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KUALA LUMPUR FOR PRIME MINISTER'S PARTY
WASHINGTON FOR PRIVATE SECRETARY

RUSSIA: NEW ELECTIONS

SUMMARY

1. RUSSIAN FOREIGN MINISTER WARNS G7 AMBASSADORS OF IMMINENT ANNOUNCEMENT BY YELTSIN OF SUSPENSION OF EXISTING PARLIAMENT: FRESH ELECTIONS IN DECEMBER TO NEW FEDERAL ASSEMBLY.

DETAIL

2. AT AN HOUR'S NOTICE, KOZYREV SUMMONED G7 AMBASSADORS AT 211500Z TO TELL THEM THAT YELTSIN WOULD BE ADDRESSING THE NATION AT 1600Z TO ANNOUNCE A DECREE ON STAGED CONSTITUTIONAL REFORM.

3. DRAWING ON THE TEXT OF THE PRESIDENT'S STATEMENT, KOZYREV SAID THAT THE EXISTING BODY OF DEPUTIES WAS BLOCKING THE CONSTITUTIONAL PROCESS, AND DELAYING POLITICAL AND ECONOMIC REFORM: IT WAS PREVENTING ANY CHANGE IN THE CONSTITUTION, WHICH IT WAS AMENDING AND MANIPULATING AT WILL. THIS WAS DENYING THE PEOPLE THEIR FUNDAMENTAL RIGHT TO CHOOSE THEIR OWN RULERS. IN THE NEW RUSSIAN STATE, ONLY THE PRESIDENT COULD CLAIM A LEGITIMATE MANDATE, REVALIDATED BY THE APRIL REFERENDUM.

4. YELTSIN WOULD THEREFORE ANNOUNCE THE SUSPENSION OF THE LEGAL AND ALL OTHER FUNCTIONS OF THE CONGRESS AND SUPREME SOVIET. PARLIAMENTARY ELECTIONS WOULD BE HELD ON 11/12 DECEMBER TO A NEW FEDERAL ASSEMBLY BASED ON THE DRAFT CONSTITUTION RECENTLY APPROVED BY THE CONSTITUENT ASSEMBLY. THIS AND THE ELECTION LAW WOULD BE IMPLEMENTED PROVISIONALLY BY DECREE UNTIL MADE LAW BY THE NEW PARLIAMENT. IN OTHER RESPECTS, THE EXISTING CONSTITUTION REMAINED

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IN FORCE. PENDING ELECTIONS, THE ONLY SOURCE OF AUTHORITATIVE DECISIONS WOULD BE DECREES OF THE PRESIDENT AND GOVERNMENT.

5. A DECISION ON WHETHER PRESIDENTIAL ELECTIONS SHOULD BE HELD WOULD BE TAKEN BY THE NEW PARLIAMENT. IN RESPONSE TO QUESTIONS, KOZYREV SAID THAT YELTSIN HIMSELF HAD FAVOURED SIMULTANEOUS PARLIAMENTARY AND PRESIDENTIAL ELECTIONS, BUT KOZYREV AND OTHERS HAD STRONGLY OPPOSED THIS: A STRONG AND LEGITIMATE EXECUTIVE WOULD BE NEEDED TO AVOID CHAOS IN THE TRANSITION TO A NEW PARLIAMENT.

6. OTHER DETAILS WERE:

- ALL HUMAN AND OTHER RIGHTS OF CITIZENS, AND THE POWERS OF LOCAL AUTHORITIES, WERE TO REMAIN UNAFFECTED:

- THE CENTRAL BANK WAS TO COME UNDER THE AUTHORITY OF THE GOVERNMENT, AND TO BE GUIDED BY PRESIDENTIAL DECREES:

- THE PROSECUTOR GENERAL WOULD BE APPOINTED BY THE PRESIDENT AND WOULD ANSWER TO HIM (KOZYREV CONFIRMED WHEN ASKED THAT THIS MEANT STEPANKOV WOULD GO):

- THE CONSTITUTIONAL COURT WOULD NOT SIT UNTIL THE NEW PARLIAMENT HAD MET:

- THE COUNCIL OF THE FEDERATION WOULD REMAIN IN BEING ON ITS PRESENT INFORMAL FOOTING, UNTIL THE NEW FEDERAL ASSEMBLY GAVE IT A CONSTITUTIONAL POSITION AS THE NEW UPPER HOUSE.

7. IN TAKING THIS STEP, THE PRESIDENT WOULD INVOKE GENERAL DEMOCRATIC PRINCIPLES, THE REFERENDUM VERDICT AND THE LAW ON REFERENDA, WHICH GAVE DECISIONS TAKEN BY REFERENDUM ULTIMATE LEGAL FORCE, REQUIRING NO FURTHER ENDORSEMENT. HE WOULD ALSO INVOKE ARTICLES 1, 2, 5, AND 121/5 OF THE EXISTING CONSTITUTION.

8. IN ANSWER TO A QUESTION, KOZYREV SAID THAT NO SPECIAL SECURITY MEASURES WERE ENVISAGED, BEYOND AN INSTRUCTION TO THE MINISTERS OF DEFENCE, THE INTERIOR AND SECURITY TO TAKE ALL NECESSARY MEASURES TO MAINTAIN PUBLIC ORDER AND TO REPORT DAILY TO THE PRESIDENT.

9. IN CONCLUSION, KOZYREV EMPHASISED THAT:

- THE PRESIDENT WAS THE ONLY SOURCE OF POWER IN RUSSIA WITH A VALID DEMOCRATIC MANDATE:

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- THERE WAS NO LEGAL MEANS OF REPLACING THE SOVIET CONSTITUTION, THOUGH IT HAD LOST ALL CREDIBILITY AND HAD BECOME A TOOL OF THE PARLIAMENT. EVERY LEGAL WAY ROUND THE IMPASSE HAD BEEN TRIED WITHOUT SUCCESS:

- THE ONLY PURPOSE OF THE PRESENT EXERCISE WAS TO HOLD NEW DEMOCRATIC ELECTIONS, AS A STEP TO A PROPERLY ENDORSED DEMOCRATIC CONSTITUTION.

HE HOPED THAT FRIENDLY GOVERNMENTS WOULD TAKE ACCOUNT OF THESE FACTS IN RESPONDING PUBLICLY TO THE PRESIDENT'S ACTION.

8. SEE MIFT.

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KUALA LUMPUR FOR PRIME MINISTER'S PARTY
WASHINGTON FOR PRIVATE SECRETARY TO SECRETARY OF STATE

MIPT: RUSSIA: PRESIDENTIAL RULE: YELTSIN SPEECH

1. YELTSIN'S TELEVISION ADDRESS TO THE NATION FORESHADOWED BY
KOZYREV (TUR) WENT OUT AT 211700Z. FOLLOWING WERE THE MAIN POINTS:

A. DEVELOPMENTS SINCE THE REFERENDUM

- THE SUPREME SOVIET HAD FLOUTED THE WILL OF THE PEOPLE EXPRESSED IN THE APRIL REFERENDUM, AND IN RECENT MONTHS HAD EMBARKED ON A COURSE OF TOTAL CONFRONTATION AIMED AT THE TOTAL DISCREDITING OF THE EXECUTIVE BRANCH.
- DOZENS OF RECENT SUPREME SOVIET DECISIONS HAD CONTRADICTED THE RESULTS OF THE REFERENDUM, ESPECIALLY IN ECONOMIC POLICY, WHERE THE SUPREME SOVIET'S BUDGET AND PRIVATISATION DECISIONS HAD TIED THE HANDS OF THE GOVERNMENT.
- THE PRESIDENTS DECREES, AMENDMENTS TO BILLS, AND HIS LEGAL RIGHT OF LEGISLATIVE VETO HAD BEEN IGNORED.

B. THE CONSTITUTIONAL PROCESS

- IN APRIL 1992 THE VI CONGRESS APPROVED IN PRINCIPLE A DRAFT NEW CONSTITUTION, INSTRUCTED THE PRESIDENT AND OTHERS TO PROPOSE AMENDMENTS AND ADDITIONS, AND DETERMINED TO ADOPT THE CONSTITUTION AT ITS VII MEETING IN DECEMBER 1992. BUT THE SUPREME SOVIET STOPPED THIS PROCESS.

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- THE REFERENDUM DID NOT INDUCE THE SUPREME SOVIET TO RESCIND ITS EARLIER CONSTITUTIONAL AMENDMENTS ERODING THE POWER OF THE PRESIDENCY: AND THE SUPREME SOVIET HAD JUST SENT YELTSIN A FURTHER AMENDMENT NOT SPECIFIED DESTROYING PRESIDENTIAL POWER OUTRIGHT.

- THE SUPREME SOVIET HAD BEEN EXERCISING LEGAL TYRANNY: LEGISLATION HAD BEEN USED AS A POLITICAL WEAPON: YEARS HAD GONE BY WITHOUT THE ADOPTION OF DESPERATELY NEEDED LAWS. IT WAS IMPOSSIBLE TO DESCRIBE AS A 'LAW' THAT WHICH CONTRADICTED THE RIGHTS AND FREEDOMS OF CITIZENS, AND FUNDAMENTAL DEMOCRATIC PRINCIPLES, ESPECIALLY WHEN DICTATED BY ONE INDIVIDUAL OR SMALL GROUP.

- THE SUPREME SOVIET HAD CONSTANTLY VIOLATED ITS OWN PROCEDURES: SMALL NUMBERS OF DEPUTIES ATTENDING SESSIONS HAD REPEATEDLY AND BLATANTLY VOTED FOR THEIR ABSENT COLLEAGUES. THE COMMITTEES HAD BEEN PURGED. THE PRESIDUM RIGGED PROCEEDINGS IN THE INTEREST OF ITS LEADERS.

- ALL THIS WAS BITTER TESTIMONY THAT THE SUPREME SOVIET AIMED TO PROVOKE POLITICAL DESTABILISATION. IT HAD LONG CEASED TO FULFIL A LEGISLATURE'S BASIC FUNCTION OF REPRESENTING THE VARIOUS INTERESTS OF SOCIETY. IT WAS NO LONGER A BODY OF POPULAR POWER, BUT HAD BEEN USURPED BY A GROUP WHICH HAD TURNED IT INTO THE HEADQUARTERS OF THE IRRECONCILABLE OPPOSITION. THE USE OF THE SECRET VOTE WAS AN ABDICATION OF POLITICAL RESPONSIBILITY, AND WAS LEADING RUSSIA INTO THE ABYSS. ALL THESE THINGS WERE UTTERLY SHAMEFUL AND DISCREDITED THE BASIC PRINCIPLES OF PARLIAMENTARISM. THE PRESENT DEPUTIES HAD LOST THE RIGHT TO HAVE CONTROL OVER A BASIC INSTRUMENT OF STATE POWER.

