

trading corporation, Shaposhnikov was used in Luzhkov's game against Yeltsin. With his and Gennady Burbulis's aid, after the latter's conflict with Yeltsin, Yakovlev introduced a "social-democratic ideology," intended to be shared by many political parties and thus to form an easily manipulated mass that would bring Luzhkov to power.

Being unsure of his popularity nationwide, Luzhkov introduced the idea of a State Council that should replace the presidency for some time, and did his best to become more popular among Muscovites. Some people got flats free of charge. At every opportunity, Luzhkov tried to emphasize that he was a good master of the town. He did it when he "protected" the capital from Chubais's privatization, and again, when he punished tradesmen who increased prices after the ruble crashed on Oct. 11, 1994.

After Black Tuesday

Russian Central Bank head Viktor Gerashchenko, who resigned after that Black Tuesday, said in several interviews that the ruble's fall was a result of a plot of several powerful bankers. Rumors to this effect, naming Most Bank and Imperial Bank, also became popular. Then one Yakovlev-controlled TV program cooked up the fable that "anti-Semites" were smearing Vladimir Gusinsky. The Most Bank director himself came on the air to explain that even if he had wanted to organize the stock market panic, he couldn't have managed with just his own forces.

True enough. But actually Gusinsky was not alone. Other banks, associated with other political structures, were also involved. This flowed from secret summertime meetings where many politicians, including top functionaries of "democratic" centrist and communist parties were briefed on the need to replace the President and the government. Liberals and communists alike were ready to attack Yeltsin this fall in any case; the President was losing popularity, due to his inadequate behavior in a drunken state, and secondly, because both liberals and communists wanted more power, and each of these currents was sure they would be able to form their own government. So, Luzhkov and Gusinsky played the old Russian game: They divided and conquered both these opposing forces, corrupting functionaries from both sides.

On Oct. 11, it seemed that the explosion was near, and the government doomed. But that was only the first shot.

The second came on Oct. 17, when 25-year-old journalist Dmitri Kholodov was blown up right in the editorial office of *Moskovsky Komsomolets*, where he worked.

Editor-in-chief Pavel Gusev, a former Komsomol (Communist youth league) official, former betrayer of dissidents, and former minister of press in the Moscow Government who now heads the *Moskovsky Komsomolets* closed venture with 100% of its shares in his personal possession, has an outstanding gift of adapting to any regime and any sponsor. His assassinated employee, Kholodov, was on assignment to expose corruption in the military elite. Kholodov's death became a pretext to strike a new blow at the Yeltsin clan. As

soon as the young man died (a briefcase he received, which was to have contained documents exposing corruption in the Western Troops command, exploded when he opened it), Gusev started a fierce campaign against Grachov and Yeltsin.

The liberal-populist *Moskovsky Komsomolets* had started mocking Yeltsin, Grachov, Poltoranin, and Foreign Minister Kozyrev long before the death of Kholodov. Once, it published a front-page article headlined "Boris Was Drunk." Imagine the enraged President and his people who started reading and found out that the article dealt with hunting, and Boris was the name of an aggressive wild boar. They had already had the experience of a trial against *Narodnaya Pravda*, where Yeltsin was compared with a pig, and they were sure that another such trial would not enhance the President's popularity, especially if it brought in the sensitive alcohol issue.

The man who raised the question of Grachov's resignation in the State Duma (Parliament) was a close friend of

Kholodov death, military scandal shake Russia

The process of Russia's turning into a new open dictatorship, which first peaked in October 1993 with the storming of the Parliament, passed into a new phase on Oct. 17, with the murder of the young journalist Dmitri Kholodov. Kholodov, who was working for the daily *Moskovsky Komsomolets* and researching massive corruption in the top ranks of the Russian military and intelligence services, was killed when he opened a package he had picked up at a railway station locker. Based on an anonymous tip, he had thought the package contained material further documenting his research; instead, it blew up in his face.

Kholodov was documenting the involvement of top Russian military and intelligence figures in the illegal sale of at least several hundred million dollars of modern arms and military equipment, and in other illegal operations. One focus of Kholodov's investigation was illegal arms sales by the Western Group of Forces (WGF), formally disbanded since Sept. 1, when the last Russian troops left Germany. These sales were coordinated by the WGF's commander, Gen. Col. Matvei Burlakov, and quietly approved and covered up by top officials in the Defense Ministry, including Defense Minister Gen. Pavel Grachov. One major aspect of these WGF activities involved the large-scale diversion of modern weaponry to Serbia, including T-72 tanks, modern jet fighters, and MI 8 and MI 24 helicopters.

Shaposhnikov, Gen. Nikolai Stolyarov.

