

U.S.S.R. dead; chauvinism, 'shock therapy' rebuffed

by Konstantin George

The death of the Soviet Union, and its transformation into a new association of independent republics, became a juridical reality Sept. 5. The U.S.S.R. Congress of People's Deputies conducted its last act of business, voting by a huge majority to replace the Soviet Union with a "loose confederation of sovereign, independent republics," where each republic is free to choose its exact form of its political association to this confederation. The confederation includes an associated Economic and Customs Union, and a "collective security system." The vote approved the creation of transitional inter-republic state and economic organs, as agreed to by the Presidents of Russia and nine other republics, and "U.S.S.R." President Mikhail Gorbachov, in a lengthy meeting Sept. 1, and submitted Sept. 2 to the Congress by Kazakhstan President Nursultan Nazarbayev. The "ten plus one" plan also voted the Congress itself out of its existence.

Joining this loose confederation and economic union are Russia, Ukraine, Belorussia, Kazakhstan, Armenia, Azerbaijan, Kirghizia, Turkmenia, Uzbekistan, and Tadjikistan—all the Slavic, all the Central Asian, and two of the three Transcaucasian republics of the former Soviet Union. The economic union is open to any or all of the five republics—Estonia, Latvia, Lithuania, Moldavia, and Georgia—which will not join the confederation.

By the evening of Sept. 5, whatever institution still bore the title "U.S.S.R." was of either purely ceremonial and transitional character, or a legal fiction masking actual control by Russia. The U.S.S.R. Council of Ministers was junked for good. Russia's economy and finances are in the hands of the Russian government, and the same holds true for the other republics. The "U.S.S.R." Defense and Security Councils are abolished. The only "U.S.S.R." ministries still operating, Defense, the KGB, and Interior, are functioning as arms of the Russian Federation Defense Council.

The ten republics in the new confederation have agreed in

principle to establish transitional union structures to regulate and coordinate their association in a "common economic space," i.e., an Economic and Customs Union, modeled on the European Community, and a NATO-like "collective security system," or strictly defensive alliance, with basing agreements for the stationing of Russian troops on the territory of other sovereign republics. These agreements will be worked out in the near future, as "U.S.S.R." Defense Minister, Marshal of Aviation Yevgeny Shaposhnikov, announced Sept. 5.

Russian chauvinists clipped

Russia's President Boris Yeltsin, in a short speech to the U.S.S.R. Congress of People's Deputies, Sept. 3, sought to allay fears of "Great Russian" domination: "The Russian State, after having chosen democracy and freedom, will never become an empire, and be neither a younger nor an older brother, rather an equal among equals." Yeltsin also reaffirmed that each republic was free to create its own army, or National Guard, and provide for its own internal security.

In a little-noticed decree on Sept. 1, the Moscow City administration banned all activities and publications of the Russian Writers' Union. These were the mass circulation organs of the crudest Russian chauvinism, Russian fascism, and virulent anti-Semitism—all printed in Moscow—including the rabidly racist *Molodaya Gvardiya* and *Nash Sovremennik*, familiar over the years to *EIR* readers as the mouthpieces for Russian gutter fascist organizations such as Pamyat, and as the crudest voices for the Great Russian "Third Rome" doctrine imperialists. Also banned are the weekly *Dyen*, and the Russian Writers Union's *Literaturnaya Rossiya*.

Silayev rejects shock therapy

The national leaderships of Russia and the other republics manifestly lack the comprehensive policies that would ensure

dynamic economic growth. But their desire to create the conditions for a long period of national economic rebuilding makes them quite resistant to the "shock therapy" recipes of the quack economists beloved of the Bush White House, like Harvard punk Jeffrey Sachs.

In a Sept. 3 Moscow press conference, blacked out by British and U.S. media, Russian Prime Minister Ivan Silayev rejected the lethal economic "shock therapy" which Sachs has applied to Poland. Silayev said that a "shock therapy" approach to "the transition toward a market economy must be avoided," as the people are "tired" and cannot sustain "such a shock." Silayev, who heads a three-man Russian transitional committee to oversee the economy, underlined his disagreement with the shock therapy recommendations of the young Russian darling of the Sachs "mafia," Grigori Yavlinsky, a fellow member of Silayev's economic transition committee.

