

ern Europe and the Balkans. It was held near an important Orthodox convent in Ormilina. According to an official statement of the World Council of Churches (WCC), which, along with representatives of the Orthodox churches played a leading role at the conference, the meeting's purpose was to "consider challenges to the place of Orthodoxy in the new European situation, and to seek ways of responding to the challenges with a common voice." While the final conference document did not address war in the Balkans directly, a WCC representative from Romania told the press that the conference "had Serbia in view when it called on home countries of conference participants to 'oppose the existing disinformation when referring to the role of Orthodox peoples in regions of conflict.' "

The conference singled out Greece's special role as "the only Orthodox member-state in the European Community" (Greece will have the presidency of the European Community beginning January 1994), and asked Russia, as the "only Orthodox member of the United Nations Security Council," to "defend the common interests of the Orthodox peoples" in the Security Council.

Conference participants included 25 representatives of the Greek parliament, seven officials from Greek ministries, and parliamentarians and/or church representatives from Armenia, Belarus, Bulgaria, Cyprus, the Czech Republic, Egypt, Finland, Georgia, Montenegro, Poland, Romania, Russia, Serbia, and Slovakia, as well as representatives of various Orthodox institutions, the Conference of European Churches, and the WCC.

Political observers both inside and outside of Greece see no advantage for Greece to rush into a pan-Orthodox adventure which would generate considerable opposition within Greece itself. *Eleftherotypia*, which represents the left-liberal spectrum of Greek opinion, recently took the opportunity to attack such pan-Orthodoxy when it reported, under the headline "Documents of Shame," what it said were excerpts from a document written earlier this year by the Greek EYP secret service.

Although in fact the report had been cancelled in May, because it contained "entirely false elements," *Eleftherotypia* denounced the document for putting forward the idea that only Greeks who are members of the Orthodox faith, are "fully Greek." It further denounced the document for proposing that the Orthodox religion should become the basis of Greek foreign policy, so that Greece would seek to create an Orthodox axis in the region that could "go against the Turkish-Muslim arc in the region."

A European source observed that a pan-Orthodox policy would "blow up in the faces" of the Greek government, and that Constantine's return would only make matters worse. The source said that all of Europe could be thrown into crisis by this, and that the adoption of a "pan-Orthodox, effectively theocratic" outlook by significant parts of the Greek political class is proving an "embarrassment" for all of Europe.

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## Great Russia

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# Moscow tightens control over CIS economic union

by Konstantin George

The immediate goal of a consensus of the Russian elite for a Russian-dominated Community of Independent States (CIS) Economic Union is on target for September. The Aug. 7 Moscow summit of Russia, Kazakhstan, and the three Central Asian CIS members, Uzbekistan, Kyrgyzstan, and Tajikistan agreed to convene a CIS summit to take "concrete steps" for forming an economic union on Sept. 7 in Moscow. On July 17, Russia, Ukraine, and Belarus had already agreed to have ready in treaty form by Sept. 1, their own "Slavic" Economic Union. In certain domains, these treaties will rubber-stamp the Great Russian controls over the other republics established through Russian government measures taken in the wake of the July 24 ruble reform.

On Aug. 6 at a Russian cabinet meeting, Prime Minister Viktor Chernomyrdin confirmed that he had just appointed Russian Central Bank head Viktor Gerashchenko to also be Russia's representative on the CIS Inter-State Bank. Gerashchenko was promoted over the protests of the cabinet's leading International Monetary Fund stooge, Finance Minister Boris Fyodorov. Being the Russian representative on the Inter-State Bank makes Gerashchenko de facto head of the bank. Russia has a 50% voting share in the bank, but given its "influence" over some of the republics, the bank is under solid Russian control.

Under the terms of the July-August Economic Union agreements, the powers of the CIS Inter-State Bank extend beyond a multilateral clearing role. The bank is to coordinate financial, monetary, and credit policies among CIS members. Two days before the Russian cabinet meeting, Russian Deputy Prime Minister Vladimir Shumeiko said that all republics in the CIS, and especially those remaining in the ruble zone, have been forced to "give up a piece" of their national sovereignty.

