

... Is Primakov the Kremlin's Answer?

By J. MICHAEL WALLER

Days after Switzerland announced the expulsion of a Russian spy, President Boris Yeltsin appointed espionage chief Yevgeny Primakov as the country's top diplomat. The last foreign intelligence head of the Soviet KGB, Mr. Primakov presided over the reconstitution of the spy service, its reorientation against Western business and finance and its new assertiveness as a foreign policy making force.

Russia no longer has the friendly face of Foreign Minister Andrei Kozyrev to mute Western criticism of its Soviet-style behavior. With tens of billions of dollars of debt rescheduled and billions more in Western loans in the pipeline, perhaps the Kremlin feels it no longer needs it.

An able bureaucratic maneuverer, Mr. Primakov—an old Brezhnev hand who Russian press reports say was a KGB asset since the 1950s—found ready acceptance among intelligence officers. Leading the transition from the KGB First Chief Directorate to its reincarnation as the Russian External Intelligence Service (Sluzhba Vneshnei Razvedki, SVR) in 1991, he preserved the bureaucratic traditions of the Bolshevik Cheka secret police, maintaining a cult-like devotion to the iron fist of Bolshevism, Cheka founder Felix Dzerzhinsky. Last month, instead of commemorating the SVR's fourth anniversary as a new institution, Mr. Primakov publicly celebrated the 75th anniversary of the Cheka's foreign intelligence branch.

Mr. Primakov's appointment should not have surprised the CIA. He has been in the West on notice that Moscow's redomination of the former Soviet empire was inevitable. He said, "It is hopeless to resist the centripetal tendencies" within the Commonwealth of Independent States, and "counter-productive at the same time" (Primakov's emphasis). Continued independence of former Soviet republics from Moscow, he added, constituted a "threat to the world community's security." Meanwhile, the Clinton administration encouraged and reinforced Mr. Primakov's approach by unofficially endorsing a "Monroeski Doctrine" in Russia's "near abroad" in exchange for Moscow's support for the U.S. to send troops to install Marxist President Jean Bertrand Aristide in Haiti.

Moscow insists that there will be no major policy shift under its new foreign minister. But Russia has for a while had two foreign policies: one set by Mr. Kozyrev and the other by Mr. Primakov. Several changes should be expected.

Having raised the intelligence service from a period of uncertainty and malaise, Mr. Primakov has redirected it to prop up

the sagging military-industrial complex, the fantastically wealthy fuel and energy complex and the nomenklatura capitalist class. Mr. Primakov has himself said that more intelligence resources now focus on Western businesses, banks and other financial institutions on behalf of select Russian interests. The foreign ministry may become more assertive in this area. Major objectives—openly espoused by foreign ministry officials—are the attraction of capital, industrial and communication technology, management and marketing techniques, insider information, preservation of export markets and the expansion of new ones.

Bringing in money for the new ruling class seems to be a primary SVR objective to retain its budget and prestige. The SVR press director once commented, "before we were interested in foreign ministries of defense, now we are concentrating on the ministries of finance."

One example of this new interest has to do with the whereabouts of billions of dollars allegedly banked offshore under the old KGB and brought to light when the Soviet Union collapsed. Widespread publicity of the accounts and parliamentary hearings resulted in a report concluding that the SVR kept records of the funds. But Mr. Primakov refused to comment and neither the records nor the funds themselves have, as far as is known, been produced.

Furthermore, Mr. Primakov is now ideally positioned to integrate Russian intelligence activities with Mr. Kozyrev's Ministry of Foreign Relations with Mr. Kozyrev. Mr. Primakov has a solid working and personal relationship with the new SVR director Gen. Vyacheslav Trubnikov, who had been his immediate subordinate. He will also be better positioned to utilize the substantial cadre of intelligence officers under cover within the diplomatic service.

During Mr. Primakov's tenure as foreign intelligence chief, Russian spies have been arrested in or expelled from Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, the United Kingdom, and more recently, Switzerland. Though embarrassing to Moscow, there were no recriminations. (The United States, even after the exposure of Mr. Ames in 1994, has chosen not to arrest or expel a single Russian spy.) Mr. Primakov is unlikely to treat such crackdowns as benignly as his predecessor, and may try to pressure other countries into not making an issue of increased Russian spying.

We can also expect increased weapons proliferation. Weapons are an important source of hard currency for the military industry. Last month, Mr. Primakov said that one of the SVR's duties is "to retain our markets of armaments and to enter new markets." He has expressed few qualms about who does what with Russian weapons, once forcefully defending Libya's right to use them

as it pleased. Russian arms sales, already promoted by the ministries of defense and foreign trade, may once again become a tool of diplomacy. More valuable than standard Soviet weapons are Russia's next-generation high-tech arms built to compete on the world market. Of particular concern are intercontinental ballistic missiles. In September, according to a Clinton administration document brought to light by the Washington Times, Moscow secured the Clinton administration's support to transfer mobile ICBMs to third countries as long as the missiles are slightly (if reversibly) modified and classified as "space launchers."

Russian revanchists like Mr. Primakov are loath to the idea of a strong and expanded NATO, and have been countering its momentum with a combination of thinly veiled threats against Europe and by reaching out to radical Middle Eastern regimes that continue to support international terrorism. Mr. Primakov is likely to redouble diplomatic efforts to lift international sanctions against Iraq so that Russian oil companies can implement exploitation deals there, and arms companies once again can sell Iraq large quantities of weapons.

Mr. Primakov also has been reaching out to Iran, another big customer for Russian weapons, aircraft manufacturing, power and nuclear energy technology. A leaked CIA report, which was later confirmed by Moscow, showed that Mr. Primakov recently concluded intelligence agreements with Iranian officials. In the shadow of a new Russian diplomatic offensive—and even worse, renewed violence—against moderate governments in the Middle East and Western Asia as a perceived counter to NATO.

Mr. Primakov has also been building on the theme of making the CIS an economic, technological, security and military federation under Russian dominion. Last month, on observing the 75th anniversary of Soviet foreign intelligence, he said the SVR should "do everything to facilitate integration tendencies on the territory of the former Soviet Union." The West should listen to him and respond accordingly.

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Notable & Quotable

Charles Handy, Europe's management guru, on how the global economy is forcing corporations to behave like federations, Strategy and Business magazine, 1995 fall issue:
[H]ow can a federation keep up with the pace of change? My answer is to look at the United States. If the pace of change becomes such that the whole federation is threatened,

all-out war—if Motorola is going to fight for its very existence, for example—then you will see power going to the center. If it is a matter of survival, you will not see centralization resisted by the barons because they understand that their own survival is threatened too, and that they will need to mobilize resources very quickly. If, on the other hand, that kind of rapid change is not required—if the issue are

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