Russian Federation: Executive Branch

By Susan Cavan

PRESIDENCY
Get with the program

How many times, in the course of the last year, has President Yel'tsin denied he intends to seek a third presidential term, then reversed himself a day or two later, hinting that he may stand for re-election? The first few times it happened, one could assume that his aides convinced him, after the initial statement, not to allow himself to be perceived as a lame duck and to keep people wondering if he might actually run. The possibility of a third term could serve to maintain Yel'tsin's political relevance, stifle the overt jostling for position among potential candidates and give subordinates an incentive to implement current presidential directives.

If this has been the Kremlin's strategy, someone forgot to inform Deputy Administration Chief Igor Shabdurasulov. In an apparent attempt to emphasize his point that Yel'tsin should not consider running for office in the year 2000, Shabdurasulov committed a venal Kremlin sin by commenting on the president's health: "One cannot say that Yel'tsin's physical condition is ideal and that he is full of vigor and is absolutely fit for work around-the-clock." (Interfax, 0824 GMT, 9 Jul 98; FBIS-SOV-98-190) While Shabdurasulov's comments only seem to reflect that which is obvious to even casual Kremlin observers, it represents quite a departure for so close an insider to make any negative remarks at all on Yel'tsin's health or work habits. It was, however, Shabdurasulov's advice to Yel'tsin that prompted the presidential press service to distance itself from the deputy chief. Yel'tsin, according to Shabdurasulov, should "complete building up the country over the next two years and then transfer power." No word as yet that
Shabdurasulov has been dismissed from Kremlin service, but he might be well-advised to update his resume.

**APPARAT**

**Shakhrai bounced from the court**

Longtime Yel'tsin loyalist Sergei Shakhrai was unceremoniously dumped as the presidential representative to the Constitutional Court on 29 June. (Interfax, 1352 GMT, 29 Jun 98; FBIS-SOV-98-180) Returning to the position is Mikhail Mityukov, who held the post before Shakhrai.

The dismissal was announced without comment, but likely explanations focus on the court's upcoming consideration of the Kremlin's petition for interpretation of Constitutional Article 81 Section 3, which may pave the way for a third Yel'tsin presidency. Some analysts believe that Shakhrai's recent support for presidential hopeful Yuri Luzhkov diminished his potential effectiveness as the advocate for Yel'tsin before the court.

Shakhrai himself believes that it was the speech he gave to his PRES party convention the weekend before his dismissal that prompted the move. During the speech, Shakhrai commented on the impending presidential impeachment vote in the Duma, claiming that he believed there would be sufficient votes to bring it up for debate. It was this acknowledgment of reality that Shakhrai feels stirred up unwarranted animosity in the Kremlin. "A timely warning should be accepted with gratitude, not anger," he stated. (Interfax, 1438 GMT, 29 Jun 98; FBIS-SOV-98-180)

**GOVERNMENT**

**IMF bailout agreement reached**

Russian government and IMF representatives have come to agreement on a multi-billion dollar bailout for the Russian economy. Announcement of the deal has already sparked increases to the Russian stock market. The deal, for a
reported $14.8 billion this year, with $7.8 billion more available down the line, was negotiated by Anatoli Chubais, who re-upped for government service in the wake of the current economic crisis. According to Chubais, the IMF bailout will alleviate the need for a ruble devaluation. (United Press International, 14 Jul 98; C-upi@clari.net)

**Rosneft update**
Still no takers for the Rosneft shares auction that seemed certain to spark a flurry of bids by high profile investors just last Spring. The continued decline in world oil prices have wreaked havoc in government plans to unload a major portion of the state oil firm. Perhaps the IMF stabilization funds will entice buyers back to the auction house.

**SECURITY COUNCIL**

**Yel'tsin sets START-II as priority**
President Yel'tsin chaired a meeting of the Security Council on 3 July which dealt with issues concerning the country’s strategic nuclear forces as well as the situation in the North Caucasus. During the meeting, President Yel'tsin reportedly set ratification of START-II as priority. (Interfax, 1138 GMT, 3 Jul 98; FBIS-SOV-98-184)

**FSB**

**Details of Rokhlin murder**
The Federal Security Service has concluded that "the murder of Lev Rokhlin has no signs of a terrorist act related to an attempt on the life of a political figure or political reasons." (ITAR-TASS, 1353 GMT, 3 Jul 98; FBIS-SOV-98-184)

General Rokhlin was apparently killed with his own gun at his country house on 3 July. His wife, who reportedly confessed to the killing, has been detained despite objections from the family that the confession was coerced.
Polish-Russian summit a 'breakthrough'
Polish President Aleksander Kwasniewski viewed his recent visit to Moscow as a positive step toward better Russian-Polish relations. Kwasniewski expressed his optimism in an official statement to journalists following a 45-minute conversation with President Boris Yeltsin on 29 June. Kwasniewski viewed the talks as a "breakthrough" and stated that "the talks with President Yeltsin yielded much more than I expected." Among other issues discussed, the two agreed to take part in turn-of-the-century ceremonies at two sites containing the mass graves of Polish officers shot by the Soviet secret police in 1940. (PAP, 1310 GMT, 29 Jun 98; FBIS-SOV-98-180)

Is NATO an obstacle to Polish-Russian relations?
Russian Foreign Minister Yevgeni Primakov, who has continually spoken out against further NATO expansion, does not view Poland only as a potential member of NATO. After his meeting with Polish President Kwasniewski, Primakov stated that "I would not look at our relations through the prism of NATO. We have many common interests." Kwasniewski said Russia accepted Poland's potential NATO membership, as evidenced by Yeltsin's planned visit to Poland in December. (PAP, 0935 GMT, 30 Jun 98; FBIS-SOV-98-181, and Interfax, 0929 GMT, 30 Jun 98; FBIS-SOV-98-181)

NATO membership for Russia?
While emphasizing that the Organization for Security and Cooperation in Europe (OSCE) should be the lead security organization in Europe, Primakov said that Russia might consider NATO membership if the conditions were right. During a speech at the Royal Institute of International Affairs in London on 25 June, he said that Russia would join NATO if the alliance were transformed into a political
organization or if NATO in some way united with the OSCE. During his speech
Primakov also reiterated Russian opposition to further NATO expansion
eastward and to any expansion of NATO missions. (ITAR-TASS, 1821 GMT, 25
Jun 98; FBIS-SOV-98-176)

Russia welcomes Clinton veto
Demonstrating its continued strong support for the Iranian government, Russia
has publicly welcomed President Bill Clinton's veto of a bill that would have
imposed tough sanctions on foreign firms which sell missile technology to Iran. A
statement released by the Russian foreign ministry on 25 June stated that "this
step by the American administration chief meets the spirit of Russian-American
relations and the agreement reached between the presidents of Russia and the
United States at their meeting in Birmingham in May." The Voice of the Islamic
Republic of Iran radio station also commented on the veto, viewing the action as
a result of the importance the US attaches to its ties with Russia as well as a
victory for Iran. (Voice of the Islamic Republic of Iran, 1130 GMT, 25 Jun 98;
FBIS-NES-98-176, and Interfax, 1203 GMT, 24 Jun 98; FBIS-SOV-98-175)

