



Against Chubais

This presidential chief of staff is no Leon Panetta.

In October, outgoing U.S. ambassador Thomas Pickering gave a farewell speech to the American Chamber of Commerce in Moscow. He was effusive about Russia's transformation, and declared that within three years "Americans will be able to travel to Sochi as easily and as regularly as they now travel to Chicago and Cleveland." He also gushed about Moscow's plethora of "mobile phones, new Western cars and dozens of pricey restaurants and clubs," and predicted that "doing business in Russia will become more structured, more predictable and less risky."

Moscow has indeed become a more comfortable place for wealthy New Russians with "mobile phones" and "new Western cars," but they are not the kind of people who make business "less risky." Pickering surely knows this, but the Bill Clinton-Strobe Talbott vision of Russia brooks no criticism. Everything is getting endlessly better, even though in October presidential chief of staff Anatoly Chubais asserted, "In order for there to be a democracy in society, there must be a dictatorship within the government."

Anybody who remembers the Kremlinologists of twenty years ago playing the parlor game of dividing the Politburo into "good guys" and "bad guys" will not be surprised that the Clinton administration—or its official mouthpieces like the *New York Times*—is adopting a similarly reductive view of today's Russia. After Alexander Lebed's ouster from the Yeltsin government, the *Times* described Chubais

as "plotting how to carry out the next stage of Russia's democratic revolution."

Yet Chubais—one of the most hated men in Russian public life—is widely understood to have initiated the defamation campaign against Lebed which preceded the ouster. It started with attacks on Alexander Korzhakov, a Lebed ally, whom Chubais pushed out of the Kremlin last June. The ex-head of Boris Yeltsin's security service, Korzhakov is a sinister figure himself, who boasted that he had *kompromat*—compromising materials, generally involving corruption—on top Russian officials, including Chubais.

By the end of the mud-slinging contest—which involved allegations of extortion, planned contract killings, embezzlement of state funds, and coup preparations—both sides had proved themselves able purveyors of KGB-style black propaganda. Grigory Yavlinsky, head of the liberal Yabloko faction, aptly described the struggle as "a battle for power, for the ability to control budget funds," operating according to "mafia rules."

Still, the *New York Times* declared that Chubais was fighting "an uphill struggle to bring order to the Kremlin." He is apparently approaching his goal. The presidential chief of staff has forged a close relationship with Tatyana Dyachenko, Yeltsin's younger daughter. The two reportedly have complete control over who sees the president, what information he gets, and even, according to one newspaper account, which telephone calls get through.

Yeltsin, of course, has a television at Barvikha, the government health sanitarium where he is awaiting heart surgery. But Russia's main channels, including the

private NTV, are controlled by financiers who belong to the Chubais camp. NTV, which just a little over a year ago was lambasting the regime for the war in Chechnya, has begun to resemble Soviet state television in its loyalty to the throne.

Chubais sees his task as "the consolidation of power" on behalf of the regime, and reasserting control over the airwaves has been an important step in that process. An economist and the architect of Russian privatization, he has become known more for administrative skills that many say border on genius. He organized the president's successful re-election campaign last summer, transforming Yeltsin's single-digit opinion-poll numbers into an electoral victory over the Communists. The campaign artfully combined enormous pork-barrel promises—increased social spending for the masses, huge tax breaks for big businesses—and a media blitzkrieg replete with hagiographic "news" coverage and paid political advertising. The campaign reportedly dwarfed official spending limits.

As Yeltsin's health has worsened, however, Chubais's "consolidation of power" has started looking distinctly like a personal power grab. At the beginning of October, Chubais managed to get Yeltsin to sign an executive order which, according to *Nezavisimaya Gazeta*, has widened the powers of the presidential administration beyond those stipulated by Russia's constitution.

With Lebed now out of the way, Chubais has brought all of Russia's "power ministries"—the armed forces, the interior ministry, internal and external intelligence, and the border guards—effectively under his control, according to some press reports. This is probably an overstatement, but Chubais and Prime Minister Viktor Chernomyrdin are reportedly attempting (whether

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together or in competition is unclear) to tighten control over the security services.

In addition to his other duties, Chubais is also technically Chernomyrdin's deputy on a "temporary emergency commission" recently formed to deal with Russia's serious tax-evasion problem. In fact, Chubais was author of the plan, and is the commission's de facto head. The body combines the powers of the economic, finance, and tax agencies with those of the internal and external security services. The acronym for this new commission is "VChKa"—that is, Cheka. Some columnists here wryly suggested that, for the sake of tradition, the new Cheka might subsequently be renamed the "National Commission for Internal Debt"—in Russian, NKVD—and then changed again to the "Main Payments Directorate," or GPU.

