

Winter food crisis begins in Russia

by Konstantin George

The winter food crisis in the republics of the former Soviet Union has begun, as widespread severe shortages of food, including bread, have become the worst since World War II. By the beginning of November, the first food riots in the cities of the Urals and the Russian Far East had been reported, with crowds trying to storm state shops to get sugar and bread. While these two regions have been the hardest hit, disorders have also been reported in districts of Moscow itself.

In an exclusive analysis for *EIR Strategic Alert* on Nov. 4, physical economist Lyndon LaRouche warned, "Whatever the actual figures prove to be on grain supplies and other food supplies for the Russian Federation for this coming winter, the Russians face a deadly—biologically and politically—threat of famine, or near-famine. If the death rate is significantly increased over this winter as a result of these conditions, and if the Russians perceive the kinds of indifference and callousness shown by George Bush et al. toward their situation is a significant contributing cause of this large increase in deaths, then we potentially create a situation in which the present reform institutions of the Russian Federation collapse, and a more autocratic, shall we say, regime comes to power.

"For that, Russians being Russians, they will be a long time forgiving us; and a generation ahead, our descendants may face this obsessive, bitter rage and desire for revenge on the part of the children of the present Russians."

LaRouche continued, "It's not a matter of avoiding that anger, but rather, simply doing the sensible thing: We ought to cut out now the policies of cutting world food supplies in the name of GATT and free trade, and so forth; we ought to

stop cutting food supplies in order to enrich firms like Cargill, and instead organize a sensible approach to this crisis in the relations between East and West, as well as the situation inside the former Soviet Union."

He counseled a statesmanlike solution to the problem: "There is sufficient food available within Europe to take the cutting edge off the threatened famine in the Russian Federation this winter. What is required is a mobilization of low-cost state credit to buy this food from, say, Ukraine, which has a very modest surplus, relatively speaking, and from eastern Europe and elsewhere. Instead of trying to dump eastern European food into western Europe, by bankrupting the western European farmers, why not buy the food on state credit, and sell it, on medium- to long-range credit terms, to the Russians as a part of a package of medium- to long-range investment, in the development of agriculture and infrastructure?"

Causes of the problem

Russian food crises do not stem from the size of the harvest as such, but because 30-40% of the harvest is then lost because of the dismal lack of modern infrastructure—means of storage, transportation, food-processing, refrigeration, and so forth. As LaRouche put it, "the Russians never understood the role of infrastructure in enabling an economy to function. The fact that their one-track rail system was tolerated in so many parts of the Soviet Union, is an indication of this. They do not understand, that infrastructure is not something which sits beside agriculture and industry; that without an adequate level of infrastructural development, there can be no effective agriculture and industry. Without

putting infrastructural development first, the essential, persisting cancerous problem of industry and agriculture in the former Soviet Union, cannot be solved.”

The prime reason for the record low stocks of grain and flour available to the state is that the pre-August Bolshevik regime had set a purchase price for grain sold to the state at approximately 300 rubles, at a time when the market was bringing 2,500 rubles. While the farms which fulfill the compulsory government requisitions are guaranteed supplies of agricultural machinery and other inputs, this has not sufficiently justified such a price differential. This led to a record collapse in grain sales to the state, with results visible today in the long early morning bread queues in cities across Russia.

Beyond this, there is also the calculated political sabotage of food stocks by the still-powerful regional and district level Old Guard bureaucracy of the disbanded Communist Party. Though they are being pushed out of top positions, they still dominate the machinery of these regions through long-established, mafia-like party networks.

The winter will indeed be grim, and the potential for food riots and revolts will grow. Writing in the first edition for November of the mass circulation weekly *Argumenti i Fakti*, Russian Federation KGB head Ivanenko predicted food “uprisings” in December.

Time bomb ticking for Yeltsin

Russian President Boris Yeltsin knows that he has not a moment to lose. In a speech Oct. 28 to the Russian Congress of People’s Deputies, in a dangerous policy blunder, he announced what could be termed “partial shock therapy,” to switch Russia’s economy to market prices.

