
Interview: Aleksei V. Vorontsov and Leonid P. Romankov

St. Petersburg city deputies discuss effects of global financial crisis

Prof. Aleksei V. Vorontsov, PhD, and Leonid P. Romankov, PhD, are deputies of the St. Petersburg City Duma (city council). Dr. Vorontsov chairs the City Duma Committee on Science and Higher Education, and Mr. Romankov chairs the Committee on Education and Culture. Vorontsov is running in the State Duma (lower house of the national parliament) elections on Dec. 17 as an independent candidate, but is supported by Zyuganov's Communist Party of the Russian Federation, the Agrarian Party, and the trade union bloc "Labor Union." Romankov is a member of Yegor Gaidar's liberal party "Democratic Choice," representing its post-dissident faction that disapproves of St. Petersburg Mayor Anatoli Sobchak and other "new nomenklatura people." The interview was conducted by Gabriele Liebig of the Schiller Institute in Germany and St. Petersburg journalist Konstantin Cheremnykh, on Oct. 12, 1995 at the St. Petersburg City Duma.

Liebig: The last time that I visited St. Petersburg and had discussions with members of its City Council, was two years ago. What has changed here in the meantime, for the better or worse? What are your abilities to shape policy for the town and the region now, in comparison to the days of the old Leningrad Soviet [city council, in the Soviet period].

Vorontsov: There were significant changes during the last two years, because the whole situation in the country has changed. A new period has started for the country, which is called "transition to a market economy," but nobody can really define it clearly. We have neither a socialist society, as we had before, nor a capitalist society, with democratic rule, sharing of power, as you have it in the West. It is a mixture, and probably this situation will last for a long time. I am personally opposed to this course, which is promoted by the President and the government. It seems to me, we are just mechanistically copying the western way of life, forgetting our own national traditions.

It has become much more difficult to work now. The St. Petersburg City Council used to have 400 councilmen, now we are 49. But not only has the quantity changed, but also the functions. As long as the old Soviet existed, until the end of 1993, the legislative branch was regarded as the main power in the country. Under the one-party system in the

Soviet Union, the party, together with the Soviets on the national, regional, and local level, managed everything, all spheres of life in society. From August 1991 till October 1993, we already had a multi-party system, but the legislative power, the Soviets, were the supreme power according to the Constitution, and took responsibility for everything, including property questions. But since the new Constitution was adopted in December 1993, we city councilmen have only two functions: distribution and control of the budget, and preparation and adoption of draft laws on the regional level.

The situation is very difficult for us, because the citizens, when they have complaints, when they need something, when something has to be repaired, they come to us. Previously, they could come to the local CPSU [Communist Party of the Soviet Union] committee, which was prepared to deal with such questions. The CPSU had a well-developed system of special departments with people to deal with complaints, etc. Now we have only the executive power, which is—to say it frankly—not always attentive to the needs of the people. So, all those people come here to us. Many people have not understood the changes. They come here, when their water tap is not functioning, when the heating doesn't work. They come to us as they did 15 years ago, when the party was still responsible for everything; and it is difficult to explain to them that now there is nobody who can help them.

Two years ago, every city district had a local legislative body consisting of 150 people each. This was eliminated at the end of 1993. This body did not just monitor things, but also made decisions on a local level. And if such decisions are taken in a larger body, they are usually more reasonable than if they are taken by one person alone. With the previous system of local Soviets, the local administration had many fewer possibilities to violate State laws and to become corrupted than now, and the local authorities were also much more accessible to the citizens.

Now the President has, at last, issued a statement on local self-management, and we are going to adopt such a law on the local level. We will insist that after the next election there will be at least 100 people in the City Duma.

It looks funny, but although we have 49 people in the City Duma, we have 14 commissions: the commission on social affairs, the commission on culture and education, on

science and higher education, on economic reform, on finances and budget, or the commission to draft laws. Fourteen in total, with five or six people on each commission.

The commission that I head, deals with problems of science and higher education. We created an expert council, which monitors the situation in science and higher education in St. Petersburg. We have 49 State institutions of higher education and 16 private ones. Since the abolition of the Soviet Union, it has become more difficult for students from newly independent States like Uzbekistan or Tajikistan to study in Russia, than it used to be. And thus, the attendance at these schools has decreased. We are faced with the problem, what to do with those schools that are financed by the State budget. We are told: Eliminate superfluous schools, or combine two into one! There are proposals, that only 29 institutes of higher education in all of Russia should be financed by the State. All others should be financed by the local authorities, if they so wish. We resist such a course. And I must say that our commission on science has a unified position on that point.

It is a hard period for Russia now. We think this painful process will end one day, and there will be a time when people from other countries, such as Belarus, Ukraine, or Kazakhstan, will again be able to come here and study at our institutes. I am sure there will never again be a Soviet Union as it was before, but there will be a kind of confederation among several strong countries.

Liebig: Who determines the overall size of the budget, that the City Duma is supposed to distribute?

Vorontsov: The mayoralty counts the tax income and then gives it to the City Duma. But you have to take into account that more than 50% of the industry in the St. Petersburg region has been closed down, so the tax flow has become smaller and smaller.

Liebig: This reminds me of the municipal situation in Germany.

Vorontsov: Yes, especially in East Germany.

Liebig: In West Germany it is not much better.

Vorontsov: I don't know the situation in Germany well, but for Russia, science and education suffer the most in this situation.

Liebig: Mr. Romankov, what is the situation in your sphere, in culture?

