

Prime Minister while remaining as Interior Minister. Meanwhile, command changes in the Ministry of Internal Affairs troops, the Internal Forces, during April, brought Stepashin associates into commanding positions. Part of the reality, to which Zyuganov's warnings refer, is this formation of a potential coup command structure, loyal to Stepashin and his group.

On May 13, the liberal daily *Moskovsky Komsomolets* outlined a scenario, under which the Yeltsin regime would impose a state of emergency, dissolving the Duma. Internal Forces were "ready for the state of emergency," the report said, citing the "combat readiness" of Moscow-based elite units. The same paper reported that some Duma deputies spent the night before the impeachment debate inside the Duma building, with stockpiles of food, drinks, and even gas masks, because "a sudden breakout by the President from the stifling confines of constitutionality was not to be excluded."

What transpired in the 12 hours before Primakov's ouster already smelled of a coup. The chronology shows the hand of Chernomyrdin, Stepashin's old boss and close ally, in the sacking of Primakov. On the morning of May 12, the last two listed activities of Yeltsin before his announcement were a 20-minute meeting with Primakov, followed by a meeting between Yeltsin and Chernomyrdin. It was a t \hat{e} te- \grave{a} -t \hat{e} te, not the previously announced report-back on Chernomyrdin's Balkan diplomacy.

Chernomyrdin's involvement is described in a May 12 Itar-TASS dispatch: "Chernomyrdin, who returned here from Beijing on Tuesday night [May 11] after talks with the Chinese leadership on the situation concerning Yugoslavia, reported the results of the talks to Yeltsin from Vnukovo Airport by telephone and headed straight for the Presidential country residence Gorky-9 for a meeting with the President." The next morning, Chernomyrdin was back at Gorky-9 for another meeting — or, perhaps, he had spent the night.

Impeachment gathers steam

A power struggle is now on, between a President whose acts constitute madness, and a Parliament that is now more likely to amass enough votes to impeach him. Duma Speaker Gennadi Seleznyov declared, on May 12, that after the firing of Primakov, he would have no trouble getting not only the 300 votes required (two-thirds of 450) for impeachment, but even 400 votes. To quote Seleznyov: "I think the President made a gross error. Maybe his most serious mistake recently." Already on the evening of May 12, the Duma passed a resolution, by a vote of 243-20, calling on Yeltsin to resign immediately. A Duma statement on this resolution said: "Those who violate their constitutional responsibilities will answer according to the law."

Intertwined with a May 13-15 schedule for voting up articles of impeachment, is Yeltsin's presentation of Stepashin to the Duma for confirmation as Prime Minister. Stepashin will make rounds of the Duma groupings, in advance of debate of his nomination, and its almost certain rejection, on May

19. The legal formula of the 1993 Constitution provides that, if the Duma rejects Yeltsin's nominees three times, he can dissolve the legislature. But, once impeachment proceedings are under way, the Constitution prohibits the President from dissolving the Duma, while the impeachment is referred to the Federation Council (upper house, comprised of regional governors), the Supreme Court, and the Constitutional Court.

Given what Yeltsin's act has unleashed, only a fool could discuss the immediate future, in terms of constitutional and legal niceties and procedures. At each step of the unfolding upheaval, the combination of raw power and the subjective implementation of power by individuals and groups of individuals, will be decisive. A new and incredibly dangerous era of Russian and world history has begun.

Policy fights over Russia at N.Y. seminar

by Edward Spannaus

The May 12 firing of Russian Prime Minister Yevgeni Primakov by President Boris Yeltsin had been widely predicted, and the fight between the Primakov government and the Russian "reformers" (who are now expected to, at least temporarily, come back into policymaking positions) was a prominent theme at a May 7 conference at Columbia University's Harriman Institute on the topic "How Can Russia Recover?"

The conference illustrated the appalling nature of much of what passes for "expert opinion" concerning Russia today, and the willful ignorance regarding what leading Russian economists — those who are not part of the radical monetarist, "reform" clique — are actually thinking and doing.

The opening panel, on the nature of the crisis and the prospects for recovery, was chaired by former U.S. Ambassador to Russia Jack Matlock. There was some reasonable empirical description of the economic collapse in Russia, and criticisms of the shock therapy and of privatization programs, but no one demonstrated any real appreciation of either the true causes of the crisis, or of what the Primakov government was attempting to accomplish. The panelists for the most part portrayed the opponents of the "reformers" as pro-Communist backsliders who yearn to go back to a Soviet-style economy.

