

INTERVIEW: ALEX KRAINER

The U.S.-UK Obsession with Defeating and Looting Russia

This is the edited transcript of a conversation with Alex Krainer conducted by Harley Schlanger, in a special edition of The LaRouche Organization's Daily Video Update, November 5, 2022. Mr. Krainer is an investor, a financial analyst, and author of Grand Deception: The Truth About Bill Browder, the Magnitsky Act and Anti-Russian Sanctions, published in 2018.

According to Mr. Krainer, the destructive "Shock Therapy" policy imposed on Russia during the Yeltsin years came from the "Cold War mindset" committed to "defeat, dismember and loot Russia," ... leave it so weakened and impoverished that it could never again challenge American hegemony." It is this geopolitical "obsession" which is behind the current NATO-backed war in Ukraine.

The full video of this conversation is available [here](#).

Harley Schlanger: Today, I will be speaking with Alex Krainer. We will be discussing his insights into the current situation in Ukraine. Alex, welcome to the program.

Alex Krainer: Thank you very much, Harley. I'm very pleased to be with you this morning.

Schlanger: In preparing for this discussion, I reread your book, and was struck with the parallels between what you were describing about the 1990s "shock therapy" policy and what is going on today. You describe the commitment of Western elites to destroy Russia after the fall of the Soviet Union. Here's what you wrote:

Those in charge had a Cold War mindset. The

object was to "defeat, dismember and loot Russia," leave it so weakened and impoverished that it could never again challenge American hegemony.

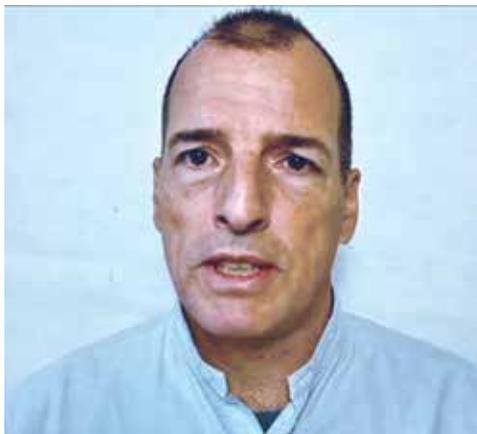
Do you see the war in Ukraine today, the NATO/U.S.-UK war against Russia, as coming from that same outlook?

Krainer: That is unquestionably the truth of the matter, and I would go a step further, and call it not a commitment but an obsession. What has been clear for a very long time, is that the Western empire has this one, overriding obsession which is to dominate the Eurasian landmass, for its resources, energy riches. It has something like two-thirds to 70% of the global GDP, 70% of the world's population. And this is all money—good collateral for the Western banking cartel.

The problem [for them] is, this vast expanse of space and wealth cannot be dominated militarily, so the strategy of the empire, since

the days of the British Empire, has been to keep the space broken up, in smaller, weaker political entities, that you can always pit one against the other, keep them weak, impoverished, dependent on you for financial and military aid, while your banks and corporations loot all of these countries for whatever the Western industries desire.

This is clearly the object with the military conflict in Ukraine, which is practically an ideal means to weaken Russia and ultimately to lead to a regime change, and to bring some kind of a new Juan Guaidó, who would, like Boris Yeltsin in the 1990s, allow the Western interests to manage Russia however they see fit.



Alex Krainer

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Schlanger: What I'd like to get into now is the effects of the looting under the shock therapy policy. You have a very thorough review of that. Give us a summary: What did they do to grab the resources after the fall of the Soviet Union in 1991?

Krainer: The Western financial interests had already prepared the terrain through the 1980s. While Russia was still part of the Soviet Union, they already had their financial, economic, banking consultants going there. They were able to get from the Gorbachev government permits to set up private banks as their tools within Russia, and when the Soviet Union fell, there was a slew of Western advisors and consultants who went into Russia and practically managed Boris Yeltsin's government through a network of private agencies and nongovernment organizations.

What they did is basically create "legal" means to conduct what can only be described as a massive pirate raid on Russia. Walter Coles, who was managing the USAID at the time in Russia, said outright, if we needed the decree, Boris Yeltsin's government didn't have to go through the bureaucracy. And they did get whatever decree they needed to conduct this massive transfer of Russia's wealth into Western hands.

