

EIR International

Military influence will grow as Russian crisis builds

by Konstantin George

The bill for the Anglo-American imposition of ruinous shock therapy on the military superpower Russia is now coming due. In the first half of February, leading figures and press organs have been warning that the country could be shaken to its foundations by a socio-political crisis, which could erupt anytime between March and late spring.

The newspaper *Trud* reported that a huge strike wave, including a nationwide strike by coal miners and oil workers, is brewing. According to *Trud*, the miners' patience is at an end. The state owes them 800 billion rubles in unpaid back wages, and many miners do not even have enough money to pay for food. The energy sector strike wave would affect all the main mining regions: Kuzbass in central Siberia; Vorkuta in the far north of European Russia; the coal mines of the Russian Far East; the southern Russian region of Rostov on the Don; and the vital Western Siberian Tyumen oil- and gas-producing region. In addition, strikes are either under way or planned by teachers at higher schools of learning and universities, and a strike could close down state television at any time.

The situation in the Siberian part of the defense industry, as cited by the daily *Izvestia*, is explosive. The work force at the key missile plant Krasmash in Krasnoyarsk has not been paid in four months, because the Defense Ministry's budget did not cover 11 billion rubles for orders delivered, although Prime Minister Viktor Chernomyrdin had promised payment at the end of December. Chernomyrdin is now engaged in daily negotiations and making promises to try to forestall imminent strikes in industry and the energy sectors.

Break-up of Russia feared

Russian Minister for Nationalities and Regional Policy Sergei Shakhrai, speaking at the Feb. 5 meeting of the Party

of Russian Unity and Concord, which he heads, said that he expects a mammoth political crisis to hit Russia in May. He stated that May could witness a culmination of a devastating industrial strike wave, the final collapse of the ruble, and the rise of regional nationalism and separatism. Echoing warnings issued in early February by Yuri Skokov, former head of the Russian Security Council and current head of the Russian Association of Goods Producers, Shakhrai declared that if urgent measures were not taken in time, a collapse of the Russian Federation could occur.

The estimate that the crisis will wait until May to break out of control may prove optimistic.

The lack of major strike activity up till mid-February reflects a deceptive calm. The main factor behind this stasis has been the weather. Throughout February the average daytime high in Russia has been +15°C to -20°C. The population is seething with rage. The latest statistics published Feb. 10 disclose that 54 million Russians, or 36% of the population, are living below the official subsistence level of 50,000 rubles per month. Most of the rest are not far above that, and one must recall that this line is a statistic based on a monthly wage—but in many cases this wage is not actually being paid. Most Russian workers are owed anywhere from one to four months of back pay. Those statistically just above the subsistence level include the highly educated professional segments of society: doctors, other medical personnel, teachers, researchers, scientists, engineers, and designers in the state R&D institutions.

The collapse of real wages and production has led to mass murder of the Russian population, in the form of a huge increase in the death rate. The semi-starvation conditions have especially hit the elderly. As a result of shock therapy policies, for the first time in history during peacetime, the

Russian population is declining.

An article in the Feb. 14 London *Financial Times* by Moscow correspondent John Lloyd, states that the demographic collapse has officially become a matter of Russian national security: "A dramatic rise in death rates and a sharp fall in the birth rate have now become a matter of close concern at the level of Russia's National Security Council." According to Lloyd, "in the past year alone, the death rate jumped 20%, or 360,000 deaths more than in 1992. Researchers now believe that the average age for male mortality has sunk to 59—far below the average in the industrialized world and the lowest in Russia since the early 1960s."

Rifts tear new Russian government

Given what is hitting the population, it is not surprising that the rumblings are making themselves felt at the top. Only weeks after its formation, the new Russian government is already starting to crumble.

The attack on the government is being led by the military. On Feb. 8, Russian Defense Minister Pavel Grachov took the extraordinary step of appearing on Russian TV to demand that the government, of which he is a part, more strongly consider the interests of the military and the military-industrial complex (MIC) sector. He blamed the government policy of not paying its debts to MIC enterprises for the wave of closures hitting this vital high-technology sector of the Russian economy. Grachov attacked Aleksandr Zaveryukha, the minister of agriculture who holds the rank of deputy prime minister, as being the main person responsible for neglecting the military and the MIC. Further statements by Grachov showed that the fight extends beyond budget and credit allocations. He asked why it is that a minister of agriculture holds a higher cabinet rank than the minister of defense, i.e., himself.

