

Gorbachov, Yeltsin agree to ban strikes, while crisis builds

by Konstantin George

On April 23, an emergency session of the U.S.S.R. Federation Council, chaired by Soviet President Mikhail Gorbachov and involving Russian President Boris Yeltsin and the presidents of eight other Soviet republics (the two other Slavic republics, Ukraine and Belorussia, and the six Muslim republics), was convened at a government dacha outside Moscow. The meeting was held under the shadow of strikes and plant closures which are plunging the Soviet economy into chaos. Spurred by these conditions, the meeting produced a Gorbachov-Yeltsin compromise of national unity, contained in a joint declaration signed by Gorbachov and the nine presidents, published the next day in *Pravda*.

The joint declaration:

1) endorsed the "anti-crisis program" of Gorbachov and Prime Minister Valentin Pavlov, including its ban on strikes, and added only one amendment providing for working out "in one month" a program for "income indexation" to compensate for the huge price increases that had taken effect April 2. Notably, the agreement endorsed the demand of Pavlov to create a "special regime" to run the most vital sectors of the economy: transport, communications, the energy sector, and the production and distribution of all basic goods;

2) featured an appeal by Gorbachov, Yeltsin, and others for the "miners and all workers to end their economically and politically motivated strikes," and declared a ban on "trying to reach political goals through incitement to civil disobedience, strikes, and calls for the overthrow of legally elected organs of state power";

3) called for the "cooperation . . . of all social and political forces within the framework of the law";

4) announced that the nine republics represented will "soon" conclude work on a "new Union Treaty," and, "at the latest," six months after it is signed the U.S.S.R. Congress of People's Deputies will vote on a new Constitution, to be followed by elections, the specifics of which are still vague, for the top state posts in the U.S.S.R. The agreement states that until that time, continuity will remain in those posts, meaning that Gorbachov will remain U.S.S.R. President.

The agreement was timed with the April 24 opening of a Communist Party Central Committee Plenum, which had been expected to produce the heaviest attacks to date from

the conservative party apparatus against Gorbachov, forces who had wanted to use the plenum as the forum for starting the process of removal of Gorbachov as party general secretary. The announcement of the agreement, notably including the ban on strikes, blunted this offensive, which had intended to stage a vote of no confidence against Gorbachov, accusing him of inactivity in face of the strike wave's threat to the existence of the country.

However, declaring a strike ban and actually restoring order are two different things, and the U.S.S.R.'s extremely powerful "neither Gorbachov nor Yeltsin" third force, the law and order alliance of Army, KGB, and traditional party apparatus, personified in the Soyuz group of parliamentarians, will judge Gorbachov and the entire present leadership on the basis, not of declarations, but of implementation. Should he falter, the offensive, now temporarily blunted, will resume with greater strength.

New strike wave expected

The Federation Council agreement was received with surprise in most Western press accounts, whereas *EIR* had forecast accurately in early April the probability of a Gorbachov-Yeltsin compromise at a juncture where the internal crisis had reached a decisive point. Now, with the future of the U.S.S.R. and Yeltsin's Russia hanging in the balance, that point has been reached.

The 10 presidents acted with their backs to the wall. Any further delay would have meant that the crisis would have gone totally out of the control of Gorbachov, Yeltsin, or anyone else. It now remains to be seen how the coal miners and the industrial workers of Russia, Ukraine, and Belorussia respond to the joint appeal to end all strikes.

The first, but not necessarily decisive response will be a resounding rejection of the appeal. The strikes and other protests will reach a new crescendo on April 26, with many strike actions planned.

The Independent Federation of Russian Trade Unions has called a one-day general warning strike throughout the Russian Federation to support the demands of the striking coal miners. This strike is meant as a precursor to further strikes affecting the most vital sectors of the Russian econo-

my. It is expected to involve the work force of the vital oil and gas industry, and the cities—such as Magnitogorsk, Chelyabinsk, and Sverdlovsk—of the steel and heavy industry belt of the Urals.

