

and then Zyuganov's Presidential candidacy, crumbled into backbiting and disarray, not to mention flurries of gunfire, like the shootout in which Chubais's ally, St. Petersburg Deputy Mayor Mikhail Manevich, was killed this summer. The infighting had extended into the use of media outlets owned by certain financial groups to attack key figures in the regime, above all Chubais and Nemtsov, after two huge August privatizations, that of Svyazinvest, the telecommunications giant, and Norilsk Nickel, were both won by the Oneximbank group, allied with international speculator George Soros.

In an attempt to re-forge the united front among the financial oligarchs, Yeltsin summoned six of Russia's top bankers to a meeting at the Kremlin on Sept. 15: Vladimir Potanin, head of the Oneximbank group; Vladimir Gusinsky, head of the Media-Most group; Vladimir Vinogradov of Inkombank; Mikhail Fridman of Alfa Bank; Mikhail Khodorkovsky of the Rosprom-Menatep group; and Aleksandr Smolensky of SBS-Agro Bank group. After the meeting, Yeltsin claimed: "They are stopping their fights with Chubais and Nemtsov and the government. The banks had started to argue with the government a little. The word of the President, whom they have supported and support, was needed. We understood each other." According to Khodorkovsky, the bankers and Yeltsin agreed to establish clear, unbiased rules for the next round of sell-offs. He said that Yeltsin promised to oversee personally the upcoming privatizations.

A huge round of privatizations is in store between October 1997 and the spring of 1998. The first round will include the sell-off of a 51% stake in the Eastern Oil Company; a 49% stake in Tyumen Oil Company; a 1% stake in the oil giant, Lukoil; and a convertible bond issue, redeemable through a 2.5% stake in Unified Energy Systems (UES), the national electric power company.

Whether Yeltsin will succeed in putting an end to the disarray in his erstwhile united front is not certain, but sweeping personnel changes among subordinates cannot be excluded, up to the level of a Chubais or a Nemtsov. Yeltsin's praise of them at the meeting, where, according to Khodorkovsky, he referred to them as "my children," means nothing. A more interesting reaction was triggered when journalists asked Yeltsin to comment on an alleged assassination threat against Chubais. Yeltsin laughed it off and said, "Forget this. [Belarus President] Lukashenko also says that journalists are going to kill him."

On Aug. 29, Yeltsin dumped Yuri Baturin as secretary of the Defense Council. Baturin had been brought on last Autumn to head this newly created institution, in a move by Yeltsin which portended the imminent dumping of General Lebed as head of the Security Council last October. Baturin had been used by Yeltsin as the point man for implementing the so-called "military reform." His firing was a transparent attempt to appease the officer corps, to try to blunt the Rokhlin protest movement.

Guest Commentary

Scotland votes to break with London

by Alan Clayton

Mr. Clayton is from Glasgow, Scotland. Subheads have been added.

On Sept. 11, as Scotland marked the 700th anniversary of William Wallace's defeat of King Edward I's invading army at the Battle of Stirling Bridge, a majority of Scots went to the polls to cast their votes in favor of establishing a separate parliament independent of London. The referendum has produced a result far in excess of anything those of us who fought for such a result could have expected. The referendum consisted of two questions. The first was, "I agree that there should be a Scottish parliament," and the second was, "I agree that the Scottish parliament should have tax varying powers." In a 60% turnout of those eligible to vote, the first question produced 74.3% for, and the second, a majority of 63.5% for. Celebrations were carried out throughout Scotland as though the victory were Independence Day, which, of course, it was not, although it certainly has the potential to be the precursor.

The Scottish media have been drawing comparisons between the welcome given to the country's leading politicians at the post-referendum celebration outside Scotland's ancient parliament building in Edinburgh, and the stoning of her leading politicians on almost the same spot 290 years ago, after they had betrayed the country's birthright in signing away its political existence in the Treaty of Union.

The Scottish oligarchy

The point is appropriate, because the Scottish oligarchy who were responsible for the Union had made contingency plans against possible armed insurrection, by placing the English armies of the arch-Venetian John Churchill, First Duke of Marlborough, on the Scottish border, ready to invade in such an eventuality. Indeed, those interested in examining the role of the Duke of Marlborough and the Churchill family in the final construction of the British system could do no better than read H. Graham Lowry's book, *How the Nation Was Won*, which examines their role in some detail.

It is a point that is appropriate because there can be no doubt that the same Scottish oligarchy, based around the

hugely powerful Duke of Argyll, Chief of the Clan Campbell, who still lives in a huge ancestral home near the village of Inveraray, which has acted as holiday host to the House of Hanover/Windsor since the time of Queen Victoria, detests the prospect of an independent Scotland.