And a number of the panelists uncritically repeated the totally unsubstantiated story, put into circulation by reporter Seymour Hersh in the *New Yorker* magazine, that Primakov had taken a large bribe from Saddam Hussein in 1997. This was intended to "prove" that Primakov is just as corrupt as the rest of Russia's leaders.

One of the panelists, Prof. Marshall Goldman of Harvard University, proclaimed that the Russians have now begun "to

move backwards,” away from the reforms. Goldman said that when Russians talk about the “real economy,” they mean tanks, aircraft, and military production.

During the question period, this reporter directed a question to Goldman, telling him: “I think it’s very important to understand what Primakov, Maslyukov, and so forth, actually mean when they talk about ‘real economy.’ Because they are discussing something that, in my organization is termed ‘physical economy,’ but they’re actually looking at the industrial process, agriculture, the physical process of the economy, as opposed to the financial and monetary processes.”

This reporter noted that the United States “was built in a totally different way” from the emphasis on financial and monetary processes in post-1991 Russia, pointing to Alexander Hamilton’s 1791 Report on Manufactures, which was an inventory of what manufacturing capability existed and what could be developed. “We fought a revolution against the idea, that the British were trying to impose on us in the colonial period, that all we could do was export raw materials, have them manufactured abroad, and then sold back to us. But that’s precisely the way many Russians see what has happened to them over the past eight years, is that they have become an exporter of raw materials, they’ll be manufactured abroad, and then sold back to them; and they correctly view that as a colonial policy.”

This reporter concluded: “So, instead of viewing what Primakov and Maslyukov and others are talking about as step backwards toward communism . . . why not look at it in terms of our own history, what the American System was, of industrial development, infrastructure, internal improvements, and use that as a model, as opposed to the British system? Why

do we have to tell the Russians that they cannot do, what we did ourselves, to build up this country in the 19th century?”

Goldman’s first response was to declare, “I wouldn’t make a distinction between the British system and our economy; the British see their development exactly the same as ours.” He then repeated his point: “When I talk to Russians about the real economy, it gives me the shivers. Because they don’t see it as you see it. They see it as just a macho thing: it’s got to be big, it’s got to be strong.”

Goldman said that “whatever we did, whatever the British did, whatever the Germans did, whatever the French did, was then. This is now. We’ve got a very different kind of economy; we’ve got an economy based on services, we’ve got an economy based on software.”

“What you’re talking about is the Rust Belt,” Goldman continued. “If you want to develop a Rust Belt—be my guest. But I would prefer to focus on other service kind of things.” Goldman again referred to “this big macho stuff,” even saying that this was a problem for Russia in the 19th century—“their factories were the largest, and not necessarily the most competitive.” That mentality is the problem, Goldman concluded, “and I would like to think that when Primakov and Maslyukov talk about the ‘real economy,’ they see it in the sophisticated way you do. I’m afraid they don’t.”

A truer picture of Russia

The two speakers who did the most to break through the falsified picture of Russia, were Janine Wedel of George Washington University, and Prof. Stephen Cohen of New York University.

Speaking on a panel on “Western Aid to Russia: What

Al Gore’s plot to get rid of Primakov

“From the beginning, [U.S. Vice President Al] Gore and his people hoped that Viktor Chernomyrdin, the former Russian Prime Minister, would be Prime Minister and perhaps President of Russia when Gore’s [Presidential] campaign began,” says Prof. Stephen Cohen of the Russian Studies Center at New York University.

During an interview on PBS’s “Charlie Rose Show” on May 12, Professor Cohen described what he called “a Moscow-Washington plot” to get rid of Prime Minister Yevgeni Primakov. He said that “beyond any doubt, there is a group in Washington—maybe not the entire administration—that wanted Primakov out. And they helped Yeltsin rehabilitate Chernomyrdin as a successor.” Part of this effort was getting Chernomyrdin appointed as a special envoy for the Balkans. Cohen noted that Gore seems to

have a conversation with Chernomyrdin “almost every day.”

Cohen pointed out that Primakov was eminently suitable to be a negotiator on the Yugoslav war. “Instead, he’s whacked, and in his place is put Chernomyrdin—a man whose credibility is so lacking in Moscow that, if he were to broker a deal successfully with [Serbian President Slobodan] Milosevic, the United States, and NATO, it’s not clear that Chernomyrdin can make it stick in Moscow.”