Russian-Iraqi cooperation continues to strengthen
Russia stands to be the biggest winner outside of Iraq if the oil embargo against
the latter is fully lifted. Russia apparently is poised to deliver oil production
equipment to Iraq as soon as the embargo ends. Following the passage of UN
Security Council resolution 1175 on urgent measures for the rehabilitation of
Iraq's oil infrastructure, a Russian foreign ministry statement addressed the need
to coordinate promptly in the Committee on Sanctions practical matters
connected with the transfer of oil equipment, also from Russia, to Iraqi territory.
The focus of the UN resolution is to work towards raising Iraqi oil exports to $5.2
billion within the next six months, the Russian foreign ministry said. (Interfax,
1218 GMT, 23 Jun 98; FBIS-SOV-98-174, and ITAR-TASS, 1012 GMT, 23 Jun
98; FBIS-SOV-98-174)
Connected to this development, Moscow and Baghdad agreed on stronger cooperation in the framework of the UN aid program of oil-for-humanitarian-goods during a 16-18 June meeting between Russia's presidential envoy to the Middle East, Viktor Posuvalyuk, and Iraq's vice chairman of the Revolution Command Council, Izzat Ibrahim. According to a Russian foreign ministry spokesman, "both sides expressed satisfaction with the growing involvement of Russian companies in the oil-for-humanitarian-goods formula." According to the official Iraqi news agency, during these consultations Izzat Ibrahim expressed the pride of Iraq's government and people in the stand taken by the Russian government, people, parties, and organizations in support of Iraq's efforts to have the embargo lifted. (INA, 18 Jun 98; FBIS-NES-98-169, and Interfax, 1647 GMT, 22 Jun 98; FBIS-SOV-98-173)

**Primakov--Meritorious before the Motherland**

Yevgeni Primakov, the architect of Russia's multipolar foreign policy approach, received an award "For Merits before the Motherland" on 15 June. During the ceremony President Boris Yel'tsin honored the foreign minister for "defending Russia's interests across the world in a well respected and consistent manner."

"Russia is rising, and Russia's authority throughout the world is increasing," Yel'tsin added. (Interfax, 1642 GMT, 15 Jun 98; FBIS-SOV-98-167)

**Clinton to visit Moscow**

The Russian response to the announcement of President Bill Clinton's plans for a September visit to Moscow focused on reconfirming relations on a "partnership" basis. Foreign ministry official Vladimir Rakhmanin said "talks between the two presidents are expected to re-confirm the course for constructive interaction and commitment to relations on a partnership basis." Russian foreign ministry announcements emphasized a bilateral US-Russian relationship highlighting interaction in crisis settlement, a joint approach to international security and stability as well as the struggle against nuclear weapons proliferation, terrorism and organized crime. According to Russian sources the specific agenda for the
Agreement possible with Japan
An agreement with Japan seems likely as increased diplomatic exchanges take place amidst growing economic cooperation. The Russian Duma set up a commission tasked with the duty of accelerating the ratification of an agreement once reached by the foreign ministry. This move indicates Duma support of efforts to normalize relations with Japan. Several breakthroughs were made prior to Prime Minister Kirienko's planned visit to Japan from 13-14 July. (Interfax, 1035 GMT, 24 Jun 98; FBIS-SOV-98-175) Agreements have been reached to guarantee investments made by both countries. Additionally, a Japanese delegation has visited the contentious Kurile islands and negotiations have begun on developing the islands. Moreover, a Japanese astronaut will train in Russia as part of an international effort to construct a space station.

While serious differences remain unresolved, the latest developments show promise for future collaboration between Japan and Russia. Prospects for joint space projects appear rather good. Both countries are prepared to extend the current agreement on peaceful cooperation in outer space by five years. Additionally, guarantees for Japanese investors are likely to have a significant impact on bilateral relations. The economic benefits of such an agreement come at a time when both countries face financial difficulties.

Relations with China improving
Despite recent incidents concerning border agreements, Sino-Russian relations continue to improve. Progress has been made concerning cooperation on peaceful use of atomic energy between the two countries. At a five-member meeting in Almaty (China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan), Russian President Yel'tsin met with Chinese leader Jiang Zemin. The meeting
was held to discuss border issues but was extended to include regional security concerns and economic cooperation. (ITAR-TASS, 1412 GMT, 6 Jul 98; FBIS-SOV-98-188)

Additionally, Russian Prime Minister Kirienko planned to visit China in order to discuss economic concerns. On 14 July meetings with the prime minister of the Chinese State Council, Rongji Zhu, and President Jiang Zemin were scheduled. (Radio Rossii Network, 0800 GMT, 7 Jul 98; FBIS-SOV-98-188) Incidents on the Russian-Chinese border have caused a degree of tension between the countries, however, not to any great extent. In June, Russian border troops detained two infiltrators crossing from China into Russia. (ITAR-TASS, 1117 GMT, 15 Jun 98; FBIS-SOV-98-167) Earlier in June, relations became tense over a Chinese fish-poaching incident. (See previous Editorial Digest.) Still, these events do not seem to have marred the diplomatic efforts at the highest levels.

**Diplomats expelled**

While relations with Japan and China seem to be on an upswing, the same cannot be said for South Korea. On 6 July, Moscow demanded the removal of a South Korean diplomat, Cho Sung Woo, who was declared persona non grata for spying. Angered by the indiscreet manner in which Russia handled the situation, Korea retaliated by proclaiming Russian diplomat Oleg Abramkin persona non grata on 8 July.

South Korea claimed that Moscow should have engaged in consultations before making such an abrupt move. Meanwhile, Russia warned that South Korea's retaliation was uncalled for and that relations could deteriorate readily. (ITAR-TASS, 0908 GMT, 6 Jul 98; FBIS-SOV-98-187, and ITAR-TASS, 1211 GMT, 8 Jul 98; FBIS-SOV-98-189).
FEDERAL ASSEMBLY

Russia may resume executions to cut costs

The Duma has decided against discussing the bill that would have imposed a moratorium on capital punishment. Without further authorization, the present moratorium will presumably end. Deputy Prime Minister Boris Nemtsov confirmed that the number of people sentenced to death rises by about 150 every year, and four new high-security prisons will soon have to be built for them. This will cost the federal budget 580 million rubles, which, Nemtsov argues, the country just does not have. Budget consciousness is, of course, laudatory, but not when balanced upon the backs of prisoners condemned by a less-than-perfect judicial system. (Radiostantsiya Ekho Moskvy, 0900 GMT, 3 Jun 98; FBIS-SOV-98-154)

MEDIA

New TV company to be registered in St. Petersburg

Media outlets continue to proliferate. An open-type joint stock television and radio company called "Petersburg" will be registered within the next few days. The city of St. Petersburg and Leningrad Region own controlling shares. Other investors include three commercial banks: Inkombank (the Invest-proyekt company with 14 percent), Promstroybank of St Petersburg (the Promstroybank Property Fund company with 17.5 percent) and the Baltoneksimbank (the Baltoneksimkonsalt company with 17.5 per cent). (ITAR-TASS World Service, 1339 GMT, 16 Jun 98; FBIS-SOV-98-170)

POLITICAL PARTIES

Division within the CPRF
The Russian Communist Party should seriously re-group, its leader Gennadi Zyuganov said in his report to the party. The party seems to have split into two camps: the fundamentalists, and the accommodationists. The fundamentalists brim with "revolutionary impatience," while the accommodationists believe the "that the masses are asleep" and so working within the system is necessary.

