

Russia kicks out British spies, as policy fight rages

by Jeffrey Steinberg and Rachel Douglas

Twenty-five years to the day, after Britain expelled 105 Soviet diplomats from England for alleged spying, the Russian Foreign Ministry announced on May 6 that nine British officials were being booted out of the country, for running an espionage operation that recruited at least one Russian intelligence officer with access to Russian military and “strategic” data. Russian Foreign Ministry spokesman Boris Lostenko, in announcing the expulsion orders, said: “The man was seized red-handed, as he was in the process of communicating with his headquarters.”

One maverick British strategist, asked to comment on the espionage blowup, admitted to *EIR* that British intelligence has been active in areas of great sensitivity to the Russians, such as the Caucasus, where the Chechnya war has cost tens of thousands of lives: “The Russians are extremely annoyed at the way British intelligence has been operating in the Caucasus and South Russia. Frankly, we’ve been playing the ‘Great Game’ there. . . . They are angered that we have been meddling in the Caucasus, on a quite considerable scale.”

“The British got caught red-handed,” a senior Russian military expert told *EIR* after the expulsion was announced. “This puts a chill on British-Russian relations.”

The London *Guardian*, in a front-page article the next day, moaned that British firms such as British Petroleum, Cadbury Schweppes, Imperial Chemical Industries, and Rolls Royce, which have been making major inroads in Russia, could be badly hurt by the scandal.

The Russian move has precipitated hysterical reactions from London—in part, because it comes at a moment when leading French and British political circles have been engaged in a very nasty campaign to undercut potential cooperation between the Clinton administration and the Russians, and because it threatens the grip of the International Monetary

Fund (IMF), the Club of the Isles’ strategic raw material, petroleum, and food cartels, over what is left of the Russian economy. This Anglo-French revival of the Entente Cordiale, which was a dominant factor during the 1980s era of Margaret Thatcher and François Mitterrand, has been abetted by such American figures as former President George Bush, whose own recent international “petroleum diplomacy” has aimed at driving a wedge between the Clinton administration and key Persian Gulf and Mideast Arab regimes.

During the April Group of Eight conference on nuclear disarmament in Moscow, French President Jacques Chirac reportedly made a strong pitch to Russian President Boris Yeltsin to fortify Franco-Russian business and political ties as a “counterweight” to continuing U.S. “interference.” Simultaneously, French Foreign Minister Hervé de Charette, joined by his Italian counterpart, Susanna Agnelli, was scurrying around Damascus, attempting to draw Russian Foreign Minister Yevgeni Primakov into another anti-American gambit, this one aimed at sabotaging the Middle East peace process, which had already been jeopardized by recent Israeli and U.S. policy blunders.

While the British-centered Club of the Isles apparatus has ostensibly been playing a more subdued role in the anti-American drive in Russia, the British are actually directing the campaign, and are frantic over recent signs from sectors of the Russian elites, that they are considering breaking from IMF diktats and moving toward protectionist policies to defend what’s left of the country’s agro-industrial base.

LaRouche in Moscow

One sign of that policy sea-change was the highly successful visit to Moscow by Democratic Party Presidential pre-candidate Lyndon LaRouche. The highlight of LaRouche’s

visit was his participation in an April 24 round table discussion at the Institute for Socio-Political Research of the Russian Academy of Sciences, on the subject of "Russia, the United States, and the Global Financial Crisis" (see *EIR*, May 10, p. 4 for coverage of the visit).

As LaRouche emphasized, the near-term global financial disintegration mandates a strategic alliance among Washington, Moscow, and Beijing—three of the four remaining great powers—against the British Empire, and such British-spawned "one world" agencies as the IMF. If the Clinton administration continues to back off from its "war and a half" with London, and fails, as it has so far, to back up Russia against the IMF, the global political situation will unravel. Although the Clinton administration has signaled that it is putting NATO's eastward expansion "on hold," it is, as LaRouche emphasized in Moscow, incumbent on President Clinton to abandon the NATO expansion altogether, especially in light of Russia's growing, justifiable feeling that "the West" is out to turn Russia into a raw materials looting ground.

