

The free market economy is a criminal's dream

by Roman Bessonov

Recently, some Russian mass media began to use a new and unexpected combination of words: "the demographic explosion among criminals." It is used in the context of the frequent attacks on representatives of the criminal elite. Yegor Yakovlev's *Obshchaya Gazeta* seems to be most anxious about this "ecological" problem.

Several papers report that on Dec. 8, a high-level meeting of influential bosses of organized crime was convened in St. Petersburg, at the famous Metropol restaurant. The most powerful figures of the criminal world from different regions of Russia and the rest of the former U.S.S.R. sent over 60 delegates to discuss perspectives for their "peaceful cooperation" in a solemn and friendly atmosphere. Some formerly significant persons, such as "Kirpich" ("Brick")—real name, Vladislav Kirpichov—were not invited, for the probable reason of their having compromised the criminal's code of honor by too open and close connections with government officials. A much more significant person of the new generation, one "Petrukha," age 23, from Krasnoyarsk, was representing the world famous "Yaponchik" (Vyacheslav Ivankov), now residing in the United States. "Kum" (Vladimir Kumarin), one of the greatest in the old generation, was absent on excusable grounds: Having been seriously wounded last summer, he is now recovering in Switzerland, after spending a while in Düsseldorf.

The most prominent of Kumarin's disciples, Aleksandr Malyshev, has been imprisoned since the autumn of 1992, desperately awaiting trial; it has been postponed several times. Too many officials are less than interested in the process: Malyshev knows too much about them. Recently a rumor was spread that Malyshev attempted to commit suicide; this news came soon after it became clear (after the governmental crisis) that Anatoly Sobchak, who was rumored during a recent national government crisis to be in line for a job in Moscow, is not going to leave the St. Petersburg mayor's post.

For more than a year, police officials were still speaking of Malyshev as of an uncrowned king. Only in November 1994 did they realize that while (and due to) his being in jail, Malyshev had lost all his influence and become a "historical character" rather than a real authority.

The latest official police reports contain at least two obvi-

ous lies. First, they say that the meeting at the Metropol restaurant was summoned on the question of integrating the St. Petersburg region into the all-Russia criminal network. Actually, St. Petersburg, Russia's second largest city and a port, had known organized crime since before perestroika, since the late 1970s, and was, along with Moscow, one of the centers of spreading criminality after 1985-87.

Second, the "conference" at the Metropol is not such an outstanding event as has been described in the media. Such meetings are convened from time to time, and officials are almost always aware of them. This time they were just trying to report on their "great achievements," in the style of the late Communist boss Leonid Brezhnev. But it was impossible to discern from these reports even the number of honorable guests arrested in the Metropol operation. Only the arrest of "Petrukha" is mentioned.

When crime is not crime

Right after this and a series of other police operations against organized crime, *Delovoy Peterburg*, the most respectable(-looking) business paper, published an interview with the aforementioned V. Kirpichov. "Brick," age 57, had spent over 30 years in prison. Now he offered his opinion as an "expert on criminality," explaining that the government is to blame for the proliferation of organized crime, for it had



The port of St. Petersburg, Russia. Contrary to what some people are saying these days, organized crime is not something new to the city, but got its start in the late 1970s.

not wanted to unfetter the economy totally.

According to "Brick," organized crime would disappear if radical free market advocate Yegor Gaidar, or Grigory Yavlinsky, came to power! (It's remarkable that for him there is no great difference between them.) Probably "Brick" is right. He's a criminal, not a police veteran, and the very fact that he praises Gaidar means that the criminal world will lose much if Gaidar, or Yavlinsky, comes to power. "There will be no crime" simply means that crime would not be considered crime. Just free market economy.

The mafia helps businessmen, "Brick" says, and they gladly accept this help. Replacing courts and arbitration, criminals act more quickly and provide more guarantees to their customers. Even foreign businessmen appeal to the mafia to solve problems, not to local authorities.