Zyuganov noted that "attempts to split the party...are becoming stronger." Does this mean the eventual end to the CPRF? Probably not, but it may mean an end to the pretense of unity within the party.

Zyuganov attempted to remedy the problem by calling for "an end to...attempts to split the party." In the fine democratic tradition of most communist parties, Zyuganov claimed that the party is not a "disputers' club" and all its members must abide resolutions coming from the leadership.

It seems that he is trying to hold the party together by limiting membership, allowing in only the most convinced communists--read Zyuganov supporters. "We are not seeking to formally enlarge the party, the party needs qualitative changes in the social composition." In Zyuganov's words, the basic task is to make former enemies first sympathizers and then party supporters.

Zyuganov may be attempting to undercut or dilute Seleznev's support, thereby capturing the party for himself; however, by choosing a "closed" party with limited membership over an "open" one, the CPRF may come to be perceived as a party out of touch with the average voter. (ITAR-TASS, 2126 GMT, 20 Jun 98; FBIS-SOV-98-171)

Newly Independent States: CIS
By Ray Gaul
Momentum building in Abkhazia talks

The month of June saw movement in discussions over the Georgian-Abkhazian conflict. The active personal involvement and shuttle diplomacy of CIS Executive Secretary Boris Berezovsky seems to have created a more cooperative atmosphere, at least on paper. Two draft agreements emerged from consultations in Sukhumi mediated by Berezovsky and Russian First Deputy Prime Minister Boris Patsukhov. The first document details a peace agreement between the two sides while the second establishes a protocol on the return of refugees to the Gali district.

Even so, serious impediments remain to a finalized agreement. On 11 June, a helicopter piloted by CIS peacekeepers came under fire, raising concern that several factions will continue to undermine the negotiation process. Also, May clashes in the Gali district demonstrated the volatility of the situation. While Berezovsky's new role in the negotiations has been accepted by Georgian President Shevardnadze and Abkhaz leader Ardzinba, Russian leaders have attempted to undermine this role. The Russian Duma inflamed Georgian leaders by authorizing the establishment of separate negotiating channels in the peace settlements and by passing a 24 June resolution "[o]n normalizing the border and customs procedures on the Abkhazian section of the Russian-Georgian border." (Iprinda, 1251 GMT, 27 Jun 98; FBIS-SOV-98-178) Russian Minister of Foreign Affairs Yevgeni Primakov, while praising Berezovsky's economic policies, made clear that he does not approve of Berezovsky's efforts. He stated, "I think his main task should consist in concentrating efforts to build a layer of transnational entrepreneurial structures in the CIS countries." (ITAR-TASS, 1413 GMT, 25 Jun 98; FBIS-SOV-98-177)

CIS forum in St. Petersburg deemed successful

On 17 June the second St. Petersburg economic forum, held in the Tavria Palace, began with a list of notable participants. CIS Executive Secretary Berezovsky, Russian Prime Minister Kirienko, and Belarusian President
Lukashenka all spoke at the plenary session. Berezovsky amused the audience by calling the CIS the "Commonwealth of Countries which are not rich." (ITAR-TASS, 1037 GMT, 17 Jun 98; FBIS-SOV-98-168) He reiterated his beliefs that the CIS should remain primarily an economic organization and that the best way to do so is to establish social stability in member countries. Lukashenka, while gaining applause, stated that the CIS was a "mirage." Meanwhile, Kirienko drew support for his proposal to establish an anti-crisis program to coordinate actions among member states in combating economic destabilization. Kirienko's proposal is an effort to soften the impact of the Asian crisis which had spillover effects in CIS member states.

Yegor Stroev, chair of the CIS Inter-Parliamentary Assembly, led the forum which was attended by over 2,500 prominent politicians, economists and scientists from all members of the commonwealth, as well as from 50 other countries. Leaders established numerous agreements on the implementation of investment projects. They also made recommendations on how to further economic integration, and promote social and cultural development in the commonwealth. Stroev stated the CIS would follow a unique model of integration, dissimilar from the European Union model or Chinese model. He said that different "roads of development could be mutually enhancing." He also stated his belief of foreign donor confidence in CIS countries' abilities to weather financial and political crises. (ITAR-TASS, 1323 GMT, 19 Jun 98; FBIS-SOV-98-171)

**Berezovsky discusses Nagorno-Karabakh with leaders**

CIS Executive Secretary Boris Berezovsky signaled his intent to become actively involved in the resolution of all conflicts within the CIS by attending meetings with leaders of Azerbaijan and Armenia from 21-22 June. Previously, he had concentrated primarily on the conflict in Abkhazia. However, new statements by Berezovsky in Baku indicate that his attention is spreading. He remarked that all conflicts within the CIS are interrelated and that they could not be solved independently. "The Commonwealth of Independent States can be effective only
if numerous conflicts in the territories of states, forming its space, are settled," he said. (ITAR-TASS, 1010 GMT, 21 Jun 98; FBIS-SOV-98-172) He also expressed concern over a deterioration in affairs in southern Russia, indicating that he might propose a more comprehensive approach to peace in the Caucasus region which would include numerous parties.

Chechnya pushes for CIS membership
The Russian Duma invited a delegation from Chechnya for meetings in Moscow. A major topic of discussion concerned Chechnya's possible integration into the CIS. While Chechen leaders see this step as crucial in resolving outstanding issues between Chechnya and Russia, Duma leaders did not support the notion. Still, the fact that such issues were even discussed opens up the possibility that Russia might eventually allow Chechnya to establish some form of autonomous relationship within the CIS. (ITAR-TASS, 1502 GMT, 30 Jun 98; FBIS-SOV-98-181)

Newly Independent States: Western Region
By Monica Florescu

MOLDOVA
Renewed financial assistance expected from IMF
On 18 June, the International Monetary Fund (IMF) declared that it will resume financial assistance in the amount of $28 million to Moldova in October 1998, if Moldova shows signs of economic improvement in the financial, agricultural, and energy sectors. Prime Minister Ion Ciubuc stated that a harsh fiscal policy will be implemented for the next three months in order to meet the requirements put forth by the IMF. The promised loan is another installment from a total of $190 million which the organization agreed to appropriate to Moldova. (Basapress, 1910 GMT, 18 Jun 98; FBIS-SOV-98-169) In addition, the World Bank signed a credit agreement with Moldova on 23 June in which a program for further
Privatization of land and development of real estate was drafted. (Infotag, 1730 GMT, 23 Jun 98; FBIS-SOV-98-174) These agreements follow the installation of the new parliament in April and the selection of a new cabinet in June. Most importantly, they constitute a positive step towards building international organizations' confidence in Moldova's economic recovery.