C. YELTSIN'S DECISIONS

- IN THE INTERESTS OF RUSSIA'S SECURITY AND OF ITS PEOPLE, WHICH WERE HIGHER THAN THE CONTRADICTORY DECISIONS OF A DISCREDITED LEGISLATURE, A RADICAL RENEWAL WAS NECESSARY BASED ON THE PRINCIPLES OF THE PEOPLE'S SOVEREIGNTY, AND OF CONSTITUTIONALITY (WHICH WAS NOT THE SAME AS THE PRESENT CONSTITUTION WHICH MADE NO PROVISION FOR THE ADOPTION OF A NEW CONSTITUTION).

- THE VICIOUS CIRCLE HAD TO BE BROKEN. ON THE BASIS OF REPRESENTATIONS HE HAD RECEIVED FROM ALL OVER THE COUNTRY, ENDOWED WITH THE POWERS AND THE CONFIDENCE WHICH HE HAD RECEIVED FROM THE PEOPLE IN THE ELECTION OF JUNE 1991 AND THE REFERENDUM OF APRIL 1993, YELTSIN HAD SIGNED A DECREE ON 21 SEPTEMBER MAKING CERTAIN

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AMENDMENTS AND ADDITIONS TO THE EXISTING CONSTITUTION.

- BY THIS DECREE THE HIGHEST LEGISLATURE IN RUSSIA WAS NOW A NEW BICAMERAL FEDERAL ASSEMBLY TO WHICH ELECTIONS WOULD BE HELD ON 11-12 DECEMBER 1993. THESE ELECTIONS WOULD BE TO THE NEW PARLIAMENT, NOT (NOT) TO THE CONGRESS OF PEOPLE'S DEPUTIES AND SUPREME SOVIET. ANY ATTEMPTS TO OBSTRUCT THE HOLDING OF THESE ELECTIONS WOULD BE TREATED AS A CRIMINAL OFFENCE. THE PEOPLE WOULD ELECT NEW REPRESENTATIVES MORE COMPETENT, MORE CIVILISED AND MORE DEMOCRATIC.

- THE DEMOCRATIC RENEWAL OF THE FEDERAL POWERS WOULD INCLUDE THE PRESIDENCY, TO WHICH NEW ELECTIONS WOULD BE HELD SOON AFTER THE NEW PARLIAMENT MET. THE PEOPLE WOULD DECIDE WHO SHOULD OCCUPY THIS OFFICE FOR A NORMAL TERM.

- THE DECREE ABOLISHED THE LEGAL, ADMINISTRATIVE AND CONTROL FUNCTIONS OF THE CONGRESS OF PEOPLE'S DEPUTIES AND SUPREME SOVIET, AND THE PRESENT DEPUTIES' MANDATES WERE TERMINATED. THE DEPUTIES WOULD HAVE THE RIGHT TO RETURN TO THEIR FORMER JOBS, AND ALSO TO PRESENT THEMSELVES FOR RE-ELECTION IF THEY WISHED.

- ALL REGIONAL AUTHORITIES WOULD REMAIN IN PLACE AND WOULD BE CHARGED WITH MAINTAINING LAW AND ORDER.

- THE CONSTITUTION AND LAWS OF THE RUSSIAN FEDERATION, AS AMENDED BY THIS DECREE, WOULD REMAIN IN FORCE. THE RIGHTS AND FREEDOMS OF ALL CITIZENS WOULD BE GUARANTEED.

D. APPEAL TO THE LEADERS AND CITIZENS OF FOREIGN COUNTRIES

- IN THE RECENT PAST RUSSIA HAD RECEIVED VITAL SUPPORT FROM ABROAD AT THE MOST CRITICAL HOURS. YELTSIN SAID: 'THIS TIME TOO I APPEAL FOR UNDERSTANDING OF THE COMPLEX CIRCUMSTANCES WHICH HAVE OBLIGED ME TO DEFEND IN THE ONLY POSSIBLE WAY RUSSIA'S DEMOCRACY, ITS FREEDOMS, AND THE STILL FRAGILE REFORMS OF ITS ECONOMY'.

- IT WAS VITAL TO DEFEND RUSSIA AND THE WHOLE WORLD FROM THE CATASTROPHIC RESULTS OF A COLLAPSE OF THE RUSSIAN STATE WITH ITS VAST NUCLEAR ARSENAL.

- YELTSIN HAD NO OTHER GOALS BUT THESE.

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(CORRECTED VERSION - PARA 4)

RUSSIA: MOSCOW TELNO 1602: PRESIDENT YELTSINS ANNOUNCEMENT

KUALA LUMPUR FOR PRIME MINISTERS PARTY
WASHINGTON FOR SECRETARY OF STATES PARTY

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Summary

1. MIFT contains suggested line to take, agreed with Moscow Embassy (telecon Richards/Duffield), based on information available at present.

Detail

2. President Yeltsin has announced this evening in a broadcast to the nation, the adoption of a Presidential Decree on Staged Constitutional Reform, providing for elections to a new federal Assembly. We have not yet seen a text or a full transcript of the broadcast.
3. The Decree announces the abolition of the existing Supreme Soviet and Congress and proposes elections on 11/12 December to a new Federal Assembly. This means in effect that President Yeltsin is implementing by decree that part of the new draft Constitution approved by the Constitutional Conference in July which provided for a new bicameral parliament. In the meantime, Yeltsin is proposing that the newly established Council of the

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Federation (a consultative body with no legal status) should remain in being until the elections. A new electoral law (likely to provide for a mixture of direct elections and party lists) is also to be implemented by Presidential decree.

Comment

4. Yeltsin has now carried out his threat to force through Parliamentary elections this year as the only way out of the political crisis. His decree, although we have not seen a full text yet, makes clear that he is not declaring a state of emergency, nor seeking to force through a new Constitution, but that his measures are limited to the adoption of those provisions in the new draft Constitution which provide for a new two-chamber Parliament and the adoption of a law on elections to support this.

5. We will report further details as they become available..

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MY TELNOS 1602 1603 : RUSSIA INTERNAL : YELTSIN'S ANNOUNCEMENT

SUMMARY

1. RUTSKOI AND THE PARLIAMENT NOW ENSCONCED IN PARLIAMENT BUILDING. RUTSKOI'S CLAIM TO THE PRESIDENCY RESTS ON A RECENT CONSTITUTIONAL AMENDMENT. BUT YELTSIN HAS GOVERNMENT SUPPORT, AND THE ARMED FORCES SEEM LIKELY TO REMAIN NEUTRAL AT WORST, DESPITE KHASBULATOV'S APPEAL. FOR THE TIME BEING YELTSIN HAS THE INITIATIVE.

2. BUT PATH TO ELECTIONS WILL NOT BE SMOOTH. MUCH WILL DEPEND ON REACTIONS IN THE REGIONS, SOME OF WHICH MAY BOYCOTT ELECTIONS.

3. [REDACTED]

DETAIL

4. THE SITUATION MAY TAKE SOME TIME TO CLARIFY. VICE PRESIDENT RUTSKOI - NOW INSTALLED IN THE WHITE HOUSE - HAS ANNOUNCED THAT HE IS NOW PRESIDENT. IN TERMS OF THE OLD CONSTITUTION, THIS IS THE LOGICAL CONSEQUENCE OF YELTSIN'S SUSPENSION OF THE SUPREME SOVIET: LAST DECEMBER'S CONGRESS AMENDED THE CONSTITUTION TO PROVIDE THAT ANY SUCH ACT WOULD AUTOMATICALLY REMOVE THE PRESIDENT FROM OFFICE, WITHOUT THE NEED FOR ANY ACTION BY THE CONGRESS OR THE CONSTITUTIONAL COURT. KHASBULATOV HAS APPEALED TO THE SECURITY FORCES TO DISOBEY THE PRESIDENT'S ORDERS. [REDACTED]

[REDACTED]
[REDACTED] ABOUT 3-4,000 PRO-PARLIAMENT DEMONSTRATORS - MAINLY

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ELDERLY - ARE ALREADY SURROUNDING THE WHITE HOUSE: MAJOR DEMONSTRATIONS CAN BE EXPECTED ON 22 SEPTEMBER. THREE BATTALIONS OF OMON (POLICE SPECIAL FORCES) TROOPS ARE DEPLOYED AT THE WHITE HOUSE, RED SQUARE AND OKTYABRSKAYA SQUARE (THE THREE MAIN GATHERING POINTS FOR DEMONSTRATIONS). ALL TELEPHONE LINES TO THE WHITE HOUSE HAVE BEEN CUT.

5. THE CONSTITUTIONAL COURT HAS TRIED TO MEET, BUT BEEN EXCLUDED FROM ITS BUILDING BY THE POLICE, IN ACCORDANCE WITH THE PRESIDENT'S ORDER SUSPENDING ITS ACTIVITY UNTIL THE NEW PARLIAMENT SITS: LATEST REPORTS ARE THAT IT HAS MANAGED TO MEET ELSEWHERE, AND WE MUST EXPECT IT TO DECLARE YELTSIN'S ACT UNCONSTITUTIONAL. VORONIN (KHASBULATOV'S DEPUTY) HAS ANNOUNCED THE IMMINENT RELEASE OF A VIDEO-RECORDED JOINT ADDRESS TO THE NATION BY RUTSKOI AND KHASBULATOV. IN A TELEVISION INTERVIEW CHERNOMYRDIN HAS DISPLAYED SUPPORT FOR YELTSIN, SAYING THAT THE GOVERNMENT'S PRESIDUM HAD MET THIS EVENING AND THAT ALL THE POWER MINISTRIES WERE WORKING NORMALLY. HE SAID THERE WOULD BE NO (NO) STATE OF EMERGENCY. HE CALLED FOR CALM, AND APPEALED TO ALL ENTERPRISES AND INSTITUTIONS TO GO ABOUT THEIR BUSINESS AS USUAL. THE MOSCOW COMMAND OF THE INTERIOR MINISTRY TROOPS HAS SAID THAT IT HAS RECEIVED NO (NO) SPECIAL ORDERS, AND THAT THERE WERE NO (NO) TROOP MOVEMENTS IN MOSCOW.

6. YELTSIN SEEMS TO HAVE PREPARED THE GROUND CAREFULLY. HE MOVED DECISIVELY LAST WEEK TO CLOSE THE RANKS OF THE GOVERNMENT, AND APPEARS TO HAVE THE FULL SUPPORT OF PRIME MINISTER CHERNOMYRDIN. THE THREE 'POWER MINISTERS' (DEFENCE, INTERIOR, AND SECURITY - THE LATTER APPOINTED ONLY LAST WEEK) SEEM UNLIKELY TO RESPOND TO KHASBULATOV'S CALL, THOUGH UNCONFIRMED REPORTS ATTRIBUTE DOUBTS ABOUT THE PRESIDENT'S MOVE TO GRACHEV. YELTSIN HAS RECENTLY VISITED THE TWO ARMY DIVISIONS (TAMAN AND KANTEMIROV) AND THE INTERIOR DIVISION (DZERZHINSKY) WHICH BETWEEN THEM CONSTITUTE MOSCOW'S PRAETORIAN GUARD, AND CAN PROBABLY COUNT ON THEIR LOYALTY FOR THE TIME BEING AT LEAST. TELEVISION APPEARS RECEPTIVE TO THE YELTSIN LINE. THIS EVENING'S PROGRAMMES HAVE AVOIDED COVERAGE OF OPPOSITION VIEWS, COMBINING LARGELY NON-POLITICAL MATERIAL WITH A DOCUMENTARY ON YELTSIN'S FIGHT AGAINST CORRUPTION AND UNFLATTERING COVERAGE OF KHASBULATOV'S HYSTERICAL SPEECH AT THE WEEKEND, WHICH WAS GENERALLY RECKONED TO HAVE DONE HIM MORE HARM THAN GOOD.

