

under mafia-like control. Eventually, fighting broke out between the PUK and PDK after accusations of fraud by both sides.

The fighting was stopped twice through U.S.-mediated cease-fires. But the hatred continued, all for the benefit of Hafez al-Assad's control of all Kurdish factions. A strategic "exchange" took place in April 1996, when Barzani's PDK jumped into the lap of al-Assad, breaking a long period of Iranian sponsorship and control. Simultaneously, Talabani became the ally of Iran, breaking with Syria. The advantage to Syria of coopting Barzani, is that the "Barzan" region in northeast Iraq, in the corner near Iran and Turkey, and the area along the Iraqi-Turkish border, is under the control of the Barzani tribe. This region is the PKK's most strategic base for launching attacks against Turkey.

In April 1996, former Turkish Prime Minister Bulent Ecevit called for replacing Provide Comfort with a U.S.-Turkish treaty, eliminating British and French troops from the area. Turkish press commented that this is needed, because the British and French are intent on creating a Kurdish state in northern Iraq, which also threatens Turkey. In fact, since the French-proposed enclave was created, the Syrian-patronized PKK increased its presence in northern Iraq, and has dramatically increased its war in Turkish southeast Anatolia. Most of the 19,000 Turks and Kurds who have died in that war since its outbreak in 1984, have been killed since 1991.

During his visit to Iran in August 1996, Turkish Prime Minister Necmettin Erbakan proposed to hold a regional conference to find a solution for the "power vacuum" in northern Iraq, and Turkey and Iran agreed to close the PKK camps in Iran. But this "exchange" is becoming the biggest threat to stability in that region. A regional solution would end both the UN mandate over Iraq, and Syria's regional destabilization schemes.

The Iraqi incursion into Arbil on Sept. 3, based on a call for help from the Barzani group, plays into the hands of Syria. The Syrian regime has been trying to get closer to Baghdad in recent months. Official and unofficial delegations have been shuttling back and forth between Baghdad and Damascus through the Kurdish area under Barzani's control. The Turkish reaction to this new situation came through showing support for the U.S. strikes against Iraq, and announcing that Turkey will build a security "fence" along the Iraqi-Turkish border, inside Iraqi territory, to prevent new attacks by the PKK from bases inside Iraq.

So far, Erbakan's initiative for a regional settlement of the Kurdish problem has been stalled. Improvement in Iranian-Iraqi-Turkish relations, based on economic cooperation and building major infrastructure projects, has been undermined. The Kurdish people, who inhabit one of the richest and most strategic regions in the world, will suffer the consequences of the treason committed by the Kurdish political groups, and the geopolitical destabilization schemes of Syria's al-Assad on behalf of the Anglo-French "Entente Bestiale."

Russia's crisis enters lull before the storm

by Konstantin George

The apparent calming down of some key features of the Russian crisis during late August and early September should not be cause for complacency in the West. The announcement by the miners union on Aug. 26, cancelling a threatened general strike, temporarily averted the eruption of a social explosion. And the achievement of a sort of "peace" in Chechnya, has also contributed to the seeming lull. On most fronts, this lull, beginning with the most crucial front, the economy and state finances, will soon vanish, because none of the underlying causes propelling the Russian crisis have been ameliorated, let alone removed.

First, let us look at the Chechen crisis, which throughout the summer has been a key lever in the power struggle among the "three Caesars" under the ailing President, or senior "Augustus," Boris Yeltsin—Gen. Aleksandr Lebed, Prime Minister Viktor Chernomyrdin, and chief of Presidential Administration Anatoli Chubais.

The Chechen peace agreement negotiated by General Lebed is a potential breakthrough, assuming it can be implemented. However, it is only a first step toward eliminating not only Chechnya, but the Russian North Caucasus as a whole, as a conflict region. Lebed succeeded in stopping the fighting and implementing a complete withdrawal of Russian forces from Grozny and all parts of Chechnya where rebel forces operate. By physically separating Russians and Chechen rebel forces, the war, as a military battle between Russian forces and Chechens, has apparently been ended.

But the myriad of unsolved problems in the Caucasus region remain, and the Lebed peace agreement has not removed from power those forces in Moscow which have historically included the Russian oligarchy and nomenklatura tied to the financial and energy interests behind the Chernomyrdin and Chubais groups. These interests have promoted wars and conflicts in the Caucasus for their own venal interests. What Lebed has been able to accomplish so far has occurred despite overt sabotage of his efforts by Chubais, and a much more subtle "double game" of sabotage by Chernomyrdin.

Chubais conducts his sabotage by controlling access to President Yeltsin, with the covert blessing of Chernomyrdin. For example, on Sept. 2, Lebed, as he admitted at a press conference the next day, tried in vain to meet with Yeltsin.