**Transdniestra: Renewed efforts with dim signs of progress**

Six years after the armed conflict between Moldova and Transdniestra began, the peace process seems to be making progress—according to theRussains. The latest session of the Parliamentary Assembly of the Council of Europe (PACE) held in Strasbourg on 22 June addressed the issue of the prolonged conflict. Aleksandr Sohin, Russian State Duma deputy chairman, stated that the Duma will vote to ratify the Moldova-Russia Treaty signed in October of 1992 regarding the withdrawal of the Russian 14th Army from Transdniestra. (Basapress, 1700 GMT, 22 Jun 98; FBIS-UMA-98-173) One week later, Russian President Yel'tsin officially confirmed Russia's commitment towards a peaceful resolution of the conflict, but made no mention of when the Duma will ratify the agreement. (Radio Rossii Network, 1800 GMT, 29 Jun 98; FBIS-SOV-98-180)

In addition, on 1 July, Moldovan President Petru Lucinschi announced that his government is ready to accord Transdniestra the status of autonomy with a high degree of self-rule, similar to that of the autonomous region of Gagauz, provided that Moldova will remain united. He declared that the conflict should be resolved through administrative and territorial reforms, so as to decentralize power. However, the Transdniestrian side did not participate in the meeting held between the Organization for Security and Cooperation in Europe (OSCE) and Moldova from 1 July, a fact which demonstrates the obstacles that remain. (Interfax, 1512 GMT, 1 Jul 98; FBIS-SOV-98-182) Finally, on 7 July, the Joint Control Commission (JCC), made up of representatives from Moldova, Transdniestra, and Russia, ruled that Transdniestra will reduce its peacemaking
forces in the security zone from 900 to 500 men by 8 July. (Basapress, 1920 GMT, 1 Jul 98; FBIS-SOV-98-182)

UKRAINE

Parliament concentrates on electing a speaker...
After two months of parliamentary crisis in which no legislation had been passed, the Ukrainian Supreme Council finally chose its speaker. The main cause of the election stalemate had come from the center-right parliamentary groups, which blocked almost every attempt to elect a leftist speaker since the new parliament was elected. After the right-centrist faction boycotted the elections held on 26 June, ex-speaker Oleksandr Moroz called for a closed session that was attended by all deputies in order to solve the problem of parliamentary deadlock. (Intelnews, 0141 GMT, 26 Jun 98; FBIS-SOV-98-177) However, the next round of elections held on 3 July was again unsuccessful, as only 234 delegates participated in the voting. (Infobank, 1751 GMT, 3 Jul 98; FBIS-SOV-98-184) The break in the crisis came only with the 7 July election when, of the 441 lawmakers who registered for the voting, 363 took ballots, and 314 voted. As a result of centrist deputies switching their support from the right to the left, Oleksandr Tkachenko, a member of the Left Center bloc and a leader of the Peasants' Party, was appointed speaker of parliament with a vote of 232 to 37 (45 ballots were declared invalid). (Interfax, 1226 GMT, 7 Jul 98; FBIS-SOV-98-188)

...while Kuchma focuses on the economy
President Leonid Kuchma signed a series of presidential decrees in order to overcome an economic crisis, while parliament was preoccupied for the past two months with electing a new speaker. (Infobank, 2023 GMT, 18 Jun 98; FBIS-SOV-98-169) The president's actions seemed to prevent an even greater crisis from occurring, as there had been talks of possibly dismantling the government altogether.

Chernobyl faces technical and fiscal problems
The only generating unit still functioning (Unit 3) at the Chernobyl nuclear power plant was shut down on 16 June for repairs of a faulty turbo-generator and pipeline, which were caused by the idleness of the plant between July 1997 and May 1998. (Interfax, 1804 GMT, 16 Jun 98; FBIS-SOV-98-167) The shutdown lasted until 22 June, when the unit was reconnected with Ukraine’s power grid. (Interfax, 1129 GMT, 22 Jun 98; FBIS-SOV-98-173) However, problems with the Chernobyl plant were not only technical in nature: An audit by the Ukrainian finance ministry found over 2,500 legal violations on 19 June. The report stated that almost 10 million hryvnyas from the Chernobyl Fund has been spent without authorization. (Ukrayinske Radio First Program Network, 0600 GMT, 19 Jun 98; FBIS-SOV-98-171)

These problems come at a time when the coal industry has been experiencing great difficulties, especially after the series of miners' protests and threats of shutting down the mines unless they are paid (see previous Editorial Digest). At the same time, authorities recently declared that the power industry is undergoing a deep and extended crisis: Customers simply do not pay for 94 percent of their electricity. The debts make it difficult to maintain the level of safety imposed by the International Atomic Energy Agency (IAEA). Meanwhile, almost half of all electricity produced in Ukraine is generated by nuclear power plants. (NTV, 1000 GMT, 2 Jul 98; FBIS-SOV-98-183)

**BELARUS**

**Foreign envoy crisis continues in Minsk**

In a "generous" effort to comply with the protests of the foreign ambassadors, the Belorusian authorities extended the deadline for leaving residences in the Drozdy compound from 10 June to 17 June (see previous Editorial Digest). On 19 June, a slightly more conciliatory move came from Belorusian Deputy Foreign Minister Nikolay Buzo, who allowed the diplomats to stay at Drozdy during the planned repairs. They were given special passes to get to their homes, as the property has just recently been declared a presidential estate. (Interfax, 1427 GMT, 19
However, the envoys who tried to return to their residences found no electricity, water, or telephones, and they had no access to their homes. In response, on 22 June the European Union ambassadors to Belarus returned to their capitals for "urgent consultations"; some even considered not returning to Minsk. In the end, they proved willing to resume dialogue with the Belorusian government, provided that the Vienna Convention accords were respected. (Belapan, 0205 GMT, 20 Jun 98; FBIS-SOV-98-171)

The Belorusian side accused the envoys of not complying with the Vienna Convention by their refusal to leave their residences after they were given an extra two weeks in which to vacate the area. The government considers the repairs to be within its rights, since only ambassadorial residences, not official buildings, are affected. (Belapan, 1448 GMT, 22 Jun 98; FBIS-SOV-98-173) In addition, President Lukashenka declared that the current crisis had been due to the West's reaction to Belarus' orientation towards union with Russia, and its opposition to NATO's expansion. (ITAR-TASS World Service, 1905 GMT, 26 Jun 98; FBIS-SOV-98-177) However, the Belorusian Supreme Soviet has blamed Lukashenka for not having shown more understanding toward the envoys' requests, as now the crisis may lead to the complete isolation of Belarus from the West and an even further reduction of foreign investment and trade. (Belapan, 1710 GMT, 24 Jun 98; FBIS-SOV-98-175)

