Russian Federation: Executive Branch

By Susan Cavan

PRESIDENCY

Latest Yel'tsin health ordeal

President Yel'tsin was hospitalized last month with a large gastric ulcer, which, according to one of his physicians, developed extremely rapidly. (Interview with Sergei Mironov on NTV, 2015 GMT, 17 Jan 99; FBIS-SOV-99-017) On Saturday, Yel'tsin was released from the hospital and is expected to spend two weeks recuperating at Barvikha Sanitarium. (UPI, 30 Jan 99; clarinet)

The lessons learned from this latest hospitalization are familiar: The government goes on without him, but lest anyone forget he is still in some form of control, the threat of dismissals is lobbed at his ministers. In this particular case, the president evidently gave his prime minister just enough rope to hang himself by suggesting Primakov float a power-sharing proposal before the parliament. (For further information on the proposal, see "Government" section.) Once the details of the proposal were published, Yel'tsin quickly denounced the provisions calling for a suspension of his constitutional right to dissolve the Duma and called Primakov in for a discussion, even broadcasting part of the meeting. Speculation on the length of Primakov's tenure as prime minister soon occupied the press, despite "reassurances" from the presidential staff that Yel'tsin "has supported efforts taken" by Primakov. (ITAR-TASS, 1630 GMT, 26 Jan 99; FBIS-SOV-99-026)

While it is highly unlikely that the president would sack his prime minister, thereby setting off another confrontation with the Duma, Yel'tsin has managed to remind everyone of his constitutionally given relevance. Just for the record:
According to Interfax (1027 GMT, 18 Jan 99; FBIS-SOV-99-018), the Russian stock market has been unaffected by Yel'tsin's illness.

**APPARAT**

**Borodin speaks up**

The extension of General Bordyuzha's authority to oversee the Kremlin's Economic Management Office, noted in our last digest, has provoked comment from Manager Pavel Borodin. The very independent-minded Borodin noted, "The tasks, forms and methods of our work can be changed only if over 40 regulations, including presidential and government resolutions, are also changed." (Interfax, 0845 GMT, 13 Jan 99; FBIS-SOV-99-013) Sounds like a bureaucratic line in the sand.

**Bordyuzha rises to challenge?**

On what may or may not be a related note, General Bordyuzha announced that President Yel'tsin has approved the general's blueprint for the reorganization of the Kremlin apparat. (Interfax, 1156 GMT, 23 Jan 99; FBIS-SOV-99-023) The relevant presidential decrees are expected next week.

Employing a traditional Kremlin-watcher's gauge of apparat authority to Bordyuzha's influence with the president, it is clear that the general has been granted substantial access to Yel'tsin during the course of his current illness. Bordyuzha is frequently reported to be meeting or speaking with the president from the hospital. While that is not necessarily unusual for a chief of staff, it has been notable by its absence in the past. (As, for instance, when General Korzhakov was a Yel'tsin intimate.)

**GOVERNMENT**

**Primakov proposal dust-up**

The prime minister, apparently at the suggestion of the president, drafted a proposal on measures to foster political stability between the executive and
legislative branches during the lead up to the next parliamentary and presidential elections. (ITAR-TASS, 1037 GMT, 26 Jan 99; FBIS-SOV-99-026) Drawing in part from a September 1998 agreement (never implemented), Primakov suggested that each participant agree not to employ any of its constitutional triggers that would lead to an early dissolution of the Duma. In exchange, the Duma would not proceed with attempts to remove the president. (NTV, 1900 GMT, 25 Jan 99; FBIS-SOV-99-025)

Primakov did make clear that this was an overture meant to elicit responses which would, in turn, be sent to the president for his consideration. The president, as noted above, immediately renounced the restriction of his constitutional rights, leaving the appearance that Primakov had overreached his authority and consequently placed his job in jeopardy.