7. YELTSIN MAY THEREFORE WELL BE ABLE TO KEEP THE IMMEDIATE SITUATION IN MOSCOW MORE OR LESS UNDER CONTROL. BUT HE STILL FACES A ROUGH PASSAGE BETWEEN NOW AND ELECTIONS IN DECEMBER. IT

IS FAR FROM CERTAIN THAT ALL OF THE REPUBLICS WILL AGREE TO PARTICIPATE (CHECHNYA AND TATARSTAN WILL BE PARTICULARLY TROUBLESOME) AND REGIONAL SOVIETS, WHICH HAVE NOT BEEN SUSPENDED, MAY ALSO GIVE DIFFICULTY. THE REACTIONS OF SOME ARMED FORCES COMMANDERS IN THE FIELD (E.G. LEBED IN MOLDOVA) WHEN FACED WITH PARLIAMENTARY CALLS TO DISOBEDIENCE ARE HARD TO PREDICT. EVEN IF ELECTIONS ARE HELD SUCCESSFULLY, THEY MAY WELL NOT YIELD A CLEAR DEMOCRATIC MAJORITY: DEMOCRATIC PARTY ORGANISATIONS HAVE HARDLY BEGUN TO FORM, AND THE COMMUNISTS - THOUGH A MINORITY - ARE PROBABLY THE BEST ORGANISED POLITICAL FORCE.

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WASHINGTON - FOR SECRETARY OF STATE'S PARTY
KUALA LUMPUR - FOR PRIME MINISTER'S PARTY

RUSSIAN CONSTITUTIONAL CRISIS: SITUATION IN ST PETERSBURG AREA

SUMMARY

1. MAYOR SOBCHAK AND THE ADMINISTRATIONS OF ST PETERSBURG AND THE LENINGRAD REGION EXPRESS SUPPORT FOR YELTSIN. THE LAW ENFORCEMENT AGENCIES AND MILITARY SAID TO BE TAKING ORDERS FROM HIS GOVERNMENT, NOT (NOT) RUTSKOI. ST PETERSBURG IS QUIET WITH BUSINESS AS USUAL.

DETAIL

2. THE MAYOR OF ST PETERSBURG (SOBCHAK), THE CHAIRMAN OF THE CITY COUNCIL (BELYAEV), AND THE GOVERNOR OF LENINGRAD REGION (BELYAKOV) WENT ON TELEVISION LAST NIGHT IN SUPPORT OF YELTSIN. THEY CALLED FOR CALM.

[REDACTED]

[REDACTED] THE CHAIRMAN OF THE CITY COUNCIL AND, HE SUGGESTED, HIS DEPUTY WERE ON BOARD. THE COUNCIL WAS NOW IN SESSION AND THEIR VIEWS WOULD BECOME CLEARER. THE CHAIRMAN OF THE MORE CONSERVATIVE LENINGRAD REGION COUNCIL, GUSTOV, HAD DECLINED TO APPEAR ON TV LAST NIGHT WITH THE REGION'S GOVERNOR.

4. THE LOCAL HEADS OF THE POLICE, SECURITY MINISTRY, AND OF THE MILITARY DISTRICT HAD TOLD SOBCHAK THAT THEY TOO WOULD CONTINUE TO TAKE THEIR INSTRUCTIONS FROM THE PRESENT GOVERNMENT. THE TWO LAW ENFORCEMENT AGENCIES HAD RECEIVED INSTRUCTIONS FROM KHASBULATOV AND RUTSKOI, BUT HAD TOLD THE MAYOR THAT THEY

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WOULD NOT CARRY THEM OUT.

5. CURRENT COMMAND EXERCISES IN THE MILITARY DISTRICT WERE PROCEEDING NORMALLY UNDER THE CONTROL OF THE VICE MINISTER OF DEFENCE AND WITH THE PARTICIPATION OF THE COMMANDER OF THE MOSCOW MILITARY DISTRICT. ALL THE SENIOR OFFICERS INVOLVED HAD ACCEPTED AN INVITATION TO MEET SOBCHAK TONIGHT OVER DINNER.

6. THE HEAD OF THE LOCAL TRADES UNION FEDERATION, MAKAROV, HAD ALSO AGREED WITH SOBCHAK'S CALL FOR PEACE AND STABILITY. BUT IT WAS TO BE SEEN HOW THE MORE PRO-COMMUNIST ELEMENTS IN THE TRADES UNIONS NOW ACTED.

7. THE REGULAR GUARDS AT MAJOR BUILDINGS, INCLUDING THE TV STATION, HAD BEEN REINFORCED. NEITHER TROOPS NOR SPECIAL POLICE UNITS HAD BEEN DEPLOYED. [REDACTED]

8. WE HAVE COMPARED OUR OBSERVATIONS AND INFORMATION WITH THOSE OF COLLEAGUES. THE OVERWHELMING IMPRESSION IS OF CALM AND BUSINESS AS USUAL. ANY EXTRA GUARDING IS VERY DISCREET. THERE IS NO (NO) EVIDENCE SO FAR OF TROOP MOVEMENTS OR, OF MUCH EXCITEMENT AMONG THE POPULATION. PATCHY INFORMATION SUGGESTS A SIMILAR PICTURE IN MUCH OF THE REST OF OUR CONSULAR DISTRICT (NW RUSSIA).

9. [REDACTED]

10. WE DO NOT DISSENT FROM THE CONSULAR/TRAVEL ADVICE PROPOSED TODAY BY THE EMBASSY.

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KUALA LUMPUR FOR PRIME MINISTER'S PARTY
WASHINGTON FOR SECRETARY OF STATE'S PARTY

MOSCOW TELNO 1608: RUSSIA: CONSTITUTIONAL CRISIS: PROSPECTS FOR THE CONGRESS

SUMMARY

1. CONGRESS WILL MEET, BUT UNLIKELY SOON TO ACHIEVE A QUORUM AND MUSTER TWO-THIRDS 'CONSTITUTIONAL' MAJORITY WITHOUT ILLEGAL RULE CHANGES WHICH WILL REDUCE ITS POLITICAL IMPACT.

DETAIL

2. TUR REPORTED THAT THE CONGRESS IS EXPECTED TO CONVENE THIS EVENING OR TOMORROW (23 SEPTEMBER). THIS CONGRESS COULD HAVE A POWERFUL POLITICAL IMPACT, ESPECIALLY IN THE REGIONS, WHOSE RESPONSE IN THE COMING DAYS WILL BE CRUCIAL FOR THE CRISIS. THE DEPUTIES WHO TURN UP ARE ALL BUT CERTAIN TO VOTE FOR THE IMPEACHMENT OF YELTSIN AND APPOINTMENT OF RUTSKOI AS PRESIDENT: BUT THE AURA OF CONSTITUTIONALITY (AND HENCE DAMAGE TO YELTSIN), WILL DEPEND LARGELY ON WHETHER THE CONGRESS CAN ACHIEVE ALL THIS 'NATURALLY', WITHOUT BREAKING (OR ARTIFICIALLY CHANGING) ITS OWN RULES.

3. THE ISSUE HERE TURNS ON HOW MANY OF THE 1,040 DEPUTIES REACH MOSCOW IN THE NEXT DAY OR TWO AND ATTEND THE CONGRESS. CONTACTS IN THE WHITE HOUSE FROM OPPOSING POLITICAL CAMPS HAVE TOLD US THAT THEY DO NOT (NOT) EXPECT THE QUORUM (693 DEPUTIES) TO BE ACHIEVED TODAY OR TOMORROW.

[REDACTED]

4. A REPRESENTATIVE OF THE LARGE OPPOSITION 'ROSSIYA' FRACTION TOLD US THAT THE MEETING BETWEEN YELTSIN AND DEPUTIES IN THE KREMLIN AT 221000Z WOULD INVOLVE ONLY YELTSIN'S SUPPORTERS, AND WOULD DISCUSS THE DEMOCRATIC CAMP'S TACTICS. HE SAID THAT THE OBVIOUS SOLUTION NOW WOULD BE FOR YELTSIN TO MEET KHASBULATOV: BUT HE HAD NO ILLUSIONS THAT YELTSIN WOULD AGREE TO MEET THE 'FORMER' SPEAKER OF THE PARLIAMENT HE HAD JUST DISSOLVED. HE CONFIRMED THAT OBSTACLES WERE BEING PUT IN THE WAY OF REGIONAL DEPUTIES TRYING TO REACH MOSCOW BUT STRESSED THAT THE CONGRESS WOULD OPEN VERY SOON REGARDLESS: DEPUTIES IN MOSCOW HAD HAD THEIR TRANSPORT TAKEN AWAY. THE MOOD IN THE WHITE HOUSE WAS MILITANTLY ANTI-YELTSIN (COMMENT: THIS CONVERSATION AND OTHERS REPORTED TO US BY DIPLOMATIC COLLEAGUES, SUGGEST THAT THE MOOD IN THE SUPREME SOVIET CAMP THIS MORNING IS FAIRLY DOWNCAST).

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FM MOSCOW
TO DESKBY 221200Z FCO
TELNO 1615
OF 221050Z SEPTEMBER 93

INFO DESKBY 221050Z CABINET OFFICE, KUALA LUMPUR, WASHINGTON
INFO IMMEDIATE BONN, PARIS, UKDEL NATO, UKMIS NEW YORK, TOKYO
INFO IMMEDIATE OTTAWA, ROME, KIEV, RIGA, TALLINN, PEKING, MOBUK
INFO IMMEDIATE ACTOR, UKREP BRUSSELS, OTHER CSCE POSTS **ESB 014/4**

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KUALA LUMPUR FOR PRIME MINISTER'S PARTY
WASHINGTON FOR SECRETARY OF STATE'S PARTY

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RUSSIAN CONSTITUTIONAL CRISIS: SECURITY AND MILITARY SITREP

SUMMARY

1. MOSCOW CALM OVERALL, BUT RIFLESHOTS NEAR KREMLIN ACROSS FROM EMBASSY. GRACHEV DECLARES OPENLY FOR YELTSIN.

DETAIL

2. MOSCOW REMAINS GENERALLY CALM. ASSISTANT MILITARY ATTACHE TOURED ALL STRATEGIC POINTS IN THE CITY THIS MORNING AND SAW NO (NO) INTERIOR MINISTRY TROOP MOVEMENTS OR DEPLOYMENTS.