Newly Independent States: Transcaucasia

By Miriam Lanskoy

DAGESTAN

Magomedov reelected amid growing violence and tension

On 25 June Dagestan's Constituent Assembly elected a State Council and reelected the incumbent State Council Chairman, Magomedali Magomedov. He
Members of the assembly voted under very tense circumstances. Interior ministry troops sealed off the center of Makhachkala where soldiers with machine guns and grenade launchers guarded the government buildings. (NTV, 0600 GMT, 25 Jun 98; FBIS-SOV-98-176) Since the attempted coup in May, explosions, assassinations, abductions and other acts of violence and terror have become increasingly frequent. In June alone, there were several attacks against military targets in Dagestan, including a helicopter division of the border troops, an OMON division and a military convoy. (Nezavisimaya gazeta, 25 Jun 98) (For more detail on the May coup attempt, see Editorial Digest, Vol. 3, No. 8.)

The Constituent Assembly is composed of deputies from Dagestan's legislature and representatives of local and regional governments. In accordance with the 1994 constitution, the process of choosing the highest republican executive authority is indirect and open to manipulation by the entrenched interests. Magomedov's critics charge that the existing system, managed through back room deals and intrigues, unfairly prohibits others from participating and perpetuates the corruption, poverty, and violence that has characterized Dagestani life in recent years. Various public figures, ranging from Nadir Khachilaev, the Duma deputy who led the May coup, to Ramazan Abdulatipov, the vice premier of the Russian government, have suggested that Dagestan would be better served by direct elections of a republican president. Some have conjectured that the two were working together. (Moskovskiy novosti, 24-31 May 98; FBIS-SOV-98-177)

Magomedov, a Dargin, has wielded political power in Dagestan since Soviet times and was elected chairman of the State Council in 1994. When his term expired in 1996 no elections were held due to the tensions and hardships caused
by the war in neighboring Chechnya. As a result, Magomedov has governed for a term of four years although he was elected for only two years in 1994.

The constitution was amended on 19 March 1998 to make Magomedov’s reelection possible. On that occasion the People’s Assembly repealed Article 93 of the constitution which prohibited persons of the same nationality from occupying the position of State Council chairman for two consecutive terms. (See Magomedkhan Magomedkhanov, "Rents in the Fabric of Government," Perspective, Vol. 8, No. 4, March-April 1998.) The original intention was to rotate the highest executive position among the deputies of the 14 constituent nationalities represented on the State Council. That provision was an important component of the delicate power balance among the different nationalities of Dagestan. Its repeal brought closer the danger of inter-ethnic strife.

On the eve of the election Izvestia speculated that Magomedov would have been elected even under democratic procedures. The paper suggested that the majority of Dagestanis fear the militant tactics of the opposition more than they disapprove of the continuous decline of their republic under the existing leadership. That seems like a reasonable conclusion in view of all the violence that the republic has already endured and suggests that the refusal to hold national elections was extremely shortsighted. Little has been achieved other than the alienation of members of the opposition from the peaceful political process.

**GEORGIA**

**After clashes in Abkhazia, Shevardnadze comes under increasing pressure**

The parties complied with the 25 May cease-fire agreement that ended several days of heavy fighting in the Gali region, but no progress was achieved on the repatriation of 35,000 Georgian refugees who fled the fighting. President Eduard Shevardnadze estimated that between 300 and 320 Abkhaz militants and 16 members of the local Georgian militia were killed in the clashes. **(ITAR-TASS,**
1314 GMT, 2 Jun 98; FBIS-UMA-98-153) Georgian Prosecutor General Jamlet Babishvili said his investigation showed that 35 Georgian civilians and 17 Georgian interior ministry staff were killed in the fighting and 1,695 deserted houses were razed in the Gali district. (ITAR-TASS World Service, 1001 GMT, 6 Jun 98; FBIS-SOV-98-157)

As was the case on previous occasions, the Russian "peacekeepers" not only failed to do anything to curb the fighting in Gali but allowed the Abkhaz to bring heavy weapons into the demilitarized zone while denying similar advantages to the Georgians. Shevardnadze said that between 60-70 percent of the combatants were soldiers from "foreign countries" and suggested that the 14 heavy military vehicles used in the latest attack belonged to the Russian military. (Iprinda, 0845 GMT, 8 Jun 98; FBIS-SOV-98-159, and Interfax, 1200 GMT, 2 Jun 98; FBIS-SOV-98-153) It appears that foreign combatants included not only Russians, but also Armenians, several of whom were killed in a mine explosion in June. (Iprinda, 1240 GMT, 26 Jun 98; FBIS-SOV-98-177) In fact the local Armenians who had fought on the side of the Abkhaz were the subject of discussion between Armenian and Georgian representatives on 1 May. On that occasion Khosrov Arutyunian, chairman of the Armenian National Assembly, indicated that Armenia had little influence with those fighters. (Noyan Tapan, 1 May 98; FBIS-SOV-98-124)

Throughout June numerous Georgian politicians criticized Shevardnadze's failure to help the Georgian victims and home guards. On June 2, Akaki Asatiani, the leader of the Union of Georgian Traditionalists, called on Shevardnadze to resign. (Iprinda, 2 Jun 98, FBIS-SOV-98-153) On 10 June, a petition signed by 2,000 refugees from Gali was presented to the president and the parliament; it called for the resignation of the government and the removal of Russian "peacekeepers." (Interfax, 1105 GMT, 10 Jun 98; FBIS-SOV-98-161) During the following week, two parties--the Georgian Socialist Party led by Vakhtang Rcheulishvili, and the Labor Party led by Shalva Natelashvili--declared a boycott
of the parliament. (Tbilisi Network, 0600 GMT, 15 Jun 98; FBIS-SOV-98-167) On 24 June, Aslan Abashidze, chairman of the Supreme Soviet of Ajaria, openly attacked Shevardnadze and Zurab Zhvaniya, the chairman of Georgia's parliament, for failing to pull Georgia out of the crisis. Abashidze called Zhvania "the source of all our misery" and the "enemy of Ajaria." (Iprinda, 1950 GMT, 24 Jun 98; FBIS-SOV-98-176) Ajarian parliamentarians who are members of Abashizde's Revival party suspended their participation in the Georgian parliament. (Interfax, 1520 GMT, 24 Jun 98; FBIS-SOV-98-175)