Also on April 26, a one-day general strike protest was called in Ukraine and Belorussia to mark the fifth anniversary of the Chernobyl nuclear plant catastrophe. This action comes on top of a strike of 15 major industrial enterprises in the Ukrainian capital of Kiev, which has been under way since April 16, and the renewal of a political strike affecting most of the large industrial plants in Belorussia, starting in the capital of Minsk.

Economy nears total collapse

The strike-ridden Soviet economy, already faltering before the miners' strike had begun in March, has reached a precipice. The picture of the economy from the statistics given by Pavlov to the U.S.S.R. Supreme Soviet during his presentation of the "anti-crisis program" on April 22, was grim enough, even before the coal strike had reached its full intensity. Pavlov reported that in the first quarter of this year, U.S.S.R.-wide industrial production had been 10.5% below plan target, and agriculture 13% below target. As the Soviet news agency TASS reported the same day, in March alone, 1,169,000 working days had been lost due to strikes, and the toll for April would be far higher. As Pavlov stressed, catastrophe was looming, within a few weeks at most, unless dramatic action was taken immediately.

By April 24-25, Soviet media were beginning to detail, location by location, the horrendous effects of the coal strike on the rest of the economy, as the protest moved into its eighth week. Already on April 16, TASS was sounding the alarm, citing the growing threat of shutdown of steel plants by the strike, with a sharp drop in steel production having created a "disastrous effect" on the country's machine-building sector and other heavy industry: "This will affect every branch of the economy, including agriculture. Spare parts for agriculture machinery are particularly scarce now, at the height of the spring planting season." Steel production was threatened with extinction, as stocks of coking coal were fast disappearing. The first blast furnace closures were being reported in the Urals steel and industrial centers of Magnitogorsk and Nizhni Tagil.

This news is extremely important, because unless the closure pattern in the Urals were to be stopped, it will soon begin to have an impact on military industry. Nizhni Tagil, for example, houses the world's largest plant engaged in the production of main battle tanks.

As TASS commented on April 16, "If strikes continue . . . we shall face complete economic collapse." Will the figure of Boris Yeltsin, the only national figure who still enjoys popularity, who joined the call for all strikes to immediately end, stave off, at least for now, that cataclysm? The answer is not clear, but will not be long in coming.

International usury is breeding cholera

by Valerie Rush

A cholera pandemic of "monstrous proportions" will sweep Ibero-America, unless and until those nations "restore their international financial acceptability," according to the London *Times*, the Anglo-American establishment's premier mouthpiece, of April 23. In an editorial entitled "The Spectre of Cholera," the *Times* observes that the countries of South and Central America "cannot afford sanitation" because they have not kept the international credit institutions happy.

Focusing in on Peru, the epicenter of the cholera epidemic that has now spread to at least four other countries and claimed over 1,200 lives, the *Times* insists that "Peru's poor economic performance lies at the root of its trouble. . . . The country has asked for a foreign loan to build sewage treatment plants. Such money is unlikely to be forthcoming until Peru restores its international financial acceptability. Ex-President Alan García's refusal to pay Peru's rescheduled debts means that public health projects, financed by such agencies as the World Bank, ceased." Now, the *Times* concludes sadistically, Peru is paying the price for its short-lived bid for sovereignty. "The government can do little more than exhort citizens to boil drinking water (if they can afford the kerosene)."

No more credit

This criminal "Shylock mentality" is by no means addressed only to Peru. According to a letter just sent by the head of the International Finance Institute (IFI), a grouping of 170 private banks worldwide, to the 152 member nations of the International Monetary Fund (IMF) and World Bank, any nation slow to sign an agreement on payment of its arrears should face an immediate loan cutoff. IFI director Horst Schulmann labeled Brazil a "typical bad debtor," and insisted that Brazil has sufficient reserves to pay all its banking debt at once, but is holding onto them as leverage for wresting concessions from its creditors. "I have no sympathy for countries which intentionally accumulate arrears as a negotiating tactic," wrote Schulmann, who went on to conclude that the decade of the nineties would be one of severe capital shortage, and that Ibero-America in particular should get used to the idea of surviving without credit.