and Russia include the revenues from the "underground economy" in their calculations of their Gross Domestic Product.

Konstantin and Natasha

On Aug. 21, 1991, the day when Russian Federation President Boris Yeltsin was standing on the tanks in front of the Russian Parliament, in what was to prove the final blow to the already-collapsed Soviet Union of Mikhail Gorbachov, Konstantin Kagalovsky was in London, seated with British Prime Minister John Major at 10 Downing Street, demonstrating his mastery of Friedrich von Hayek and Milton Friedman's brand of British free trade economics. Kagalovsky was one of a dozen or so ambitious young Russian "economists" who had been picked up, during the mid-1980s, by the Mont Pelerin Society, and groomed for what the City of London financial oligarchy had already deemed the likely prospect of the economic collapse of the Soviet Union and the Warsaw Pact. Kagalovsky, along with other familiar figures—Gaidar, Chubais, Fyodorov, Potanin—set out to do the bidding of their Thatcher-Bush Anglo-American patrons, at the first opportunity.

Kagalovsky was named as Russia's liaison to the IMF when Yeltsin chose Yegor Gaidar as his prime minister. In that capacity, Kagalovsky prepared the first memoranda that "qualified" Russia for membership in the IMF. When, in March 1992, Russia was admitted, Kagalovsky became Moscow's first "director" of the IMF, posted in Washington.

It was in Washington, outside the IMF headquarters building, that Kagalovsky met Natasha Gurfinkel, a Russian-born woman employed by the Bank of New York. The couple married in 1994, and shortly thereafter, Kagalovsky left his post with the IMF, to return to Moscow and a post at the (now-defunct) Menatep Bank, founded by the above-cited "Russian oligarch," Mikhail Khorodkovsky. Soon, the Bank of New York was one of the leading Western banks operating in the mafia-infested Russian banking scene.

On Aug. 20, 1999, Natasha Kagalovsky was suspended from her post as head of the Eastern European department of Bank of New York, for her role in the estimated \$15 billion in looted government funds and Russian mafia booty that found its way into at least nine separate accounts at the bank, between the beginning of 1998 and August 1999. Some estimates place the total amount of dirty money laundered through the Bank of New York route at \$100 billion.

More Bush gore

Contrary to recent media accounts, the Bank of New York did not break into the Russian financial world via the Kagalovsky family. The Bank of New York's access to the fast and loose Russian financial structures came top-down, via one of the most notorious of the Western "bankers" who had built a "special relationship" to corrupt elements of the Soviet era *nomenklatura*, Bruce Rappaport. From 1980, at the latest, BONY had been absorbed into the hot-money empire of the Haifa-born, Swiss-based wheeler dealer. First, Rappaport bought an 8% stake in BONY, giving him the largest single stake in the bank. In 1990, BONY purchased 28% of Rappa-

port's Geneva bank, Inter Maritime, in effect transforming it into the private banking arm of BONY. In fact, significant portions of the \$15 billion in Russian cash laundered into BONY, first passed through Bank of New York-Inter Maritime in Geneva, Switzerland.

Throughout the 1980s, as his ties to BONY were consolidating, Rappaport, in league with Ohio-based savings and loan swindler and Robert Strauss protégé Marvin Warner, set up a string of offshore banking operations in the Caribbean British Crown Colony of Antigua. Warner later saw his own banking empire collapse, after U.S. Federal drug agents shut down two of his Miami banks, Great American Bank and ComBank, for laundering Colombian and Venezuelan drug cartel funds. When Warner, who was President Jimmy Carter's Ambassador to Switzerland, was later charged with financial fraud in the collapse of his Home Savings and Loan, Robert Strauss personally appeared as a character witness at his trial. Warner's Florida dirty-money operations had been originally set up by a former top official of White Weld, the Boston and New York banking house of George Bush protégé William Weld, who was the U.S. Justice Department point-man in the mid-1980s railroad Federal prosecution of Lyndon LaRouche and scores of his political associates.

Rappaport escaped unscathed from the Warner debacle. In the late 1980s, he was called upon by George Bush and the Iran-Contra "guns for drugs" apparatus, to allow his Antigua banking operations to be used in two of the filthiest operations of the Bush "secret, parallel government."