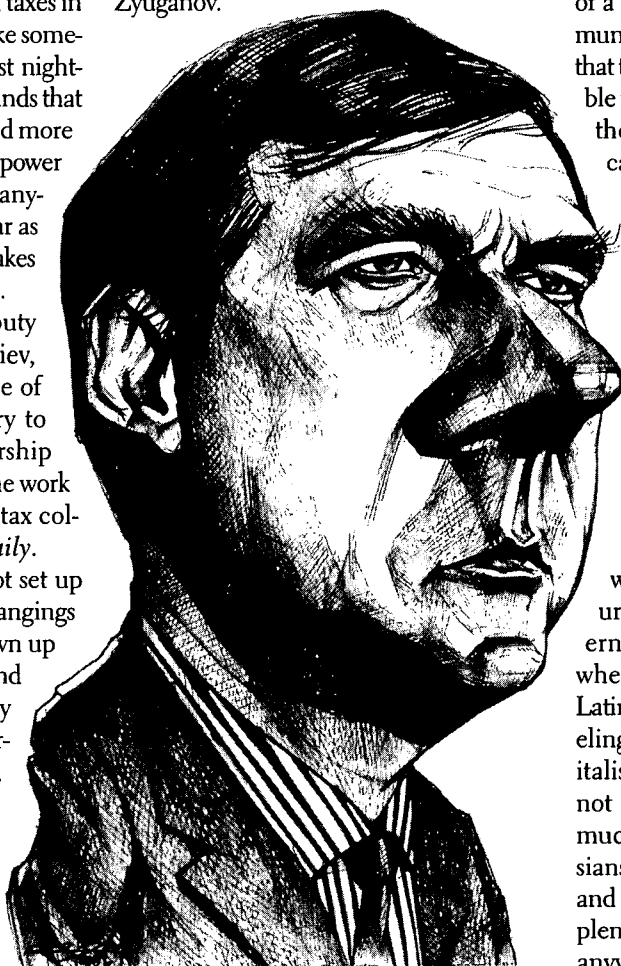
When Yeltsin announced the new tax commission, he said he understood that taxes in Russia are too high, but said they would be lowered only after the arrears problem is settled. Taken together, taxes in Russia are virtually confiscatory, like something out of Jude Wanniski's worst nightmare. Chubais obviously understands that cutting taxes would ultimately yield more revenues, but Russian reformers in power tend to behave like bureaucrats anywhere, extending their power as far as it will go. Thus supply-side theory takes second chair to political concerns.

One of Chubais's allies, Deputy Economics Minister Sergei Vasiliev, was very blunt about the purpose of the new Cheka: "It is necessary to introduce an economic dictatorship that would exercise control over the work of banks, payment transfers and tax collection," he told *Kommersant Daily*.

This Cheka, of course, has not set up torture cellars or ordered public hangings of tax cheats. It has, however, drawn up a black list of the worst offenders and threatened them with bankruptcy proceedings. The list is most interesting for its omissions—Gazprom, Russia's natural gas monopoly, and the giant Norilsk Nickel metals producer. They are among the worst violators, but Chernomyrdin once headed (and remains close to) Gazprom, and Norilsk was

acquired last year by Uneximbank, a bank close to Chubais, during a series of fixed privatization auctions. Uneximbank president Vladimir Potanin was even given Chubais' old job—first deputy premier in charge of the economy—this summer. Three days before the appointment, Norilsk Nickel received a \$1 billion tax break.

The Cheka tax commission is little more than an attempt to use police methods to collect revenue—not exactly a new idea in Russia—but it is an excellent weapon to use against political rivals. One of Chubais's goals as head of the presidential administration is to bring Russia's eighty-nine regions under tighter Kremlin control. It is perhaps no accident that two large enterprises at the top of the blacklist—an oil company and an auto maker—are actually minor offenders, but are located in the fiercely autonomous region of Tatarstan. Chubais has received praise for his plan to re-assert Kremlin control over the regions from Aleksei Podberyožkin, top ideological adviser to Communist leader Gennady Zyuganov.



Although Chubais and his allies in big business may be tempted to look at their experience in last summer's electoral campaign and conclude that a monopoly on money and media makes anything feasible, Chubais is unlikely ever to become president. It is widely rumored that Prime Minister Chernomyrdin would be forced to fall on his sword for the tax arrears problem, instead, and Chubais installed in his place. Such a rumor, however, understates Chernomyrdin's political muscle; he has been around power in Russia for a very long time, and has allies throughout the state apparatus.

Free-market economist Andrei Illarionov has described what is taking place in Russia as "the privatization of the state... which means that the state apparatus is being used to further the private interests of specific private groups." Illarionov called this the biggest obstacle to Russia's reforms; it is more like the Thermidor of democratic revolution—the emergence of a state capitalist oligarchy. The Communists are increasingly giving indications that they would like to move from implacable to loyal opposition, becoming in effect the left wing of a new Latin American-style, corporatist political system.