On the diplomatic front neither CIS Executive Secretary Boris Berezovsky's nor Russian envoy Boris Pastukhov's mediation missions seemed to have produced any concrete results although drafts of a peace treaty and a protocol on refugee repatriation were discussed. Shevardnadze thanked the two mediators and indicated that he has had frequent conversations with Ardzinba; nevertheless, the positions of the sides remained unchanged. Shevardnadze had reiterated his offer of an "asymmetrical federation" in which South Ossetia, Abkhazia and Ajaria would have greater powers than other Georgian regions. He also said that he would meet with Abkhaz chief Ardzinba only after all the refugees were allowed to return. The Abkhaz side has suggested that the refugees could be repatriated over a period of one year and that the process would begin only in exchange for the relaxation of the trade restrictions on the Russian border. (Tbilisi Network, 0601 GMT, 29 Jun 98; FBIS-SOV-98-181, and ITAR-TASS, 2218 GMT, 19 Jun 98; FBIS-SOV-98-170, and Interfax, 1613 GMT, 11 Jun 98; FBIS-SOV-98-163)

Newly Independent States: Central Asia

By Monika Shepherd

KAZAKHSTAN

Japan grants credits to Kazakhstan for airport modernization
At the end of June, the Japanese government granted privileged credit to Kazakhstan for the third time since the republic became independent. This credit is in the amount of 22.1 billion yen, and is designated to be used in the modernization of the new Kazakh capital's airport, which currently does not meet international safety standards. The loan is for a term of 30 years at a 2.2 percent interest rate, and the first repayment is due in 10 years. In addition to announcing the loan, the Japanese government also proclaimed its intention to provide further economic assistance to Kazakhstan in the future. (ITAR-TASS, 1018 GMT, 30 Jun 98; FBIS-SOV-98-181)

**Iran, Kazakhstan further expand economic ties**

On 26 June, the co-chairmen of the Kazakh-Iranian Commission for Trade, Economic, Scientific, Technical and Cultural Cooperation, Erkin Kaliev (Kazakh minister of transport and communications) and Eshaq Jahangiri (the Iranian minister of mines and metals) signed a memorandum of understanding in Astana. The two countries agreed to establish jointly a sea and rail transport company, and the Iranian government declared its willingness to recommence the transport of Kazakh oil to the world market via Iran (IRNA, 0717 GMT, 26 Jun 98; FBIS-SOV-98-177), although Minister Jahangiri did not actually set a date for the oil transport's resumption. Kazakh Prime Minister Balgymbaev also invited the Iranian government to invest in the renovation and modernization of Kazakhstan's newly inaugurated capital city, Astana. (IRNA, 1115 GMT, 24 Jun 98; FBIS-SOV-98-175)

Prime Minister Balgymbaev and Minister Jahangiri met on 24 June, and in addition to oil transportation issues, their discussion focused on an agreement to provide Iran with Kazakh grain supplies. The Kazakh Food Contract Corporation has already completed its first shipment of 100,000 tons of grain to Iran (Interfax, 1520 GMT, 24 Jun 98; FBIS-SOV-98-175), and although details of the agreement itself have not been released, it is likely that more shipments will follow this one.
TAJIKISTAN

Dispute over religious parties law appears to have been resolved

One day after the deadline set for the Conciliation Commission to submit its proposals to the president, Ibragim Usmonov, a member of the commission and chairman of the parliament's Committee for International Affairs, Inter-ethnic Relations and Culture, discussed the commission's work in an interview with ITAR-TASS. Usmonov reported that a compromise version of the law had been adopted in order to permit the establishment of political parties which are based on religion. Abdulmajid Dostiev, the chairman of the commission and first speaker of the Tajik National Parliament, had officially submitted the revised law to President Rahmonov. (ITAR-TASS, 1535 GMT, 18 Jun 98; FBIS-SOV-98-169)

On 20 June, in a meeting with the UN secretary-general's special envoy, Jan Kubis, United Tajik Opposition (UTO) chairman Said Abdullo Nuri gave further details of the Conciliation Commission's proposal. He informed Kubis that Article Four of the law on political parties was changed to state that, although the formation of political parties which are religiously based is to be allowed, these parties will not be permitted to accept support from religious organizations. (ITAR-TASS, 1605 GMT, 20 Jun 98; FBIS-SOV-98-171)

Comment

The difference between these two versions of the law on political parties is so subtle as to be nearly nonexistent, and leads directly to the question of how, or even whether, Tajik law currently differentiates between religious organizations and political parties which are based on religion. If there is no legal definition of either term, then it is more than likely that the Islamic Renaissance Party (IRP)--Said Abdullo Nuri and Ali Akbar Turajonzoda's party, and the strongest force in the UTO--will meet with many more obstacles as the parliamentary elections approach.
The recent conflict over the political parties law passed by the Tajik parliament at the end of May, in addition to highlighting the serious rifts that still exist between the UTO and President Rahmonov's administration, also illustrate clearly the weaknesses in the inter-Tajik peace agreement. The agreement calls for actions which are not sanctioned by Tajikistan's current body of laws (many of which date back to Soviet days). Furthermore, it is not absolutely clear whose decisions carry more weight--the National Reconciliation Commission (NRC), or the Tajik parliament. The NRC is indeed responsible for proposing amendments to Tajikistan's election laws, but the peace agreement does not state whether it is necessary for the legislature to accept these proposals in order for them to become law, and what steps should be taken if the legislature rejects any of the NRC's suggestions.

In other Central Asian republics, the president has sufficient authority to order the legislature to accept certain measures. Whether this is also the case in Tajikistan, President Rahmonov has thus far refrained from exerting pressure on the Tajik parliament to accept the NRC's proposals, or to keep its actions in line with the terms of the peace agreement. But then President Rahmonov himself seems reluctant to carry out the requirements of the peace agreement's political protocol.

**NRC, government increase support for refugees' repatriation**

As refugees of Tajikistan's recently ended civil war continue to return to their home towns and villages, the NRC Subcommission on Refugees and the Tajik government are being called upon to provide more financial and material support to those areas which are receiving the largest influx. The government pledged to grant each returning refugee family 25,000 Tajik rubles, but there have been many complaints that these funds are not being fairly distributed. Members of the NRC Subcommission on Refugees have decided to visit the towns to which most of the refugees have been returning in order to investigate these reports. (Voice of the Islamic Republic of Iran, 0330 GMT, 16 Jun 98; FBIS-SOV-98-167)
Thousands of refugees have already returned to Tajikistan from Afghanistan, Turkmenistan, and Kyrgyzstan. Approximately 2,000 persons were repatriated to the District of Tavil-Dara and to the Sagirdasht state farm in the District of Darvoz by May. (Radio Tajikistan Network, 0800 GMT, 6 Jan 97; FBIS-SOV-98-175) In an interview with the Daydzhest Press (a newspaper published in Dushanbe) in mid-June, Rizoqul Juraev, a deputy chief of the Regional Committee for Refugees in Khatlon Oblast’, reported that nearly all those who had fled Khatlon Oblast’ during the war had returned. Juraev stated that 107,129 families had returned, out of the 109,000 which had left prior to December 1996. In Juraev's judgment, the main problem facing the refugees is a lack of housing. During the war, 44,260 houses were destroyed in Khatlon Oblast', and thus far only 24,000 have been rebuilt. Many refugees' homes that were left undisturbed were appropriated by other families; 9,000 of these houses have been returned to their rightful owners (Voice of the Islamic Republic of Iran, 0330 GMT, 17 Jun 98; FBIS-SOV-98-171), but there are undoubtedly many more cases in which the new owners refuse to vacate the refugees' residences.