In 1988, in league with "Republican Party political consultant" Richard Bond, the former vice chief of staff of Vice President Bush, Rappaport financed the creation of an Israeli-run secret arms-running and mercenary-training facility on Antigua. State Department loan guarantees, arranged by Bush-Oliver North Iran-Contra point-man Elliott Abrams, backed up Rappaport's cash. The project, run by Col. Yair Klein, was originally aimed at raising a mercenary army to overthrow Panamanian Defense Forces chief Gen. Manuel Noriega, who had refused to play ball with Bush's Central American guns-for-drugs operations. In August 1989, the same Klein-Rappaport Antigua operation provided the weapons to the Medellín Cartel that were used to assassinate anti-drug Colombian Presidential candidate Carlos Luis Galan. When Klein's Antigua operation was exposed, after the Colombian Army traced the Galan murder weapons back to him, the Israeli colonel fled home. Miraculously, Rappaport's name scarcely emerged in the ensuing scandal.

The entire Rappaport dossier, including his links to Vice President and later President Bush's "secret parallel government," are no deep, dark secret. They were featured prominently in *EIR*'s bestseller book, *Dope, Inc.—The Book That Drove Kissinger Crazy* (Washington, D.C.: Executive Intelligence Review, 1992).

Today, although he lives in Switzerland, Rappaport is the Antiguan Ambassador to Russia, enjoying the full diplomatic

Aides Say Gore Unaware of Missing-Cash Probe

12 News

Russlands Geldwäsche-Skandal bringt Gore in die F
Vorwürfe gegen das Weiße Haus / Talbott rät zur Gelassenheit / Ermittler

Russian mocks
FBI's money
scam 'ravings'

Al Gore fait les frais de la politique russe de la Maison Blanche

WASHINGTON
de notre correspondant
L'été n'aura pas été facile pour Al Gore. Malgré tous ses efforts et le soutien de Bill Clinton, le vice-président reste loin derrière son challenger républicain, George W. Bush, dans les sondages. Il ne parvient pas non plus à déconstruire l'autre candidat démocrate à l'investiture, l'écologiste Bill Bradley, alors que l'acteur Warren Beatty semble, lui aussi, tenté de se lancer dans la course. Malheureusement, la principale responsabilité de politique étrangère

d'entraîner - et le fait qu'elle ne provient pas uniquement des trafics des mafias de l'ex-Union soviétique mais probablement aussi de la mise en coupe réglée du pays - et peut-être du détournement de l'aide internationale - par une oligarchie corrompue, ne lui facilitent pas non plus la tâche.

Le principal bailleur de fonds de la Russie a été le fonds monétaire international, une des bêtes noires de la droite républicaine. Il avait fait tout le talent de Bill Clinton - nommé à l'occasion par Al C

ministre de Boris Eltsine. C'est en cette qualité que, fin juillet, il avait reçu à Washington le chef du gouvernement de l'époque, M. Stjepanovic, limogé quelques jours plus tard. Il est donc particulièrement intéressant de voir ce qui critique la diplomatie démocrate en général et la coopération avec le Kremlin en particulier. On rappelle ainsi que l'on avait depuis 1990 que Al Tchernenynov se livrait à des opérations financières douteuses. Un diplomate américain en poste à Moscou se sou-

le monde savait qu'une chose de jeunisme d'Eltsine, avant tout d'éviter ne dégoûté avec, pose toujours d'un impressionnant. I que M. Gore, auq avait confié des re- plomatiques pour président en ont es assoupli lui à le top

Proposition de moratoire des prêts du FMI à

Gore Faces Ticklish Issue On Russian Corruption
By CECI CONNOLLY

David Ignatius
Who Robbed Russia?
Did Al Gore know about the massive lootings?

RUSSLAND
Der Zar im Zwielficht

lot: Die Schweizer Justiz ermittelt wegen Korruption im Geldwäsche russischen Kapitals verdächtigt - es - Dollar aus dem Westen. Schon fürh

erative Russian mafia the heart of a massive audering investiga- like his silence over the ad to claim he was the of "delirious ravings" e FBI.
myon Yukovich Mogilev- who has been linked to an jury said to involve up to \$15 billion (€9.4 billion) of laundered money, protested his in- nocence to a Moscow news- paper. In an interview with Moskowsky Komsomolyets, he mocked accusations that he had laundered money. "Once I accidentally washed five dol- lars I'd left in a shirt pocket, I must say they looked a lot cleaner and brighter after that. And the exchange bureau happily changed them for me."
"If I could earn - I stress - just a third of that, I would say that I'd be a millionaire. Alas, I would not say that I'd be a millionaire."
...essed by ...