Finally, Kholodov's murder took place on the eve of Queen Elizabeth II's visit to Russia. Not only was Grachov a target of criticism in Luzhkov's papers (as well as liberal and Communist press), but rumors about the speedy resignation of Foreign Minister Andrei Kozyrev appeared in the press, too. The foreign minister's future was cast into doubt just as Kozyrev strove to dissolve the new oil agreement made in Baku, Azerbaijan, where British Petroleum has its share. (Former Soviet Politburo member, now Azerbaijani President Geidar Aliyev's relatives, sitting both in Azerbaijan's London embassy and at the Azerbaijani national oil corporation, and his friends in the Russian LUKoil Company, have 10% of the action.) What does the ominous figure of the Queen mean for the fate of Russia, its industry, its President, and its foreign minister?

Yuri Skokov, the "patriotic opposition's" leading candidate these days for prime minister, said that Andrei Kozyrev

is one of the first ministers who should resign. Ivan Rybkin, speaker of the State Duma, forecasts that Skokov would include Grigory Yavlinsky in his council of ministers after coming to power. Yavlinsky is the man whom Luzhkov uses for opposing Chubais's privatization program. It is obvious that two old allies, Luzhkov and Skokov, have reached a compromise again, for attacking Yeltsin from both sides, both "democratic" and "patriotic."

Yeltsin is trapped. It is his own fault: He sentenced himself with his decree abolishing the Supreme Soviet on Sept. 21, 1993 and then when the tanks opened fire Oct. 4, 1993. But many people, including the journalist Kholodov and his parents, those who died of sheer heart attacks on Black Tuesday, and many others who will be victims of the terrible shots of the mad gun and kill each other for liberal or conservative views, will suffer instead of him. We are all sentenced.

And the pomp at Dmitri Kholodov's grave seemed to be a funeral repast for millions of Russians.

The implications of the Kholodov findings extend beyond figures like Burlakov and Grachov, both of whom could become expendable in the Russian military hierarchy. Although western and Russian media have overlooked this, Kholodov was gathering evidence in several domains, on a track leading up to the top ranks of the Russian General Staff. While allegations and insinuations of corruption and personal enrichment against Burlakov and Grachov have appeared in the Russian media before, the General Staff has remained untouched by any investigation, even though the dominant theme covered by the media has been the illegal sale of weaponry. Institutionally, the Foreign Military Assistance Main Directorate of the General Staff oversees, as its name implies, all weapons sales and transfers abroad. Shipments of the magnitude conducted by the WGF could not have occurred without the knowledge of the General Staff.

Similarly, Kholodov had researched the Russian Army secret training and arming of Abkhazian and Ossetian separatists deployed against Georgia, as well as Russian arming and backing of the armed opposition operations to bring the secessionist North Caucasus republic of Chechenya back into the Russian fold. Also, as confirmed by the deceased journalist's chief editor, Pavel Gusev, Kholodov had collected evidence that *spetsnaz* forces of the Russian military intelligence, GRU, were training professional killers for mafias working together with high-level persons in the regime. The GRU is a Main Directorate of the General Staff. Finally, Kholodov had delved into illegal activities of the Russian Counterintelligence Service, as the domestic operations successor to the infamous KGB is now called. For these institutions, too much would have been at stake if Kholodov had survived to

present his findings to Parliament, as he had planned.

The blatant way in which Kholodov was eliminated was a message to anyone else in the media world, and a harbinger of the next phase of Russia moving toward again becoming an overt police state. On Oct. 24, Yelena Bonner, the widow of Andrei Sakharov, said that she is, for the first time, contemplating emigrating from Russia, in the wake of the murder of Kholodov.

President Boris Yeltsin declared his complete support for the military against the media charges, without even bothering to wait for the findings of an impartial investigation, but it is doubtful he will be able to keep Grachov in office. Yeltsin's statement was headlined in the Oct. 21 Russian military daily *Krasnaya Zvezda*: "B.N. Yeltsin: Stop Throwing Mud at the Army and Its Leadership." On Nov. 2, Gen. Aleksandr Lebed, commander of the Russian 14th Army in Moldova, commented on the sacking of Burlakov: "The faster we get rid of various rascals who disgrace the Armed Forces, the stronger the Army and the Russian state will be." On the same day, Sergei Yushenkov, chairman of the State Duma Defense Committee declared that "the next logical step [after the removal of Burlakov] should be the resignation of Grachov. This would accord with the officer's code of dignity and would help the moral cleansing of the Army." Col. Serafim Yushkov, who heads the press center at the Coordinating Staff for Military Cooperation among the CIS states, said in an open letter that if Yeltsin believes that Grachov enjoys authority and respect in the Army, then Yeltsin doesn't know what's going on: "I've never heard a single good word about Grachov from a single officer in Russia and the CIS. The spectrum of opinions range from making fun of him to hostility."—Konstantin George