

move backwards,” away from the reforms. Goldman said that when Russians talk about the “real economy,” they mean tanks, aircraft, and military production.

During the question period, this reporter directed a question to Goldman, telling him: “I think it’s very important to understand what Primakov, Maslyukov, and so forth, actually mean when they talk about ‘real economy.’ Because they are discussing something that, in my organization is termed ‘physical economy,’ but they’re actually looking at the industrial process, agriculture, the physical process of the economy, as opposed to the financial and monetary processes.”

This reporter noted that the United States “was built in a totally different way” from the emphasis on financial and monetary processes in post-1991 Russia, pointing to Alexander Hamilton’s 1791 Report on Manufactures, which was an inventory of what manufacturing capability existed and what could be developed. “We fought a revolution against the idea, that the British were trying to impose on us in the colonial period, that all we could do was export raw materials, have them manufactured abroad, and then sold back to us. But that’s precisely the way many Russians see what has happened to them over the past eight years, is that they have become an exporter of raw materials, they’ll be manufactured abroad, and then sold back to them; and they correctly view that as a colonial policy.”

This reporter concluded: “So, instead of viewing what Primakov and Maslyukov and others are talking about as step backwards toward communism . . . why not look at it in terms of our own history, what the American System was, of industrial development, infrastructure, internal improvements, and use that as a model, as opposed to the British system? Why

do we have to tell the Russians that they cannot do, what we did ourselves, to build up this country in the 19th century?”

Goldman’s first response was to declare, “I wouldn’t make a distinction between the British system and our economy; the British see their development exactly the same as ours.” He then repeated his point: “When I talk to Russians about the real economy, it gives me the shivers. Because they don’t see it as you see it. They see it as just a macho thing: it’s got to be big, it’s got to be strong.”

Goldman said that “whatever we did, whatever the British did, whatever the Germans did, whatever the French did, was then. This is now. We’ve got a very different kind of economy; we’ve got an economy based on services, we’ve got an economy based on software.”

“What you’re talking about is the Rust Belt,” Goldman continued. “If you want to develop a Rust Belt—be my guest. But I would prefer to focus on other service kind of things.” Goldman again referred to “this big macho stuff,” even saying that this was a problem for Russia in the 19th century—“their factories were the largest, and not necessarily the most competitive.” That mentality is the problem, Goldman concluded, “and I would like to think that when Primakov and Maslyukov talk about the ‘real economy,’ they see it in the sophisticated way you do. I’m afraid they don’t.”

A truer picture of Russia

The two speakers who did the most to break through the falsified picture of Russia, were Janine Wedel of George Washington University, and Prof. Stephen Cohen of New York University.

Speaking on a panel on “Western Aid to Russia: What

Al Gore’s plot to get rid of Primakov

“From the beginning, [U.S. Vice President Al] Gore and his people hoped that Viktor Chernomyrdin, the former Russian Prime Minister, would be Prime Minister and perhaps President of Russia when Gore’s [Presidential] campaign began,” says Prof. Stephen Cohen of the Russian Studies Center at New York University.

During an interview on PBS’s “Charlie Rose Show” on May 12, Professor Cohen described what he called “a Moscow-Washington plot” to get rid of Prime Minister Yevgeni Primakov. He said that “beyond any doubt, there is a group in Washington—maybe not the entire administration—that wanted Primakov out. And they helped Yeltsin rehabilitate Chernomyrdin as a successor.” Part of this effort was getting Chernomyrdin appointed as a special envoy for the Balkans. Cohen noted that Gore seems to

have a conversation with Chernomyrdin “almost every day.”

Cohen pointed out that Primakov was eminently suitable to be a negotiator on the Yugoslav war. “Instead, he’s whacked, and in his place is put Chernomyrdin—a man whose credibility is so lacking in Moscow that, if he were to broker a deal successfully with [Serbian President Slobodan] Milosevic, the United States, and NATO, it’s not clear that Chernomyrdin can make it stick in Moscow.”

Cohen’s (somewhat oversimplified) explanation of Gore’s motivation is as follows: “The problem with Primakov, from the point of view of one group in Washington—the Gore group—is that to campaign for the American Presidency in face of Republican charges that the Clinton administration presided over the return of the Communists to power in the form of Primakov is untenable.” The Gore group wanted Chernomyrdin to be re-appointed Prime Minister last summer, but instead they got Primakov, Cohen said, adding that ever since, “there has been a verbal war against Primakov.”—*Edward Spannaus*