LaRouche also came away from his recent Moscow visit, convinced that whoever wins the June 16 Presidential elections, will be duty-bound to implement the policy consensus now being debated behind the scenes.

One senior Russian source, in an interview with *EIR* on May 8, linked the expulsion order against the British diplomats to this policy battle: "Of course, nobody knows, to this moment, what the British actually did, but we do know there is a long history of such British operations in Russia, from the days of Bruce Lockhart in Lenin's time. What can be said with greater certainty, is that this action by our intelligence services could not have taken place, without the highest-level approval from the Kremlin. The Kremlin is showing its strong hand, showing the West that 'we can be strong, and that we are not just following the West,' at a time when there is a lot of tension about implementing the IMF policies."

The source continued: "The consensus among the more responsible economists in Russia, is that we must prevent being turned into a Third World country. . . . The main issue is that leading people here want to preserve what was built up productively, over three generations. We can't permit being turned into the suppliers of gas and petroleum abroad."

In an interview with "EIR Talks" on May 1, LaRouche stressed the importance of maintaining the export tariffs on Russian oil and natural gas—protectionist measures designed to provide a steady flow of cash to the Russian treasury, to finance internal improvements. Such tariffs, which were approved by the Russian State Duma (lower house of parliament), and signed by President Yeltsin, are slated to be eliminated as part of the \$10.2 billion IMF loan package. Those tariffs would generate an estimated \$23 billion in revenues.

The Russian economist who chaired the seminar where LaRouche spoke, Academician Leonid Abalkin, a former adviser to Soviet President Mikhail Gorbachov, expressed support for this view in a May 7 interview with the *New York*

Times, which was included in a profile of the new brain trust emerging around Communist Party Presidential candidate Gennadi Zyuganov. The *Times* warned that this group of "old school" Russian economists "disdain the International Monetary Fund and its tough demands that Russia limit the printing of money and lower barriers to free trade."

Abalkin was explicit: "Russia is losing its independence to carry out its internal economic policy. Its policy is not being decided by Parliament, but by the IMF." The *Times* added: "By way of example, Abalkin said that one important move supported by the Fund, the elimination of tariffs on oil and gas exports, was wrongheaded. . . . And he says that by improving tax collection, Russia could make do without the Fund's loans."

Why spy?

The threat of a Russian break from the IMF's crushing conditionalities, especially were it to receive the backing of the Clinton administration, is being discussed as one reason why the British have been massively increasing their espionage operations inside Russia—and will continue to do so. On May 8, the London *Times*, the de facto house organ of the Windsor-Club of the Isles apparatus, published a lead editorial, titled "The Need to Know: There Is Much in Zyuganov's Plans That Merits Espionage."

"Mr. Zyuganov's hero is Stalin; his idea of a successful foreign policy is Russia's crushing of the Prague Spring in 1968," the *Times* asserted. "His copious published works accuse the U.S., the UN, and International Monetary Fund, the Roman Catholic Church, and even the Trilateral Commission, of leading a 'mondialist' Western conspiracy, to destroy Russia's greatness."

The *Times* added that the threatened expulsions of the British diplomats "bolstered the case for more active intelligence-gathering, whether overt or covert."

In fact, British intelligence has been working overtime inside Russia, running a series of operations aimed at, among other things, breaking off any prospect of a Washington-Moscow alliance.

One British technique is the encouragement of a belligerent reaction by Russia, to the touted NATO extension. London think-tanks, for example, have extended funds and assistance to Dr. Anton Surikov, a Russian defense analyst who calls for a Russian invasion and occupation of Estonia, Latvia, and Lithuania, in the event of their joining NATO. In an April interview with the weekly *Zavtra*, Surikov stated that Russia has only one current and future "probable adversary" in war—"the United States and NATO." He told the Estonian newspaper *Postimes*, that the West would not come to Estonia's aid, because "no sane American or Brit would put London or Washington under threat of nuclear attack. . . . What could they do for you militarily? They could send a naval fleet, land some troops. . . . To stop the landing we could use miniature nuclear bombs."