We're talking about hundreds of billions of dollars that were looted out of Russia. The process was so destructive. This is one of the things that President Vladimir Putin has said has been one of the greatest tragedies, if not *the* greatest tragedy of the 20th century. And in the West, it's widely misinterpreted as him having nostalgia for the Soviet Union. That's not the case: This really was a massive tragedy in humanitarian terms. The



EIRNS/Conor Soules

During the Yeltsin years, 60 million Russians were driven into poverty. Here, street vendors in St. Petersburg, Nov. 1999.

result of the 1990s transition that was managed by Western advisors through Boris Yeltsin's government, was that something like 60 million Russians fell into poverty; a quarter of the Russian population was living in what the World Bank described as "desperate poverty."

During the first six years of the transition, something like 170,000 Russians died by murder. Crime and criminality were rampant. There were large outbreaks of easily treatable diseases, like diphtheria, like cancer. The health system basically crumbled. People suffered hunger. And a grand total of everything, Russia lost between 5 and 6 million people. Compared to normal population trends, the Russian population was reduced by between 5 and 6 million people. This was between

3.4-4% of the total population of Russia. The mortality rate increased by 60%, which is experienced only by nations at war.

This was the tragedy of Russia in the 1990s—*entirely* engineered by Western financial interests through various agencies, like USAID, World Bank, IMF, and so on. The Western advisors included David Lipton; Anders Aslund, who is still very busy tweeting vitriol against Russia to this day; and Jeffrey Sachs. I would have to take exception about Jeffrey Sachs, because my

research has found him to be a relatively earnest person in this whole mess. He did try to do the right thing, and eventually resigned.

Schlanger: Alex, let me pick up on what you were just saying. That you wrote about the role of institutions such as the IMF, the New York Fed. These were the same institutions responsible for the pre-



<http://government.ru/news/9741/>

The American economist Jeffrey Sachs.

vention of development in the so-called developing sector, through the same kind of policies: privatization, austerity, debt payment comes first. And you describe the effect of the shock therapy in Russia as an inflationary spiral that depressed the standard of living, but at the same time de-industrialization.

Are you surprised that the people running the rules-based order today continue to rely on these same institutions which have failed repeatedly?

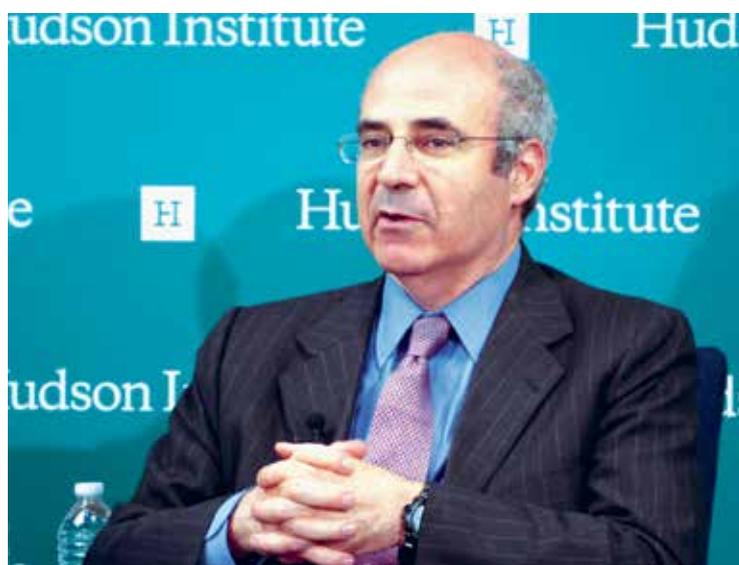
Krainer: Well, I think they haven't failed. There's a very sharp difference between what they are intended for, and what they are being sold as. The façade of the agenda always has them as helping nations develop, helping root out corruption, whereas in reality, they do the exact opposite. And they seek to weaken and impoverish these nations so that they can be turned into a pool of cheap labor and industry that merely extracts those nations' natural resources for the benefit of Western interests. I don't know if we have a single example, where the IMF and World Bank actually brought a developing nation out of poverty and into prosperity.

These are the changes that are happening today, maybe, but more through influence of Russia and China, than through Western influence. Western business has always been colonization. It's never been about dealing with this nation on a fair basis: It's always been about flattening them into submission and plundering their wealth.