The parliament which is being established is, in fact, not any more powerful than the state governments of the United States, or of the German *Länder*, but its potential to threaten the oligarchy over a period of time has been well restricted by the right of the Westminster parliament to dissolve it in the same way as was done, for example, to the Stormont parliament in Northern Ireland in 1972.

The Queen's Privy Council

The constitutional instrument of an "Order in Council" could, in fact, be used to dissolve the parliament. An Order in Council does not even require a majority vote in either House of the Westminster parliament, that is, the House of Lords or the House of Commons. It is a direct constitutional instrument carrying the full power of law, and is carried out by the Queen in the Privy Council. And, this instrument has in fact been used in a number of occasions over the past half-century.

This is, of course, an open and direct instrument of state power. The Privy Council can still act also with stealth and secrecy, as it did in Australia in 1978, when the Labor government of Gough Whitlam was dismissed by the Queen, acting with her governor in Australia, Sir John Kerr, in what was in fact a full blown coup d'état.

The Westminster parliament rests on its doctrine of the absolute supremacy of "the Crown in Parliament." Constitutionally, it could order the summary execution of any British subject without right of appeal, because it is the "highest court" of the United Kingdom, against which there is no right of appeal. Of course, since Britain joined the European Community, large numbers of people have appealed successfully to the European Court of Human Rights against the strictures of the British system, and this has proved to be a limited safeguard.

There seems little doubt that the efforts of elements of the oligarchy to contain Scotland within Britain have suffered a considerable setback, as evidenced by the sheer size of the majority voting "Yes" on both referendum questions. The reasons for the last-minute surge to this level of support are interesting, because there had been systematic attempts to demolish the fragile levels of self-confidence of the Scottish people by encouraging a "No" vote on the second question, the right of the parliament to have tax-varying powers.

Sir Bruce Patullo, for example, the chairman of the Bank of Scotland (although not a state central bank; the Bank of England is Britain's state central bank, directing fiscal policy independently and entirely in the interests of the oligarchy since Labour took office), made a highly publicized statement in which he sketched a horror scenario of "huge" tax

increases by the new parliament — although nothing like (he did *not* say) the four interest-rate increases that have been applied in the United Kingdom as a whole since Labour took office.

The death of Diana, paradoxically, had an effect on the result. The huge and generally unhealthy sense of public horror expressed, derived at least in part from a widespread instinct that something was wrong, that same sense of the presence of forces of darkness being somehow or other involved that attended the assassination of Kennedy, a distant sinister voice perhaps somewhere saying that, if we can take someone out who is so close to one of the most powerful families on earth, we can take out anyone.

This writer, travelling from Glasgow to Edinburgh on the morning of the funeral, walking through two deserted cities in what can only be described as an almost post-holocaust situation, felt a sense of fear, foreboding, and depression that must have matched what was felt, in earlier times, at the state-imposed sadness at the funerals of those leading Soviet politicians who also died in "car crashes."

The oligarchy, through its main media outlets, pushed hard on the "common feeling of Britishness" that surrounded the days after her death, and this highly publicized perception was certainly having an effect on many people in Scotland. Remarkably, any feeling of common Britishness was blown completely out of the water by Elton John's "Good-Bye England's Rose," sung, inevitably appallingly badly, as he had no electronic aids in Westminster Abbey. This caused outrage and offense in Scotland and Wales for its characteristic disregard of the other nations of the British state, and by Thursday, the mood shift that this had caused was almost tangible.

Thatcher was the principal factor

However, even that was not the principal factor in the landslide, because without a doubt that honor went to Baroness Margaret Thatcher, who arrived in Scotland two days before the referendum to speak to a group of several hundred American businessmen on the "Tiger" economies of the Far East, in a Glasgow hotel for a reported fee of £75,000. The lecture over, Thatcher inevitably harangued the Scottish people on the urgent necessity of remaining a part of "Great" Britain. This, coming from the woman who, more than anyone, demolished Scotland's industrial base, virtually sealed the fate of the "No" campaign.

The oligarchy had faced a similar threat from Scottish identity in a similar referendum held in 1979 to establish a Scottish parliament, but at the very last minute a clause was added to the referendum bill, called the Scotland Act, that had what was called a "40% rule." This required that 40%, not of those voting, but of the total electorate whether voting or not, had to vote "Yes," in order for the referendum to succeed.

