

On Sept. 8 in St. Petersburg, it was practically impossible by 7 p.m. to find any salt, tea, coffee, rice, semolina, or buckwheat, matches, washing powder, shampoo, soap, toilet paper; by 8 p.m., eggs, macaroni, sour cream, curds, and cottage cheese had also disappeared; an hour later, the remaining stocks of imported canned fruit, vegetables, fish, etc., had been swept from the shelves. Prices were quadruple what they had been one month earlier.

Several provincial governors, during the week of Sept. 7, declared emergency food mobilizations, banning shipments outside their areas. Moscow Mayor Yuri Luzhkov denounced the restrictions as “dangerous,” at his Sept. 10 press conference. Vytautas Landsbergis, chairman of the Lithuanian Parliament, called for international humanitarian aid to adjacent Kaliningrad Province, warning that “pending famine [within] the Russian Navy should raise international concern.”

Primakov says problem was ‘IMF requests’

A veteran of the Soviet and Russian foreign policy and intelligence establishment, Yevgeni Maksimovich Primakov is an Arabist, who graduated from the Institute of Oriental Studies at the Academy of Sciences and long headed IMEMO, the Institute of the World Economy and International Relations. He speaks English, Arabic, and Georgian, in addition to Russian.

Since becoming Russian Foreign Minister in early 1996, Primakov has dedicated his efforts to preserving and reviving a set of foreign relationships, appropriate to Russia’s status as a great power, cultivating improved relations with the major Eurasian powers. Moreover, Primakov has spoken out about the damage, inflicted on Russia by IMF-authored policies, and—contrary to news agency reports that Primakov is a *tabula rasa*, as far as economic policy goes—has called for emulating Roosevelt’s “New Deal” as a road to recovery.

Foreign Minister Primakov spoke on June 25, 1998 in London, at the Royal Institute for International Affairs, about the interface between Russia’s situation, and the global markets. “Why did the Asian crisis hit Russia so hard?” asked Primakov, “Because foreign investment was mostly portfolio investment in Russian government bonds. When the Asian crisis engulfed such strong countries as Japan and South Korea, many of those who had invested in Russian state bonds started to plug their own loopholes, by taking money from Russia.”

Primakov said his country’s priority had to be real economic growth. “We didn’t pay enough attention to economic growth, because we were focussed on macroeconomic financial stability, at the request of the IMF.” Now, “there is no question of returning to the past. But we can learn from the United States. During the process of recovery from the Great Depression, Roosevelt took some state measures, tax measures that benefitted the development of industry. These are areas on which we plan to focus.”

On July 20, 1998, Academician Leonid Abalkin gave a press conference in Moscow, to attack the government’s so-called anti-crisis program, crafted to meet IMF austerity demands. Abalkin asked why the country of Sergei Witte and Pyotr Stolypin (turn-of-the-century reformers, students of the American System of Political Economy), and of the Soviet mathematical economics school, should be following imported, disastrous economic prescriptions. If it were not for capital flight and triple-digit interest rates, said Abalkin, Russia would have no budget deficit. He said that his findings on flight capital had been confirmed by reports from “Academician Yevgeni Primakov,” the Russian Foreign Minister.

Primakov on Eurasia

In a Jan. 8, 1997 interview with Itar-TASS, Primakov called the active development of relations with Asian nations, especially China, his most important achievement of 1996. “We tried to correct the ‘tilt’ toward the West which had emerged in the past. . . . A power like Russia with its huge interests in Asia and the Middle East can’t have all its eggs in the ‘Western basket.’ We have tried deliberately and actively to develop a political dialogue and economic ties with the leading powers in Asia—China, India, Japan, and the ASEAN countries,” said Primakov. Speaking about relations with the United States, he added, “We are no longer fixed on the idea of ‘Enemy No. 1’ or on the romantic idea that ‘a strategic alliance’ with the former enemy is almost inevitable.”

“There is particularly good progress in Russia’s relations with the P.R.C.,” Primakov elaborated. “What is involved here is not the rebirth of an ideological alliance of the 1950s model. We and China hold the same view that our interests lie in equal and trusting partnership with a long-term strategic aim of interaction in the 21st century.”

In the summer of 1997, Primakov attended the Kuala Lumpur meeting of the Association of Southeast Asian Nations, at which Malaysian Prime Minister Mahathir bin Mohamad blasted George Soros, and currency speculation in general. A senior Russian strategist told *EIR* at that time, “The crisis of the currencies in Southeast Asia made a great impression in Russia.”