

## Russian power struggle escalates to new phase

by Konstantin George

The power struggle in Russia has escalated in the wake of a mid-September assassination attempt against the secretary of the Security Council, Oleg Lobov. It has, as Lyndon LaRouche forecast in his "EIR Talks" interviews of Sept. 13 and Sept. 20, "come to bullets." Electioneering before the Dec. 17 State Duma (parliament) vote, and terror in the streets, are both reflections of an underlying power game.

Political and military figures such as Gen. Aleksandr Lebed, lead candidate of the "Congress of Russian Communities" party, are defining themselves as a sort of "national party," or "party for the interests of the State," as against the financial speculators and energy-raw materials barons of the Russian elite, grouped around Prime Minister Viktor Chernomyrdin, who are ideologically in line with British and International Monetary Fund (IMF) policies toward Russia. The "national party" tendency cuts across party lines, and one of the salient features of recent months has been the alignment—at first covert, but now increasingly visible—of key members of President Boris Yeltsin's entourage, with opposition moves against Chernomyrdin. When the candidate of Chernomyrdin's "Our Home Is Russia" party was trounced in local elections in Yekaterinburg in August (see *EIR*, Sept. 1, p. 27), it was widely rumored that Yeltsin's security forces had helped cut the floor from under "Our Home" in the President's former home city.

Lobov is one of those Executive branch figures, inclined to defend the interests of Russia and its remaining industrial might.

The latest "wetworks" incident in the power struggle was an Oct. 6 car-bombing in the Chechen capital of Grozny, which gravely wounded Gen. Anatoli Romanov, commander of Russian forces in Chechnya. As of Oct. 10, Romanov was in critical condition, in a coma in a Moscow hospital. The

real target of the attack was Russian Interior Minister Gen. Anatoli Kulikov, who has been spearheading an anti-corruption drive implicating prominent members of the Chernomyrdin government. The professionally executed attack blew up Kulikov's car. He escaped only because he had broken his schedule and ended his visit to Grozny a few hours earlier.

The occurrence of two terrorist attacks against such high-ranking persons within less than a month demonstrates the intensity of the power struggle, even if they were executed on Chechen territory, to make it appear that Chechens were to blame. What is the political context behind such incidents?

### The 'war' over foreign takeovers

The "war" is over the cardinal issue of stopping foreign takeovers of strategic Russian assets through the rampant sell-off privatization schemes of the government. The new round of political warfare marks the end of a tense, phony truce among the top-level factions, which set in after the October 1993 storming of the Parliament in Moscow, an operation conducted by both the Yeltsin and Chernomyrdin forces.

With the October 1993 events, the "democratic" phase, such as it was, of the post-communist Russia power struggles came to an end. Since then, a transitional, semi-authoritarian regime has existed in Russia. The hallmark of the 1993-95 interregnum has been the co-existence of the increasingly nationalistic group around Yeltsin and the rival, energy- and raw materials-based grouping around Prime Minister Chernomyrdin. The policy of the Chernomyrdin group envisions Russia's future as based on the production and export of energy and raw materials, and accommodation to the IMF's conditionalities policies. This policy, which would doom Russia's existence as a Great Power, is bitterly resisted not

only by broad layers of the opposition (mainstream nationalists and patriots, as well as communists and radical chauvinists), but also by the "national party" in the current power structure, grouped around the Yeltsin entourage.

The groundwork is under way for what could be the next "coup" by the forces operating behind and through the figure of Yeltsin. The key indicator in this regard was an Oct. 5 Yeltsin decree removing the right to gather petition signatures and hold referenda as the means to reverse any Executive decision cancelling Duma and/or Presidential elections. The possibility of the Dec. 17 Duma elections never being held, or a dissolution of the Duma sometime thereafter, cannot be excluded.

### **Chernomyrdin group is under fire**

Soon after the near miss on Lobov, forces tied to Yeltsin began an assault against figures tied to Chernomyrdin. The high-point to date in this assault occurred on Sept. 22 with the arrest of Pyotr Yanchev, director of the Balkar Trading Company, for illegalities in the sale of 9.43 million tons of crude oil, for a price of about \$2.5 billion. Chernomyrdin himself signed the export license granted to Balkar in April 1995. A hurried attempt by Chernomyrdin to meet with Yeltsin at his Sochi vacation spot on Sept. 23 was brusquely rejected.