Although there was a clear majority voting “Yes,” it did not meet the criteria required for the 40% rule, and when Thatcher swept into office a few weeks later on a huge English majority, she put the Scotland Act in the trash can, causing a sense of bitterness that has been a contributing factor to the almost universal hatred felt toward her in Scotland ever since.

The years of Thatcher economics, imposed on a Scotland which now has no Tory MPs in the Westminster parliament at all, have seen the almost total disappearance of the huge Scottish shipbuilding industry, the total disappearance of the highly efficient Ravenscraig steel plant in Motherwell, and the elimination of many engineering plants whose sites are now generally the ubiquitous “trading estates” of supermarkets and fast food joints.

A national identity

The reemerging sense of real Scottish identity, however, must be one of the main factors behind the present phenomenon. It was an identity substantially demolished in part by David Hume (1711-1776), but almost totally by the iniquitous and ubiquitous Sir Walter Scott (1771-1832), who almost single-handedly created the “Brigadoon” Scotland, an imaginary fairy-cloud cuckoo-land of haggis, heather, and granny’s hielan hame. Such was an absolutely safe country for the oligarchy, and the perception is reinforced by the annual visit of the Windsors to their highland “holiday home,” Balmoral Castle, and the vast private estate surrounding it, where anyone foolish enough to try to enter would be instantly arrested.

This emerging sense of actual national identity has at least in part been influenced by the distribution of Mark Calney’s book, *Robert Burns and the Ideas of the American Revolution*, among leading writers and political figures in Scotland, as Calney examines the role of Sir Walter at some length. His book is currently precipitating further research in Scotland into the role of Sir Walter and the oligarchy, and at present the Scottish historian Dr. James Young of Stirling is researching a further book on this topic. Calney’s book has produced some vitriolic attacks in the correspondence columns of Scottish newspapers, as well as very substantial support.

What happens after the parliament is established, and how the oligarchy handles the crisis it could conceivably present, will be interesting, to say the least, because even as this article is being written, grandiose plans for a magnificent new building for the parliament are being debated in the Scottish press, because the 18th-century building still in use by the Scottish legal establishment is now far too small. How long then, it will tolerate political and constitutional restriction after it is formed in the year 2000, remains to be seen.

‘Führer’ Tony Blair

The Blair-ite Labour Party, which hopes to have a majority in the parliament, is now totally an instrument of the oligar-

chy and, indeed, may well be its principal international instrument. Blair is certainly now more powerful than any British politician since the wartime Churchill. His public persona is almost entirely presidential, and indeed, his wife, Cherie, is now frequently described as the “First Lady.” Given what I have already written about the power of the British parliament, such a British “president” would not, of course, be surrounded and contained by the constitutional safeguards that bear upon the office of President of the United States. A much more accurate appellation would indeed be “Führer,” and already, may Labour MPs do in fact refer to him publicly as “The Leader.”

Cherie is the only prime minister’s wife ever to have three personal secretaries, with an office in the prime minister’s residence at Number 10 Downing Street. The articulate but largely ineffectual new leader of the Conservative Party, William Hague, has already accused Blair of manipulating the funeral of Diana to his own ends, and he is arguing that Blair is in fact now in substantial control of the Windsors.

The referendum in Scotland will be followed by one in Wales, and then, next year, a referendum for a directly elected Lord Mayor of London, a post that has been an oligarchical asset since the early Middle Ages. One of the other key “monarchical reforms” that Tony Blair is proposing would alter the role of the peerage in the membership in the House of Lords. This would replace hereditary title (such as Earl, and so on) and a seat in that House, with a “life peerage,” a measure which reflects the continuing shift of power from the landed oligarchy to the financial oligarchy. This, in turn, will be followed by proposals to regionalize England itself, and, of course, there is the present remarkable determination to get a peace settlement in the north of Ireland on almost any terms. Blair has set out on a bold and high-risk strategy to change, “modernize,” and thus, save the Venetian state.

There are factors working against him, not least the small but influential members and kindred thinkers of the LaRouche movement active in Scottish politics. Twelve years ago, Lyndon LaRouche was presented as some sort of nut for predicting the disappearance of communism. But, the “nut” turned out to be right, and the mockers, wrong. The point is worth reflecting upon, because the British system has the internal contradictions to collapse just as dramatically.

The developing situation in Britain deserves all the attention and analytical power of the LaRouche movement, both in attempting to define what is happening, and to influence events themselves. In concert with the impending banking crisis and what is taking place within the British state, it is not outside the realms of possibility that what we are witnessing is the beginning of the end of the Empire itself.