

Knives are out in Russia as austerity toll rises

by Konstantin George

In both the Russian officer corps and the population at large, protests are building up against the regime in Moscow. The regime, whose worst top ministers are the two radical free-market first deputy prime ministers, Anatoli Chubais and Boris Nemtsov, has been implementing International Monetary Fund-dictated austerity policies which have pushed much of the Armed Forces and large parts of the population to the extreme limits of patience and endurance. President Boris Yeltsin is feverishly trying to force Russia's financial oligarchs to stop their infighting and their sniping at the government, and to unite, as they did behind Yeltsin in the 1996 elections, to protect themselves as a caste.

In an interview with the Moscow radio station Echo Moskvy on Sept. 8, Gen. Lev Rokhlin, chairman of the Duma (parliament) Defense Committee, called on Yeltsin to "gather up his courage, admit his mistakes, and resign." Rokhlin said that Yeltsin's so-called "military reform" is destroying Russia's defense capabilities and threatening the nation with annihilation. Rokhlin charged that Yeltsin's "unforgivable" errors, from his disastrous economic-financial policies to the war in Chechnya and the humiliating political capitulation to the Chechen rebel leadership, had produced a situation where "a vote of no confidence against the President should have been held a long time ago."

Rokhlin reported on the organizing drive of his "All-Russian Movement to Save the Army, Military Science, and the Arms Industry." In a tour during the summer which took him to nearly every region of Russia, more than 50 regional branches of the Movement were set up. Rokhlin announced that the national founding congress of the Movement would take place in Moscow beginning Sept. 20.

Strikes, unrest

Rage over the endless collapse of living standards is growing in the population, not least because, despite government

promises, wage arrears of six months and more are still a fact of life for many millions of Russians. On Sept. 10, Communist Party (CPRF) leader Gennadi Zyuganov told a press conference in Moscow that 7 million people had signed a petition, circulated by the CPRF, demanding that Yeltsin and the government resign. Zyuganov promised a "hot autumn," including nationwide strike actions against the regime's economic policies.

The first rumblings in this direction are occurring. Earlier this year, spontaneous labor actions disrupted the Trans-Siberian Railroad and caused electricity cut-offs in the Russian Far East. Now, employees of the Yakutsk water treatment plant, who haven't been paid since December 1996, went on strike on Sept. 10, shutting off the water supply of that Siberian city.

In the energy sector, monotonous government promises to pay back wages, never honored, are sparking desperate protests. On Sept. 16, workers at the Sarov nuclear research center, in Nizhni Novgorod region, protested over wage arrears and lack of government funding for the facility. Prime Minister Viktor Chernomyrdin had visited Sarov in July, during gubernatorial elections in the Nizhni Novgorod region, and promised funding for the center and the settling of wage arrears. That was the last the region ever saw of the prime minister, and the promises ended up being so much hot air. In the Urals, workers at the Federal Nuclear Center in Snezhinsk, Chelyabinsk region, declared on Sept. 16 that they will begin an indefinite strike on Sept. 30, unless three months of back wages are paid and the center is funded. A nationwide wave of protests on the part of nuclear energy workers is possible for October.

In the coal-mining sector, strikes began on Sept. 15 and 16, in the Russian Far East's Primorsky Krai region, and the stoppage of coal deliveries has led to the first disruptions in electricity supplies. Most households in Vladivostok, Rus-

sia's largest Pacific port, have no hot water, and electricity is rationed. While, so far, the number of strikes is relatively limited, the anger in the population is intense, and future protests could go out of anybody's control.

Regime tries damage control

Reactions to the Rokhlin interview provide one glimpse into the quandary faced by the regime.

The first reaction came from Aleksandr Shokhin, Duma deputy chairman and head of the Our Home Is Russia faction in the Duma. He charged that Rokhlin is operating "on the borders of the Constitution." However, he made no mention of any move to expel Rokhlin from the party. During the interview, Rokhlin had declared that he had no intention of quitting the party, but, if they wanted to kick him out, they could. Otherwise, as reported on Sept. 8 by Interfax, Yeltsin had tried and failed, at the beginning of September, to get Rokhlin to shut up, and a Yeltsin offer to Rokhlin, to become deputy chief of the Military Inspectorate, was flatly rejected by Rokhlin.