**UTO troops begin returning from Afghanistan**

On 1 July the first group of UTO troops was finally allowed to begin crossing from Afghanistan into Tajikistan. The first group is comprised of approximately 150 men who had been waiting in the northern Afghan border town of Shir Khan, and were to enter Tajikistan via the Panj-i Poyon (in Russian, Nizhny Poyon) border post. UN military observers supervised the operation, with the assistance of the Russian border patrol stationed on the Tajik-Afghan border and CIS peacekeeping units (many of whom are also stationed on the Tajik-Afghan border). The returning UTO troops were to be escorted to temporary quarters in eastern Tajikistan. Their weapons and ammunition were to be transported separately by members of the CIS peacekeeping forces. (ITAR-TASS World Service, 0803 GMT, 1 Jul 98; FBIS-UMA-98-182)
UTO chairman does not intend to seek the presidency

In an interview with Ordo, a Kyrgyz newspaper, UTO Chairman Said Abdullo Nuri, who also holds the post of chairman of the National Reconciliation Commission, stated that he has no desire to run for office when Tajikistan's first post-war presidential elections are held. (Slovo Kyrgyzstana, 21 May 98, p. 3; FBIS-SOV-98-161) Nuri has held the highest office within the UTO since the organization was formed in early 1994.

TURKMENISTAN

Further progress made on Turkmen-Pakistan pipeline route

After a number of negotiation sessions held between Taleban and anti-Taleban leaders and mediated by the Central Asian Gas Pipeline Company, the two sides have agreed to sign protocols guaranteeing the security of the pipeline itself, as well as of the Turkmen, Afghan, and Pakistani workers who will be engaged in building the pipeline.

The protocols also set out labor conditions for the workers. The protocols will be submitted for ratification to the governments of Turkmenistan, Afghanistan, and Pakistan in August, in the hope that pipeline construction can begin before the end of this year. (Interfax, 1601 GMT, 13 Jun 98; FBIS-SOV-98-164)

US, UK-Chinese firms win tenders to Serdar, Gaplan oil fields

On 16 June, Turkmenistan's Competent Body for the Use of Hydrocarbons announced that the US company Mobil and a joint British-Chinese company, Kern Energy-Texuna, have won exploration and development rights to two offshore oil and natural gas fields in the Caspian Sea. Mobil is to develop the Serdar oil field (currently the subject of a territorial dispute between Turkmenistan and Azerbaijan), which is believed to hold 150 million to 200 million tons of oil and little or no natural gas. Kern Energy-Texuna won the right to the Gaplan field,
which contains an estimated 88 million tons of oil and 132 billion cubic meters of gas.

The companies will not be able to actually begin exploring the fields for another few months, as they must first negotiate production-sharing agreements with the Turkmen government. (Interfax, 1609 GMT, 16 Jun 98; FBIS-SOV-98-167)

Turkmenistan, Iran to permit 24-hour border crossings at Bajgiran
The Iranian governor-general of Khorasan Province, Mohsen Mehr-'Alizadeh, announced on 24 June that, as of 1 July, Turkmen and Iranian citizens would be permitted to travel across the border between the two countries at the Bajgiran border post (in the Iranian province of Khorasan, 210 km northwest of Mashhad) at any time of day. This agreement seems to have resulted from the increase in traffic across this border post since visa requirements for entering either country were lifted on 22 May in order to facilitate pilgrimages to Muslim holy sites (in both Iran and Turkmenistan) and tourist trips. (IRNA, 1346 GMT, 24 Jun 98; FBIS-NES-98-175)

Newly Independent States: Baltic States
By Kate Martin

The pen is mightier than the sword for NATO inclusion
Despite repeated assurances from Baltic spokesmen that the Baltic battalion is prepared for its first international mission, a Finnish newspaper recently published a bleak evaluation of the battalion's readiness. In response to Norway's suggestion that BaltBat be sent to perform UN peacekeeping duties in place of Norwegian troops, Helsingin Sanomat reported that training exercises held in the fall of 1997 proved the troops were nowhere near able to serve as an independent unit. The chief shortcoming apparently is linguistic: Proficiency in English, the essential language for international operations (and the language of
command in NATO), is "very weak in the battalion as a whole," the paper reported. (Helsingin Sanomat, internet version, 2 Jun 98; FBIS-WEU-98-160)

Lack of proficiency in English is not an insignificant hurdle. The ability to communicate with other countries is far more important than a country's arsenal to Baltic aspirations to join NATO, according to Javier Solana, secretary-general of the alliance. "Absence of modern intricate weaponry is not the main problem. One must develop the capacity of cooperation, language skills, skills of communication with people and management techniques," Solana is quoted as saying during his visit to Estonia. (Baltic News Service Daily Report, 1300 GMT, 19 Jun 98) The Baltic governments apparently were not surprised by indications of deficiencies. Just days before Solana reached Riga, the Latvian government resolved to raise defense funding to 1 percent of the country's GDP in 1999 and to increase the portion gradually to 2 percent by 2003. The current defense budget amounts to .67 percent of GDP. (Baltic News Service Daily Report, 1600 GMT, 16 Jun 98) Moreover, President Valdas Adamkus voiced his recognition of the Lithuanian military's need to improve its ability to cooperate with others. During a meeting at defense headquarters, Adamkus noted the necessity for officers to intensify English-language education and to create NATO-level training programs. (ELTA, 1439 GMT, 25 Jun 98; FBIS-SOV-98-176)

LATVIA

Fatherland faction hurls another wrench into citizenship machinery...

The sigh of relief heard on 22 June when the Latvian parliament granted final approval to changes to the country's citizenship law turned quickly into a groan, as the For the Fatherland and Freedom/LNNK party began gathering signatures to postpone publication of the amendments for two months and to bring about a referendum on the subject.