Silayev stressed that an "economic union of sovereign states" must be set up to "maintain the unity of the economic space" among the republics of the former Soviet Union. He added that the "economic union" could be expanded to include former members of Comecon, such as Poland, the Czech and Slovak Federated Republic, and Hungary, whose industrial and farm sectors heavily depend on exports to Russia, Ukraine, Belorussia, and other republics. Silayev added that a "system of coexistence of different currencies" could be worked out for inter-republic trade, with central or national banks acting as a monetary exchange clearing house, which would operate on the basis of either transfer rubles or European Currency Units (ECUs). This would allow trade in vital raw materials and industrial products to resume, eliminating the problem of hard currency payments, the roadblock that has caused trade to collapse in this region over the past year.

An Austrian trade insider said on Sept. 4 that the Russians "have been quietly but effectively establishing trade relations with many countries including Turkey, Hungary, Serbia, Croatia, on such a barter clearing account basis. Now they must move to establish such barter arrangements inside the former U.S.S.R. and inside Russia itself, but I am rather optimistic that with the new faces in power it will go quickly. Only with food distribution am I a little concerned in the short term; but otherwise I am very optimistic."

Silayev gave his press conference after having signed a landmark first Russian-Polish barter trade agreement, where accounts will be settled on the basis of a transfer ruble. Under this, Russia will resume large-scale exports of oil and gas—the two products most needed by Poland's desperate economy—in exchange for Poland's agricultural and food product surpluses—what Russia most needs to avert the danger of winter famine. In what may prove to be a little side irony of history, the deal was signed on the Polish side by Mr. Shock Therapy of Poland, Deputy Premier Leszek Balcerowicz. Russia has concluded a similar deal for exchanging oil and

gas for agricultural surpluses with the Republic of Lithuania, and is negotiating major barter agreements with Ukraine, Belorussia, Latvia, and Estonia.

Russia and other republics will next seek to reestablish a much larger exchange of goods by barter with German industrial enterprises based in the former East Germany—companies which have been devastated after the collapse of their traditional "Soviet" market.

Transcaucasus trouble spot

The first serious trouble spot is appearing in the Transcaucasus, where unscrupulous dictatorships have arisen in Georgia, under President Zviad Gamsakhurdia, and in Azerbaijan, under Communist coup supporter now turned rabid nationalist, President Ayaz Mutalibov.

Gamsakhurdia jailed the leaders of Georgia's two main opposition parties, the National Democratic Party and the Popular Front, under the slander that the opposition are "agents of the Kremlin." The opposition were and are staunch supporters of Georgia's independence, and, in case anyone hasn't noticed, there no longer is a "Kremlin" to be an agent of. He mobilized the new Georgian National Guard to prepare to move into the two Georgian autonomous regions of South Ossetia and Abkhazia, both containing mixed populations of Ossetians and Abkhazians, Georgians, and Russians, and both bordering on the Russian Federation. Gamsakhurdia appears intent on provoking the first border conflict with Russia, which would be used to try and cast a cloud of uncertainty over the accords Russia has reached with all other neighboring republics, respecting their territorial integrity.

In Azerbaijan, Mutalibov, riding a nationalist and anti-Armenian tide, will win the Sept. 8 elections he has imposed over the protests of the Popular Front opposition, and use this victory as a platform for a virulent campaign against Armenia.

However, if political and economic stability can be secured among Russia and the other new nations of Europe located between Brest-Litovsk and the Urals, then whatever occurs in the Transcaucasus, albeit ugly, bloody, and tragic, can be strategically contained.

A final word on the former Soviet Union. It symbolically "exists" so to speak, in the form of two corpses, one a living person, but a political corpse, namely Mikhail Gorbachov; the other, a biological corpse, is V.I. Lenin. On Sept. 3, Yeltsin said that once the short transitional period ends, Gorbachov will have to run for "U.S.S.R." President in a popular election. He will be buried democratically, by the voters. On Sept. 5, after the Congress of People's Deputies was dissolved, Mayor Anatoli Sobchak of "Leningrad" (soon to resume its traditional name of St. Petersburg) announced that "the time has come to properly bury Lenin." This means that before long, the mummy of the leader of the Bolshevik Revolution will be moved out of the Mausoleum on Red Square, past which millions of oppressed people have traipsed for nearly seven decades, and into the ground.