3. AT 221000Z WE HEARD A DOZEN HIGH VELOCITY RIFLE SHOTS COMING FROM NEAR THE KREMLIN (ACROSS RIVER FROM EMBASSY). WE HAVE BEEN OUT TO INVESTIGATE, AND SEEN NO TROOPS OR SIGNS OF DISTURBANCE IN THE KREMLIN AREA.

4. IN A STATEMENT ISSUED THIS MORNING DEFENCE MINISTER GRACHEV SAID THAT THE LEADERSHIP OF THE RUSSIAN DEFENCE MINISTRY WOULD NOT (NOT) OBEY THE ORDERS OF THE SUPREME SOVIET DISSOLVED BY PRESIDENTIAL DECREE. THE STATEMENT ADDED THAT THE SITUATION IN THE ARMY WAS CALM, DESPITE THE FACT THAT SOME UNITS AND THE MILITARY ACADEMY HAD RECEIVED A 'COMMAND' FROM COLONEL-GENERAL ACHALOV (DEFENCE MINISTER APOINTED BY THE SUPREME SOVIET OVERNIGHT) ORDERING THEM TO COME TO THE SUPREME SOVIET WITH THEIR WEAPONS IMMEDIATELY.

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5. A DEFENCE MINISTRY CONTACT TOLD US THAT DEPUTY DEFENCE MINISTER MIRONOV HAD RUNG ROUND MILITARY DISTRICT COMANDERS DURING THE NIGHT ORDERING THEM TO KEEP ALL UNITS IN BARRACKS AND OUT OF THE POLITICAL FRAY. OUR CONTACT ALSO SAID THAT TWO DEFENCE MINISTRY ORDERS HAD ISSUED THIS MORNING: THE FIRST REAFFIRMED THE NEUTRAL STATUS OF THE ARMED FORCES AND PROHIBITED OFFICERS AND TROOPS FROM ENGAGING IN POLITICAL ACTIVITY: THE SECOND DECLARED POLITICAL HARASSMENT OF TROOPS BY CIVILIANS TO BE A MILITARY OFFENCE.

6. THE DEFENCE MINISTRY HAS ANNOUNCED THAT THERE WILL BE NO UNSCHEDULED TROOP MOVEMENTS, BUT THAT A ROUTINE EXERCISE WILL BE HELD THIS AFTERNOON NEAR NIZHNY NOVGOROD COMMANDED PERSONALLY BY THE CHIEF OF STAFF KOLESNIKOV.

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OF 221415Z SEPTEMBER 93
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INFO IMMEDIATE H M TREASURY, BANK OF ENGLAND, CABINET OFFICE
INFO PRIORITY DTI, UKDEL IMF/IBRD, UKREP BRUSSELS, UKDEL NATO
INFO PRIORITY PARIS, BONN, ROME, TOKYO, OTTAWA, MODUK
INFO PRIORITY KIEV, MINSK, ACTOR
INFO SAVING UKDEL OECD

DTI FOR GEORGE AND OWEN XEA2
SIC A3A

OUR TELNO 1611
RUSSIAN CONSTITUTIONAL CRISIS: POSITION OF CENTRAL BANK

SUMMARY

1. GAIDAR SAYS CENTRAL BANK WILL SUPPORT YELTSIN'S DECREE. NO OFFICIAL ANNOUNCEMENT FROM CENTRAL BANK, BUT ANECDOTAL EVIDENCE OF SYMPATHY FOR YELTSIN. NEW FIRST DEPUTY FINANCE MINISTER SAYS PRESIDENT IS CONSIDERING SACKING GERASHCHENKO.

DETAIL

2. TUR NOTED THERE HAD NOT YET BEEN AN OFFICIAL RESPONSE FROM THE CENTRAL BANK OF RUSSIA (CBR) TO THE PRESIDENT'S DECREE SUSPENDING PARLIAMENT OR PARLIAMENT'S RESPONSE. AT A PRESS CONFERENCE TODAY (22 SEPTEMBER), FIRST DEPUTY PRIME MINISTER GAIDAR SAID THAT THE CHAIRMAN OF THE CBR, GERASHCHENKO, HAD UNDERTAKEN AT A GOVERNMENT MEETING ON 21 SEPTEMBER TO OBEY YELTSIN'S DECREE (WHICH FORMALLY SUBORDINATES THE CBR TO THE GOVERNMENT AND PRESIDENT RATHER THAN TO PARLIAMENT). THERE HAS BEEN NO OFFICIAL STATEMENT FROM THE CBR, ALTHOUGH A CENTRAL BANK OFFICIAL IS REPORTED TO HAVE COMMENTED THAT THE DECREE WOULD MAKE LITTLE DIFFERENCE TO THE BANK'S OPERATIONS.

3. A BUNDESBANK OFFICIAL WHO CALLED ON THE CBR THIS MORNING TO DISCUSS FOREIGN BANKING LICENSES HAS TOLD US THAT THERE IS SOME SYMPATHY IN THE BANK AT OFFICIAL LEVEL FOR YELTSIN'S POSITION. THE BUNDESBANK OFFICIAL'S INTERLOCUTORS EXPRESSED SATISFACTION THAT SINCE THE SUPREME SOVIET HAD NOW BEEN DISBANDED, BANKING LEGISLATION WHICH WOULD HAVE SEVERELY LIMITED THE OPERATIONS OF FOREIGN BANKS IN RUSSIA AND WHICH THE PRESIDENT LAST MONTH RETURNED TO THE SUPREME SOVIET FOR FURTHER CONSIDERATION WOULD NOW BE

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ABANDONED.

[REDACTED]

COMMENT

5. GAIDAR'S STATEMENT SUGGESTS THAT AN IMPORTANT OBSTACLE TO THE SUCCESS OF YELTSIN'S INITIATIVE HAS BEEN REMOVED. GERASHCHENKO IS A GREAT SURVIVOR AND MAY HAVE CONCLUDED THAT HE SHOULD THROW IN HIS LOT WITH THE PRESIDENT TO SAVE HIS JOB.

[REDACTED]

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OF 221505Z SEPTEMBER 93

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FOR PRIVATE SECRETARY TO PRIME MINISTER
WASHINGTON FOR PRIVATE SECRETARY TO FOREIGN SECRETARY

RUSSIAN CONSTITUTIONAL CRISIS: FIRST REACTIONS FROM THE REGIONS

SUMMARY

1. RUSSIAN REGIONS CALM. CHERNOMYRDIN CLAIMS YELTSIN HAS THE SUPPORT OF REGIONAL LEADERS. THE MAJORITY OF REGIONAL SOVIETS, IN PRINCIPLE ANTI-YELTSIN, REMAIN ON THE FENCE.

DETAIL

2. INITIAL REACTIONS FROM THE RUSSIAN FEDERATION (RF) REGIONS TO PRESIDENT YELTSIN'S DISSOLUTION OF PARLIAMENT HAVE BEEN FAVOURABLE. THERE HAVE BEEN NO SIGNIFICANT PUBLIC DEMONSTRATIONS IN SUPPORT OF PARLIAMENT OR RUTSKOI. ALTHOUGH MOST REGIONAL SOVIETS HAVE USUALLY SUPPORTED THE FEDERAL SUPREME SOVIET, MOST APPEAR NOW TO BE SITTING ON THE FENCE. THOSE REGIONAL HEADS OF ADMINISTRATION (EXECUTIVE) WHO HAVE DECLARED THEMSELVES HAVE STRONGLY SUPPORTED YELTSIN.

3. PRIME MINISTER CHERNOMYRDIN HELD A 70-MINUTE DIRECT-LINK TELEPHONE CONFERENCE WITH THE LEADERS OF RF REPUBLICS AND REGIONS ON 22 SEPTEMBER. SPEAKING FROM THE MINISTRY OF COMMUNICATIONS IN MOSCOW, CHERNOMYRDIN BRIEFED REGIONAL LEADERS ON YELTSIN'S MOVES, THE AIMS OF WHICH WERE TO PROMOTE REFORM, HELP THE ECONOMY AND PUT AN END TO INSTABILITY AND UNCERTAINTY. CHERNOMYRDIN SAID AFTERWARDS THAT HE BELIEVED THE REPUBLICAN AND REGIONAL LEADERS BACKED YELTSIN'S GOVERNMENT.

[REDACTED]

[REDACTED]

5. IN VLADIVOSTOK (PRIMORSKI KRAI), THE HEAD OF ADMINISTRATION (NADZRATENKO) HAS ISSUED A STRONG STATEMENT BACKING YELTSIN, SAYING THAT YELTSIN SHOULD HAVE TAKEN THESE MEASURES A LONG TIME AGO.

[REDACTED] HIS STRONG PRO-YELTSIN STAND IS SIGNIFICANT. THE MURMANSK HEAD OF ADMINISTRATION (BERGER) HAS TAKEN A SIMILAR LINE, BUT EXPRESSING CONCERN THAT YELTSIN MAY HAVE LEFT IT TOO LATE.

6. A DEPUTY FROM THE Khabarovsk LOCAL SOVIET TOLD US THAT THE LOCAL SOVIET WOULD ABIDE BY THE LAW AND DO NOTHING TO AGGRAVATE THE SITUATION (COMMENT: CODE FOR FENCE-SITTING). THE SITUATION IN Khabarovsk IS CALM, WITH BUSINESSES WORKING NORMALLY.

7. REPORTS FROM TATARSTAN, ASTRAKHAN, STAVROPOL, AND SAMARA INDICATE THAT THE SITUATION IS QUIET THERE TOO. A JOURNALIST CONTACT IN TATARSTAN HAS TOLD US THAT THE GOVERNMENT THERE IS EXPECTED TO MAKE A STATEMENT ON 23 SEPTEMBER. HE PREDICTED THAT IT WOULD BE 'CAUTIOUSLY NEGATIVE' WITH THE TATARSTAN AUTHORITIES DISAPPROVING OF YELTSIN'S ACTION WHILE STRESSING THAT SUCH EVENTS AFFECTED RUSSIA MORE THAN TATARSTAN. HE THOUGHT THAT THE TATARSTAN GOVERNMENT WOULD NOT BLOCK YELTSIN'S EARLY ELECTIONS BUT, AS WITH THE APRIL REFERENDUM, DISCOURAGE PARTICIPATION ON THE GROUNDS THAT THEY WERE OF NO CONCERN TO TATARSTAN. THE TATARSTAN REPRESENTATIVE IN MOSCOW HAS TOLD US THAT TATARSTAN'S NEGOTIATIONS WITH THE FEDERAL GOVERNMENT WOULD CONTINUE. TATARSTAN HAD LITTLE WORKING CONTACT WITH THE FEDERAL SUPREME SOVIET.

