

# 'Alpha' founder demands Putin become 'Pinochet'

by Rachel Douglas

The Russian banker Pyotr Aven, who named his flagship institution "Alpha" after the highest class of test-tube human clone in the drugged society of Aldous Huxley's *Brave New World*, was quoted at length in the London *Guardian* of March 31, where he demanded that President Vladimir Putin enforce radical neo-liberal economics by whatever means might be required. Aven's interview with Ian Traynor fills out the picture of the direction in which a group of the failed "young reformers" is attempting to hijack Russian economic policy, as detailed in *EIR* last week (see Jonathan Tennenbaum, "'National Liberals' Try To Kidnap Russia's Economic Policy," *EIR*, April 7, 2000).

The group is centered around Anatoli Chubais, Aven, and other friends of global speculator George Soros and the Mont Pelerin Society, and includes such fanatical Thatcherites as Yegor Gaidar's longtime sidekick, Vladimir Mau. Members of this group habitually attack Boris Berezovsky as a corrupt oligarch, by contrast with themselves, being the reformed reformers. Mau and Vitali Naishul, for the past four years, have been writing about the need for "national liberalism," or a "Pinochet" model, for Russia.

This grouping has not cemented control over what Putin and his "strong state" policy will or won't become, but Aven's interview reveals what they're after.

Traynor wrote, "Vladimir Putin should resort to totalitarian methods to push through radical economic reform and redeem his promise to make Russia great again, one of Russia's most successful bankers suggests. Pyotr Aven, president of Alpha, Russia's biggest and most successful private bank, and a key business supporter of the newly elected President, said that Mr. Putin should model his regime on that of Augusto Pinochet of Chile, combining Reaganomics with dictatorial controls. 'The only way ahead is for fast liberal reforms, building public support for that path but also using totalitarian force to achieve that. Russia has no other choice,' he said in a *Guardian* interview. 'I'm a supporter of Pinochet, not as a person but as a politician who produced results for his country. He was not corrupt. He supported his team of economists for ten years. You need strength for that. I see that parallel here.'"

According to Traynor, Aven "argued for a more radical approach" than what Putin's adviser German Gref has voiced to date, "cutting welfare and social provision to stimulate

higher economic growth." The *Guardian* went on, "Mr. Aven is convinced that Mr. Putin is the strong leader Russia needs, but is worried that his innate caution and his willingness to do deals with the communists will make him fudge and temporize. 'Nobody follows the law in this country. . . . Pinochet tried to enforce obedience to the law and sometimes that's difficult for a country. Sometimes you need to use force. The only role of the state is to use force when needed. . . . You can't always fight criminals by staying within the law. You can't always do it peacefully.'" Aven proposes that Moscow will have "to use force to suppress" regional governors.

## The Alpha people

Aven was the Russian Minister of Foreign Trade in the first Gaidar government, which launched so-called shock therapy in 1992. He had studied at the International Institute for Applied Systems Analysis (IIASA), in Austria. Together with Naishul and Konstantin Kagalovsky, Aven was known as one of the "pragmatists" among the Russian reformers. Naishul, a promoter of the benefits of economic criminality for developing markets, lauded his sometime co-author Aven, as a fine economist who could be mentioned in the same breath with Mont Pelerin Society founder Friedrich von Hayek. "Soviet researcher P. Aven" and Nobel Prize-winning Heritage Foundation associate James Buchanan, gushed Naishul in a 1991 article, were pioneers in understanding economies based on institutional agreements, or "the bureaucratic market." Aven went from IIASA into business, founding the firm Alpha-Eco, and then Alpha Bank—evidently named after Huxley's privileged alpha clones. In an echo of the mind-set of Ayn Rand, who wanted her coffin draped with a dollar sign, another one of Aven's ventures was named FinPA, short for "the Finances of Pyotr Aven." Roman Bessonov's *EIR* series on "The International Republican Institute's Friends in Russia," beginning Sept. 6, 1996, profiled Aven in depth as a certain type of son of the Soviet elites, who slipped easily from a world of *nomenklatura* privileges into the ego-centric ideology of von Hayek.

Aven was one of the first people to leave the liberal reform cabinet—to go make more money. He kept a low profile, while bringing Alpha through the 1998 crisis relatively intact. In recent weeks, Aven has become very active. Besides his *Guardian* interview, he appeared on Ted Koppel's "Nightline" ABC-TV show to express his hopes for Putin to pursue his sort of policies. Vladislav Surkov and Alexander Abramov, leading figures on Putin's campaign staff, formerly worked for Aven's Alpha companies. According to an unconfirmed report, circulated on the Russian web site www.apn.ru, Alpha Group deputy chairman Oleg Sysuyev, a former deputy premier in the Russian government, has been tapped to head up a Kremlin staff group to prepare Russian relations with a George W. Bush administration.