Romankov: The cultural situation has really changed. Before perestroika there was only socialist realism, and the State gave money only to this kind of artist. The result, I think, was very bad, because a lot of artists went abroad, others were even sent to Siberia for a short time. It was an ugly period, when people were only allowed to paint portraits of Lenin or pictures of heroic veterans. With perestroika this

changed; we have now an equal rights situation in the sphere of art. There is no problem with indulging in post-modernism or avantgarde art, but there is no more money from the State. And this creates another kind of crisis: It is our idea to help these people, because art is an important aspect of human life. We try to allocate money from the budget for support of independent artists, or at least give them tax privileges or lower the rents for artists. We try to regulate the privatization process to that end. If State property is privatized, the economic criteria are not the only thing that should be considered, because in that case State property is just sold to banks or casinos.

If we do that, we may lose the cultural aura of our city. We need to have on Nevsky Prospect, not just casinos or brothels, but we need cinemas, bookstores, theaters. We coined a special term: "socially important enterprises," that can be hospitals, book stores, libraries. We made about 20 decisions like that. Maybe we were not too successful, but we do what we can.

Liebig: How much money is spent on culture now?

Romankov: Only 2.5% of the city budget is spent on culture. The federal law says, that the municipalities should spend 6% on culture, but given the overall financial situation, in practice, this is never done.

Liebig: Mr. Romankov, what do you say about the reduction of the St. Petersburg City Council at end of 1993?

Romankov: Before Yeltsin's Decree 1400 of Sept. 21, 1993, we had many more functions and possibilities, maybe too many. But afterwards we went to the other extreme. Now the executive branch has many more functions, and we have very few. Our task is to achieve a normal balance. We should adopt a law of state administration, a charter of the city. Generally, if you define democracy as the possibility for people to influence the political decision-making process, I regard the process nowadays as going in the direction of democracy. Very soon, on Sept. 16, 1996, in less than in a year, there will be elections for local officials, mayors, etc. And our mayor has to be elected, too, then. Now we are getting ready for the State Duma elections. It is a normal, healthy, democratic process, but there is a danger that it will be stopped.

Liebig: Who will win the elections for the State Duma?

Romankov: The Duma elections will bring a big success for the communists and Gen. Aleksandr Lebed and Mr. [Sergei] Glazyev of the Congress of Russian Communities. General Lebed is very popular, especially in the southern part of Russia, bordering the Caucasus. Hopefully, Mr. [Vladimir] Zhirinovskiy cannot repeat his earlier success. But, it is a pity that the democratic parties will not be very strong; I pray, that they will gain more than 5%. Some people say, the democrats are in power in Russia; that is not true. Who else

is there except Mr. [Anatoli] Chubais?

Cheremnykh: So you say, there are no democrats in power?

Romankov: Yes, it is a great mistake to think there are. The people now in power are nomenklatura people, former directors of military-industrial factories, etc.

Cheremnykh: St. Petersburg Mayor Anatoli Sobchak, for example, is a professor at the State university.

Romankov: Who can tell me that he is a democrat? Democracy is not only a name, it is a way to organize life. Someone who wants to take all decisions by himself, is not a democrat. It is very easy to say: I am a democrat. Don't judge by words, but by actions and results! In this city government, only one man dictates all the decisions, and people are afraid to express their disagreement, because they fear being ousted. Nevertheless, Sobchak is not the most typical example of a nomenklatura politician. Maybe Yuri Luzhkov, the mayor of Moscow, or Mr. Oleg Soskovets [first deputy prime minister] are more typical.

Cheremnykh: Some people say, that Luzhkov does more for the city of Moscow than Sobchak does for St. Petersburg, in terms of the city infrastructure, construction activity, etc.

Romankov: Luzhkov is a better expert in economy. But there is also no democracy in the relations between Mayor Luzhkov and the Moscow City Council. But as a person who knows how the city economy functions, he is a better administrator.

Vorontsov: The situation of the people in Moscow is much better than in St. Petersburg and in Russia generally. Moscow is the only city where the housing situation has not deteriorated.

Liebig: When I was here two years ago, I spoke with a colleague of yours about the policy of the International Monetary Fund toward Russia. I remember that we were in full agreement that this so-called "shock therapy," promoted by such people as Jeffrey Sachs or Anders Åslund, was a disaster for Russia. What do you think about it, and what will you do about that problem?

Vorontsov: I fully agree. You always hear people talking about the "Monetary Fund, Monetary Fund, Monetary Fund," as if it were God. Especially [former Prime Minister Yegor] Gaidar keeps talking about what we have to do, so that the IMF gives us a \$15 billion credit. We are losing \$40 billion every year due to this policy. We have gotten \$1.5 billion in credits, and now \$10 billion are promised, which means it will in reality be not more than \$5-6 billion.

Romankov: As a member of Gaidar's party, of course, I can't agree. I think, maybe not all, but some conditions of the IMF seem rather reasonable. For example, we don't need to invest in ineffective plants. And it is no use to spend too much money for the administrative apparatus. Otherwise it

will be like in Nigeria or some other African countries, which get money from the IMF, and this money is wasted by high officials for luxuries, while the people get nothing. So you have to be more precise.

Liebig: Just think about the ruble collapse due to the free-floating exchange rate. Think about the criminal handling of privatization. Moreover, the IMF policy is designed to prevent exactly those economic measures that could lead to a revival of the production process: namely, State investments in large-scale infrastructure projects, in cooperation with other nations on the Eurasian continent: railways, roads and highways, energy production facilities, water projects, which would not only improve the infrastructure situation, but also increase the economic productivity. The development corridors on either side of such transport connections would have exactly the locomotive function for the productive economy that is so much needed now. But the IMF's policy is in favor of speculation, and against productive investments. Never mind the fact, that the neo-liberal policies of the IMF, the deregulation and uncontrolled speculation, have brought the entire global financial system to the brink of disintegration.

Vorontsov: I hope very much, that the outcome of the State Duma elections will have a signal effect to change also the economic policy in our country.



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