

The last valve of the global oligarchy

by Roman Bessonov

Editor's note: The return of former privatization chief Anatoli Chubais to the Russian government in March, as first deputy premier, occasioned a show of enthusiasm from the International Monetary Fund (IMF). Gushing about the prospects for "completion of your reforms," IMF Managing Director Michel Camdessus on April 2 announced a resumption of lending to Russia. Financial commentators in Britain and the United States, as well as foreign advisers to the Russian government such as London School of Economics Prof. Richard Layard, crow that the new Russian government will move on the IMF's maximum program: break up the "natural monopolies" (nation-wide transportation and energy companies), slash housing and utilities subsidies, and improve conditions for foreign financiers to repatriate profits from their Russian operations.

On March 27, millions of Russians took part in demonstrations and work actions, to protest the non-payment of wages for months on end, and the ever-deeper immiseration of the population. From St. Petersburg, Roman Bessonov looks at the turmoil in Russia.

For a week preceding the March 27 all-Russia trade union action, the mass media threatened citizens with possible bloody incidents, reporting the mobilization of military forces quartered around Moscow. Prominent "anti-fascist" Galina Starovoitova voiced anxiety that some "radical nationalist" forces would organize a bloodbath on this day. The daily *Segodnya* reported that rumors about preparations for a 1993-like coup—the abolition and violent suppression of the elected Parliament—were circulating in the State Duma, as Parliament is now called.

On the evening of March 27, however, the tone of the liberal propaganda changed: With audible contempt, ORT television (Channel 1, owned by Security Council deputy secretary Boris Berezovsky) speculated that "there were no signs of an organized will among the demonstrators."

The majority of the participants in the public rallies in Moscow and St. Petersburg really did not look like rebels. Thousands of older people, walking silently along the dirty spring pavements to the site of the rally, rather resembled a column of POWs, trailing along to a concentration camp. Unlike the politically organized minority, which comprised not more than one-fifth of the 100,000 demonstrators in St. Petersburg, they carried no slogans or posters. Most of these desperate people were just trying to remind the authorities of their existence.

The cynical official propaganda pursued two goals in its coverage of the trade union action day. All measures were taken to demoralize the participants, but, on the other hand, it was also regarded as a certain "opening of a valve" to vent disappointment and despair. The same was the case with the previous day of action, which was timed for early November 1996 in order to exhaust people's energies, reducing the number who would turn out several days later for the Communist rallies on Nov. 7, the anniversary of the 1917 Bolshevik Revolution.

The supreme authorities in Russia did have a certain use for some level of public protest, as an argument in their shameful bargaining with the IMF. The same goes for the Moscow city authorities, since the capital has been affected by budget cuts for the first time; Mayor Yuri Luzhkov got no money for his annual public circus, organized on the Day of the City. There is no doubt that the trade union leadership, with its close unofficial ties with the mayor, was aware of his interest in some show of protest in Moscow. But neither the federal nor the Moscow authorities wanted serious disorders in the big cities, which could negatively influence even the current limited influx of foreign investment.

Although the March 27 action was manipulated, due to such interests, one could notice a new political quality in the protests. It was reflected in such newspaper headlines as, "Trade Unions Rally Against the IMF." The new appointments for Anatoli Chubais's team in the government, as well as mass media leaks on the proposed cuts in pensions and increase of utilities fees, are already associated in the public mind with the dictates of international financial agencies.

Anti-American surge

At the same time, even the Russian business press, not to mention the opposition media, is becoming more and more explicitly anti-American.

A story that the appointment of Chubais was actually dictated by the United States, as well as detailed descriptions of the so-called Harvard project in which he was considered a key figure, appeared simultaneously in state-supported and opposition newspapers. No wonder: The stepped-up tax-collection measures, expected from Chubais, directly affect national companies; the latter, therefore, find a common interest with the Communist Party of the Russian Federation (CPRF)-dominated Duma, which is still resisting adoption of a set of laws to create more opportunities for foreign (especially raw materials extraction) firms. The same holds, to a large extent,

for the natural gas company, Gazprom, regarded by the IMF as one of the monopolies that should be eliminated with Chubais's assistance.

But the fact that Chubais started his career with help from London is totally blacked out, as is the issue of British influence in U.S. foreign policy.