Several attempts to contact Yeltsin by phone were equally unsuccessful. Thus, the pattern established during August, of Chubais allowing him no personal contact with the President, persisted. Also, as of Sept. 5, despite repeated pleas by Lebed, Yeltsin has yet to endorse the Lebed-negotiated peace agreement. Lebed himself acidly commented on this state of affairs at his Sept. 3 press conference, when, referring to Yeltsin, he said: "Silence means agreement." However, he added that public support by Yeltsin "wouldn't hurt."

On Sept. 3, Yeltsin had no trouble holding a long meeting with Prime Minister Chernomyrdin, a discussion which centered on the Caucasus. Immediately after the consultations with Yeltsin (and notably not with Lebed), Chernomyrdin flew down to Nalchik, capital of the North Caucasus Kabardino-Balkar autonomous republic, to begin his own personal "on site" involvement in the Caucasus crisis. After the July Presidential election, Yeltsin had stated that every Monday would be reserved for consultations with Lebed, and every Tuesday, he would hold a working meeting with Chernomyrdin. Post-election events have shown which of the two promises he has kept.

The 'double game'

A glimpse at the Chernomyrdin "double game" was given after his arrival in Nalchik. He proclaimed his "complete approval" of the Chechen peace agreement worked out by Lebed, but then promptly listed "five steps" to settle the conflict: 1) The situation in Chechnya and the entire North Caucasus has to stabilize before any political decisions are made concerning Chechnya; 2) any resumption of fighting must be prevented by all means; 3) immediate exchange of prisoners must begin; 4) no accusations may be raised against those on both sides who negotiated the peace agreement; and 5) elections should be prepared in Chechnya and a "legal basis" created, and only then should any moves to determine the future status of Chechnya be undertaken.

The first proposal was key. It established a linkage between a settlement in Chechnya and the situation elsewhere in the North Caucasus. In other words, any conflict in the Caucasus, organized or exploited by forces in Moscow, could be used to wreck what was achieved in Chechnya.

A capability for destabilization and conflict within Chechnya also exists, even should every Russian soldier leave. Lebed alluded to this in his Sept. 3 press conference, when he said that the rebels control 60% of Chechnya's territory, another 30% could become contested (meaning among rival Chechen clans), and the final 10% is firmly outside of rebel control. "Peace," in the sense of no war, has arrived in Chechnya, but with it, a de facto partition of the republic, which, as of early September, is roughly 60-40 in favor of the rebels under "president" Zelimkhan Yandarbiyev and chief of staff Aslan Maskhadov. The partition runs roughly east-west across the republic, with the northern part now under the control of the clans associ-

ated with the Moscow-installed "government" of Doku Zavgayev. The Chechnya situation has thus reverted back to the pre-Russian invasion, autumn 1994 civil war among the Chechens.

There is more than an eerie resemblance to Bosnia. The Yandarbiyev-Maskhadov forces control the majority of the territory, and also the capital, Grozny. As with the Dayton Agreement for Bosnia, the peace in Chechnya has ended a war, but has left a partition. The Zavgayev group has had the full support of Chernomyrdin, and through support from Moscow, has several thousand well-equipped fighters. These fighters are no match for the rebel forces in most situations, but perhaps could fight well in defending their home territory in the north of Chechnya. In any case, the de facto partition suits the Chernomyrdin group, because the bulk of the strategic pipeline that traverses Chechnya runs through the northern part. For Chernomyrdin, "Mr. Gazprom," and the Russian gas and oil interests, oil and gas are about all they care about regarding Chechnya.

State finances

Meanwhile, the government, courtesy of the International Monetary Fund (IMF), narrowly averted a social explosion and a collapse of state finances in late August. The IMF delivered the withheld July tranche, and the August tranche, of \$330 million each. This was enough to pay off the miners and airline workers, who had threatened a general strike. The payoffs, however, left the budget with no reserves to pay broad sectors of the industrial workforce that haven't been paid in months. Barring an unforeseen case of financial largesse by, for example, Germany, as was given during the Russian election campaign, more such infusions are not expected.

The status of state finances is even bleaker. The IMF September tranche will barely be enough to paper over the accelerating shortfall in state revenue. The decline in tax revenues is accelerating each month, through the destruction of the tax revenue base, as production and living standards continue to fall.

The very efforts undertaken by the government to prevent a collapse of state finances, only serve to exacerbate the destruction of the tax revenue base. The prime method has been to "recruit" enough money from big Russian banks to purchase three- and six-month government bills. The money is drummed up through paying out exorbitant interest rates. The result has been that normal industries cannot afford credit, without which production cannot be maintained. The speculative bubble around government bonds and bills eats away the physical economy at an accelerating rate.

By October, the wage arrears crisis will grow worse, and the Chernomyrdin government will simply not have enough funds to pay off workers. Minimally, with each succeeding month, Russia's chances of muddling through, under continuation of monetarist policies, will diminish drastically.