Yeltsin did have time, shortly earlier, to hold lengthy talks with General Kulikov, whom he had appointed interior minister in July (and now, the near-miss victim of an assassination attempt), on past and pending corruption cases. These included, besides Yanchev, the arrest earlier this year of Valentina Solovyova, founder of Vlastilina, a pyramid-scheme financial company, modelled along the lines of the notorious MMM. Earlier in September, Solovyova had met with Kulikov, whom she informed that ministers and other leading figures of the Chernomyrdin cabinet were involved in the Vlastilina fraud/corruption case.

Spearheading the drive against the foreign-connected raw materials interest groups, are, besides Kulikov, two very close associates of Yeltsin: Gen. Mikhail Barsukov, head since July of the FSB, the KGB successor organization for domestic security, and Gen. Aleksandr Korzhakov, head of Presidential Security, with its 30,000-man Moscow garrison elite units. Yeltsin, while continuing to refuse to meet with Chernomyrdin, extended his Sochi "working vacation" till at least Oct. 5. Already by the end of September, rumors were sweeping Moscow that Yeltsin, upon his return and before mid-October, would make a major address on the Russian internal situation, which would signal a major reshuffle in the Russian government as well as significant accompanying policy changes.

### **Will Chernomyrdin be dumped?**

As Yeltsin's Sochi vacation was approaching its end, the Moscow rumors that big changes are coming leaped onto



*Prime Minister Viktor Chernomyrdin. Political figures allied to Chernomyrdin are coming under assault from the Yeltsin grouping, as rumors spread in Moscow that the prime minister may soon be replaced.*

the front pages of leading Russian dailies. On Oct. 3, both *Izvestia* and *Nezavisimaya Gazeta* reported that Yeltsin may soon move to dump Prime Minister Chernomyrdin and replace him with Yuri Skokov, the former secretary of the Security Council. In the autumn of 1992, *Izvestia* recalled on Sept. 16, Skokov nearly edged out Chernomyrdin to become prime minister; among candidates on a list offered by Yeltsin, he received the most votes from deputies at the VII Congress of People's Deputies of Russia, but Yeltsin preferred Chernomyrdin at that time. Skokov broke with Yeltsin over the latter's amassing of power by decree, and left the Security Council in March 1993.

Today, Skokov heads the Russian Congress of Communities, whose other lead candidates for the Duma elections are the popular General Lebed and Sergei Glazyev, a leading economist and chairman of the Duma Economic Policy Committee. Glazyev is the only Russian economist to have drafted a program for the reconstruction of the "reform"-shattered Russian physical economy and infrastructure.

The weekly *Ogonyok*, a slick magazine catering to the Russian *nouveaux riches*, alleged that the scenario for Chernomyrdin's replacement by Skokov originated on a computer diskette leaked from Yeltsin's offices in the Kremlin in September.

*Nezavisimaya Gazeta* ran the headline: "Will Yeltsin Remove Chernomyrdin?" It said that as a result of discussions by Yeltsin in Sochi, it's possible that Skokov might consent to become prime minister, a process which could begin with

the Duma's vote of confidence regarding the government, which was scheduled for Oct. 10 or 11. The paper further speculates that, as part of a broad reshuffle with the fall of Chernomyrdin, Presidential economics adviser Aleksandr Livshits could replace Anatoli Chubais as a first deputy prime minister, and Glazyev could become the next economics minister.

*Izvestia's* coverage was similar, though with a different slant. It declared: "The possibility of the government resigning will threaten the future of President Yeltsin," a ridiculous assertion, because the only chance Yeltsin has for a political future, is to get rid of this British-asset government and its ruinous, treasonous policies. *Izvestia* added that if Yeltsin were to invite Skokov in as prime minister, nothing would change in the near future, except that it would have a "bad influence on the Presidential elections."