Schlanger: One of those plunderers, who's the subject of your book, is Bill Browder, who is someone who came up under some very unsavory characters such as Robert Maxwell and Edmond Safra. He worked with the American networks that were involved in looting, using privatization. Tell us a little bit about what you learned about Browder. And then, also, importantly, his role in pushing sanctions, which has become the go-to policy of the West today. But the sanctions against Russia with the Magnitsky Act were sort of a prelude for what's going on today. Please give us a picture of Bill Browder.

Krainer: Bill Browder used to be the manager of the Hermitage Fund in Moscow, which, during the 1990s, was the largest foreign-owned hedge fund in

Russia. He was one of the main participants in this business of plundering Russia, and his investors were people like Edmond Safra, who used to be the owner and manager of Republic National Bank of New York. Bill Browder invested in Russian companies like Gazprom, like electricity utilities, and others. In November 2005, he was finally thrown out by Vladimir Putin's government: His visa was cancelled, he was sent on a return flight to London and has never been allowed to go back. That pretty much broke his business. His fund was eventually closed. It couldn't function with him being outside of Russia, and so I think he is very pained by the fact that he was unable to continue looting Russia and making hundreds of millions of dollars for himself



CC/Hudson Institute

Bill Browder, thrown out of Russia for his role in the looting of Russia.

and his clients.

Browder went from one of the loudest cheerleaders for Vladimir Putin and his government, to one of the loudest demonizers of Russia and Vladimir Putin. In 2015, he published a book, named *Red Notice: A True Story of High Finance, Murder, and One Man's Fight for Justice*, which I'm absolutely convinced was ghost-written by Lee Child. It was pretty much put together like a spy thriller and it turned out to be a best-seller. I read the book and I was struck by how the whole narrative is based on lies and falsehoods. Nevertheless, that very narrative enabled Bill Browder, in 2012, to lobby through U.S. Congress the so-called Magnitsky Act, a piece of legislation which ostensibly, on a human rights basis, allows the U.S. government to sanction individuals and businesses in Russia if they found them to be

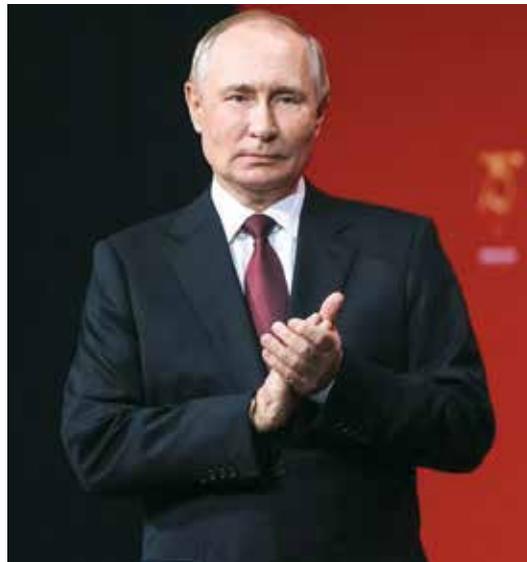
infringing on human rights.

The legislation itself, apart from being based on a fraudulent narrative that should have taken five minutes of proper due diligence in the U.S. Congress to shoot it down and not to pass it, is also an abomination with regard to Western legal standards, in the sense that it doesn't at all provide for any due process. Basically, what happens is that some unnamed bureaucrat from the United States Treasury can put any Russian person on the so-called Magnitsky list, and automatically their assets in the U.S. get frozen and they can be prevented from obtaining U.S. visas and traveling, and so forth.

It may sound harmless, but actually it can be very debilitating for anybody who, for whatever legitimate reasons might want to travel around the world, conduct business around the world, whatever it may be. And they have no way to challenge the fact that they've been put on the Magnitsky list, and there is no legal recourse. The fact that there is no due diligence process on the part of U.S. legal authorities, tells you that it happens on somebody's whim. It never should have become part of the U.S. legal system.

Nevertheless, it has been the opening salvo of the new Cold War against Russia. And the reason I published my book, was because if this process continues, it's going to lead us straight to a new world war. The objective of my book was to try to unmask these networks. Bill Browder is just one man with a very powerful political backing mainly from within the British deep state establishment and financial cartel. And that was leading us straight into the Third World War, and my endeavor was to unmask it and to add a voice to prevent this from happening again.

