

ship” status for the Baltic countries in the EC in order “to facilitate their economic development.”

### ‘We can live without the U.S.!’

The government of France took great pains to disguise the fact that it had treated the Baltic states very badly until the last moment. A special envoy of French President François Mitterrand was sent to the Baltics to sound out the situation and announce that France would establish diplomatic relations very soon. The worst picture in the West was given by U.S. President George Bush. The last sympathies which he might have had among the Baltic people in their countries and abroad, after his recent cynical remarks in Moscow on the executions of seven Lithuanian border guards by Soviet special forces, are now gone.

“America betrayed us,” was the slogan of the Baltic partisans and freedom fighters already in the 1950s, after they had to learn the bitter lesson that the U.S. government had broken its promise “to come and help.” The same mood was prevailing before and during the recent war against Iraq, which everybody in the Baltics knew would mean a “green light” for the Soviets to move militarily against the Baltics, which they did, in Lithuania and Latvia. Now, Bush may have gone overboard, destroying relations completely, no matter when he finally makes up his mind and establishes diplomatic relations. His “diplomacy” failed, the damage has been done. It’s a fact: The Bush administration is among the last governments in the world to officially recognize the Baltic states; even communist Albania had the guts (or slyness) to face reality in this respect.

What this means was made clear by the unofficial Lithuanian representative in Washington, Lozoraitis, who also served as his country’s representative to the Vatican in the past. When every government was rushing to recognize his country, and he learned from the White House that Bush was still wavering, he told the American people and the world in a television interview, smiling, “We are now being recognized by many countries, including the European ones. If the U.S. doesn’t want to do this, well, we can certainly live without that.”

Washington should take heed, that this might be the policy of not only the Baltic nations, but all the other old and new republics in middle and eastern Europe, including Russia. If such a mood spreads to western Europe too, then Bush is finished for good. Concerning the behavior of the Baltic politicians, however, one might wish that they continue to speak with such clear language as they have in the past; if they further refrain from realpoliticking, as Lithuanian President Landsbergis has often mocked the cowardly behavior of the western politicians, and stick to their policy of telling the truth no matter what—a policy which has just been proven to be the correct one in the long run—then the participation of these small countries in the international political arena is a gigantic gain for the entire world.

## The old Soviet Union is dead

by Konstantin George

The signing of a historic agreement between the Russian and Ukrainian republics to form a new league of independent states on Aug. 29, marked the end of the Union of Soviet Socialist Republics. As Leningrad Mayor Anatoly Sobchak said, the friends of Mikhail Gorbachov may oppose the agreement, but they cannot change this reality.

To underscore the dramatic shift, on the very same day Gorbachov was stripped of all emergency powers, and the Supreme Soviet agreed to vote itself out of power; and the Communist Party was suspended and its funds sequestered. Furthermore, the Russian republic has assumed control of the central financial institutions formerly controlled by the Soviet Union.

A new federal political and economic structure is coming into being, which will no doubt extend beyond the two republics now in alliance; nonetheless, Russia and Ukraine, already between them, represent about 80% of the entire economic weight of the U.S.S.R.

Overnight, along with an independent Russia, the independence of the three Baltic republics has become reality, as has the independence of Moldavia and Georgia. Russia’s sister Slavic republics of Ukraine and Belorussia have emerged as nations, linked to Russia in a new league of independent states, in an economic and customs union, roughly modeled on the 19th-century Zollverein of the German states, where each member state is an internationally recognized sovereign nation.

Sweeping decrees, issued by Boris Yeltsin in the week of Aug. 19-25, have destroyed the power of the *nomenklatura*’s institutions, by abolishing the Communist Party and seizing all its property and assets; by eliminating Soviet TV and mass media, placing them under Russian control and conducting a wholesale purge of the KGB-connected leadership, newscasters, and commentators; by eliminating all “Soviet” property on Russian territory, making it Russian State property; by accelerating the process of national independence in recognizing the independence of the three Baltic republics, and allowing Ukraine and Belorussia to move toward independence. As the Aug. 23 Russian Parliament proceedings documented, Yeltsin is allowing Gorbachov to formally remain

for a short time as "Soviet" President, for the sole purpose of legally rubber-stamping every decree issued by Yeltsin and the Russian Federation, or, issuing decrees of his "own," which in reality were dictated to him by Yeltsin and the Russian Army.