David Lister, Alice Lagnado and James Bone on the Bank of New York scandal



Lucy Edwards, who was sacked from the Bank of New York's London office on Friday. Ms Edwards was spotted last week in the lobby of a stylish Moscow hotel.
It was also reported at the weekend that Natasha Gurfinkiel Kagalovsky, who works in the bank's New York office and has been sent on paid leave, has now turned up in London.
In a new claim, a senior Russian businessman linked to the inquiries said that Moscow officials moved considerable sums of cash abroad just before the devaluation of the rouble last year.
Mikhail Khodorovskiy, former chairman of Menati a Russian bank that is one several under investigation told The New York Times that Russian officials began sell government securities because they had inside knowledge of the devaluation of the rouble. He said they transferred money abroad through "front company" and then the Bank of New York.
Anyone who sold gov



Al Gore's link to the Russian money-launderers is drawing widespread international press comment. The more astute observers are noting that the corruption has "deep roots," going back to the Bush administration.

immunities that go with service in Her Majesty's diplomatic corps.

Russian mafia / Israeli mafia

The case of Bruce Rappaport illustrates another important feature of the long-standing *EIR* dossier on the purported Russian mafia: Long before the collapse of the Soviet Union and the post-communist criminal grab for power in Moscow, *EIR* was exposing the strategic collusion between the Israeli mafia and elements within the Soviet-era KGB. What is today mislabeled the "Russian mafia" is, in almost every instance, a subsidiary element of either the "Israeli mafia," associated with such political figures as Ariel Sharon, or the Meyer Lansky syndicate, which included many prominent American Zionist families who got their start in Prohibition-era bootlegging and narcotics trafficking. The name Edgar Bronfman, who now advertises his support for the Y2000 candidacy of G.W. Bush, is one name associated with the Lansky syndicate-Israeli mafia-Soviet intelligence combine.

Indeed, just as the Bank of New York scandal was bubbling to the surface in recent weeks, a spotlight was placed on "Russian mafia" ace money-washer Semyon Mogilovich, a Russian Jewish gangster now operating out of Central Europe. Recent U.S. government intelligence reports note that the Mogilovich syndicate, with operations in Brighton Beach (Brooklyn), New York, Los Angeles, Moscow, and Hungary,

has been receiving illegal Israeli passports from Shabtai Kalmanovitch. Kalmanovitch was a central figure in the Bush-era Iran-Contra actions, bankrolling the Israeli involvement in the arms-for-drugs operations in South America and Africa, while carousing with the likes of Alexander Haig. Ultimately, Kalmanovitch was jailed in Israel as an alleged "KGB agent."

Gore gets into the act

It was this Bush-era network of offshore financiers, Mont Pelerin-trained Russian kleptocrats, Iran-Contra spooks, and bankers, that was inherited by Vice President Gore, in 1993, when the Clinton administration came into power.

But even as Gore and his coterie were building on the foundations laid by the Bush team before them, in subjecting Russia to total "inside-outside" economic warfare, the hand of former CIA head and President George Bush was never far removed from Russia. In 1996, as Yeltsin ran for re-election as President, it was the International Republican Institute, the GOP arm of the National Endowment for Democracy (NED),¹ that played the pivotal role in steering Yeltsin's campaign (reportedly, Yeltsin received hundreds of millions of dollars

1. See article on Samuel Huntington in this issue, p. 50. Huntington's 1975 Trilateral Commission study on the "crisis of democracy" launched what later became the NED, the instrument through which both major political parties were coopted into illegal covert operations worldwide.

in foreign slush funds to literally buy his victory). Among the leading IRI directors who oversaw this effort: Bush National Security Adviser Brent Scowcroft and Bush Secretary of State Lawrence Eagleburger, both also partners in Kissinger Associates. In a 1996 interview, Scowcroft boasted that George Bush was one of the biggest public boosters of the IRI's role in Russia.