Such a scenario makes Chubais, with his Ivy League appearance and English-language skills, the embodiment of the "liberal" wing—a kind of Russian Carlos Salinas. If the Communists do join the establishment, one could imagine the opposition vacuum being filled by the deposed General Lebed.

There's even an outside chance that what emerges is an economic system resembling the Asian model, with high growth rates based on natural-resource exports and a close government-business "partnership." But whether it goes the route of pre-reform Latin America, or finds surer success modeling its Asian neighbors, democratic capitalism as understood in the West is just not in the cards. That shouldn't be too much of an impediment. The Indonesians don't have a democracy, after all—and the Clinton administration has found plenty of reasons to do business with them anyway.

ISMAEL ROLDAN



Britwits

We only embarrass ourselves when we try to be Britty.

Recently, a black Briton, writing in the *Washington Post*, said that the only advantage he could see in being British was that his black American cousins spotted him ten IQ points just for his accent. So too in the movies, when it comes to “history” or “literature,” we tend to assume that the Brits will do it better than we do. And generally they do. This is partly because the small, highly specialized British film industry has been doing “Masterpiece Theatre”-style costume dramas for so long that it has got really good at them, and partly because they have not yet dumbed down their educational system to American levels. So, until the happy day when our two nations are equals in imbecility, we will tend to come off looking rather badly when we try to beat the Brits at their own game.

Al Pacino’s *Looking for Richard*, for instance, really ought to be called “Richard III goes to Sesame Street.” It is a film based on the by-now old-fashioned notion that Shakespeare can be made “relevant” to the happening youth of the nineties—kids who might not, were it not for Al and his pals in Mr. Rogers’s neighborhood, ever bother to tear themselves away from MTV. But I doubt the efficacy of slicing and dicing Shakespeare and serving him up in quick cuts to pander to a bunch of no-mind slackers. They probably won’t like him anyway, and they won’t realize that the real Shakespeare takes work—though not so much work as they might imagine. He cannot be made

into a music video with old-fashioned language, and people who suppose he can are in for a big shock in the unlikely event that they ever put themselves in a way to encounter the real thing.

The Australian Baz Luhrmann’s Americanized *Romeo and Juliet* is not as condescending as *Looking for Richard*, but it is even more the victim of its own desperation to be hip. This movie, like several of its main characters (including Leonardo DiCaprio’s Romeo), is wired and, with its nervous camera-work and intense, shouted dialogue, deliberately resembles a two-hour gangster rap video. At times you think this approach might almost have worked. The stylization of the violence, the clothes, the cars, the guns (Romeo carries a “Rapier 9mm”), like the setting in a vaguely futuristic “Verona Beach,” USA, weirdly complement the artificiality, in such a context, of the language. But though it is often funny and always clever, the film has no respect at all for Shakespeare, who ought to get a “based on a story by” credit, or his text. Even where the latter is ostensibly to be understood in its Shakespearean sense, the characters speak the lines as if they were rap lyrics and less to be understood than to strike an attitude.

Not that the “Masterpiece Theatre” treatment is necessarily superior. *Jude*, an adaptation of Thomas Hardy’s *Jude the Obscure* directed by Michael Winterbottom, is a good example of how the British film industry churns out nicely atmospheric period pieces, like Laura Ashley fabric, for the culture-starved masses. True, it is not so vulgar as most of the production of the Merchant-Ivory work-

shop—an example of which is also currently on show in *Surviving Picasso*, which reduces the life and art of the great painter to women’s magazine fare (though that may be just the fate that the old coot deserves)—but it is still resolutely middlebrow. As usual in these productions, the acting is the best thing about it, and it is hard to find fault with Christopher Eccleston’s lugubrious Jude, or Kate Winslet’s surprisingly flirty Sue Bridehead. I had always pictured Sue as one of the worst kind of female intellectuals, the sort of person who wears Birkenstocks and uses expressions like “sex object,” but Miss Winslet makes a believer of me.

The problem lies with the overall dramatic conception, which is unequal to the quality of the materials. To be fair, this is as much the fault of Thomas Hardy as it is of the filmmakers. A great poet, Hardy as a novelist is little more than Galsworthy on speed. Instead of just confining himself to eviscerating middle-class morality, Hardy lets “God” (or, as he sarcastically calls Him in *Tess of the D’Urbervilles*, “the President of the Immortals”) have it as well—for allowing Himself to be associated with middle-class morality. When one is young and full of self-importance and self-pity, this kind of thing looks frightfully profound. It makes perfect sense to think that the universe is controlled by a malign power who has set the stars in their courses just so as to prevent one from having any fun. But in maturity it is a ludicrous idea, and an even more ludicrous one when put on film. In this respect, *Jude* is actually an improvement on Hardy, since it tones down a bit the idea of malevolent fate.

One of the great things about the usually high-toned British entertainment industry is that its art can be applied even

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