The final blows were: 1) a Yeltsin decree of Aug. 28 transferring to Russian control the Soviet State Bank, Gosbank, the Foreign Trade Bank, and indeed the entire banking and credit system of what had been the Soviet Union. 2) The formal agreement reached the evening of Aug. 28 between Russia and Ukraine, that both are now independent, will exchange ambassadors, and will join a newly created "league of independent states," each having its own banking, currency, and army, but linked in the mutual national interest in an economics and customs union, and a collective security system based on common defense interests. The agreement, negotiated on the Russian side by Yeltsin's vice president, Gen. Maj. Aleksander Rutskoi, reflected the interests of the Russian Army and State, and obviously of Ukraine, that no repetition of the Yugoslav tragedy occur among the Eastern Slavs. The formula agreed to roughly corresponds to the league of independent states proposed by Croatia before June 25, which, had it been accepted by Serbia, would have prevented the war now raging there.

The Russia-Ukraine agreement notably made no mention of the stillborn Gorbachovian "New Union Treaty." Leningrad Mayor Anatoli Sobchak of the Russian negotiating team declared: "I think it's clear Ukraine insists on complete independence, and no one has the intention of stopping them. The New Union is dead and new forms of living together must be found."

The subject of "who controls the nuclear weapons" comes up endlessly in the western press and media. This matter was sealed during the coup. The vital institutions of Russian state-military power are under Yeltsin's control, including the communications and nuclear codes of the Soviet nuclear forces. On Aug. 28, Yeltsin announced that nuclear weapons are based only on the territory of three republics; the Russian Federation, Ukraine, and Kazakhstan. The landmark Russian-Ukrainian agreement of that same day stipulates that all nuclear weapons will be removed from Ukraine, where the trauma of the Chernobyl accident has left lasting jitters about anything nuclear.

Clearly, there are still immediate flashpoints—in Central Asia and the Transcaucasus, and in Kazakhstan—in the former Soviet Union, where violent disorders and civil war-like processes might be unleashed. There is also the possibility of a reemergence of the Armenian-Azerbaijan conflict, when Soviet troops are removed from the disputed city of Nagorno-Karabakh. In the past, however, the KGB was instrumental in exacerbating if not actually provoking, inter-ethnic rivalries in these regions as a way of maintaining its control, and now it is being stripped of power.

Backed by the muscle of the new army, Boris Yeltsin,

using Gorbachov to read out prepared decrees, has launched a cleanup and massive reduction of the KGB. In decrees read by Gorbachov to the U.S.S.R. Supreme Soviet Aug. 26 and 27, the top leadership of the KGB was fired, and it was stripped of all its armed formations, totaling some 230,000 troops, deployed in the Border Guards and elite units. These professionals, as well as the professional troops of the Interior Ministry, have been transferred to the Ministry of Defense. Taken together, they will form a substantial rank and file, non-commissioned, and junior officer component of the new professional army.

### **The new army**

It is indisputable that the decisive factor in the defeat of the Soviet coup attempt was a well-coordinated counter-coup, orchestrated by those sections of the armed forces now leading and shaping the new, post-bolshevik Russian Army. The pivotal leader of the Yeltsin triumph was Gen. Col. Konstantin Kobets (since promoted).

It is worth noting that the Russian Army victory has brought to power the combination of the generals in the vanguard of promoting crash programs to develop a Soviet SDI and post-nuclear weaponry, and, the combat veteran commanders of the Afghan War, who have learned the bitter lessons of fighting senseless wars of attrition, at the expense of the military-technological buildup of Russia. The new faces include: 1) The new defense minister, Marshal of Aviation Yevgeni Shaposhnikov, 49, who leapfrogged from commanding the Soviet Air Force in East Germany, to becoming the youngest-ever Air Force commander-in-chief in July 1990. That sweeping reorganization of the Air Force command was a precedent for what will follow in the coming clean-ups in the other service branches. As Shaposhnikov announced Aug. 25, some 80% of the senior military leaders will be removed, the biggest transformation of the Russian Army since 1917. Shaposhnikov is a leading advocate of an "SDI," related space-based warfare capabilities, and post-nuclear weapons. 2) General of the Army Konstantin Kobets, chairman of the Russian Defense Council, under Yeltsin, and de facto "grey eminence" military commander-in-chief. Kobets, a career Signals officer, as Deputy Chief of the General Staff, and head of the Signal Troops, has been perhaps the Russian Army's strongest proponent for the acceleration of programs that he co-directed to develop directed energy and radio frequency weapons. 3) General Yuri Yashin, a Doctor of Technical Science, and former first deputy commander-in-chief of the Strategic Rocket Forces; since March 1989, deputy defense minister in a new slot, responsible for coordinating among the services, the introduction of modern weaponry and revolutionizing the command, control, and communications structure. 4) Gen. Lt. Pavel Grachev, 43, the commander, since December 1990, of the elite Airborne Forces, named by Yeltsin deputy defense minister under Shaposhnikov. Grachev, a combat veteran commander of air-

borne troops in Afghanistan, decorated with the highest Soviet award, Hero of the Soviet Union, embodies the intense hatred of the Afghan War veteran, the *Afghantsi*, Russian patriotic officers and soldiers against the Communist Party *nomenklatura*.