The outcome of the Grachov TV episode proved once again that when the military puts its foot down, results are delivered. In this case, the cabinet was simply overruled, and the demands of Grachov and the MIC were met by a decree by the Russian Security Council, the state's real center of power. On Feb. 14, Oleg Lobov, secretary of the Russian Security Council, announced that the Russian state would pay 1.5 trillion rubles to the MIC enterprises. According to Lobov, the amount equalled about 85% of the total 1993 debt owed to these enterprises.

On Feb. 8, Andrei Illarionov, a top adviser to Prime Minister Chernomyrdin, resigned as head of the government's Planning and Analysis Department. The western press generally portrayed the resignation as a sign of the fight between Chernomyrdin and radical reformers. But this is only partly true, as the Illarionov letter of resignation shows. "The decisions taken by the government will lead Russia inexorably into hyperinflation," he wrote. "I wanted to serve Russia's interests as a whole," and not those of "a small group of barons of agricultural state enterprises and 'generals' of

the fuel and energy industry." Here was an echo of Grachov. Illarionov attacked especially the government's huge subsidies of agriculture and the energy sector at the expense of key industrial sectors, and forecast the regime's crisis coming to a head in the next months. He declared that powerful forces, including those around Central Bank head Viktor Gerashchenko, were pursuing policies designed to "discredit and eventually overthrow" both Chernomyrdin and Yeltsin: "1994 is the year where they will try to overthrow Yeltsin," culminating what he called "the hidden civil war" Russia has been in since 1992.

'One must talk in simple terms'

Rifts are also tearing to shreds the "Yeltsin entourage," the inner circle of advisers to the President. These splits have been increasing in ferocity since last summer. In the latest case, according to the Feb. 14 daily *Nezavisimaya Gazeta*, Yeltsin's press secretary, Vyacheslav Kostikov, has been saying that Yeltsin has turned on his former associates. In highly insulting terms, he said of Yeltsin, his "boss": "One has to talk in simple terms with him, as with Chernomyrdin," otherwise he doesn't understand.

Yeltsin's chief adviser, Viktor Ilyushin, an old crony from the days when Yeltsin headed the Communist Party apparatus in the Sverdlovsk region (now Yekaterinburg) of the Urals, and the only one left from the 1993 inner circle around Yeltsin, also spoke to *Nezavisimaya Gazeta* about the liquidation of what had once been the Yeltsin entourage. According to Ilyushin, Yeltsin was enraged at Yegor Gaidar, Mikhail Poltoranin, and Gennadi Burbulis for having first urged him to engage in all-out confrontation and violently crush the old Parliament, and then abandoning him at the peak of the Oct. 3-4 events when the Parliament was stormed. Ilyushin said of these "radical democrats": "There was Prime Minister Ryzhkov, and they fought against Ryzhkov; there was Gorbachov, and they fought against Gorbachov. Yeltsin appeared, and now they are fighting against Yeltsin. And I'm not sure that if there'll be another leader in the future, they'll also fight against him." In the same vein, Yeltsin also in January fired his personal military adviser, Gen. Dmitri Volkogonov, a political career officer not in tune with the Russian military command.

What is revealing concerning Gaidar, Burbulis, Poltoranin, and other former Yeltsin supporters is that they smell the coming demise of the current regime, and are positioning themselves for a comeback in a post-Yeltsin Russia. Burbulis has been openly saying that Yeltsin has outlived his term and "is used up." Poltoranin was key in acquiring the invaluable huge amounts of TV time for Vladimir Zhirinovsky that made his election triumph possible, and has been working closely since last summer with Zhirinovsky, as part of his maneuverings to cultivate post-Yeltsin options.

Whatever the outcome of the current crisis, it will not produce a comeback for the shock therapy advocates.