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Boris Yeltsin and (right) Yevgeny Primakov

# Yeltsin's nemesis throws down the gauntlet

Fred Harrison  
reports on  
the fight  
for the  
Kremlin

**F**ORMER SOVIET spymaster Yevgeny Primakov has entered the fray for control over power in Moscow.

President Boris Yeltsin reportedly regards his former Prime Minister as the most serious threat to the security of his family and their circle of supporters who grew rich in the past eight years by pocketing the rental value of Russia's natural resources.

Mr. Primakov now heads a coalition of parties called Fatherland-All Russia. The architect of this coalition is Moscow Mayor Yuri Luzhkov.

Luzhkov advocates the need to increase budget revenue from the rental value of Moscow's land. Under his stewardship, the proportion of revenue from real estate increased from 5% to 25% (*L&L*, December 1998, p.9).

The Mayor knew he was on to a winner when he invited Primakov to lead the coalition into the December elections for a new Duma (Parliament).

Primakov is regarded as the strongest contender for the Presidential election next June.

During his brief period as Prime Minister, he shifted the emphasis away from monetary policy and on to the need to redevelop the industrial base. There was also a marked shift in fiscal philosophy in the direction of the need to capture more of the rental income of natural resources for the government budget.

When Yevgeny Primakov arrives in the Duma in January he will receive the Proceedings of the last Parliamentary Hearings on Natural Resources and Public Finance which I co-chaired on November 3.

Testimony was received from financiers, including a senior World Bank economist. Yuri

Boldyrev, Deputy Chairman of the Audit Chamber, exposed the corruption in the economy and declared that he agreed "with the approach of Henry George."

Co-chairman Dr. Vyachislav Zvolinsky said the recommendations of the Hearings which would be submitted to President Yeltsin and the newly-elected Deputies would include: "Rent should be the basis of the budget at all levels of government, including the Budget for Restoration, and rent will be the basis of the financial system of Russia".



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