Within 24 hours (Sept. 9), Rokhlin was expelled from Our Home Is Russia. Politically speaking, the expulsion helped rather than harmed Rokhlin. An attempt to remove Rokhlin as chairman of the Defense Committee failed, when the CPRF intervened and declared that only through a majority Duma vote could that happen. As the Duma majority supports Rokhlin, he remains chairman.

Otherwise, reflecting a shift that has occurred in Russia since August, it is not Rokhlin, but Chernomyrdin's Our Home Is Russia party, which is in trouble. On Aug. 29, Our Home Is Russia Chairman Sergei Belyayev quit the party, to join the Russia's Democratic Choice tendency of former Prime Minister Yegor Gaidar. He was succeeded by Shokhin, who then had to surrender his post of Duma deputy speaker.

During the summer, Russia's financial oligarchy was engaged in a brawl among themselves, over who grabs what huge privatization plum. The "united front" that Yeltsin had hammered out among these super-rich oligarchs, in early 1996, to destroy first the grouping of Gen. Aleksandr Lebed,

LaRouche on Russia's elite

In a radio interview with "EIR Talks" on Sept. 2, Lyndon LaRouche was asked to comment on Russian views of the Eurasian Land-Bridge, including a recent article on the project by Academician Vladimir Myasnikov, deputy director of the Russian Academy of Sciences. A translation of Myasnikov's article was published in last week's EIR. Here is LaRouche's reply:

You've got three currents in Russia. You've got one current in Russia which is, essentially, an occupation government, with people like Chubais, for example, who are nothing but stooges for the IMF and the British. They're not really Russians, they're an occupation government. They're backed up by a lot of people who formerly were intelligent people, but became gangsters, literal gangsters. These are the guys who, when Russia, most of Russia, is starving, they can buy up wealthy districts, with cash down-payments in the wealthiest, ritziest areas of Berlin. The people for whom the menus in Monte Carlo and elsewhere, are printed in Russian. Or, you go into the Cayman Islands or into the Netherlands Antilles in the Caribbean, where drug money is laundered in great quantity, and you will find that Russian is commonly spoken there, because this mafia is there. That's Chubais and company, the International Republican Institute's friends, the friends of the

National Endowment for Democracy, and other degenerate institutions of that sort.

Then you have a second group, on the other extreme. These are people who are becoming creatures out of a novel of Dostoevsky, ready to rise out of the soil, axe in hand, and chop the invader, in a great purifying act of violence. These are the Raskolniki, the revival of the Raskolniki in Russia. And they represent something potentially very nasty, unless Russia gets some stable conditions.

You have a third group, which the professor represents, along with a lot of other former Academicians and Russian patriots. These people have gone over with us, in great detail, as this professor has, what our outline is on the Land-Bridge, both as a policy, and as an international policy of cooperation for revival of the planet. What he did in this report which was published, was to largely present, as *EIR* material largely, our material as dovetailed with other things that they know about, and are experts in, pertaining to their potential role in this project.

So, you have that group, the group we ought to be consulting with more closely in the United States, which is thinking in this direction. These are old Russian patriots, who came through the Soviet apparatus, but they are essentially Russian patriots, and they wish to find a role that Russia can play, in the interest of Russia, and in cooperation with its neighbors, such as China, Iran, India, and so forth, in Eurasia. They wish to find partners with which to cooperate, possibly in western Europe and also the United States. This should very much be welcomed.

and then Zyuganov's Presidential candidacy, crumbled into backbiting and disarray, not to mention flurries of gunfire, like the shootout in which Chubais's ally, St. Petersburg Deputy Mayor Mikhail Manevich, was killed this summer. The infighting had extended into the use of media outlets owned by certain financial groups to attack key figures in the regime, above all Chubais and Nemtsov, after two huge August privatizations, that of Svyazinvest, the telecommunications giant, and Norilsk Nickel, were both won by the Oneximbank group, allied with international speculator George Soros.