General Bordyuzha, who in addition to being Yeltsin's chief of staff is also a close associate of Primakov's, confirmed that the president had earlier solicited draft measures on political stability and added that the president's comments on the proposal were meant as input to what is still "purely a working matter." (ITAR-TASS, 1630 GMT, 26 Jan 99; FBIS-SOV-99-026) Bordyuzha also noted that a Security Council session is scheduled to take up this issue.

Questions raised about MinAtom finances
The Ministry of Atomic Energy has been subjected to serious press scrutiny in recent months. At issue seems to be not only a re-evaluation of the March 1998 dismissal of longtime Minister Viktor Mikhailov (and his reappearance as a deputy), but also the possible use of diverted ministry funds for future political campaigns.

While the initial salvo came from Soveshshennno Sekretno (11 Nov 98; FBIS-SOV-98-331), both the Luzhkov-aligned Moskovsky komsomolets (10 Dec 98; FBIS-SOV-98-350) and the government's Rossiyskaya gazeta (18 Dec 98; FBIS-SOV-
have joined in the attack. The recent articles emphasize the shift in financial accounting under the current minister, Yevgeni Adamov, and the banks (and consequently financiers and politicians) who have benefited. One of the underlying assumptions of the pieces is that Adamov was appointed through the intervention of Boris Berezovsky, and remains "propped up" by the unlikely tandem of Berezovsky and Anatoli Chubais (through the electrical company YeS Rossii).

While Adamov rejects the influence of any "oligarch" in his ministry, he does acknowledge that Chubais' appointment as chairman of the board of YeS Rossi facilitated the payment of funds for electrical energy production. (Yevgeni Adamov letter to the editor, Moskovsky komsomolets, 14 Jan 99; FBIS-SOV-99-014)

Adamov, in the above-referenced letter which attempts to rebut MK's charges about corrupt financial practices at MinAtom, suggests that his intent is to overhaul radically the financial arrangements at MinAtom because the real corruption may have occurred under his predecessor's watch: "Let us hope that the law enforcement authorities will not, as a matter of fact, have occasion to investigate the uranium business, the prerequisites for which were perfectly ripe on the verge of the change of leadership of the Ministry of Atomic Energy in March 1998." (Moskovsky komsomolets, 14 Jan 99)

If any of this speculation is on target (and it should be noted that both the Moskovsky komsomolets and the Rossiyskaya gazeta articles seem to draw, in part, from the initial Sovershenno Sekretno piece), it would seem that Adamov's "revised financing" with the assistance of Chubais' new position may improve wage disbursement to workers, but also represents the possibility of channeling MinAtom resources to different political campaigns than Mikhailov may have supported. As to Mikhailov's affiliations, it may not be irrelevant to bear in mind...
that former MVD Chief Kulikov was fired at about the same time as Mikhailov was dismissed.

Russian Federation: Foreign Relations
By John McDonough and Sarah Miller

Ivanov speaks of Russian-US equality; Albright gives reassurances

Referring to a telephone conversation between President Boris Yeltsin and visiting US Secretary of State Madeleine Albright, Foreign Minister Igor Ivanov told journalists on 26 January that "it is of principled importance that they confirmed the allegiance of Russia and the United States to the development of bilateral relations on the basis of equality [and] respect for each other's interests." (ITAR-TASS, 1258 GMT, 26 Jan 99; FBIS-SOV-99-026)

This statement followed Albright's earlier statements which were designed to reassure the Russian government that a decision on deploying a new US Anti-Ballistic Missile (ABM) system would not be made any earlier than mid-1999. During a joint news conference held with her Russian counterpart, Foreign Minister Ivanov, Albright stressed the US commitment to the ABM Treaty but at the same time noted there are new threats in the world which the two countries should take into account. Albright stated that the US budget has money for research and development now but added that, if it is necessary to deploy a new ABM system, this will be done no sooner than the year 2005. (ITAR-TASS, 1258 GMT, 26 Jan 99; FBIS-SOV-99-026) While Albright was reassuring the Russian government that the US would not move forward on a new ABM system without Russian knowledge, if not approval, Ivanov was reassuring the Russian press that Russia was a strong independent state. Responding to a question concerning economic assistance in exchange for political assurances, Ivanov said "we do not bargain with our national interests." (ITAR-TASS World Service, 1250 GMT, 26 Jan 99; FBIS-SOV-99-026)
However, bargains may have been on Secretary Albright’s agenda as she voiced support for the Russian free press and offered $10 million to strengthen free press in Russia. (ITAR-TASS, 1614 GMT, 25 Jan 99; FBIS-SOV-99-025)