Cohen’s (somewhat oversimplified) explanation of Gore’s motivation is as follows: “The problem with Primakov, from the point of view of one group in Washington—the Gore group—is that to campaign for the American Presidency in face of Republican charges that the Clinton administration presided over the return of the Communists to power in the form of Primakov is untenable.” The Gore group wanted Chernomyrdin to be re-appointed Prime Minister last summer, but instead they got Primakov, Cohen said, adding that ever since, “there has been a verbal war against Primakov.”—*Edward Spannaus*

Went Wrong?” Wedel described how U.S. aid to Russia, funneled through Harvard University, had contributed to the decline of Russia and had contributed to a backlash against reforms and against the United States. Wedel described how a small group on both sides—the Harvard Institute for International Development on the U.S. side, and what she calls “the Chubais Clan” on the Russian side—had taken control of aid programs and even policymaking for their respective governments.

Wedel noted that U.S. policymakers and journalists have a very different view of the Chubais Clan than is held within Russia. She said that U.S. Deputy Treasury Secretary Lawrence Summers had called the Chubais group the “dream team.” But, in fact, she pointed out, the policies they promoted resulted in asset stripping and capital flight.

The Chubais Clan was a shadow government, even negotiating with the International Monetary Fund on behalf of the Russian government, Wedel said. Yeltsin and the Chubais Clan carried out “rule by decree,” and circumvented the Russian State Duma; they were anti-democratic, yet were supported by the United States. The Gore-Chernomyrdin Commission, especially its bond markets committee, was another vehicle by which this group exerted its influence.

This was not accidental, Wedel stated. She pointed to a statement by a U.S. Agency for International Development official, to the effect that “we can’t change the whole country, but we can provide targeted aid to help Chubais.” As a result, Wedel concluded, “many Russians believe that the United States set out deliberately to wreck their economy.”

Another perspective on the distorted picture most Americans get of what is going on in Russia was presented by Professor Cohen, who called the way the American news media have reported on Russia since 1992 “a kind of journalistic malpractice.”

The assumptions of most press coverage, Cohen said, was that Russia was moving toward something like the American political system, and that the Yeltsin regime’s policies of going along with shock therapy, neo-liberalism, and monetarism amounted to true reform.

Reform means making the lives of the majority of the people better, Cohen said, but in Russia, every year of “reform” has meant collapse and immiseration. But we have treated this pain and suffering as secondary, and as the inevitable fate of all people in Russia. Cohen noted sarcastically that proponents of the “reforms” say that “we are doing this for the young people”—but, he asked, “what about the young soldier . . . the young coal miner,” who haven’t been paid in six months?

Although American journalists normally have an aversion to “radicals,” they fell in love with the “radical reformers” in Russia, Cohen noted. And, he pointed to another quirk in the reporting, of referring to opponents of the reforms as “hard-liners.” “If hard-liner means anything,” Cohen said, “it should apply to those promoting shock therapy.”

Scotland, Wales

Elections deal another setback to Tony Blair

by Alan Clayton

The May 6 elections for the new Scottish Parliament and Welsh Assembly have produced a number of surprise results. The financial and social oligarchies which circle around the House of Windsor, have, for the time being, given unequivocal backing to Tony Blair’s Labour Party—now officially known as New Labour, since it has adopted the austerity and monetarist policies associated with former Tory Prime Minister Margaret Thatcher.

In Wales, Blair suffered a humiliating setback, as the Welsh Nationalist Party, Plaid Cymru, made substantial gains into the New Labour domination of that state, winning 28 of the 60 Assembly seats, thus denying an overall majority to New Labour. The Plaid, which had placed fourth in the 1997 general elections, now represents the main opposition. This victory, which Plaid Cymru president Dafydd Wigley said had surpassed his own expectations, is due in part to the fact that until now, the Plaid has never been viewed as a threat to the oligarchy, and consequently was not subjected to the avalanche of misinformation, distortion, and lies that assaulted the Scottish National Party (SNP) in Scotland.

In the wake of the successful 1997 referendum, engineered by the SNP, when Scots voted to establish a Scottish Parliament, it was hoped by many Scots (and feared by the oligarchy) that the SNP would win a majority in the new Parliament, and would immediately submit a new referendum for the establishment of an independent Scottish nation.

What happened in Scotland can certainly be appreciated by readers of *EIR* who are familiar with the historic defamation of the LaRouche movement by means of a massive campaign of media distortion and downright lies. Alex Salmond, leader of the SNP, was subjected to character assassination by the British establishment media, which escalated after his televised criticism of the NATO bombing campaign against Yugoslavia. Actor Sean Connery, an active supporter of the SNP, laid the cause of the “shameful abuse” of the media at the doorstep of the “control freaks” of Blair’s New Labour Party, which, he said, ruined the positive potential of the election campaign with a “reign of fear and intimidation.”

Taxation was a central theme in the Scottish campaign, the essence of the SNP argument being that it is immoral to reduce direct taxes while schools, hospitals, and much of