[REDACTED]

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9. ADDRESSING A PUBLIC MEETING IN MOSCOW THIS AFTERNOON (AND FLANKED BY DEFENCE AND INTERIOR MINISTERS GRACHEV AND YERIN), YELTSIN PLAYED UP HIS CLAIMS TO HAVE WON THE SUPPORT OF 'THE MAJORITY OF THE REGIONS'.

COMMENT

10. INDICATIONS FROM THE REGIONS ARE GOOD FOR YELTSIN, WITH NO SIGN OF PUBLIC UNREST DIRECTED AGAINST HIS MOVE. HEADS OF ADMINISTRATION SEEM TO BE USING THEIR APPARATUS TO SUPPORT THE PRESIDENT. THE LOCAL SOVIETS ARE HESITATING. THEY HAVE TO BALANCE THE POSSIBLE GAINS OF BACKING RUTSKOI/KHASBULATOV AGAINST THE RISKS OF REMAINING OUTSIDE THE ELECTORAL PROCESS FOR YELTSIN'S DECEMBER ELECTIONS.

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OF 220845Z SEPTEMBER 93
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INFO IMMEDIATE H M TREASURY, BANK OF ENGLAND, CABINET OFFICE
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OUR TELNOS 1602, 1603 AND 1604
RUSSIAN ECONOMY: REACTIONS TO YELTSIN'S ANNOUNCEMENT

SUMMARY

1. KEY ECONOMIC PLAYERS RESPONDING CAUTIOUSLY. NO CLEAR LINE-UP BEHIND EITHER PRESIDENT OR PARLIAMENT. GOOD NEWS AS FAR AS IT GOES: WITH THE GOVERNMENT SUPPORTING THE DISSOLUTION OF PARLIAMENT AND NO SIGN OF POWER SLIPPING AWAY FROM THE PRESIDENT, THE STATUS QUO FAVOURS YELTSIN.

DETAIL

2. WE HAVE CONTACTED LEADING ECONOMIC FIGURES TO ASSESS THEIR RESPONSE TO YELTSIN'S ANNOUNCEMENT AND PARLIAMENT'S RESPONSE. SO FAR THE SITUATION IS CALM BUT CONFUSED, WITH KEY BODIES HOLDING EMERGENCY MEETINGS TO DISCUSS NEXT STEPS. A SUMMARY OF REACTIONS:

- (I) CENTRAL BANK OF RUSSIA (CBR): EMERGENCY MEETING, INVOLVING DEPUTY CHAIRMEN TULIN AND KHANDRUEV AND PRESS SECRETARY SITNIN, CONTINUING ORIGINALLY UNTIL 1200 HOURS LOCAL TIME (0800Z) AND SUBSEQUENTLY EXTENDED FOR A FURTHER TWO HOURS (COMMENT: THE CBR'S REACTION WILL BE PARTICULARLY SIGNIFICANT AS IT IS NOMINALLY SUBJECT TO THE PARLIAMENT):
- (II) GAIDAR'S OFFICE: GAIDAR AT WORK 'AS NORMAL' AT THE GOVERNMENT OFFICES IN STARAYA PLOSHCHAD:
- (III) [REDACTED]

[REDACTED]

(IV) STATE PROPERTY COMMITTEE (GKI): CHUBAIS, DMITRI VASILIEV (DEPUTY CHAIRMAN) AND BOIKO (SENIOR ADVISER TO CHUBAIS) IN CRISIS MEETING:

(V) [REDACTED]

(VI) [REDACTED]

(VII) THE CHIEF TRADER AT THE RUSSIAN STOCK EXCHANGE HAS TOLD US THAT TRADING IS CONTINUING AS NORMAL. HE SAID YELTSIN WAS NOW ATTEMPTING THE COUP HE SHOULD HAVE CARRIED OUT LONG AGO. BUT 'BLOODSHED ON THE STREETS' WAS A REAL POSSIBILITY:

(VIII) THE LOCAL NATWEST BANK OFFICE HAVE TOLD US THAT THERE IS 'NO PANIC' AMONGST THE FOREIGN BUSINESS COMMUNITY: SOME SORT OF PRESIDENTIAL MOVE AGAINST THE PARLIAMENT HAD BEEN ON THE

CARDS FOR SOME TIME, AND PEOPLE WERE WAITING TO SEE HOW THINGS TURNED OUT.

COMMENT

3. THE SPEED WITH WHICH KEY ECONOMIC AND FINANCIAL PLAYERS LINE UP EITHER BEHIND THE PRESIDENT OR THE RIVAL POWER STRUCTURES WHICH THE SUPREME SOVIET IS SEEKING TO ESTABLISH WILL BE CRUCIAL IN DECIDING THE OUTCOME OF THE POWER STRUGGLE. THE SUPPORT FOR THE PRESIDENT FROM BUSINESS ORGANISATIONS IS PREDICTABLE. SO FAR THERE IS NO SIGN OF KEY ORGANS (NOTABLY THE CENTRAL BANK AND THE FINANCE MINISTRY) COMING OUT FIRMLY IN SUPPORT OF EITHER SIDE. SINCE THE GOVERNMENT HAVE SUPPORTED YESTERDAY'S ANNOUNCEMENT AND THERE IS NO SIGN OF PRACTICAL POWER SLIPPING AWAY FROM THE PRESIDENT, THAT IS GOOD NEWS FOR YELTSIN. BUT THERE IS POTENTIAL FOR CONSIDERABLE CONFUSION AT WORKING LEVEL AS DIFFERENT MINISTRIES TRY TO WORK OUT WHAT THEY ARE NOW EMPOWERED TO DO.

4. INITIAL REPORTS OF TRADING AT THE MOSCOW INTER-BANK CURRENCY EXCHANGE (MICEX) ARE THAT THE ROUBLE FELL 6.5% (IE JUST OVER 60 ROUBLES) AT TODAY'S SESSION. IF TRUE, THIS WOULD BE A MODEST MOVEMENT COMPARED WITH THE MAGNITUDE OF THE CURRENT POLITICAL UPHEAVAL. BUT AS WE HAVE REPORTED, THE MICEX ROUBLE/DOLLAR EXCHANGE RATE DOES NOT ALWAYS REFLECT POLITICAL DEVELOPMENTS IN THE SAME WAY AS WESTERN CURRENCY MARKETS.

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INFO IMMEDIATE PEKING, MODUK, ACTOR, UKREP BRUSSELS
INFO IMMEDIATE WASHINGTON, OTHER CSCE POSTS

KUALA LUMPUR FOR PRIME MINISTER'S PARTY
WASHINGTON FOR PRIVATE SECRETARY TO FOREIGN SECRETARY

MY TELNO 1604: RUSSIA: CONSTITUTIONAL CRISIS

SUMMARY

1. PARLIAMENT DISMISSES YELTSIN AND APPOINTS VICE PRESIDENT RUTSKOI AS RUSSIAN PRESIDENT. PARLIAMENT APPOINTS RIVAL MINISTERS OF SECURITY, INTERIOR AND DEFENCE. CONSTITUTIONAL COURT RULES THAT THERE ARE GROUNDS FOR IMPEACHING YELTSIN BUT THAT ONLY THE CONGRESS OF PEOPLE'S DEPUTIES CAN DO IT. FOREIGN ECONOMIC MINISTER RESIGNS IN PROTEST AT YELTSIN'S SPEECH. NO INDICATIONS OF YELTSIN'S INSTITUTIONAL SUPPORT EBBING.

DETAIL

2. THE RUSSIAN PARLIAMENT FORMALLY DISMISSED PRESIDENT YELTSIN AND SWORE IN VICE PRESIDENT RUTSKOI AS PRESIDENT AT A LATE NIGHT SESSION ON 21 SEPTEMBER. RUTSKOI ISSUED AN IMMEDIATE DECREE OVERRULING THE MEASURES ANNOUNCED EARLIER THAT EVENING BY YELTSIN (TUR). THE HARDCORE PARLIAMENTARY DEPUTIES PRESENT THEN VOTED 130 VOTES TO 2 TO DISMISS THE MINISTERS OF DEFENCE (GRACHEV), SECURITY (ACTING MINISTER GOLUSHKOY) AND INTERIOR (YERIN), AND TO REPLACE THEM WITH GENERAL AKSACHOV (DEFENCE), BARRANIKOV (SECURITY) AND DUNAEV (INTERIOR).

3. THE CONSTITUTIONAL COURT MET OVERNIGHT AND RULED THAT YELTSIN HAD VIOLATED THE CONSTITUTION, THAT THERE WERE GROUNDS FOR IMPEACHMENT, BUT THAT ONLY THE CONGRESS OF PEOPLE'S DEPUTIES COULD IMPEACH THE PRESIDENT. PROCURATOR GENERAL STEPANKOV (A FIRM KHASBULATOV ALLY) HAS SAID THAT YELTSIN CAN FACE CRIMINAL CHARGES

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ONLY IF CONGRESS REMOVES HIS IMMUNITY. KHASBULATOV HAS SUMMONED THE CONGRESS, WHICH IS LIKELY TO OPEN LATER TODAY WITH THOSE DEPUTIES WHO DO TURN UP.

4. EARLY THIS MORNING THE MINISTER FOR FOREIGN ECONOMIC RELATIONS, GLAZYEV RESIGNED IN PROTEST AT YELTSIN'S ANNOUNCEMENT. [REDACTED] IN LATE AUGUST GLAZYEV OFFERED HIS RESIGNATION FOLLOWING CORRUPTION ALLEGATIONS.

5. INTERIOR MINISTER YERIN HAS SAID THAT THERE ARE NO PLANS ON THE GOVERNMENT'S PART TO OCCUPY THE WHITE HOUSE (PARLIAMENT BUILDING): HE HAS ACCUSED THE GOVERNMENT'S OPPONENTS OF TRYING TO CREATE HYSTERIA. YERIN SAID INFORMATION FROM ALL THE REGIONS OF RUSSIA INDICATED THAT THERE WERE NO LAW AND ORDER PROBLEMS: THE SITUATION WAS CALM AND STABLE. YERIN ADDED THAT THERE WOULD BE AN 'ADEQUATE RESPONSE' TO ANY RESISTANCE TO YELTSIN'S MEASURES. THE HEAD OF YELTSIN'S ADMINISTRATION FILATOV ANNOUNCED THAT THE GOVERNMENT WAS SURE OF THE LOYALTY OF THE POWER MINISTRIES.

6. WE HAVE SEEN NO SIGNS OF ANTI YELTSIN DEMONSTRATIONS IN THE STREETS. THIS MORNING THERE ARE ONLY A FEW DOZEN ANTI-YELTSIN DEMONSTRATORS OUTSIDE THE WHITE HOUSE, MANNING DESULTORY BARRICADES WHILE SMALL GROUPS OF POLICE WATCH ON.