In an attempt to re-forge the united front among the financial oligarchs, Yeltsin summoned six of Russia's top bankers to a meeting at the Kremlin on Sept. 15: Vladimir Potanin, head of the Oneximbank group; Vladimir Gusinsky, head of the Media-Most group; Vladimir Vinogradov of Inkombank; Mikhail Fridman of Alfa Bank; Mikhail Khodorkovsky of the Rosprom-Menatep group; and Aleksandr Smolensky of SBS-Agro Bank group. After the meeting, Yeltsin claimed: "They are stopping their fights with Chubais and Nemtsov and the government. The banks had started to argue with the government a little. The word of the President, whom they have supported and support, was needed. We understood each other." According to Khodorkovsky, the bankers and Yeltsin agreed to establish clear, unbiased rules for the next round of sell-offs. He said that Yeltsin promised to oversee personally the upcoming privatizations.

A huge round of privatizations is in store between October 1997 and the spring of 1998. The first round will include the sell-off of a 51% stake in the Eastern Oil Company; a 49% stake in Tyumen Oil Company; a 1% stake in the oil giant, Lukoil; and a convertible bond issue, redeemable through a 2.5% stake in Unified Energy Systems (UES), the national electric power company.

Whether Yeltsin will succeed in putting an end to the disarray in his erstwhile united front is not certain, but sweeping personnel changes among subordinates cannot be excluded, up to the level of a Chubais or a Nemtsov. Yeltsin's praise of them at the meeting, where, according to Khodorkovsky, he referred to them as "my children," means nothing. A more interesting reaction was triggered when journalists asked Yeltsin to comment on an alleged assassination threat against Chubais. Yeltsin laughed it off and said, "Forget this. [Belarus President] Lukashenko also says that journalists are going to kill him."

On Aug. 29, Yeltsin dumped Yuri Baturin as secretary of the Defense Council. Baturin had been brought on last Autumn to head this newly created institution, in a move by Yeltsin which portended the imminent dumping of General Lebed as head of the Security Council last October. Baturin had been used by Yeltsin as the point man for implementing the so-called "military reform." His firing was a transparent attempt to appease the officer corps, to try to blunt the Rokhlin protest movement.

Guest Commentary

Scotland votes to break with London

by Alan Clayton

Mr. Clayton is from Glasgow, Scotland. Subheads have been added.

On Sept. 11, as Scotland marked the 700th anniversary of William Wallace's defeat of King Edward I's invading army at the Battle of Stirling Bridge, a majority of Scots went to the polls to cast their votes in favor of establishing a separate parliament independent of London. The referendum has produced a result far in excess of anything those of us who fought for such a result could have expected. The referendum consisted of two questions. The first was, "I agree that there should be a Scottish parliament," and the second was, "I agree that the Scottish parliament should have tax varying powers." In a 60% turnout of those eligible to vote, the first question produced 74.3% for, and the second, a majority of 63.5% for. Celebrations were carried out throughout Scotland as though the victory were Independence Day, which, of course, it was not, although it certainly has the potential to be the precursor.

The Scottish media have been drawing comparisons between the welcome given to the country's leading politicians at the post-referendum celebration outside Scotland's ancient parliament building in Edinburgh, and the stoning of her leading politicians on almost the same spot 290 years ago, after they had betrayed the country's birthright in signing away its political existence in the Treaty of Union.

The Scottish oligarchy

The point is appropriate, because the Scottish oligarchy who were responsible for the Union had made contingency plans against possible armed insurrection, by placing the English armies of the arch-Venetian John Churchill, First Duke of Marlborough, on the Scottish border, ready to invade in such an eventuality. Indeed, those interested in examining the role of the Duke of Marlborough and the Churchill family in the final construction of the British system could do no better than read H. Graham Lowry's book, *How the Nation Was Won*, which examines their role in some detail.

It is a point that is appropriate because there can be no doubt that the same Scottish oligarchy, based around the