

economic and social development, without an indicative plan, and without a long-term perspective, means spending public funds for nothing.”

The opponents of monetarism advocate a policy for Russia of “reindustrialization, the basis of development,” *Le Monde Diplomatique* writes. This is especially important given that Russian industry is functioning at only 30-35% of capacity; if the bankruptcy laws were applied, it would affect two-thirds of enterprises, and unemployment would rise from the current official rate of 6% of the working population, to 12%, and, in some regions, to 25%. “Sergei Glazyev suggests creating an institute for development, which would select projects, and, with public monies, purchase equipment and lease this equipment to enterprises that present the best projects in sectors that are to be encouraged.”

EIR published an interview with Glazyev on Nov. 18, 1994.

Arbatov: Shock therapy is creating a backlash

Georgi Arbatov, the director of the U.S.A. and Canada Institute, was interviewed by the Russian paper *Rabochaya Tribuna* of Dec. 14, and discussed what Russia’s foreign policy should be.

“Anti-Americanism has become pretty much widespread,” he said, partly blaming Russia for not having a clear idea of its foreign policy or national interests. He identified shock therapy, “the reform proposed by [Yegor] Gaidar and adopted as a guide,” as the principal reason for “the slight cooling in our relations with the U.S.”

“Three years of ‘shock therapy’ have done far more damage to the country’s economy and its foreign policy status than 45 years of the arms race,” he said. “The social and spiritual state of society . . . has been hit as well. Whereas at the beginning of the reform, the President was asking people to wait just four to six months, the next year we were not even being promised any improvement. Now, apparently, we have to wait another three years, and only then will we begin to see an improvement in our well-being, industrial growth, and so on.”

Arbatov identified the institutions that are responsible: “This reform was recommended to us by the West and the ‘Big Seven,’ the IMF, and the World Bank. Our leadership readily accepted the advice of western consultants like Jeffrey Sachs.

“In America, of course, there are people who would like to reduce Russia to the status of a third-rate power. . . . But I know many more Americans who are afraid of economic chaos in our country, which would be bound to lead to political instability.”

Pigs can only oink: Who attacked Yeltsin, and why

by Roman Bessonov

“Only Independent Physicians May Evaluate the Degree of the President’s Dementia.” This headline was striking for a peculiar reason: It was in *Izvestia*, a paper hitherto so loyal to Boris Yeltsin that it used to be called “the President’s paper.” You read the text and realize that it deals not with the Russian President, but with retired U.S. President Ronald Reagan, who was retroactively diagnosed as having Alzheimer’s disease.

Reagan’s disease is a separate question. Every physician, at least every psychiatrist, knows that Alzheimer’s disease, leading to complete dementia, usually starts at age 55-60, not at 83, and a diagnosis of “slight symptoms” at such an age is an obvious falsification. It seems probable that Reagan had done something that required considering him insane. Maybe the pretext for it was his talks with Aleksandr Rutskoy and Gennadi Zyuganov? Certainly, if an American politician dares to talk, in friendly terms, with the “red-brown” opposition, he is surely “a little bit” crazy—from a certain point of view.

The same point of view has determined the attitude toward President Yeltsin by a significant part of the so-called “democratic intelligentsia.” In previous articles, I have told about how Yeltsin was denounced as “anti-Semitic.” This label, stuck on him after his visit to painter Ilya Glazunov’s exhibition (but not on Moscow Mayor Yuri Luzhkov, who patronizes this painter and was standing beside the President when he went there!), seemed to be a “signal.”

Do you know what a “signal” means in old communist transcription? It means that a loyal journalist, having gotten a certain instruction from the KGB or the Central Committee of the Communist Party of the Soviet Union, publishes an attack casting a shadow on a certain significant person (a politician, musician, physician, etc.). This meant that very soon this person would be singled out for special attention (exiled, imprisoned, shot).

The second “signal” about Yeltsin came from the Luzhkov-manipulated *Moskovsky Komsomolets* paper, which published an article with the title “Boris Was Drunk” (September 1994). Though it dealt, again, with a hunt in Moscow’s suburbs, and Boris was a wild boar, not a human being, one could easily guess the determination of the article: It was to provoke the President, for it struck at his Achilles’ heel.