COMMENT

7. PARLIAMENT'S CHOICE OF RIVAL 'POWER MINISTERS' SUGGESTS THAT YELTSIN RETAINS THE SUPPORT OF HIS OWN MEN IN THESE KEY MINISTRIES. THE KEY TODAY IS HOW FAR THE PRACTICAL WORKINGS OF GOVERNMENT INSTITUTIONS ARE AFFECTED BY ALL THIS. BOTH YELTSIN AND KHASBULATOV HAVE ASSERTED CONTROL OVER THE CENTRAL BANK OF RUSSIA (CBR), WHOSE SENIOR OFFICIALS ARE LOCKED IN A MEETING. THERE ARE NO (NO) INDICATIONS SO FAR TO SUGGEST THAT POWER IS EBBING FROM YELTSIN TO RUTSKOI/KHASBULATOV: OFFICIALS WE HAVE CONTACTED THIS MORNING SAY THAT THEY HAVE HAD INSTRUCTIONS TO WORK NORMALLY.

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UKMIS NEW YORK FOR SECRETARY OF STATE'S PARTY

MOSCOW TELNO 1621: RUSSIAN CONSTITUTIONAL CRISIS: ROUND-UP

SUMMARY

1. YELTSIN WALKABOUT. SLOW BUILD-UP OF DEPUTIES FOR CONGRESS CALLED BY KHASBULATOV. COMMENTS FROM BURBULIS (FORMER STATE SECRETARY AND CLOSE YELTSIN ADVISER) ON YELTSIN'S NEXT STEPS.

DETAIL

YELTSIN WALKABOUT

2. YESTERDAY AFTERNOON YELTSIN MADE A CONFIDENT PUBLIC APPEARANCE IN PUSHKIN SQUARE ON HIS WAY BACK TO THE KREMLIN AFTER A MEETING WITH THE 'POWER MINISTERS'. FLANKED BY DEFENCE MINISTER GRACHEV AND INTERIOR MINISTER YERIN, YELTSIN TOOK QUESTIONS FROM JOURNALISTS (COMFORTABLY OUTNUMBERING BEMUSED BUT SUPPORTIVE PASSERS-BY). MAIN POINTS WERE:

- CONFIDENT THAT HE WAS IN FULL CONTROL OF THE COUNTRY (HE HAD THE SUPPORT OF ALL THE 'POWER MINISTRIES'), AND THAT HE HAD THE ENERGY AND GOOD ENOUGH HEALTH TO CARRY THE MATTER THROUGH:
- THERE WAS STRONG SUPPORT FOR YELTSIN'S DECREE FROM THE REGIONS:
- THERE WAS A CANDIDATE NOMINATED FOR CHAIRMANSHIP OF THE CENTRAL ELECTORAL COMMISSION (CEC): CONSTITUENCY BOUNDARIES HAD BEEN DRAWN UP: AND LOCAL ELECTORAL COMMISSIONS WOULD BE FORMED SHORTLY:
- THE ELECTIONS WOULD BE DISCUSSED AT THE FORTHCOMING MEETING OF

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THE FEDERATION COUNCIL, WHICH YELTSIN CONFIRMED WOULD FORM THE UPPER HOUSE OF THE NEW PARLIAMENT:

- RUTSKOI'S ASSUMPTION OF THE PRESIDENCY WAS A 'LAUGHABLE AMATEUR THEATRICAL':

- THERE COULD BE NO FURTHER DIALOGUE WITH THE NOW NON-EXISTENT PARLIAMENT. ALL POSSIBILITIES FOR THIS HAD BEEN EXHAUSTED: BUT FORCE WOULD NOT (NOT) BE USED AGAINST THE PARLIAMENT.

POWER MINISTRIES

3. THIS PUBLIC DEMONSTRATION OF SUPPORT FOR YELTSIN FROM 'POWER MINISTERS' HAS BEEN BACKED WITH LOYALTY FROM THEIR SUBORDINATE OFFICERS. A SOCIAL DEMOCRATIC PARTY CONTACT TOLD US THAT THE ANTI-YELTSIN MOSCOW REGIONAL SOVIET HAD SUMMONED THE COMMANDERS OF THE MILITARY DISTRICT AND REGIONAL SECURITY APPARATUS, WHO HAD DECLARED FULL AND EXCLUSIVE LOYALTY TO GRACHEV AND GOLUSHKO (IE NOT RUTSKOI'S 'SHADOW' MINISTERS ACHALOV AND BARANNIKOV).

CONSTITUTIONAL COURT

4. FOUR OF THE THIRTEEN JUDGES DISSENTED FROM THE CONSTITUTIONAL COURT'S RULING AGAINST YELTSIN'S DECREE (MOSCOW TELNO 1608). ONE OF THE MINORITY JUDGES (AMETISTOV) SAID THAT HE WAS CONSIDERING RESIGNING. THE CHAIRMAN OF THE COURT ZORKIN GAVE A PRESS CONFERENCE AT WHICH HE CRITICISED FOREIGN LEADERS' SUPPORT FOR YELTSIN'S DECREE BUT URGED COMPROMISE WITH THE SUPREME SOVIET ON EARLY ELECTIONS.

RADIO AND TELEVISION

5. THE GENERAL DIRECTORS OF THE RUSSIAN STATE TELEVISION AND RADIO COMPANY ANNOUNCED UNANIMOUS SUPPORT FOR YELTSIN'S ACTIONS. NEWS BULLETINS ON BOTH MAIN STATE CHANNELS CONTINUE TO BE PRO-YELTSIN WHILE TV GENERALLY IS PLAYING DOWN THE CRISIS BY BROADCASTING NORMAL PROGRAMMES. (THE WORLD WOULD BE A VERY DIFFERENT PLACE TODAY IF THERE HAD BEEN MEXICAN TV SOAP-OPERAS IN 1917.)

REGIONS

6. PICTURE UNCHANGED SINCE MOSCOW TELNO 1620. YELTSIN'S CAMP CLAIM THE SUPPORT OF ABOUT 70 HEADS OF ADMINISTRATION, AND THE SUPREME SOVIET HAS A TALLY OF 39 REGIONAL SOVIETS. [REDACTED]

[REDACTED]

SUPREME SOVIET/CONGRESS

7. FOLLOWING ITS DRAMATIC OVERNIGHT SESSION ON 21-22 SEPTEMBER THE SUPREME SOVIET HAD A LARGELY QUIET DAY YESTERDAY: THE HIGHLIGHT WAS A BILL TABLED BY [REDACTED] BABURIN WHICH WOULD MAKE ACTIONS SUCH AS YELTSIN'S DECREE OF 21 SEPTEMBER CAPITAL CRIMES. KHASBULATOV SAID THAT THE NEW LAW COULD BE APPLIED NON-RETROSPECTIVELY TO YELTSIN. 300 DEPUTIES HAD REGISTERED BY THE END OF 22 SEPTEMBER FOR THE EMERGENCY CONGRESS. THE ESTABLISHED FIGURE FOR THE QUORUM IS NOW 689. RYURIKOV (YELTSIN'S FOREIGN POLICY ADVISER) TOLD ME THAT HE WAS CONFIDENT THAT THIS NUMBER OF DEPUTIES WOULD NOT APPEAR. BUT IN ANY CASE THIS 'ASSEMBLY OF PRIVATE CITIZENS' COULD NOT DECIDE THE FATE OF RUSSIA IN THE WAY THAT THE CONGRESSES OF LAST DECEMBER TO MARCH HAD DONE.

SECURITY SITUATION

9. THE ONLY INCIDENT IN MOSCOW REPORTED OVERNIGHT 22-23 SEPTEMBER WAS AN ATTEMPTED RAID ON THE CIVIL PROTECTION MINISTRY BY THE HARDLINE GENERAL MAKASHOV (A PRESIDENTIAL CANDIDATE IN JUNE 1991). MAKASHOV AND ACCOMPLICES AIMED TO USE THE MINISTRY'S COMMUNICATION EQUIPMENT TO CONTACT ARMY OFFICERS IN THE REGIONS AND INCITE THEM TO MUTINY. BUT MAKASHOV FOUND THAT THIS EQUIPMENT WAS UNDER REPAIR, AND BEAT A RAPID RETREAT.

POLITICAL PARTIES

10. MOSCOW LEADERS OF POLITICAL PARTIES HAVE REACTED PREDICTABLY TO YELTSIN'S DECREE. WE HAVE SEEN INDICATIONS OF SUPPORT FOR YELTSIN FROM THE GRASS ROOTS OF PARTIES OFFICIALLY OPPOSED TO THE PRESIDENT, THE BEST EXAMPLE BEING RUTSKOI'S PARTY IN YEKATERINBURG (THIS TREND WAS NOTICEABLE IN THE APRIL REFERENDUM CAMPAIGN).

COMMENT

11. 24 HOURS AFTER INTRODUCING HIS DECREE, YELTSIN IS IN A STRONG POSITION.

THE NEXT KEY TESTS WILL BE THE CONGRESS, AND HOW QUICKLY AND EFFECTIVELY THE 'BURBULIS' MEASURES (IMPRESSIVE ON PAPER) MATERIALISE.

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 TO DESKBY 230430Z FCO
 TELNO 1621
 OF 230411Z SEP 93
 INFO DESKBY 230430Z CABINET OFFICE
 INFO IMMEDIATE ALL CSCE POSTS, PEKING, TOKYO, UKMIS NEW YORK
 INFO IMMEDIATE UKREP BRUSSELS, MODUK, ACTOR

UKMIS NEW YORK FOR SECRETARY OF STATE'S PARTY

RUSSIA CONSTITUTIONAL CRISIS: SITREP

SUMMARY

1. CHERNOMYRDIN AND GOVERNMENT GIVE FULL SUPPORT TO YELTSIN, AND ORDER REGIONAL EXECUTIVES TO IMPLEMENT ELECTION DECREE. SHUMEIKO REINSTATED AS FIRST DEPUTY PRIME MINISTER.

DETAIL

2. IN DISCUSSIONS WITH REGIONAL LEADERS LATE YESTERDAY PRIME MINISTER CHERNOMYRDIN REPEATED HIS SUPPORT FOR YELTSIN'S DECISION TO DISSOLVE THE SUPREME SOVIET, SAYING THAT THE 'CANCEROUS GROWTH OF DUAL POWER' COULD BE ELIMINATED ONLY BY 'SURGICAL MEANS'. CHERNOMYRDIN SAID THAT THE GOVERNMENT SUPPORTED YELTSIN'S MOVE, BECAUSE IT WOULD BE OF BENEFIT TO THE REFORM PROCESS AND THE ECONOMY AND WOULD PUT AN END TO INSTABILITY AND UNCERTAINTY. THE NORMALISATION OF THE COUNTRY'S FINANCIAL SITUATION WAS ONE OF THE MOST PRESSING TASKS BEFORE THE GOVERNMENT. THE GOVERNMENT HAD A PROGRAMME AIMED AT ACHIEVING ECONOMIC STABILISATION AND KNEW WHAT TO DO. CHERNOMYRDIN SAID THAT ECONOMIC RECOVERY DEPENDED ON THE COLLECTIVE WORK OF THE FEDERAL AND REGIONAL ORGANS OF POWER. IN THE NEXT FEW DAYS THE GOVERNMENT, WITH THE CLOSE INVOLVEMENT OF THE REGIONS, INTENDED TO DISCUSS THE ECONOMIC SITUATION AND THE ISSUE OF SOCIAL POLICY AT THE FEDERATION COUNCIL.