### 'Currency Union' formed

At the Aug. 7 summit, the Presidents of Russia, Kazakhstan, and Uzbekistan (Yeltsin, Nursultan Nazarbayev, and Islam Karimov), jointly announced their agreement for a "Currency Union," where the currency for all three would be

the new ruble issued by the Bank of Russia. The declaration hailed the ruble reform as a "logical step" to complete work begun to protect the monetary system of Russia and states which use the ruble as their currency. The Currency Union was grounded on the basis of "the high degree of mutual economic dependency," the need to create and develop a "common economic space," and to have a "free flow of goods, services, labor force, and [investment] capital," as well as maintaining the ruble as the basis for settling accounts. The details of the Currency Union are to be completed in two weeks. This will mean "a certain dependency" by Kazakhstan and Uzbekistan on the financial, monetary, and credit policy decisions of the Russian Central Bank. The Currency Union, according to the joint declaration, is to be followed by the creation of a "ruble zone of a new type," which will be ratified by each country's parliament.

Behind the scenes, Moscow is exploiting the ruble reform, where old rubles are no longer legal tender, to increase its ability to dictate terms to republics not in the ruble zone, whether or not they formally belong to the CIS. On Aug. 10, the Azerbaijan government, which is neither in the CIS nor in the Economic Union, reported that negotiations were under way with Russia over Azerbaijan's debt of 80 billion rubles to Russia. Azeri Prime Minister Suret Huseinov announced that on Sept. 1 the local currency, the manat, will become the sole currency of Azerbaijan. Old rubles, which have circulated together with the manat, must be turned in by that date, at a rate of 6 rubles to 1 manat, with a cash limit of only 10,000 rubles per person. Amounts above that can go into special bank accounts, frozen for six months, and earn 40% interest.

### Russia holds trump cards

Azerbaijan is negotiating with Russia whether the outstanding ruble debt can be paid off with the old rubles called in, as Azeris hope, or whether Russia will insist on new rubles. Russia has said neither yes nor no, stating that it is willing to negotiate whether or how much of the debt can be painlessly paid in old rubles or rather painfully paid in new rubles. Any "generosity" will have its price, both economically and politically.

The Azerbaijan case is typical of what Russia is doing to every former Soviet republic which has "dropped" the ruble and introduced a native currency. All are massively in debt to Russia. In August, Russia resumed its imperial pressure tactic of turning off and on again the oil supply valve to its "sister" Slavic republics, Ukraine and Belarus. Oil supplies to Ukraine were cut for five days in early August, until a Ukrainian delegation rushed to Moscow and, on Aug. 8, concluded an agreement where Ukraine will pay some \$175 million it owes for past deliveries. Similarly, on Aug. 1, Russia reduced the level of oil exports to Belarus for August, from the original 1 million tons, down to 600,000 tons.

### The central Asian CIS republics and their border with China



### 'A common CIS border'

Also at the Aug. 7 summit, Russia, Kazakhstan, and the three Central Asian republics of Uzbekistan, Kyrgyzstan, and Tajikistan declared the borders of each of these CIS states with states outside the CIS to be a "common CIS border," with each of the five states committed to defend these borders against any foreign attack or armed incursion. At first glance the agreement appears directed at the Tajikistan-Afghanistan border, across which armed bands of Tajik rebels and Afghan mujahedin have raided inside Tajikistan. Already in mid-July Russia had, with support from these Central Asian states, declared the Tajik-Afghan border a "CIS border," and Yeltsin went even further, calling it de facto "a Russian border."

However, the "common CIS border" has, by including the non-CIS external borders of Kyrgyzstan and Kazakhstan, extended the definition of a "Russian border" to include the entire old U.S.S.R. border with China. One merely has to look at a map. The only non-CIS external border that Kyrgyzstan and Kazakhstan have is with China. Moreover, should the Russian position in Tajikistan ever become untenable, then the next CIS border is the Tajik-Uzbek and Tajik-Kyrgyz frontiers.

The precedent set by this agreement has ramifications beyond Central Asia. The "common CIS border" was predicated at the summit as a "security extension" of the CIS Economic Union. Russia will move to extend this "principle" and have it incorporated either into the "Slavic" Economic Union with Ukraine and Belarus, or later as a corollary to that treaty. In effect, the Russian plan is to extend the definition of the "common CIS border," or de facto Russian border, to the western borders of the former U.S.S.R. and the Ukrainian part of the Black Sea littoral.