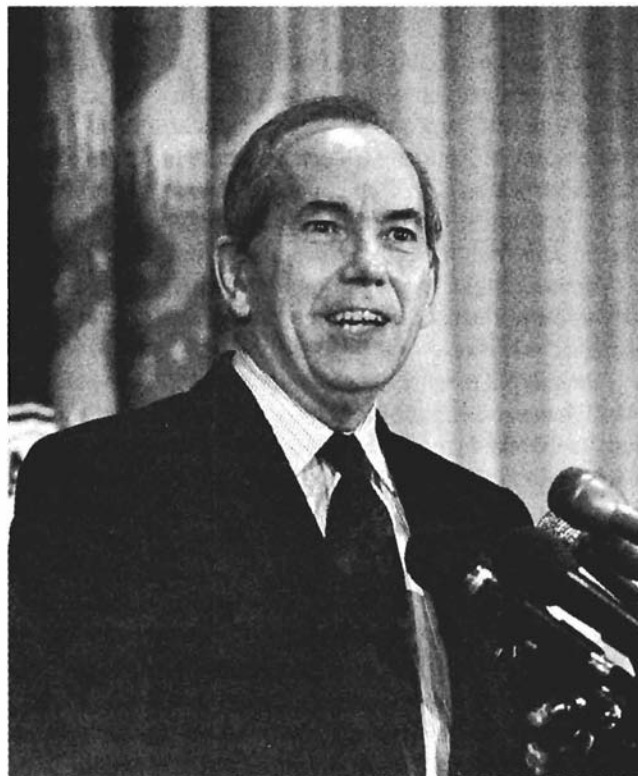
I couldn't find a single report in the Russian mass media about Bill Clinton's invoking F.D. Roosevelt's vision of American foreign policy, before his late-March meeting with Boris Yeltsin in Helsinki. In contrast, gossip versions about Indonesian and Chinese financing of Clinton's campaign, as well as details of Whitewatergate, are eagerly published. On March 30, NTV (TV Channel 2) decided to discuss legitimacy of the 130-year-old sale of Alaska by the Russian Empire to the United States. Its correspondent even interviewed an Eskimo, who said that there are over 400 Russian words in his language.

Before his departure for Helsinki, President Yeltsin, trying to demonstrate an excellent state of health, said: "We speak about NATO all the time, but everybody knows that NATO is the United States." This association of the military threat with the United States is also becoming more and more common for both official and opposition propaganda.

The 1992-93 practice of holding high-level Russian-British meetings, right before Russian-U.S. talks, was revived again: British Defense Minister Michael Portillo came to Moscow just days before the Helsinki summit. The issues of military cooperation, discussed between him and his counterpart, Igor Rodionov, were not made public, except that the program for British instructors to train retired Russian officers in "business" will be prolonged. Portillo was featured in the Russian media as an opponent of NATO expansion.

Russian mass media, meanwhile, are packed with historical features (at least three publications in major papers in the last two weeks) on the mutually favorable Anglo-Russian political and economic relations, dating back to Tsar Ivan the Terrible's near marriage to Queen Elizabeth Tudor in the 16th century. At the Museum of Moscow History, pupils at specialized English-language schools stage performances, depicting the reception of the British ambassadors by Ivan. The latter, incidentally, is painted in more and more positive colors. *Segodnya*, for example, justifies the necessity of funds for another bankrupt museum, by citing the importance for Russian people to see the throne of Ivan the Terrible. Nothing is said about the incredible cruelty of the paranoid Ivan during the second period of his reign, when he was psychologically dependent on the British, nor about the devastation of the country and its integrity in that time.

Probably in order to prove that everything associated with Britain is nice, the liberal mass media very sympathetically characterize Platon Obukhov, the Russian diplomat's son who was arrested last year as a British spy. Now he is regarded as an innocent victim of legal and psychiatric repressions. Russians are being convinced that the very combination of the words "British" and "spy" is somewhat impolite, while



International Monetary Fund Managing Director Michel Camdessus is enthusiastic about the new Russian deputy premier, Anatoli Chubais.

best conditions are created for cultivating whole regiments of British agents.

Propaganda for monarchy

The month before, Helsinki also witnessed a zealous campaign for the reestablishment of monarchy in Russia. Nikolai Svanidze, the new head of the Russian Radio and TV Company (VGTRK), featured the royal plump-cheeked teenage resident of Madrid, Georgi Romanov, who appeared to be unable even to talk without being prompted by his grandmother—partly because his Russian is even poorer than that of his father.

A rival pretender to the throne, an odd-looking older fellow calling himself Nicholas III, "real grandson" of Nicholas II, promoted by a well-financed organization going under the name of "Sovereign Order of John of Jerusalem," received publicity in *Ogonyok* and other media favored by the Russian *nouveaux riches*. "Nicholas III," teaming up with a group within the Orthodox Church elite of Ukraine that is also promoting a monarchical restoration in Bulgaria and a newly established Panslavonic Union, was crowned (!) in a Moscow suburb in late December, simultaneously proclaiming "dissolution" of the "pro-Communist" Russian Orthodox Church. The parallel church of this grouping is now energetically establishing itself in the breakaway region of Chechnya, with assistance from British-backed Orthodox dissident Gleb Yakunin.