3. FOLLOWING THESE EXCHANGES CHERNOMYRDIN HAS CLAIMED THE FULL SUPPORT OF THE LEADERS OF THE REPUBLICS, KRAIS, OBLASTS AND REGIONS OF RUSSIA, WHO (HE SAID) SHARED THE FEDERAL GOVERNMENT'S VIEW THAT YELTSIN'S ACTION HAD BEEN FORCED BY THE OBSTRUCTIVE BEHAVIOUR OF THE SUPREME SOVIET. TELEVISION NEWS AT 222000Z REPORTED THAT CHERNOMYRDIN HAD MATCHED DEEDS TO WORDS BY SENDING TELEXES TO ALL

REGIONAL HEADS OF ADMINISTRATION WARNING THAT THEY WOULD BE HELD PERSONALLY RESPONSIBLE FOR THE IMPLEMENTATION OF YELTSIN'S CONSTITUTIONAL DECREE AND THAT ONLY THE FEDERAL GOVERNMENT'S (AND NOT RUTSKOI'S) ORDERS WERE TO BE CARRIED OUT.

5. OTHER SENIOR MEMBERS OF THE GOVERNMENT HAVE EXPRESSED SUPPORT FOR THE PRESIDENT'S ACTION:

- FIRST DEPUTY PREMIER GAIDAR SAID THAT YELTSIN'S MOVE HAD BEEN A DIFFICULT AND ENFORCED STEP, BUT THAT IT COULD RESOLVE THE PROBLEM OF DUAL POWER WITHIN THE COUNTRY. THE PRESIDENT HAD BEEN RIGHT TO APPEAL TO THE RUSSIAN PEOPLE. ONLY ELECTIONS COULD END THE PARALYSIS OF POWER: AND

- DEPUTY PREMIER CHUBAIS SAID THAT YELTSIN'S DECISION HAD BEEN 'TOUGH, BUT QUITE NATURAL', BECAUSE EARLY ELECTIONS WERE ESSENTIAL.

- FOREIGN MINISTER KOZYREV SAID THAT THE MFA AND RUSSIAN EMBASIES WERE CONTINUING TO CARRY OUT THE PRESIDENTIAL FOREIGN POLICY: THERE WAS NO QUESTION OF DISAGREEMENT WITH YELTSIN'S DECREE.

6. YELTSIN'S SPOKESMAN KOSTIKOV HAS BEEN STRESSING THE 'COMPLETE POLITICAL AND MORAL SOLIDARITY' BETWEEN GOVERNMENT AND PRESIDENT. KOSTIKOV SAID THAT YELTSIN WAS BUSY YESTERDAY AFTERNOON WORKING ON A (POPULIST) DECREE ON LAND.

GOVERNMENT CHANGES

7. SHUMEIKO HAS BEEN REINSTATED AS FIRST DEPUTY PRIME MINISTER. SHUMEIKO (A KEY YELTSIN SUPPORTER IN THE GOVERNMENT) HAD BEEN TEMPORARILY SUSPENDED IN CONNECTION WITH CORRUPTION SCANDALS, BUT HAS SINCE SUCCEEDED IN FORCING AN ADMISSION FROM THE PROCURATOR'S OFFICE THAT THERE IS NO BASIS FOR CRIMINAL CHARGES AGAINST HIM. KOSTIKOV SAID THAT SHUMEIKO WOULD BE ASSIGNED THE CRUCIAL TASK OF COORDINATING YELTSIN'S CAMPAIGN FOR SUPPORT IN THE REGIONS.

8. THERE ARE REPORTS THAT GAIDAR HAS BEEN PUT IN CHARGE OF THE ECONOMICS MINISTRY ON AN ACTING BASIS (I.E. HE NOW HAS THE SAME PORTFOLIO AS LOBOV, WHO GAIDAR REPLACED AS FIRST DEPUTY PRIME MINISTER).

9. WE ALSO UNDERSTAND THAT SERGEI VASILIEV, DIRECTOR OF THE CENTRE FOR ECONOMIC REFORM (THE GOVERNMENT'S MAIN ECONOMIC THINK-TANK), HAS BEEN APPOINTED FIRST DEPUTY FINANCE MINISTER.

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GENERAL

10. NO SIGNIFICANT DEVELOPMENTS OVERNIGHT. RUTSKOI/KHASBULATOV SUPPORTERS CONTINUE TO OCCUPY THE WHITE HOUSE, BUT THERE ARE NO (NO) SIGNS OF MASS SUPPORT FOR THEM ON THE STREETS. MOSCOW IS GOING BACK TO WORK TODAY AS NORMAL.

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OF 230920Z SEPTEMBER

INFO IMMEDIATE WASHINGTON
INFO IMMEDIATE H M TREASURY, BANK OF ENGLAND, CABINET OFFICE
INFO PRIORITY DTI, UKDEL IMF/IBRD, UKREP BRUSSELS, UKDEL NATO
INFO PRIORITY PARIS, BONN, ROME, TOKYO, OTTAWA, MODUK
INFO PRIORITY KIEV, MINSK, ACTOR, ST PETERSBURG, PEKING
INFO PRIORITY OTHER CSCE POSTS
INFO SAVING UKDEL OECD

DTI FOR GEORGE AND OWEN XEA2
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RUSSIA'S CONSTITUTIONAL CRISIS: POSITION OF CENTRAL BANK

SUMMARY

1. CENTRAL BANK DEPUTY CHAIRMAN IMPLICITLY ACCEPTS YELTSIN'S DECREE SUBORDINATING BANK TO THE GOVERNMENT AND PRESIDENT. YELTSIN CONFIRMS GERASHCHENKO AS CENTRAL BANK CHAIRMAN AND MOVES TO CONSOLIDATE CONTROL OVER GOVERNMENT FINANCES.

DETAIL

2. TUR NOTED FIRST DEPUTY PRIME MINISTER GAIDAR'S COMMENT THAT CENTRAL BANK OF RUSSIA (CBR) CHAIRMAN GERASHCHENKO WOULD SUPPORT YELTSIN'S DECREE SUBORDINATING THE CBR TO THE GOVERNMENT AND THE PRESIDENT RATHER THAN PARLIAMENT. TODAY CBR DEPUTY CHAIRMAN KHANDRUEV APPEARS TO HAVE CONFIRMED THAT THE CBR WILL NOT RESIST THE PRESIDENT'S DECREE. KHANDRUEV HAS SAID THAT:

- (I) THE PRESIDENTIAL DECREE SUBORDINATING THE CBR TO THE GOVERNMENT AND PRESIDENT WOULD NOT 'NEGATIVELY AFFECT THE BANK'S ACTIVITIES', AND DID NOT MUCH CHANGE THE BANK'S STATUS: ALTHOUGH THE BANK HAD FORMERLY BEEN SUBORDINATE TO PARLIAMENT, ITS ACTIVITIES HAD BEEN CO-ORDINATED BY BOTH PARLIAMENT AND GOVERNMENT:
- (II) THE MAIN TASK OF THE CBR WAS TO PRESERVE THE STABILITY OF THE ROUBLE AND THE RUSSIAN BANKING SYSTEM: 'WE INTEND TO DO OUR BEST TO ENSURE THAT THE ACTIVITIES OF DIFFERENT POLITICAL FORCES WILL NOT BE DETRIMENTAL TO THE ACTIVITIES

OF THE BANK AND ITS TERRITORIAL BRANCHES':

- (III) THE CBR WOULD BE UNABLE TO STOP FINANCING 'EITHER OF THE TWO BRANCHES OF POWER' BECAUSE BUDGETARY EXPENDITURE WAS A MATTER FOR THE FINANCE MINISTRY:
- (IV) THE MAIN PROBLEM NOW FACED BY THE CBR AND THE GOVERNMENT WAS THE LACK OF A BUDGET FOR Q4 1993. THIS WOULD HAVE TO BE RESOLVED BEFORE OCTOBER IN ORDER FOR THE CBR TO PROVIDE CREDIT TO THE GOVERNMENT TO FINANCE THE Q4 BUDGET DEFICIT.

3. A CBR SPOKESMAN HAS ANNOUNCED THAT THE PRESIDENT HAS ISSUED A DECREE 'APPOINTING' VIKTOR GERASHCHENKO AS CHAIRMAN OF THE BANK. THIS IS CONSISTENT WITH COMMENTS BY SERGEI VASILIEV REPORTED IN TUR THAT YELTSIN WAS RESISTING CALLS TO SACK GERASHCHENKO.

4. WE UNDERSTAND THAT CHERNOMYRDIN HAS SIGNED A RESOLUTION TODAY WHICH:

- (I) GIVES THE FINANCE MINISTRY TWO WEEKS TO DRAW UP OUTLINES FOR THE BUDGET FOR Q4 AND 1993 AS A WHOLE:
- (II) INSTRUCTS THE CBR THAT IT CAN PROVIDE FUNDS FOR PARLIAMENT ONLY WITH THE APPROVAL OF THE FINANCE MINISTRY:
- (III) INSTRUCTS THE CBR TO TRANSFER R200 BILLION OF ITS 1992 PROFITS TO THE BUDGET BY 1 OCTOBER.

COMMENT

5. THE ACCEPTANCE BY KHANDRUEV OF THE PRESIDENT'S DECREE IS LUKEWARM. BUT TAKEN WITH THE CBR'S ANNOUNCEMENT THAT GERASHCHENKO HAS BEEN CONFIRMED IN HIS POST BY THE PRESIDENT AND IN THE ABSENCE OF ANY INDICATION OF CBR SUPPORT FOR THE SUPREME SOVIET, IT SUGGESTS THAT THE BANK IS NOW FIRMLY UNDER PRESIDENTIAL CONTROL. GIVEN THE CBR'S KEY ROLE AT THE HEART OF THE GOVERNMENT FINANCIAL SYSTEM AND ITS RESPONSIBILITIES TO PARLIAMENT UNDER THE OLD (PRE-21 SEPTEMBER) CONSTITUTION, THIS IS AN IMPORTANT GAIN FOR YELTSIN. IT IS ALSO POTENTIALLY VALUABLE FOR THE REFORM PROGRAMME AS A WHOLE: THE GOVERNMENT'S INABILITY TO CONTROL THE CBR IN THE

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PAST HAS DEPRIVED THEM OF AN IMPORTANT LEVER IN THEIR EFFORTS TO REDUCE INFLATION. THE RESOLUTION ISSUED BY CHERNOMYRDIN LOOKS LIKE A FURTHER STEP TOWARDS CONSOLIDATING PRESIDENTIAL CONTROL OVER GOVERNMENT FINANCE.

