

Russians lose patience with IMF's boy Gaidar

by Konstantin George

The days of Russian Acting Prime Minister Yegor Gaidar, the executor of International Monetary Fund shock therapy, are numbered. As of Sept. 24, after the Russian Supreme Soviet had completed the first three days of its autumn session, the nearly unanimous consensus among the 247 deputies was that Gaidar must go. Fueling the groundswell of demands for a change in government and policy course is the economic cataclysm that the Gaidar policies have brought to Russia over the past year.

Gaidar's policies are also destabilizing other former Soviet republics tied to Russia through trade and the ruble zone. But the "Great Russia" elite, which has allowed Russia to be hurt as a temporary price to pay for destabilizing the other republics, so as to create the conditions for their eventual reconquest, is losing patience with this policy.

On Sept. 23, Parliament President Ruslan Khasbulatov requested that a "vote of no confidence" against the government be postponed until after President Boris Yeltsin addressed the Parliament. The decision is nothing more than a temporary truce between the Parliament and government. Yeltsin himself was notably absent from the session, leaving Gaidar to fend for himself. (Only the Congress of People's Deputies, which is supposed to convene during October, can remove a government through a vote of no confidence.)

Gaidar's review of the economic situation to Parliament on Sept. 22 contained more than enough evidence to condemn him. He admitted that industrial production for August was 27% lower than for August 1991. Gaidar admitted to the collapse in living standards when he said that, from August 1991 to August 1992, prices had risen fifteenfold while wages had risen tenfold. But the actual gap between price increases and wage increases is much higher, as Russian workers, because of the currency shortage, have been receiving wages 2-3 months late. The 3,000 ruble monthly wage for May, for example, which was finally paid in July, buys far less than it would have back in May.

Gaidar tried to play down the impoverishment of the population, reporting that 13 million Russians are living below "poverty level," which he defined as an income under 1,200 rubles per month. In reality, any income below 2,000 rubles per month is dismal poverty. Thus, the number of impoverished is far, far higher than the 13 million admitted by Gaidar.

Gaidar demanded even tougher austerity, and called for budget cuts and a halt to Central Bank issuance of credits to

state enterprises. During the second and third quarters, it was only through the issuance of such credits that many large state enterprises were kept afloat. Should Gaidar prevail, unemployment will run into the millions.

On Sept. 18, the Gaidar government froze all payments between Russia and Ukraine, thus stopping trade between the two nations. Should the freeze last through winter, the consequences will be severe for many Russian enterprises, but devastating for Ukraine, which is heavily dependent on Russia, especially for energy supplies.

The move overturned a Sept. 10 agreement between Russian Central Bank head Viktor Gerashchenko and Vadim Hetman, chairman of the National Bank of Ukraine. It also coincided with Ukraine's refusal to sign an agreement on that same day to remain in the Russian-controlled "ruble zone." That agreement was signed by Russia, Belarus, Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan, and by Georgia, which is not a member of the Community of Independent States (CIS).

Anglo-American backing

The IMF has supported a "Great Russia" sphere through its pressure on other former Soviet republics to stay in the ruble zone. This has been complemented by actions of the U.S. government, which has been seeking to establish new East-West spheres of influence. The new division was formally proposed to Moscow in August by U.S. Acting Secretary of State Lawrence Eagleburger, according to east European and Moscow sources. The proposal complements Moscow's attempt to place as much of the former Soviet Union and eastern Europe under Russian hegemony as possible. According to these sources, Eagleburger described his proposal as a "common interest" of America and Russia, whom he characterized as the two losers of the Cold War who "undeservedly" had their "traditional" spheres of influence diminished.

The Anglo-American geopolitical deal with post-Bolshevik Russia can be traced to a secret Moscow visit last December by Stella Rimington, head of British MI-5. She was hosted by Yevgeni Primakov, head of the post-KGB Russian Foreign Intelligence Service. Talks were next held in September in Moscow between CIA head Robert Gates and Primakov.

The "New Yalta" is as follows: Estonia and Latvia fall to the Russian sphere, while Lithuania enters the western sphere, together with Poland and Hungary. The Czech part of Czechoslovakia falls to the western sphere, while Slovakia, whose industry has always been heavily dependent upon the former Soviet Union, falls to the Russian sphere. The Baltic partition scheme became visible in the Sept. 8 bilateral agreement with Lithuania, which all Russian troops will leave in one year, while remaining indefinitely in Estonia and Latvia. Moscow will begin its "reconquest," using the Sept. 20 Estonian elections, where the 400,000 Russian voters were excluded, as the pretext for launching a pressure campaign against that republic.