As reported in earlier digests, several leaders of the international community had weighed in with support for the changes; by the end of the May no external
voices were heard in favor of maintaining the legal status quo. As the parliamentary session neared the scheduled summer recess without the final reading of the bill, the last wrench was turned: While on the Latvian leg of his visit to the Baltic states, NATO Secretary-General Javier Solana did not issue the expected reassurance of NATO's doors remaining open to all candidates as he had in Lithuania. Instead, during a press conference at the end of his stay in the Latvian capital, Solana stated that he hoped the Saeima would pass amendments to the citizenship law in the final reading. (Baltic News Service, 1600 GMT, 18 Jun 98)

The amendments which envisage abolition of naturalization quotas and the granting of citizenship to children born in Latvia after 21 August 1991 did pass during a special session, with a vote of 42 for, 26 against, and 7 abstaining. (Radio Riga, 1700 GMT, 22 Jun 98; FBIS-SOV-98-173) Before the vote on the amendments was taken, Prime Minister Guntars Krasts advised MPs that the constitution provided an opportunity to organize referenda to decide crucial issues. Given Latvia's domestic and international situation, he said, the citizenship issues could be passed for broad public assessment. (Baltic News Service Daily Report, 1300 GMT, 22 Jun 98) Once the vote was taken, the For the Fatherland and Freedom/LNNK party immediately began to gather signatures calling for such a referendum. The petition was submitted to President Ulmanis on 26 June, with the backing of 38 Saeima deputies. (Radio Riga Network, 1700 GMT, 26 Jun 98; FBIS-SOV-98-177) To stage the referendum, one-tenth of voters (approximately 133,000 persons) must support the idea. (Baltic News Service Daily Report, 1300 GMT, 30 Jun 98) Signatures will be collected from 20 July to 18 August.

After the Saeima vote Vitaly Makarov, spokesman for the Russian foreign ministry, said that the amendments still did not meet fully the recommendations of OSCE High Commissioner for National Minorities Max van der Stoel. Apparently, the foreign ministry misread either the amendments or the
...as language issue moves to education arena

While children born on independent Latvian soil may escape having to pass language exams in order to gain citizenship, teachers at Russian-language schools learned they would be expected to show a proficiency in Latvian by September. According to Minister of Education and Science Janis Gaigals, the requirement is aimed at furthering the integration of all into Latvian society. (Radio Riga Network, 1300 GMT, 18 Jun 98; FBIS-SOV-98-169) The day after Gaigals' announcement, Radio Riga reported that about 50 persons "with posters and placards in incorrect Latvian" were protesting outside the ministry. (1100 GMT, 19 Jun 98; FBIS-SOV-98-170)

Relations with Russia remain bad for the long haul

Latvia has been the recipient of an incredible amount of pressure from the international community on the matter of citizenship eligibility, much to Russia's delight. However, while discussions raged over the citizenship bill and other language issues, Latvia signaled its willingness to go on the offensive. In a symbolic gesture of defiance, the Saeima trotted out an old standby sure to ignite Russian ire: a parliamentary resolution to acquaint the international community with the declaration on Latvian occupation. The declaration itself, which was adopted in August 1996, calls on foreign countries to help remove the consequences of the Soviet occupation and denounces the incorporation of the Abrene district into Russia in 1944. Shortly after the declaration's initial adoption, it was criticized and termed a provocation by Russia. Under the recent resolution, the declaration has to be disseminated as a United Nations document. (Baltic News Service Daily Report, 1600 GMT, 11 Jun 98) The recent resolution prompted yet another spate of sharp words between the two foreign ministries. (Baltic News Service Daily Report, 1800 GMT, 17 Jun 98)
Words are not the only weapons being wielded. Although Russia continues to deny that it has placed economic sanctions on Latvia, Latvian truckers report incredible difficulties in obtaining entry permits for Russia. Over 1700 hauler companies are having trouble buying single-entry permits to Russia for the stipulated price of $250. (Radio Riga, 1300 GMT, 20 Jun 98; FBIS-SOV-98-173) Russian foreign ministry spokesman Vladimir Rakhmanin explained that "Russia opposes economic sanctions." The cancellation of discounts on international carriage of most freight going to Latvia, effective 1 July, was simply meant "to streamline trade and economic relations with Latvia," he said. (Interfax, 1147 GMT, 2 Jul 98; FBIS-SOV-98-183) Apparently trade with Lithuania is already streamlined. At the same time that the number of permits available to Latvian truckers is decreasing, the total granted to their Lithuanian counterparts is increasing. The Russian transportation ministry has granted Lithuanian haulers an additional 8,000 permits for shipping international freight, according to government officials in Vilnius. (Baltic News Service, 1000 GMT, 25 Jun 98)

**ESTONIA**

**Government demonstrates disoriented foreign policy**

Rumblings from Russia seem to indicate that Estonia is next on the list for pressure to be exerted. However, government leaders in Tallinn seem intent on proving that relations with the east are not their uppermost concern. The Riigikogu voted to postpone the second reading of amendments to Estonia’s citizenship law until after the summer recess. As in Latvia, the amendments would grant almost automatic citizenship to children born on independent Estonian soil. (Baltic News Service, 1000 GMT, 18 Jun 98) The amendments, submitted at the end of 1997, fall in line with OSCE recommendations and a convention on the rights of children accepted by the European Union and the Council of Baltic Sea States.
Moreover, in a bizarre demonstration of what can at best be termed diplomatic
naivety, Estonia's foreign minister, Toomas Hendrik Ilves, gave some astonishing
answers according to an interview published in the The Ottawa Citizen. When
asked about Estonian-Russian relations, Ilves responded: "The Russians are a
pain in the ass. They've never gotten over their post-colonial stress
syndrome...But the empire's gone, baby--and you have to get used to that." (The
Ottawa Citizen, 8 Jun 98, p. B4; NEXIS) Not surprisingly, Vladimir Rakhmanin, a
spokesman for the Russian foreign ministry, did not take kindly to Ilves' "outright
antipathy" and word choice. An official of the foreign ministry press service
quoted Ilves as saying that certain Canadian media had misrepresented his
remarks. (Interfax, 1802 GMT, 16 Jun 98; FBIS-SOV-98-167)

LITHUANIA

Brazauskas reports belief he was under watch

In the continuing saga of the Third Unit surveillance scandal, the chairman of the
special parliamentary commission established to investigate this issue has been
unable to find sufficient evidence that high-ranking state officials had been the
victim of surveillance by the recently disbanded unit. However, former president
Algirdas Brazauskas recently announced that he believed he had been under
surveillance. "Certain words or even entire sentences which I said in my office
were quoted in conversations with other officials," Brazauskas told Lietuvos rytas.
The former president has been invited by parliament to give more precise
testimony about his claim. (Baltic News Service Daily Report, 1000 GMT, 17 Jun
98) Seimas Chairman Vytautas Landsbergis denied he knew the details of last
year's confidential conversation between Brazauskas and fellow presidential
candidate Arturas Paulauskas to which Brazauskas referred in the newspaper
interview and said that statements he made that mirrored that conversation were
just a lucky guess. "After the press reported about the August 15 meeting
between above-mentioned persons last year, just days after it, Landsbergis told a
news conference he reckoned they talked about the forthcoming presidential
elections, final goals, and ways to achieve them by using joint and tuned tactics,"
a spokesman for Landsbergis said. (ELTA, 1600 GMT, 30 Jun 98; FBIS-SOV-98-181)