

## Editorial

### *Signs of a phase change in Russia*

In a major development on Feb. 4, the Primakov government launched a determined crackdown on the Russian financial oligarchy. Within hours of sacking the current Prosecutor-General of Russia, with the full agreement of President Boris Yeltsin, a series of raids was carried out against Boris Berezovsky's holdings. More than 20 offices and apartments of personnel from Berezovsky's Sibneft Oil Co. were raided, as was the Berezovsky-linked security company, Atoll.

Berezovsky, a financial magnate up to his neck in corrupt operations with the likes of former Prime Minister Viktor Chernomyrdin, has been a mortal threat against the nation-saving policies of the Primakov government. Prior to Primakov's accession to power, the thug had free rein in the Kremlin offices. It has been reported that, at one of Primakov's first cabinet meetings, Berezovsky showed up, only to be told by the new Prime Minister that he had not been invited.

While the charges against Berezovsky's entities have not been broadly spelled out, Western press sources report that some of the offenses occurred in the realm of the government's regulations governing foreign exchange. This would make sense, in that the Primakov government has been moving to impose more regulations on foreign capital, especially speculative capital—a direction which oligarchs like Berezovsky, who work hand-in-glove with the foreign looters, intensively oppose.

The Primakov government has clearly been preparing for this crackdown for some time. The circle of advisers around Primakov knows that Berezovsky and company, whom they dub a mafia grouping, are determined to weaken, if not liquidate, Russian sovereignty, as a guarantee of their own security and maintenance of the enormous quantities of wealth which they have been able to accumulate under International Monetary Fund (IMF) "free market reforms." Breaking the power of this group, which are called "oligarchs," has therefore been a priority.

Immediately preceding these moves, Prime Minister Primakov went on TV on Jan. 31, and charged that

"some groups of people" are "plundering the state." At that time, Primakov disclosed a government plan to give amnesty to 94,000 small-time criminals, in order to make room in the prisons for those "who are plundering Russia and robbing society." Berezovsky, who knew he was among those Primakov was speaking about, immediately issued protests, claiming that the Prime Minister was taking "us back to Soviet times."

That political line is geared to mobilize friends of the Russian oligarchy internationally, but it is a lie. In fact, Prime Minister Primakov and his economic team are seeking to save Russia, and rebuild its physical economy. That requires measures of regulation, directing credit, and prohibiting economic crimes. Just a look at what Franklin Roosevelt had to do in the Depression, gives you a good idea of how any responsible government has to deal with economic crisis.

The Primakov government's move against the oligarchs comes on the heels of its resistance to new IMF demands, which we reported in our last issue. Indeed, the Russian government is faced with war on many fronts, as the IMF-sponsored destruction of its economy also makes it unable to pay much of its international debt.

What will be the next step? It is the evaluation of economist Lyndon LaRouche that the Primakov government is very close to the point where it will be forced to implement capital and currency controls. Such a move, unlike that in Malaysia, would have major financial and political ramifications internationally, possibly pushing other nations, like Brazil, into taking the same kind of defensive measures for its national sovereignty.

Then the question will be: What will the United States government do? If Vice President Al Gore is co-President, or worse, we would be headed for a direct confrontation—and worldwide disaster. If President Clinton remains President in fact, we will have the golden opportunity for the shift into a New Bretton Woods policy that has been overdue for so long.

It's good news from Russia this week. Let's prepare for more to come.