The Bridge Bank connection

The behind-the-scenes reasons for an anti-President attack from *Moskovsky Komsomolets*, as well as its reasons for compromising Minister of Defense Pavel Grachov, was clear to informed observers even before this article appeared. The Bridge (*Most*) Bank, the mightiest of the Moscow banks, housed in the Moscow mayoralty, has a serious ambition to determine not only the Moscow mayor's policy, but state policy as a whole. The bank's director, Vladimir Gusinsky, hasn't concealed his desire to be as significant for Russia and its economy as Henry Ford was in the early-20th-century United States.

Izvestia is financed by Yegor Gaidar's National Credit Bank—the fact is obvious for every Russian political scientist. Till early November, both Gaidar and the paper remained quite loyal to the President. The first "signal" came on the anniversary of Nikita Khrushchov's resignation, when it unexpectedly augured that "November is a conspiracy month." It came just on the eve of the parliamentary discussion on "confidence" or "no confidence" in the government on Oct. 28. The Parliament didn't manage (or didn't dare) to express "no confidence" in Prime Minister Viktor Chernomyrdin's government, and after that the paper again became quite loyal, until events in Chechnya threw the President's prestige into question.

Gaidar spoke in favor of the President and the minister of defense until the failure of Russian (or Russian-manipulated) Armed Forces to defeat Dudayev's regime. On Dec. 5, after several liberal functionaries not belonging to Gaidar's party (Panfilova, Shabad, etc.) visited Chechnya and spoke to the imprisoned Russian "volunteers," Gaidar "dramatically" changed his attitude toward the defense minister and the Federal Counterintelligence Service (former KGB) chairman. All of a sudden, Gaidar stood for peace in the Caucasus and criticized the Russian Army's aggression.

The front page of the Dec. 9 *Izvestia* makes clear that the "National Credit" bank overseeing the paper has eagerly joined the "Bridge" group in the anti-President campaign. It is significant that not only the events in Chechnya preceded *Izvestia*'s changing its mind. The last talk the President had with Bill Clinton, resembling the "Cold War" U.S.-Soviet relationship, made the influential Russian banks nervous. Bankers don't care about the Iraqi people, they are indifferent to the questions of the Balkan crisis: They are just afraid of any "extraordinary" situation.

The episode when the Bridge Bank (and the Moscow mayoralty as well) were surrounded by the forces from the President's Guard, on Dec. 2, certainly had a negative impact on those banks that would like to dislodge Bridge and put themselves in its place. Yeltsin made clear that he's not going to let commercial banks dictate state policy. And he thereby won a huge enemy that is rather hard to cope with, especially insofar as these commercial banks own the most popular mass media.



Yegor Gaidar, former deputy prime minister and czar of economic policy, has suddenly shifted his allegiances, joining the chorus against Yeltsin and the military intervention in Chechnya.

Jeffrey Sachs joins the fray

Obshchaya Gazeta, remarkable for its loyalty to Moscow Mayor Luzhkov, the President's main rival, has recently published not Gusinsky's economic views, but those of Gaidar's patron, Harvard Prof. Jeffrey Sachs. Sachs, a retired adviser to the Russian government, was given an opportunity to criticize Chernomyrdin's team in *Obshchaya Gazeta*'s pages. Of course, he spoke of the "advantages" of shock therapy, citing Estonia as the model of a successful economy. (Sachs didn't mention that Estonia had become a world leader in rare metals export due to smuggling, and nothing but smuggling.) Of course, he insisted that the Central Bank of Russia shouldn't finance government programs. Of course, he mentioned the "tremendous success" of President Carlos Menem's policy in Argentina, not mentioning that country's declining role and place in world production. You can guess what Sachs said without reading his articles, if you guessed that donkeys can only bray and pigs oink. But the fact that *Obshchaya Gazeta*, which used to be so opposed to Gaidar and shock therapy, published Sachs, is quite remarkable.

The tears that the papers ruled by the Moscow banks are shedding over besieged Chechnya are "crocodile tears." No doubt, Boris Yeltsin is an ambitious drunkard, and more. But his rivals are more dangerous than he is. You never know what to expect from them. Yeltsin sincerely hated the old communist elite. Among the new generation of politicians, so busy compromising him, are people with no views at all, and no feeling except envy and the blunt will to seize power.