### The battle for Russia

Despite the drama of recent events, and the sweeping victory of the forces grouped behind Yeltsin, the economic crisis is still there to be dealt with, with famine looming this winter. The decisive battle however is only now beginning, namely, whether Yeltsin, the new army, and the leaders of Ukraine and other newly independent states in the League, succumb to or are able to defeat another equally sinister group of plotters: the western financial mafia around Harvard's Jeffrey "Cocaine Coup" Sachs of Bolivian infamy, and its fifth column subversives in Russia and other republics, who under the tempting but deadly banner of the "radical free market" are scheming to loot Russia and the other independent states and strangle any true national rebirth grounded on economic development.

The Sachs mafia has maneuvered some assets into place, especially one Grigori Yavlinsky, author of the "500 days" program for quick "transition to a free market economy." Yavlinsky has been named one of three people on the interim Soviet Economic Policy Commission. It is headed, however by Russian Prime Minister Ivan Silayev, who also has become head of a transitional last Soviet cabinet, all of whose economics and finance-related ministers are drawn exclusively from Silayev's Russian Federation ministries.

Policy centers in Washington and London counting on the Yeltsin victory to produce a Russian repeat of the "shock therapy" imposed on Poland with such disastrous effects, may themselves be in for rude shocks. Silayev is at most a cautious, not a radical, free market advocate, and, given his defense industry background, not likely to preside over a western-imposed destruction of the industrial state sector. By profession an aeronautics engineer, Silayev had directed the giant Gorki aircraft plant; in 1974, he became deputy minister for the aircraft industry, and in 1985-90, U.S.S.R. deputy prime minister, responsible for the entire machine-building sector. Silayev, who before becoming Russian prime minister in June 1990 was simultaneously the co-chairman of both the Soviet-West German and Soviet-East German Joint Economic Commissions, has long advocated that Russia anchor its foreign economic relations with Germany.

Silayev, like many others in the Russian elite, but unlike the Poles in 1989, has the advantage of having seen shock therapy all over eastern Europe in practice as a dismal failure. One crucial element in resolving this question will be how fast Germany, France, and Italy are prepared to act in opposition to the Anglo-American cabal, to offer the new republics the kind of infrastructure development packages which can stabilize their economies.

## Yugoslavia at the brink of total war

by Paolo Raimondi

As we go to press, Yugoslavia is just a few hours away from the Aug. 31 deadline imposed by the Croatian government and the European Community to stop the military actions of the Serbian-dominated Yugoslav federal army. The aggression of the Greater Serbia forces has turned into total war. During the last week of August, the offensive of the federal army, in combination with the militias of the Chetnik Serbian terrorists, has escalated with the massive deployment of the Air Force, tank divisions, infantry, and Navy on virtually every front.

On Aug. 28, the Schiller Institute in Europe issued a call to all European governments and the European Parliament, to stop waffling and implement the following urgent measures:

- 1) Immediate diplomatic recognition of Croatian and Slovenian independence. With this action, Europe will also state that it sees the communist "Greater Serbian" aggression as a violation of international law, and not just an internal Yugoslavian affair.

- 2) Immediate supply of defensive weapons to the republics of Croatia and Slovenia in the form of anti-aircraft and anti-tank systems, to be able to resist the crushing military superiority of the Yugoslav federal army.

- 3) An economic boycott against Serbia until it abandons its aggressive plans. The Serbian communist leaders should fear that the Serbian people will soon give them the same treatment experienced by the Soviet putschists.

- 4) A program of economic assistance to Croatia and Slovenia. In addition to the urgent supplies of food and medicine needed in this dramatic period, Europe must economically integrate Slovenia and Croatia into the rest of continental Europe, with technologically advanced infrastructure projects as elaborated in the "Productive Triangle" proposal of Lyndon LaRouche and the Schiller Institute.

Barring such urgent actions, the diplomatic efforts and hot air that have hitherto been expended will amount to nothing, with grave consequences for the peace of Europe and the world.

### The fighting escalates

The plan of the Greater Serbians is to grab as much Croatian territory as possible. It is reported that one-third to one-half of Croatia is now controlled by the federal army. The