"Nobody struggles against violence, against slaughter and theft, for to arrest a gang and get a rank is easier than to arrange peace in a city," regrets Kirpichov. He suggested taking the Japanese example: There, every district is controlled by a certain gang, which is responsible for order. Japan doesn't suffer from this, but remains a highly developed country.

A week later, *Obshchaya Gazeta* published an article by I. Kondratyev, titled "Two Genies Are Too Much for Russia." He is concerned about the public's indifference to killing off the major figures of the criminal world. "There's a possibility that this process will cause a serious problem, comparable to the Chechen conflict." For example, the President's edict "to reinforce measures to fight organized crime," and the extraordinary treachery of the Russian bureaucracy's predatory nature. President Boris Yeltsin, he alleged, is responsible for aggravating the situation, because with the help of this edict, criminal gangs betrayed each other.

On the other hand, some officials would also be to blame. They "like the idea of self-destruction," and would appear to be exploiting a "new generation of juvenile delinquents" against older criminals. "Youth" may be induced to kill traditional mafiosi, the so-called "thieves-in-law." The quantity of "killed" is transformed into quality. Was it worth it to shoot a 70-year-old "thief-in-law," who was out of business, three times in the back?

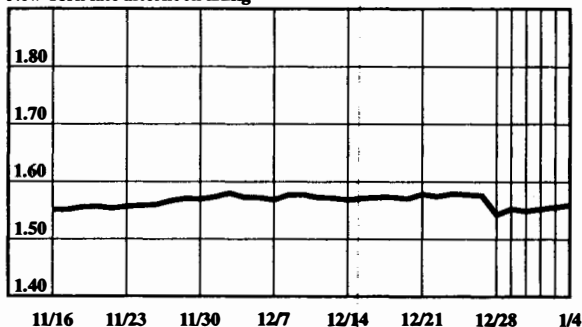
Kondratyev adds, "Not only serious and real mafia, but journalists as well have started talking about permanent long-term action, inspired by power-authority organs, with help of 'youth.' . . . A dangerous and paradoxical situation has come about: One segment of the criminals has started to blackmail and intimidate others . . . under supervision of official agencies." That's true. But it's still unknown who gave Kondratyev a hint to understand it.

At present, St. Petersburg "business circles" are making efforts to free Valeri Ledovskikh and other representatives of the Tambov-Malyshv criminal association. The city office of public prosecutor was recently reorganized, the special department supervising gangs' actions being eliminated.

Currency Rates

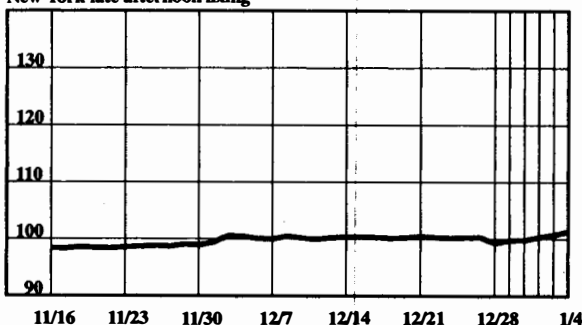
The dollar in deutschemarks

New York late afternoon fixing



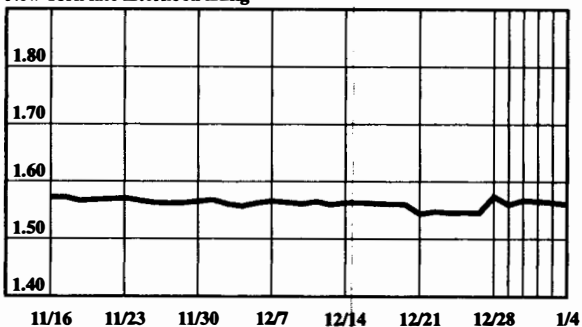
The dollar in yen

New York late afternoon fixing



The British pound in dollars

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The dollar in Swiss francs

New York late afternoon fixing