Schlanger: Well, Browder has resurfaced this last couple of weeks with more virulent anti-Putin statements, saying that no matter how many people have to die, Putin has to be overthrown. You're right about the standard line against Putin. Browder played at least a partial role in facilitating the promotion of this idea of Putin as a criminal, that Putin is the one stealing money. Why do you think



kremlin.ru

President Vladimir Putin, the target of Bill Browder's comical lying narrative that he is the world's richest man, and became so by shaking down the Russian oligarchs.

they put Browder out there again this week?

Krainer: I think that they put him out there again this week, because they are getting very desperate. The West is getting defeated in Ukraine, and if the West gets defeated in Ukraine, I think it's pretty much game over for the Empire. The fact that they rolled out Bill Browder to try to pour more vitriol against Russia and Vladimir Putin, to me reeks of sheer desperation, because Browder's credibility has been pretty much shot down: His lies are comical. They're very easy to debunk, and he's insisting on telling and retelling the same lies that have

already been unmasked and shown to be false.

Here's a very simple way to show that Browder's lying: He's saying that Vladimir Putin is the richest man in the world, and that the way he became rich is by shaking down the Russian oligarchs. Browder keeps telling the story about how Putin put [Mikhail] Khodorkovsky in prison, and how all the other oligarchs went to Putin to make sure that they don't end up in prison. And that Vladimir Putin basically tells them, OK, if you don't want to end up in prison, turn over 50% of your wealth to me.

Well, in *Red Notice* Bill Browder explains this, and he also explains that he doesn't have any idea that this is true at all, that he hasn't been privy to these supposed meetings between Vladimir Putin and the oligarchs; and that he doesn't know if it's 50% or 70% or 10% or maybe zero percent—he has just pulled a narrative from his back pocket, and he's insisting on telling it to everybody. I'm not sure how many people are buying Bill Browder's story anymore.

Of all the people that they might have rolled out to continue demonizing Vladimir Putin, the fact that they chose Bill Browder again, tells me that they have nothing, that they are out of ammunition, that they are out of ideas, and they are just hoping that some of these lies are somehow going to stick, and that they might galvanize the Western public into finally deciding, OK, we've had enough of this business with Vladimir Putin—let's all go to war and let's have World War III, and then every-

thing is going to be utopia.

Schlanger: I would urge all of our viewers to get a copy of your book *Grand Deception*, because it's filled with insights, facts, and as you can tell from what Alex is discussing, is totally relevant for looking at the world, at the direction we're headed.

With that, I have one final question for you. We're facing warnings, here in Europe, of a terrible winter, inflation, food and fuel shortages, having to choose between medical bills or having heat in your home. Of course, the leaders of NATO countries are saying this is all Putin's fault. Do you have a sense that the protests which have already begun, will grow and that will force the governments of European Union countries to break with the U.S.-UK-NATO narrative to continue the war? Do you think they'll be forced to pull out of the war, and do you see the possibility of the breakup of the European Union over this?

Krainer: I think there's an inevitability that the European Union will break up and that NATO will also break up. I think it's only a question of time, and I think at this time, only a miracle could save them, and give them another lease on life. And when I say "miracle" maybe that would have to be a kind of successful, convincing false-flag attack in Ukraine, or somewhere in one of the NATO nations. But I think that would be extremely difficult for them to pull off. I think much of the world is wising up to the tactics and the strategies of the British Empire, they're seeing through it, and I think the most recent events have only added to this.

I see that people are increasingly paying attention to what is really going on. I think the credibility of Western leadership and Western media is falling through the floor. The old narratives are simply not washing any more. We see now that very recently, Turkey has clearly pivoted. President Erdoğan has been trying to sit on both chairs for a long time, but I think even he has finally seen there is no point in relying on the West.