Perhaps the ratification of START-II is what the US can expect in return for its support of the Russian free press. While speaking at a joint press conference Albright expressed the hope that the START-II Treaty will be ratified when she comes to Moscow next time and that work on START-III will begin. (ITAR-TASS, 2055 GMT, 26 Jan 99; FBIS-SOV-99-026)

The Russian media depicted Secretary Albright's visit to Moscow as a Russian diplomatic victory. The Russian coverage emphasized American reassurances on the ABM treaty, the pledges of economic support, and the theme of US-Russian equality. Although Foreign Minister Ivanov did give some assurances concerning a Russian crackdown on weapons technology exports, these were overshadowed by the Russian government's and scientific community's repeated denials of having assisted Iran with any weapons of mass destruction (WMD).

**Where in the world is Abdullah Ocalan now? Not in Italy**

Once again the Russian government played a game of diplomatic cat and mouse with Turkey and the international community over the whereabouts of Abdullah Ocalan, leader of the Kurdish Workers’ Party. On 19 January 1999 Russia's Federal Security Service (FSB) and foreign ministry declined to comment on the Turkish authorities' assertions that Abdullah Ocalan had returned to Russia following his short hiatus in Italy. In conjunction with this official "no comment," sources in the Russian foreign ministry told Interfax on 19 January that, according to Foreign Minister Igor Ivanov, "competent services are checking reports that Ocalan has flown out to South Africa from Moscow." (Interfax, 1257 GMT, 19 Jan 99; FBIS-SOV-99-019) The comments are reminiscent of statements made during Ocalan's short period of "exile" in Moscow after his expulsion from Syria in late 1998. Following what was most certainly an
exhaustive search on 22 January, Colonel-General Valentin Sobolev, first deputy chief of the Federal Security Service, declared that "the Leader of the Workers Party of Kurdistan [PKK] is not in Russian territory today." Sobolev stated that, "we have taken all measures to look for him after requests have reached us from authorities in Turkey and Italy. The result was negative." Also on the same day Ivanov told a news conference, "I can state officially that Abdullah Ocalan is not in Russia." (ITAR-TASS, 0948 GMT, 22 Jan 99; FBIS-SOV-99-022)

Although Moscow has apparently closed the latest chapter in the Ocalan affair with its official "search and denial" mission, only time or the Turkish security services will reveal the actual whereabouts of Ocalan. Moscow, which has long been accused of supporting the Kurdish rebels and still permits a Kurdish mission that represents the PKK to remain in the city, has not completely turned its back on Ocalan.

Issa Magomedov, the head of the department for international law at the Russian Prosecutor-General’s Office, left the door open for Ocalan’s return to Russia by stating that "if Ocalan is found in Russia, Moscow will have no legal reasons for extraditing the leader of the Kurdish Workers’ Party to Turkey." He said Russia and Turkey have not signed an agreement on the mutual extradition of criminals on the basis of which individuals suspected of committing crimes may be deported. (Interfax, 1257 GMT, 19 Jan 99; FBIS-SOV-99-019)