6. THE FAILURE OF YELTSIN TO MOVE AGAINST GERASHCHENKO IS A MISSED OPPORTUNITY.

[REDACTED] IT
MAY BE THAT FOR NOW GERASHCHENKO'S CONFIRMATION IS A PRICE THE PRESIDENT HAS DECIDED TO PAY FOR BRINGING THE CBR INTO HIS CAMP AT THIS KEY JUNCTURE IN THE STRUGGLE FOR POWER.

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OF 231535Z SEPTEMBER

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INFO IMMEDIATE UKDEL IMF/IBRD, ASSESSMENTS STAFF, TOKYO

RUSSIA'S CONSTITUTION CRISIS: FSU REACTION

SUMMARY

1. IMPRESSIVE SUPPORT FOR YELTSIN FROM NON-RUSSIAN FSU REPUBLICAN LEADERS STRESS THAT A STABLE AND DEMOCRATIC RUSSIA IS ALSO IN THEIR NATIONAL INTERESTS. MAJORITY COMING TO MOSCOW FOR CIS SUMMIT TOMORROW (24 SEPTEMBER).

DETAIL

2. THE FOLLOWING IS A ROUND-UP OF THE REACTIONS OF FSU LEADERS TO YELTSIN'S DECISION TO DISSOLVE PARLIAMENT, AS REPORTED BY THE RUSSIAN MFA:

(I) ARMENIA

PRESIDENT TER-PETROSSIAN EXPRESSED CONFIDENCE THAT YELTSIN'S ACTION WOULD PRODUCE A WAY OUT OF THE PRESENT POLITICAL CRISIS IN RUSSIA AND BRING ABOUT THE STABILITY NEEDED FOR THE DEVELOPMENT OF DEMOCRACY AND ECONOMIC REFORM IN RUSSIA AND THE OTHER CIS STATES.

(II) AZERBAIJAN

ALIEV, ACTING PRESIDENT, IS REPORTED TO HAVE SAID THAT HE UNDERSTOOD THE REASONS BEHIND YELTSIN'S DECISION AND WOULD SUPPORT DEMOCRATIC REFORM: AZERBAIJAN DID NOT WANT TO SEE FURTHER DESTABILISATION IN RUSSIA: THE RUSSIAN PEOPLE WOULD BE THE BENEFICIARIES OF DEMOCRATIC ELECTIONS.

(III) BELARUS

SUSHKEVICH, CHAIRMAN OF THE SUPREME SOVIET (AND EFFECTIVELY HEAD OF STATE), SAID THAT THE BELARUSSIAN PARLIAMENT CONSIDERED THAT

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YELTSIN HAD DONE THE RIGHT THING, AS WITHOUT RESOLUTE ACTION THE SITUATION IN RUSSIA WOULD HAVE DETERIORATED.

(IV) GEORGIA

SHEVARDNADZE SAID THAT YELTSIN'S DECISION WOULD UNDOUBTEDLY SERVE TO SUPPORT, PROTECT AND DEVELOP DEMOCRACY IN RUSSIA WHICH WAS OF VITAL IMPORTANCE TO GEORGIA AND THE OTHER FSU STATES. THE RUSSIAN AMBASSADOR IN TBILISI REPORTED THAT SHEVARDNADZE HAD WANTED TO ATTEND THE CIS SUMMIT IN ORDER TO VOICE HIS PERSONAL SUPPORT. BUT IT HAD BEEN JUDGED TOO DANGEROUS FOR HIM TO FLY OUT OF SUKHAMI AIRPORT. PRIME MINISTER PATSATSIA WOULD ATTEND INSTEAD AS AN OBSERVER. THE GEORGIAN PARLIAMENTARY SPEAKER, GOGUADZE, SENT A TELEGRAM TO YELTSIN SAYING THAT THE GEORGIAN PARLIAMENT SUPPORTED HIM AT THIS DIFFICULT TIME AND WAS MAKING ITS SUPPORT KNOWN INTERNATIONALLY.

(V) KAZAKHSTAN

PRESIDENT NAZARBAEV IS SAID TO HAVE ISSUED A [REDACTED] STATEMENT THE PROCESS OF REFORM IN RUSSIA HAD MET SERIOUS OPPOSITION AND DECISIVE ACTION HAD BEEN REQUIRED. YELTSIN'S DECISION WAS ONE WAY OUT OF THE POLITICAL IMPASSE. THE LEGAL ASSESSMENT OF IT SHOULD BE CAREFULLY CONSIDERED: IT WAS IMPORTANT TO AVOID FURTHER CONFRONTATION AND FIND A CIVILIZED AND CONSTRUCTIVE SOLUTION.

(VI) KYRGYZSTAN

ACCORDING TO HIS PRESS SPOKESMAN, THE KYRGYZ PRESIDENT AKAEV FULLY SUPPORTED YELTSIN'S ACTION AND WAS CONFIDENT THAT THE RESULTANT ELECTIONS WOULD BE FREE AND FAIR.

(VII) LATVIA

BERKIS, DEPUTY CHAIRMAN OF THE LATVIAN PARLIAMENT, IS QUOTED AS SAYING THAT HE PERSONALLY CONSIDERED PRESIDENT YELTSIN AS THE GUARANTOR OF STABILITY IN RUSSIA AND WOULD LIKE TO SEE DEMOCRATIC REFORM CONTINUE. LATVIA WAS WATCHING THE LATEST EVENTS IN RUSSIA WITH CONCERN AND APPREHENSION AND BELIEVED THAT THE SITUATION THERE WAS STILL UNPREDICTABLE.

(VIII) LITHUANIA

A STATEMENT BY THE GOVERNING POLITICAL PARTY IN LITHUANIA IS REPORTED AS SAYING THAT THE COUNTRY'S POSITION AS REGARDS RUSSIA REMAINED UNCHANGED: SUPPORT FOR YELTSIN'S DEMOCRATIC REFORM AND HIS EFFORTS TO OVERCOME THE POLITICAL AND ECONOMIC CRISIS IN THE COUNTRY. YELTSIN'S POWERS HAD BEEN RECONFIRMED IN THE APRIL REFERENDUM AND HE HAD NO CHOICE BUT TO TAKE THE INITIATIVE.

(IX) MOLDOVA

THE MOLDOVAN PRESIDENT, SNEGUR, SENT YELTSIN A TELEGRAM GIVING HIM HIS FULL SUPPORT FOR HAVING TAKEN ACTION IN AN EFFORT TO OVERCOME THE POLITICAL CRISIS IN MOSCOW, WHICH HAD BEEN POTENTIALLY DANGEROUS NOT ONLY FOR RUSSIA BUT ALSO FOR ITS NEIGHBOURS.

(X) TAJIKISTAN

ACTING PRESIDENT RAKHMONOV TOLD THE RUSSIAN AMBASSADOR IN DUSHANBE THAT HE APPROVED OF YELTSIN'S DECISION: IT HAD BEEN THE ONLY POSSIBLE COURSE OF ACTION IN THE CIRCUMSTANCES. TAJIKISTAN WANTED A STABLE GOVERNMENT IN RUSSIA.

(XI) TURKMENISTAN

PRESIDENT NIYAZOV TOLD THE RUSSIAN AMBASSADOR IN ASHKHABAD THAT HE COMPLETELY SUPPORTED YELTSIN'S ACTION AND WOULD ATTEND THE CIS SUMMIT IN PERSON TO UNDERLINE THIS.

(XII) UKRAINE

PRESIDENT KRAVCHUK IS QUOTED AS SAYING THAT HE WOULD ALWAYS SUPPORT YELTSIN'S EFFORTS TO MAINTAIN UNITY AND STABILITY IN RUSSIA AND ENSURE DEMOCRATIC AND ECONOMIC REFORM. HE UNDERSTOOD THE REASONS FOR YELTSIN'S ACTIONS AND HOPED THAT THE RUSSIAN PEOPLE WOULD SUPPORT HIM.

NO REACTIONS FROM ESTONIA OR UZBEKISTAN HAVE BEEN REPORTED. HERE.

COMMENT

2. THE CIS SUMMIT DUE TOMORROW WILL GIVE YELTSIN A HIGH PROFILE STAGE ON WHICH TO DEMONSTRATE THAT IT IS HE WHO IS INTERNATIONALLY RECOGNISED AS RUSSIA'S PRESIDENT AND THAT HE IS GOING ABOUT THE NORMAL BUSINESS OF GOVERNMENT. AT PRESENT THE INDICATIONS ARE THAT

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THE OVERWHELMING MAJORITY OF CIS PRESIDENTS WILL BE THERE WHICH
WILL BE VIEWED AS AN EVEN MORE TELLING VOTE OF CONFIDENCE IN
YELTSIN THAN THEIR VERBAL SUPPORT.

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INFO IMMEDIATE HMT, ST PETERSBURG

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RUSSIAN CONSTITUTIONAL CRISIS: RUTSKOI CLOSE TO DEFEAT?

SUMMARY

1. RUTSKOI/KHASBULATOV STILL UNABLE TO MUSTER THE DEPUTIES NEEDED TO IMPEACH THE PRESIDENT. RUTSKOI LOOKS CLOSE TO DEFEAT, BUT RED/BROWN PROVOCATIONS ARE LIKELY.

DETAIL

2. THE NUMBER OF DEPUTIES PRESENT TODAY IN THE WHITE HOUSE APPARENTLY HAS NEVER BEEN MUCH HIGHER THAN 500, IE WELL SHORT OF THE QUORUM OF 689, THERE MAY WELL BE MORE DEPUTIES IN MOSCOW WHO ARE WAITING BEFORE COMMITTING THEMSELVES TO RUTSKOI/KHASBULATOV. SENIOR AND INFLUENTIAL MODERATE DEPUTIES HAVE BEEN FOLLOWING THIS MORNING'S EXAMPLE OF STEPASHIN (TUR) IN RESIGNING FROM THE SUPREME SOVIET. THE MOST CONSPICUOUS OF THESE ARE RYABOV (DEPUTY SPEAKER) AND POCHINOK (CHAIRMAN OF THE FINANCE AND BUDGET COMMITTEE): THE LATTER'S RESIGNATION COLLAPSES THIS FORMERLY PIVOTAL COMMITTEE'S CREDIBILITY. KHASBULATOV HAS COMPLAINED THAT THERE ARE 'TOO MANY DRUNKARDS' OUTSIDE THE WHITE HOUSE.

3. RUTSKOI CIRCULATED A STATEMENT IN THE WHITE HOUSE THIS AFTERNOON CALLING FOR SIMULTANEOUS PRESIDENTIAL AND PARLIAMENTARY ELECTIONS TO BE HELD AS SOON AS POSSIBLE. THIS IS BEING TAKEN HERE AS AN ADMISSION OF DEFEAT.

4. DEFENCE MINISTER GRACHEV HAS ANNOUNCED THAT THE COMMANDERS IN CHIEF OF ALL THREE SERVICES HAVE DECLARED THEIR ALLEGIANCE TO HIMSELF, AND THAT NO-ONE IN THE MILITARY HEADQUARTERS RECOGNISES

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