“I call upon all citizens of Russia to understand this,” Yeltsin said: “To make a switch to market prices in one motion is a severe, forced, but necessary measure. Many states have had to go through this. Everyone will find life harder for approximately six months.” Yeltsin promised that by that time, prices will begin to fall and goods will begin to fill the market again.

He pledged to try to help the neediest social groups. “To this end, a minimum living standard is now being calculated,” he said, “based on the real rate of inflation and with adjustments taking into account regional conditions. Mechanisms to allow direct access to the consumer market for socially unprotected groups of the population are to be brought into operation. I have in mind the transition from monetary benefits to aid in kind: free meals, food coupons, and access to cheap goods for the weak and poor. . . . We need to set up a network of charity canteens, night hostels, and special shops, a mechanism for the purchase of essential goods, and a reliable system for delivering them to specific individuals. The Ministry for the Social Protection of the Population will deal with this. In order to be able to react flexibly and rapidly to the needs and problems of our citizens, it is necessary to

set up a republican fund for the social maintenance of the population.

“Depending on the situation, resources from this fund could be channeled into both a direct increase in the income of the population and state purchases of food and other goods for needy groups, as well as indexation and support for the social services sector.” But, Yeltsin cautioned, “we will not be able to protect everyone’s standard of living in the first stage of reform.”

Despite Yeltsin’s promise to try to protect prices for some essential goods, there was widespread hoarding and panic buying of food after his speech, because, first, nobody believes that prices will not increase; and second, farmers are withholding their products from the market, hoping for a better price in the new year. Moreover:

- Anatoly Nosko, deputy head of Moscow’s Vneshekonombank, which services Soviet foreign debt, warned on Nov. 5 that the bank would lack \$1.7 billion of the foreign exchange required to meet debt service payments due this month. The bank also lacks the dollars to pay foreign depositors attempting to make withdrawals.

- Viktor Alksnis, one of the leading spokesmen of the conservative Soyuz group of deputies, repeated his call for a state of emergency for the former Soviet Union, including a suspension of democracy, in a statement reported by Interfax on Oct. 31. “The economic problems which usually lead to a social explosion will be complicated by an inter-ethnic explosion,” he warned. “In this ecstasy of democracy we are going to hell.”

- On Oct. 30, Liberal Democratic Party candidate for President Vladimir Zhirinovskiy predicted that “by next Easter a new regime will be established in this country,” and that Yeltsin’s Oct. 28 speech was his “swan song: Following it, all Yeltsin can do is repeat himself.”

- The daily *Izvestia*, in an editorial on Oct. 26 titled “Socially Dangerous Malnutrition,” underlined the political urgency for the leadership of the former Soviet republics to act effectively, lest the political achievements of recent months be overturned by a citizenry fed up with the economic collapse. According to *Izvestia*, polls show that 45% of adults would like to see a return to the old system, where at least people had enough to eat. “Everyone who has the legal right to command, order, and issue instructions must use this right without delay to ensure that something other than congresses, conferences, and similar costly gatherings actually happens in the life of the country,” said the paper. “Let the people who comprise the explosive 45% receive more sugar, flour, and groats—even if only tiny amounts—rather than hot air. Only then will there be hope that tomorrow they will constitute 44%, and the day after that 43.”

“While the scales are wavering, we must urgently tip the pan of the scales that promises progress along the road which the rest of mankind is successfully traveling. Do just one thing. Give people something to eat. . . .”

Urals food emergency

The food emergency took a sharp turn for the worse in the Urals on Nov. 3 when the leadership of the Yekaterinburg (formerly Sverdlovsk) region of the Urals issued an "Open Letter" to President Yeltsin demanding "urgent measures" to prevent a food emergency in that region. The Yekaterinburg region, with a population of 4.5 million, is one of the most important heavy industry regions in the entire former U.S.S.R., and the home region and erstwhile political stronghold of Yeltsin. In Yekaterinburg even bread is strictly rationed. As the open letter indicates, the bread ration is expected to be set during November at 300 grams per day per person, a level below the austerity of rationing during World War II.