**Russian and French ministers cozy up in Moscow**

French Foreign Minister Hubert Vedrine recently concluded what appeared to be more a mutual admiration mission than a substantive foreign ministry visit to Moscow in early January. Official statements issued by both the Russian prime minister and French foreign minister focused exclusively on the "very similar positions, converging objectives, and complementary approaches" the two countries share. At the beginning of a 12 January meeting with the French foreign minister, Primakov told Vedrine, "you have an absolutely correct
understanding of the current developments in Russia," and "it inspires me to hear you say that our model is close to European Social Democracy." (Interfax, 0911 GMT, 12 Jan 99; FBIS-SOV-99-012) Although Primakov took the opportunity to highlight how much the French government admired the Russian political model, the majority of the meetings focused on international issues with which Moscow and Paris share a common point of view. During a meeting with Vedrine on 12 January, Primakov noted that "our countries have very close positions on international affairs," and "we understand well that measures need to be taken to maintain order to stabilize the international situation." (ITAR-TASS World Service, 0822 GMT, 12 Jan 99; FBIS-SOV-99-012) Vedrine echoed this same theme but was more specific, stating that France and Russia have "very similar positions, converging objectives, and complementary approaches" to Iraq and Kosovo. Vedrine stated that "we are going to submit to our Security Council partners some ideas for getting out of the current situation [in Iraq] and redirecting the UN inspection methods." (AFP (Domestic Service), 12 Jan 99; FBIS-WEU-99-012)

Russia and France have long maintained similar positions on several international issues, not least of which have been UN sanctions and inspections in Iraq. Vedrine’s statement concerning the "redirecting" of UN inspection methods coincided with several Russian statements concerning the obsolete nature of UNSCOM and the need to overhaul the UN inspection team that was operating in Iraq prior to Operation Desert Fox. Vedrine's statements fall short of complete French support for a Russian initiative to overhaul the UNSCOM team; however, based on French actions in the Security Council, it would not be surprising to see a joint Russian-French proposal for a revamped Iraqi-friendly UNSCOM team.

**Let the 'sunshine' in**

South Korean Foreign Minister Hong Soon-young has expressed his country's backing of the Russian-proposed six-way talks on the Korean peninsula. Russian
Foreign Minister Igor Ivanov responded by supporting ROK engagement effort on the issue, which has been termed the "sunshine policy." (Yonhap, 0055 GMT, 26 Jan 99; FBIS-EAS-99-025) This comes on the heels of revealing Japanese analysis -- apparently aided by US intelligence -- that "Nodong missiles have either already been deployed or are being installed at over 10 bases in North Korea." Although the report has yet to be confirmed, deployment of such a highly mobile arsenal would only increase the security threat to both Japan and the ROK.

3,000 North Koreans labor in Siberia while 200 Chinese are repatriated
KOTRA, the Korean Trade Investment Promotion Agency, has revealed that over 30 percent of Siberia's foreign workers are North Koreans. The DPRK reportedly receives over $10 million in foreign currency annually from these workers alone. The workers are being sent to Siberia to work on agricultural and construction projects. (Hangyore, 0903 GMT, 19 Jan 99; FBIS-EAS-99-023) Meanwhile, according to a recent report from the Trans-Baikal regional department press service, 200 Chinese nationals residing illegally on Russian territory were repatriated from "Operation Vikhr-3" at the end of December. It was noted that while the Chinese were apparently not taking part in illegal activity, their presence on Russian soil was in itself an illegal act. Now that the Sino-Russian demarcation effort has been successfully completed, the effort to repatriate Chinese workers has been stepped up. (TASS, 0714 GMT, 6 Jan 99; FBIS-SOV-99-006)

Russo-Japanese demarcation effort stalls
According to Japanese Foreign Minister Masahiko Komura, "it's a fact that there are wide differences and the [demarcation] talks have stalled." (Kyodo, 0355 GMT, 22 Jan 99; FBIS-EAS-99-21) The talks were held under auspices of the new commissions founded in the November 1998 Moscow Declaration. The commissions were to handle joint economic development and demarcation of the disputed Kurile Islands chain. It was hoped that the commission could resolve the
territory issue so that the peace treaty negotiations could be concluded by the year 2000. This latest setback brings the target date even further into doubt.