Sources in Moscow believe that the press coverage, especially in *Izvestia*, may be an attempt to preempt an early dumping of Chernomyrdin, or, to set up a situation where Skokov and Glazyev could be blamed for the nation's miserable state of affairs. Whatever Yeltsin does, the reality that Chernomyrdin and his crowd are in extremely deep trouble will grow in intensity. Yeltsin has been cited saying that the Chernomyrdin party will receive no more than 8% of the vote in December.

In the short-term, there is another important policy front where eruptions could occur. This is the "privatization" sell-off policies of the government. The next major wave of privatizations, including from among Russia's leading oil companies, such as Lukoil, has been set for late October and November. On Oct. 5, the same day as his anti-referenda decree, Yeltsin issued another decree, giving himself veto power over any State enterprise privatization. The decree stipulated that any privatization sell-off must first be presented to Yeltsin for approval, before it can proceed. This decree was not exactly to the liking of the Chernomyrdin camp.

### **Opening back channels to the U.S.**

Not only leading Russian figures see the "handwriting on the wall" for the "comprador" groups around Chernomyrdin. As the potential for dramatic changes in policy orientation grow daily, as American statesman and economist Lyndon LaRouche has been emphasizing throughout the second half of this year, a new back channel has been established between elements of the U.S. strategic establishment and the Lebed-Skokov-Glazyev political bloc. Skokov, who commands the support of wide sections of the Russian military, the military-industrial complex, and industry, made two reported trips to the United States during September. The most recent trip was sponsored by Dmitri Simes of the Nixon Center in Washington. Skokov met with the State Department's Strobe Talbott, who operates as special plenipotentiary for President Clinton on Russian affairs, Senate Majority Leader Robert Dole (R-Kan.), Sen. John McCain (R-Ariz.), and Sen. Joseph Lieber-

man (D-Conn.). He also had a private session with 20 influential personalities at the New York Council on Foreign Relations, to discuss the sensitive question of NATO expansion.

In his one public appearance, on Sept. 22, Skokov spoke to the Carnegie Endowment for International Peace in Washington. He warned that the Russian population has been hit through the IMF "reforms" by an intolerable combination of physical economic breakdown and demographic catastrophe. "Our people have been put on the brink of starvation," he said. He reported that during the three and a half years of "reforms," Russia had suffered 1.5 million deaths above what would have been normal in previous years. Birth rates are collapsing, child mortality is rising, and the percentage of children born healthy decreases each year.

On the question of NATO expansion to the East, there are no "factions" to speak of in the Russian elite. Across the board, this NATO policy is emphatically opposed as constituting a future direct threat to Russia's security. The Russian government, for example, went on record in early September that Russia would respond to the Baltic States joining NATO with not only economic and political measures, but military ones as well, implying an invasion.

At the end of September, the daily *Komsomolskaya Pravda* leaked a Russian General Staff report containing "counter-proposals" to a threatened NATO extension. The document called for Russia to: strengthen its conventional and tactical nuclear forces in the North Caucasus and Leningrad Military Districts, and that tactical nuclear missiles be deployed in Belarus, the Russian enclave of Kaliningrad, and on warships of the Russian Baltic and Black Sea Fleets. The document further called for a new Russian-led military alliance among the members of the Community of Independent States, beginning with Belarus. Should the Baltic States join NATO, the General Staff demands the immediate moving of Russian military forces into Estonia, Latvia, and Lithuania—indicating that Russia is more than willing to risk a nuclear confrontation with NATO over the Baltic.

According to *Komsomolskaya Pravda*, this General Staff document has been "tentatively approved" by Defense Minister Pavel Grachov and First Deputy Defense Minister Andrei Kokoshin.

The General Staff document confirms once again the repeated warnings given by LaRouche that NATO expansion, especially under conditions of current western economic conditionality policies toward Russia, which have effected economic and social ruin, is a dangerous policy.

It is crucial that the United States exploit the opportunity provided by the late October Yeltsin-Clinton summit meeting, when Yeltsin comes to speak to the U.N. General Assembly in New York, to chart out new policies attuned to the national interests of the United States and Russia, beginning with the two superpowers acting in concert for the economic and social development of Russia and all the other sovereign nations of Eurasia.