Both the ostensibly legitimate and the undoubtedly phony pretenders appeal to one and the same authority for recognition and support, namely London. And, as if the proliferation of Romanovs were not enough, the Saxe-Coburg-Gotha clan showed up in person: Prince Philip Mountbatten, consort of Queen Elizabeth, toured the Russian Far East in late March, securing promises from the governors of Yakutia (Sakha Republic) and Khabarovsk Territory to lock up large tracts of land in their resource-rich provinces, as nature preserves.

The morbid monarchist obsession of Russia's top leadership, whatever designs on reclaimable former royal property may be involved, is chiefly based on a feeling of insecurity that has seized the political elite, which is growing in proportion to the scale of the social-economic disaster. In parallel, there is more and more outspoken propaganda for political dictatorship.

Conflict with Ukraine fueled

Since the restoration of the monarchy is no more supported by the population than is the idea of reclaiming Alaska, the irrational game with the two pretenders and the two churches, failing in its purpose of distracting people from their real problems, primarily serves to fuel contradictions between Moscow and Kiev, reviving the whole history of the rivalry of the two centers of ancient Rus.

Ideologists of the Arc of Crisis likely celebrated a victory, when Azerbaijan's President Heidar Aliyev, a longtime London favorite, received the order of Yaroslav the Wise, the legendary knight with whose name the historical priority of Kiev is most strongly associated, during his March visit to the Ukrainian capital. The "Entente Oléale" among the Azerbaijani, Georgian, and Ukrainian leaderships, the deal for oil pipelines bypassing Russian territory, poses a threat not just to Moscow, but to the prospects for peace in the Black Sea, which has a potential to become a cradle for a Third World War. The (economically justified, on Kiev's part) show of business diplomacy coincided with the arrival of NATO ships to Odessa, on Ukraine's Black Sea coast. The sounds of the Sevastopol Waltz, with which the naval expedition was greeted in Odessa, sounded like a funeral bell, tolling for Russian-Ukrainian relations. Those in the West who welcomed such events as a sign of the obvious contradictions within the Commonwealth of Independent States (CIS), hardly realize what kind of a Pandora's box has been opened.

The conflict of the Russian and Ukrainian elites already has some first results, in carving up weapons markets. Russian and Ukrainian firms are selling to traditional adversaries in various parts of Eurasia. A scandal around Russia's unofficial shipments of arms to Armenia, was immediately followed by reports on Ukraine's similar supplying of Azerbaijan. Soon after the March visit to Moscow by Indian Prime Minister H.D. Deve Gowda, with military issues on the agenda, *Nezavisimaya Gazeta* wrote about Ukrainian tanks in the hands

of the Pakistani military. It does not require huge historical knowledge, to realize that this kind of "division of strategies" meshes with the old British divide-and-conquer scenarios, in the relevant areas.

Under IMF conditionalities, arms sales become one of the quickest ways to fill the empty budgets of both Russia and Ukraine. Actually, the British and the IMF are playing one game with two hands, setting peoples and countries against each other. The present character of this game reveals the intent to set up a situation in which the United States and Russia, not London, would be regarded responsible for a global disaster.

In Russia, the mass media, now significantly controlled by private interests, are returning to the propaganda patterns of the Cold War, channelling the anger of Russians against the United States, in particular. For ordinary Russians, for an older person who studied Soviet history textbooks, or a youngster whose poor historical knowledge comes from George Soros-financed tomes, for a businessman or a pensioner, for a liberal or a Communist, the developing conflict that threatens to involve himself and his relative in Kiev or Odessa, is viewed primarily as a result of some American-made designs.

This widespread view flies in the face of the historical and contemporary truth, regarding London's seminal role in the current crisis, but it implicitly suggests something that is true: that the outcome of the crisis will depend on the policy of the United States toward Russia and the CIS countries.

Can U.S. policy escape the trap of traditional British game-mastering, which may have good short-term prospects for the international arms speculators, but fatal consequences for the whole world, including the United States? The dangers are ever greater, in the face of the IMF-imposed social crisis, which may suggest to the Kremlin followers of Ivan the Terrible that a "historically justified" war could be the most efficient way of turning the population's anger from themselves—against Ukraine, the United States, or President Clinton personally.

Recently, the Federation of Independent Trade Unions leadership declared that it is not planning more actions for this spring. So, the next expression of public protest would be scheduled for the autumn, which is marked by the 80th anniversary of the 1917 revolution. That date may occasion much more interest, both inside and outside Russia, in civil conflict of various sorts. There is plenty of fuel for simultaneous wars between Russians and Ukrainians, Armenians and Azerbaijanis, Chechens and Cossacks, Georgians and Abkhazians, Romanians and Ukrainians, Greeks and Turks, Albanians and Serbs, and also Russians against each other. The global oligarchy is immoral enough, and desperate in its systemic financial and social crisis, to reproduce the design of 1914 along the whole line of the Bernard Lewis-Samuel Huntington Arc of Crisis. The question is, whether nations agree to be used as cannon fodder for such mean interests.