Russian Federation: Domestic Issues and Legislative Branch
By Michael Thurman

REGIONS
Orsk mayor discusses consequences of regional protectionism
Nikolai Tarasov, mayor of the city of Orsk in the Orenburg Region, discussed the "war" presently underway among the 89 regions of the Russian Federation. In response to the economic and political crisis of August 1998, many regions banned exports, and in some cases imports, of products from other regions. The intention was to prevent shortages, but the result has been a glut in the exporting region and, in the absence of alternative suppliers, a severe shortage in the formerly importing region. There are now instances of smuggling, and in the case of Orenburg and neighboring Bashkortostan, this has meant the smuggling of milk. According to Tarasov, the governor of Orenburg Region has spoken to the president of Bashkortostan and now some milk "trickles" into Orenburg where it used to "stream."

Regional protectionism may be politically popular, and even intuitively responsible in the short run, but as with the leaders of Orsk and Bashkortostan, policy makers may now be understanding that protectionism is ultimately in no one's interest, especially within the same country. (Rossiyskaya gazeta, Weekend Edition, 6 Jan 99, p. 13; FBIS-SOV-99-007)

Vladivostok municipal election saga continues
Vladivostok remains the only city in the Russian Federation not to have had a democratically elected city council or city charter since the dissolution of the soviets in 1993. Each time an election has been planned, it has been cancelled or prevented in some way. Hopes were high that this would finally end with the 17 January 1999 elections.

The most recent phase of the saga began when President Yel'tsin issued a decree in December removing Viktor Cherepkov as mayor, while asking the Primorye Kray's governor, Yevgeni Nazdratenko, to nominate an acting mayor until elections could be held. Nazdratenko nominated Yuri Kopylov, Cherepkov's former deputy mayor, who had been similarly removed from office by the court.

Cherepkov refused to relinquish his office physically or officially, claiming Yel'tsin's move was unconstitutional, and has filed a complaint with the Russian Constitutional Court. The court has agreed to hear the case on 14 February.

The result was a peculiar scene where Vladivostok had two mayors, each demanding loyalty from the city and its citizens. Cherepkov and his supporters holed up in the mayor's office, known as the Grey House, while Kopylov set up shop in the district administration building known as the Yellow House down the street. Kopylov threatened to send in the police to remove Cherepkov, but had to contend with Cherepkov's supporters surrounding the building.

The solution was hoped to have been the 17 January 1999 elections for the 22 seats on the city council. The council had the tasks of passing a charter for the city and appointing a mayor from their ranks under the conditions of the new charter. For the first time the people of the city would have had a democratically elected city council and city charter. But like every other attempt in the last six years, this was not to be.
Initially, 16 of the 22 district elections were deemed to be valid. The other six were ruled invalid due to low voter turnout and new elections were slated to be held between 17 March and 17 May. Cherepkov and his supporters won 15 of the 16 valid seats, and as 15 members present constituted a quorum, the council met on 23 January, ratified the city charter and elected Cherepkov mayor of Vladivostok. His temporary replacement, Kopylov, did not run.

Initially all seemed well until the city election commission declared that only 10 of the 22 seats were valid, and later revised that number down to nine. The city council's adoption of the city charter and its appointment of Cherepkov as mayor were therefore invalidated. The local court also dissolved the council, although it is not clear what the purpose was, given that the council, lacking a quorum, could not pass legislation anyway.

Within all of this must be seen the never-ending battle between Nazdratenko and Cherepkov. The courts, the election commissions, parties, and even the Kremlin, are all used to further one side over the other. The fact that Yel'tsin personally asked the Central Election Commission to oversee this election, and the fact that it was unable to prevent the present debacle shows just how weak the center can be when intense regional interests are involved.

The next step, for the umpteenth time, is to hold elections in those city council districts in which elections were invalidated. Perhaps the wisest step would be to keep the local and federal election commissions out of the picture by bringing in election officials from other, noncontiguous regions, who could be given the sole power of conducting the elections. And if more faith in the process were needed, perhaps the results of the elections could be validated by a second group of regional election officials. What does seem to be needed is some electoral monitoring system which is reasonably above reproach and is truly interested in the integrity of the process. While the outcome of elections is that which
ultimately decides the future of the country's citizens, it is belief in the fairness of
the process of democracy which gives the outcome its legitimacy.