Documentation

The following article is a scathing attack against the International Monetary Fund's policies in Russia. By Jacques Sapir, it is titled "The Western Responsibility," and was published in the French daily Le Monde on Sept. 2. Sapir is Director of Studies at the Paris Ecole des Hautes Etudes en Sciences Sociales, and a Russia specialist who has carried out several missions in that country since 1989.

The months of August are murderous in Russia. Last year, it was the illusions of global liberalism, which collapsed with the brutal devaluation and default on the internal debt. This year, whatever remained of the good conscience of the West, is good for the garbage pail.

The Western governments and the IMF had, for a long time, claimed that by supporting Yeltsin and the small group of liberals in his entourage, they were defending democracy and the market economy. They have to admit today, thanks to the work of judges from Switzerland and from the United States, and thanks to the investigations carried out during the time when Primakov was prime minister, that they facilitated the work of a band of robbers and swindlers. A President and his family put into question; the former Russian representative at the IMF in the position of the accused, and with him his protectors, Gaidar and Chubais: The picture is astounding.

What the West is discovering today, the Russians have known for years. The repeated electoral defeats of the so-called "democrats" and other "liberals," and on the opposite side, the immense popularity that surrounded Yevgeni Primakov, are enough proof of this fact. Last May, one of my Russian colleagues made the following cynical remark: "For a long time, we tried to find who had inspired the policies of the liberals in our country. It was not Friedman, nor Hayek, but rather Proudhon: Property is theft!"

But if the misdemeanors, or even the crimes, have been committed in the majority of cases by Russians, the Western responsibility is an included feature. That of the IMF to begin with, which now plays the scandalized virgin, while it was its prescriptions which largely helped to set up financial delinquency at the industrial level in Russia. And who could not ignore where its money was going?

The governments of several Western countries are no less responsible. For years, information concerning the practices

of those whom we designated as "our friends" or even "the guarantors of reforms," were covered up. What kind of reforms were these, at any rate? Improvised privatizations transformed into sharing of the spoils, the dismantling of the State through successive cuts in spending which weakened it, like the patient who was submitted to the bleedings of Molière's doctors, the absurdity of a precipitous policy of financial liberalization which made the bed for speculation and capital flight. The results are tragically eloquent.

Was there the belief, as some American and British diplomats cynically say that it was better to have corrupted officials and practices in Moscow, because, with their money being invested in the West, they would no longer be our adversaries? If such was the calculation, it was rather imprudent. Today, that money corrupts our own financial institutions, and the countries who have supported this corrupted elite, will be undoubtedly associated with the opprobrium to which the population will condemn it. It is the very values of those who practically carried Yeltsin and his people in their arms to ensure his dubious reelection in 1996, and first of all democracy and human rights, which will be the first victims.

If we do not want to be resigned to the worst, we must act rapidly. First, by stopping all meddling, direct or indirect, in favor of the self-proclaimed "democrats," who in place of principles only have values, in the real estate sense of that word; and then by reminding ourselves of the necessity to pursue the electoral processes for 1999 (legislative elections) and 2000 (Presidential elections). We must stop closing our eyes to trickery and manipulations, such as those which occurred in 1993 and 1996. We have to reaffirm support for institutions, and not for men, and in that framework recognize that the present Russian Constitution does not satisfy democratic criteria, and that it would be just that it be reformed.

Then, rather than giving—excuse me, lending—ever yet more, we must support the decisions which, in Russia, go in the direction of creating a solvent State. The measures of exchange regulations and of capital controls imposed by the Russian Central Bank a few months ago are going in that direction. Instead of demanding their dismantling, as the IMF is doing, it is important to help in their realization. When a government comes in, such as that of Primakov, committed to fighting crime and corruption, we must support it in this task, and not support its adversaries. It is also important to seriously reflect upon the future of the debt accumulated by Russia since 1993, to the extent that the financial needs to which it corresponded were derived from wrong prescriptions and from unacceptable conditions for which the lender is responsible.

Only the Russians can bring an end to the situation that their country is going through. Let's stop believing, or pretending we do, that we must guide them step by step. But let us stop opposing the only political solutions which can allow a restoration of the State in Russia, and the construction of political and economic institutions which the country needs.