

Russia's Arbatov: Shock therapy is threat to peace

by Mark Burdman

Senior Russian official Georgi Arbatov, director for the past 25 years of the U.S.A. and Canada Institute in Moscow, has delivered a blunt warning to the West, that the continued application of the International Monetary Fund's "shock therapy" policies in Russia is producing a "very dangerous" threat to world security. Speaking on Oct. 12 at a conference on global strategic questions sponsored by the Evangelical Academy in Tutzing, Bavaria, Arbatov unsettled his predominantly German audience by charging that shock therapy had been devised by high-level American policy circles in order to deindustrialize and destabilize Russia, to "bring Russia to its knees." The Russians' growing awareness of this "made in America" strategy, he said, was leading to an "anti-western backlash," at the highly volatile moment when Russia is already living under civil war conditions. The West, he asserted, should be "extremely cautious" in its dealings with a nuclear power like Russia under such circumstances, and should drop its insistence on shock therapy measures for Russia.

Arbatov's comments are all the more intriguing and ironical, in that they effectively confirm the past weeks' insistent warnings by Lyndon LaRouche, that International Monetary Fund (IMF) shock therapy measures in Russia were leading the world toward war. For well over a decade, Arbatov has been one of LaRouche's leading enemies, having strongly opposed LaRouche's Strategic Defense Initiative policy during the 1980s, and having been one of the first individuals in the world, in early March 1986, to spread the lie that LaRouche and associates were responsible for the murder of Swedish Prime Minister Olof Palme.

One sign of how unsettled the western elites were by what Arbatov said, is that *not one word* was published about his intervention in any German or other media throughout the entire week of the Oct. 11-14 Tutzing conference.

Anti-western backlash grows

On Oct. 12, Arbatov discarded the relatively mildly worded written speech he had submitted to the Tutzing event. After a few introductory remarks, he got to his point, stating that "the main questions facing Russia are economic," and that "the major mistake" made by Boris Yeltsin and others, after the failed August 1991 *putsch*, was to have supported shock therapy. Now, two years later, after the dramatic events of the late September-early October period, Russia is experiencing "extremely worrying problems. . . . We now have a great victory of totalitarianism, the events of the last weeks show this. . . . The economic and social problems can become even more extreme than in the 1991-92 period." This is mainly attributable to the application of shock therapy, the results of which are "very poor," he said.

Arbatov commented favorably on the Oct. 3 statement by U.S. Sen. Robert Dole (R-Kan.), the Senate Minority Leader, that "America had made a mistake in pressing too hard, through the International Monetary Fund and World Bank, in imposing this shock therapy. This put pressure on Russia in an intolerable way." He welcomed the fact that Senate Majority Leader George Mitchell (D-Me.), had basically agreed with Dole.

Referring to a just-published interview with an aide to Russia's pro-IMF First Deputy Prime Minister Yegor Geidar, affirming that subsidies to agriculture and other sectors would be slashed, Arbatov warned that Russia would soon see massive unemployment and that "the social fabric" of the country was under threat. This could "enforce imperialistic tendencies," and "could be very dangerous. An anti-American, anti-western backlash will arise, because of Geidar's policies." Arbatov criticized shock therapy promoters such as Harvard's Jeffrey Sachs and Sweden's Anders Aslund, for so

openly flaunting their views in Moscow, thereby reinforcing the perception in Russia that such people are “taking over,” and that shock therapy is “something imported from the West, grafted onto Russian society. . . . It seems as if all the policies are ‘made in America.’ This could lead to a backlash of conservative forces, and become very dangerous.”

The Russian official charged that “shock therapy was invented by the IMF, and tested by experts, mainly in the countries of the Third World, to get debt repayment out of these countries.” The policies were so brutal and negative, that they had been rejected by some countries in Ibero-America, and, more recently, by the voters of Poland. Meanwhile, as applied to Russia, shock therapy was being “especially conducted, to come to terms with Russia once and for ever, to deindustrialize Russia, to cut it down to size, to bring it to the level of an underdeveloped country.”

Challenged then by former U.S. Ambassador Jonathon Dean (ret.), who proclaimed that Russia required effective measures to deal with hyperinflation, Arbatov shot back that “the situation *started* with shock therapy, there was inflation only *after* shock therapy was introduced.”

Later, in response to Dean’s insistence that the United States actually wanted a more stable and prosperous Russia to help guarantee security in Europe, Arbatov, who knows the American political establishment extremely well, responded that this was indeed the view of certain Americans, “but I’m not convinced that *all* Americans would agree with that; there are some with quite different views, who think that this time, once and for all, Russia can be beaten, forced to its knees. [These Americans] are wrong, but they don’t know they are wrong, and that is what makes them dangerous.” Arbatov underlined that, throughout history, it was the irrational element that often led to wars and other disasters.

Some agitated members of the audience insisted that he reveal the identities of the Americans he had in mind. Arbatov named Bush-era U.S. Secretary of Defense Richard Cheney and Reagan-era senior Defense Department official Richard Perle, while insisting that other relevant persons are “my friends,” and had to remain anonymous, although all in this grouping believe that “to have one Russia is too little, it’s better to have three, four, or five Russias.”

It might be assumed that Arbatov also had his old buddy Henry Kissinger in mind. Elsewhere in his speech, in a different context, he attacked Kissinger for promoting the view that it was the U.S. “China Card” policy that had forced Russia to accept “détente” with the West.

He stressed that the policies of the relevant American grouping represented “the greatest danger to our security,” and could create “a disaster” in a country that has “a whole pile” of nuclear weapons. This is doubly dangerous, in a situation where Russia’s neighbor, Ukraine, which also has nuclear weapons, is “in even a worse situation than we are.”

Arbatov also reminded his audience that the United States itself was hardly in a position to make economic policy de-



Georgi Arbatov says that shock therapy was designed “to bring Russia to its knees,” and those Americans who hope to do so, are playing with fire.

mands, since “the Americans are now the greatest debtors in the world.” He caustically recalled George Bush’s “April Fool’s Day” declaration of April 1, 1992, that Russia would receive \$24 billion, if it imposed IMF conditions, a declaration that was never meant to be fulfilled: “The American President should be honest, the U.S. government has no money.” He also noted, with sarcasm, that nobody *inside* the United States asks Jeffrey Sachs for advice: “He’s good for export, not for internal purposes.”

‘Free elections for your hangman’

Otherwise, the Russian representative blasted the West for making “free elections” the only yardstick for democracy: “You can have free elections for your hangman, or for your prison director,” he declared, adding that the baneful consequences of western advice were made yet worse by the insistence on supporting one man, Yeltsin, against his opponents. By doing this, the West was repeating “the same mistakes it made with Gorbachov.”

In a further intervention the next day, Oct. 13, Arbatov warned again of the dangers to security in Europe posed by “the further destabilization of Russia.” Declaring that “we do not have a government now,” he drew parallels to the situation now and that of the 1917-1919 period, “a time of civil war. . . . Today, we have civil war with other means, to paraphrase Clausewitz. This civil war is *on*. The end cannot be predicted. . . . This is the situation Russia is in now. You should be especially concerned—and especially cautious.”