The regional leadership demanded that Yeltsin impose a 100% tax on all food leaving the region. Food, however, cannot "walk," and thus cannot "leave" a region on its own. As the region is anything but an agricultural zone, the only food that could leave would come from urban stocks that have been set aside, as is the norm, for the winter. Thus, forces from the old Communist Party bureaucracy, which are outside the control of the Yeltsin-appointed regional leadership, are involved in shipping out winter stocks.

Winter rationing: the Army's role

The measures taken by Russia's leadership, and those planned for the near future, recall the joint political-military planning that went into solving or alleviating the hunger crises that arose during World War II. The sweeping emergency powers which the Russian Congress of People's Deputies granted to Yeltsin are but the overture to implementing a famine-dictated state of emergency before the year has ended.

The Russian military will play a decisive role in such a state of emergency for the six to nine months until the 1992 harvest is secured. By Dec. 1, every city and region of Russia, including Moscow, as announced by Mayor Gavril Popov on Nov. 6, will be living under strict wartime levels of food rationing for all products, as is already the case in the Urals industrial hub, and the Russian Far East regions.

The Army and Navy have already devoted huge resources to the food emergency. From July through October, the Army contributed by far the largest number of troops and vehicles in history to secure stocks of grain and, above all, potatoes and cabbages, the winter staples for the Russian urban population. A preview of what the interventions by the post-August military leadership—an innovative and resolute "new breed"—will look like was provided in October when St. Petersburg Mayor Anatoli Sobchak got fed up with his inability to get any merchant ships to transport 100,000 tons of German potatoes, awaiting shipment in Hamburg, to his hungry city. Sobchak got on the line with commanders of the Navy's Baltic Fleet, and in no time, Navy ships sailed to Hamburg to pick up the potatoes and bring them to St. Petersburg.

Taiwan targeted by 'independence' drive

by Michael O. Billington

An effort to destabilize the Republic of China in Taiwan, and to increase the potential for a manipulated war in Asia, has been dramatically escalated in the past months. On Oct. 14, the minority opposition party in Taiwan, the Democratic Progressive Party (DPP), officially adopted as part of its manifesto a call for the independence of the island, to be called the Republic of Taiwan.

The DPP was created and is largely run as an asset of the same branch of U.S. intelligence which ran recent U.S. operations against Panama and other "new world order" projects for George Bush and Henry Kissinger, with input from the Liberal International, the European Green parties, and related pro-terrorist "New Age" cults. The advocates of Taiwan independence are intentionally breaking the sedition laws, which forbid publicly organizing for the formal separation of Taiwan from the rest of China.

The sedition laws are premised on the fundamental belief that all of China must be united and free once again, and that it is therefore criminal to publicly organize for the separation of Taiwan from the mainland, which would result in de facto relegating the mass of the Chinese people to the continued rule of communism. The DPP decision to flaunt this fundamental principle came after a month of demonstrations in the streets and riotous disruptions in the parliament by the DPP leaders.

The international press coverage regularly repeats the fraudulent claim that the movement is inspired by the freedom movements sweeping eastern Europe. The truth is that those heroic battles for liberty were significantly inspired by the students at Tiananmen Square who risked their lives in defiance of tyranny, the same youths whose lives mean so little to the Taiwan independence movement that they will desert them at this moment of crisis.

Opposition to reunification

The lack of concern of the DPP and their international sponsors for the plight of their fellow Chinese people was clearly demonstrated by the words of DPP leader Chiu Yi-jen on the day of the independence declaration: "Taiwan has nothing to gain and everything to lose if it becomes reunited with China."

U.S. support for this movement is not so covert. The reason lies in the recognition that the post-communist era in China could emerge at virtually any moment. The new Ro-