

SUMMIT IN MOSCOW: THE SCENE

SUMMIT IN MOSCOW: THE SCENE; And Still No Government: Ruble Sags and So Do Spirits

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Russia struggled through another day without a Government; the ruble's value fell again; people had less money than ever, and spirits and fortunes sagged.

"The situation is worse than in 1917," the year that the Bolsheviks seized power in a country depleted by war and government indecision, Aleksandr I. Lebed, the regional governor with presidential ambitions, said he told President Clinton today.

"I told him that the situation in Russia is catastrophic," said Mr. Lebed, a former general, who joined other Russian political leaders this afternoon for a meeting with Mr. Clinton at the residence of the United States ambassador.

Bleak predictions were common in Moscow today, as newspapers and commentators discussed various possibilities -- from dictatorship to armed insurrection -- that could result from the standoff between President Boris N. Yeltsin and his opposition in the lower house of the Russian Parliament.

The lower house is set to meet on Friday afternoon for a second round of voting on the nomination of Viktor S. Chernomyrdin as Prime Minister, five days after his candidacy was rejected the first time. If no political breakthrough occurs before then, and the Parliament rejects Mr. Chernomyrdin a third time, then Mr. Yeltsin is constitutionally bound to disband it and call for new elections.

Moving into the breach today with a presidential decree, Mr. Yeltsin named six acting Cabinet members, including Boris Fyodorov, Russia's tough-talking top tax collector, and the only clear and authoritative voice advocating Western-style remedies for Russia's worsening economic and financial crisis.

At a news conference today, Mr. Fyodorov drew the line at any mass printing of rubles, an option Mr. Yeltsin's opposition pushed in its economic program. Such a course, he said, would only lead to hyperinflation.

"Nobody intends to go down the road to inflation," he said.

Such talk would be reassuring to Mr. Clinton and Russia's other Western allies, who all week have been pressing Moscow to stay the course on economic reform, and not slide back into Soviet-era practices like price controls and excessive state spending.

Blasting the Central Bank for policies that set the stage for the ruble's collapse, Mr. Fyodorov also floated the idea of a currency board, which would impose strict controls on the money supply and which has been used successfully in Argentina, Bulgaria and other countries to steady inflation and restore investor confidence.

Mr. Fyodorov said he would continue to pursue the idea at a meeting on Thursday with Domingo Cavallo, Argentina's former economy minister who presided over a currency board that halted inflation by requiring the central bank to hold one United States dollar for every Argentinian peso in circulation.

But without a Government to carry them out, Mr. Fyodorov's pledges and proposals had a ring of prematurity. "Who can tell me who is going to be Russia's prime minister in a week?" asked a Western official. "That is the question."

Mr. Yeltsin has insisted he will not back off Mr. Chernomyrdin's nomination, although he prevaricated today when the question was put to him at a news conference. Most analysts thought it unlikely that Mr. Yeltsin would be the first to blink in the standoff because any concessions would further embolden his opposition to press for more.

In a radio interview today, Boris Berezovsky, the financier who helped engineer Mr. Chernomyrdin's nomination, suggested that Mr. Yeltsin might ultimately have to resign to allow a strong political figure to emerge in his place. An alternative, he said, would be to create room for a strong political figure who would rule with Mr. Yeltsin, "quietly putting up with the fact that the president cannot, to the necessary degree, take part in the swiftly developing events."

Mr. Berezovsky, in a television interview later, said that he thought Parliament might still be outmaneuvered by the Kremlin, and that Mr. Chernomyrdin's chances of becoming prime minister were not lost.

"Chernomyrdin had a chance," Mr. Berezovsky said. "It's another question how he will use it now. He had a real chance. I still think far from everything has been lost."

Mr. Chernomyrdin picked up support from a group of regional governors, who urged the lower house to act swiftly so that a Government can start putting a program in place. He is due to meet on Thursday with the Parliament's upper house, made up of regional leaders, which has influence, but no power over the formation of governments.

The political paralysis continued to take an economic toll today, as the value of the ruble fell again in electronic interbank trading. Continuing uncertainty about the value of the currency caused major stores to halt credit card transactions, even as their shelves were being emptied of essential goods.

The central bank said today that it was preparing to transfer savings accounts from six major banks to the Government-controlled Sberbank, although in an interview on television tonight, a top bank official said depositors could leave their accounts untouched "if they have faith in their bank."

Another central bank official said in a radio interview that Russia had spent \$9 billion in the last two months defending the ruble, and had had no choice now but to let its value float.

"We were hoping that if events took a normal course, the rate could be held without any intervention," said Denis Kiselyov, the deputy bank chairman. "What is happening now in economics and politics can in no way be called a normal course of events."