I see pressures building on Germany to chart its own course. Yesterday, German Chancellor Olaf Scholz returned from China. He has come back talking about how he pressured Chinese leadership to break with Russia, to help persuade Russia to withdraw from Ukraine, and so on. But I think the reality of the matter is that some part of German leadership understands that they have no future with their so-called friends and



Bundesregierung/Imo State of Nigeria

Germany's Chancellor Olaf Scholz is welcomed by President Xi Jinping in the Great Hall of the People, Beijing, Nov. 4, 2022.

allies, because these friends and allies are actively working on destroying Germany, deindustrializing it, plunging the German population into poverty. And they realize that if they go along with this agenda, the future is very, very bleak.

Out of one hundred German corporations that petitioned to join Chancellor Scholz on his trip to China only 12 were admitted, but these people have a very, very strong influence on German policy. German trade with China, even in these recent months has been growing very strongly, and I think that rather than Germany influencing China to break with Russia, that the effect will be more the opposite: that the Chinese and the Russians will influence Germany to break with NATO, to break with the European Union, and chart its own course.

This week, on Wednesday, President Erdoğan, of Turkey, who has been a very important middleman between Russia and Ukraine, between Russia and the Western powers, went on Turkish TV and made a statement. One of the things I thought was extremely interesting was that he suggested that German Chancellor Scholz has actually changed his mind in the last month and will be trying to find common language with Vladimir Putin. Of course, he will have very strong opposition to this within Germany, and we can already see that the Greens are grumbling, that they are accusing Chancellor Scholz of conducting Germany's foreign policy in an autocratic way; Foreign Minister Annalena Baerbock has been criticizing Chancellor Scholz.

So, it remains to be seen, but the pressures are

clearly there, and those pressures are only going to be increasing, particularly because current preparations for the winter offensive in Ukraine have been devastatingly effective: 40% of Ukraine's energy infrastructure has been pretty much destroyed. The Ukrainian population is looking forward to a winter of freezing and starvation. This will inevitably cause a massive new wave of migrations from Ukraine toward Poland, toward Germany and other Western European countries, which will only exacerbate further the political pressures and cracks in the European Union and NATO.

The coming winter will be extremely interesting. The danger is that the British, and NATO, and the Poles and Ukrainians will manage to conduct some kind of convincing false flag attack. But I think that the grassroots effects, the pressures from industry and the labor unions which are increasingly making a common front against this collective suicide, will strongly pull in the opposite direction, in the direction of Eurasian integration, where the future looks really bright.

I participated last week in the Verona Eurasian Economic Forum in Baku, Azerbaijan, and my very strong impression is that there's an underlying sense of optimism about the future, and I think that the populations

of the Western countries today want to be part of that. They don't want to freeze, they don't want to starve, they don't want to go to war on some incoherent, false ideology. And they don't want to eat insects and they don't want to fight climate change. They want to live in peace and prosperity.

This is a big grassroots tsunami that's hitting an agenda that's basically being run by a very, very small, narrow circle of elites, based in London, on Wall Street, in Davos, and so forth. Inevitably, they will be defeated: It's only a matter of time.

Schlanger: Well, Alex, thank you very much for joining us. I appreciate your taking the time, and again, I urge our viewers to get your book *Grand Deception*. Our viewers can get a PDF of Krainer's book, by sending a request to harleysch@gmail.com. Bill Browder failed in stopping it from being published, but then escalated and succeeded in getting the book pulled from virtually all internet booksellers. So, thanks for joining us today, and see you again tomorrow.

Krainer: Great pleasure, Harley. Greetings to your viewers and have a good day.

EIR readers knew 27 years ago that the destruction of Ukraine was in the works.

READ THIS INTERVIEW, published May 5, 1995, with Ukrainian Members of Parliament Natalya Vitrenko and Vladimir Marchenko:

https://larouchepub.com/eiw/public/1995/eiv22n19-19950505/eiv22n19-19950505_020-natalya_vitrenko_and_vladimir_ma.pdf

These Ukrainian elected officials, leading collaborators with Lyndon LaRouche and his movement, pointed out with astonishing clarity what the consequences would be of

Ukraine's embrace of the International Monetary Fund. They warned that "Ukraine is being strictly held in the status of a semi-colonial country", with a corresponding suppression of the nation's productive potential, and the imposition of the IMF's standard brutal austerity upon the nation's population. This was a recipe for disaster, and created the social conditions for the resurgence of Nazism which we are seeing today in Ukraine.



Oleh Tyahnybok, founder of Ukraine Right Sector Party.