Russian Federation: Armed Forces
By Lt. Col. Michael Reardon and LCDR Fred Dummond

Recently completed reorganization produces miraculous results!
Commander-in-Chief of the Russian Air Force, Col. Gen. Anatoly Kornukov,
recently proclaimed the merger of Russia's military air force and air defense
forces has been completed. He said, "The new structure of the Air Force will
allow the combat capacity of various air troops to be used under single
command." (Interfax, 0906 GMT, 8 Jan 99; FBIS-SOV-99-008) The CINC then
provided some insights into the need for the new organizational structure. In an
interview with Interfax he said that, in the initial stages of combat actions, the use
of aircraft should precede the use of land forces and the air force has the
responsibility for successful implementation. According to Kornukov, "The Air
Force of today, with its highly mobile, multi-purpose efficient means of defense
and attack, ensure[s] the defense of the country in the sky. This increases the
part the Air Force plays in contemporary military conflicts. This increased role
calls for a radical revision of military tactics and practice and the ways of
developing the armed forces." (Interfax, 0906 GMT, 8 Jan 99; FBIS-SOV-99-008)

Though complete, the merger is apparently not the last step; the air force CINC
told reporters three days later that one of the chief tasks of Russia's air force in
1999 will be to perfect the structure of the force. (ITAR-TASS, 1315 GMT, 11 Jan
99; FBIS-SOC-99-011) Other chief tasks will be to enhance combat readiness
and develop armaments and equipment, a difficult task under the tight fiscal
constraints facing all the Russian armed forces. Kornukov stated there will be an
emphasis on multifunctional systems in the air force armaments and equipment,
with the new S-400 anti-aircraft system (follow-on enhancement of the S-300 system) adopted for service. The S-400 will have priority for the next 20-50 years. This "priority" must be Kornukov's own or only a priority within the air force, because most other high officials, including Defense Minister Igor Sergeev and Deputy Premier Maslyukov, clearly favor upgrading Russia's strategic arsenal with as many SS-28s as the budget will allow. The CINC provided modernization plans for the Su-24, Su-25, and Su-27, and said the range of the MiG-31 fighter will be increased, with its armaments perfected. (ITAR-TASS, 1315 GMT, 11 Jan 99; FBIS-SOV-99-011)

For the remainder of the interview, Col. Gen. Kornukov spouted numbers and statistics positive to his service with the flare and confidence of a seasoned politician. For example, a numerical strength of 193,000 on 1 January 99 compared to 318,000 a year ago, 580 units disbanded, over 41,000 servicemen discharged, including 69 generals [of course, he didn't mention how many may have been added as a result of the president's edict to promote 100 additional officers to the rank of general (See Editorial Digest, Vol. IV, No. 1)], and 32 airfields and 310 cantonments vacated as a result of reform. The CINC also said the air force in now manned at 99 percent as a result of "organizational operations," compared to the previous level of 75 percent.

Probably the most interesting statistic is that, presumably due to reform, the aircraft fleet is now magically 70 to 85 percent "ready for flight[s]," compared to 30 to 40 percent before reform. (ITAR-TASS, 1315 GMT, 11 Jan 99; FBIS-SOV-99-011) However, the increase in flight readiness should be no surprise, as the air force was blessed with an overabundance of funds in 1998, a whopping 5.5 billion rubles allocated versus the 13.5 billion rubles required. (ITAR-TASS, 1315 GMT, 11 Jan 99; FBIS-SOV-99-011) Of course, the most logical explanations for the miraculous increase in operability rate are that either the general just decided not to count broken aircraft or that those 60 to 70 percent of the fleet previously considered unable to fly have been simply redesignated as static displays.
... But 'complete' may be a relative term

Air Force Commander-in-Chief Col. Gen. Anatoly Kornukov's recent proclamation that the merger of Russia's military air force and air defense forces has been completed may be a momentary condition if the strategic missile troops commander or defense minister have anything to say. The possibility of another reshuffle in the air force has been hinted at for months. Even before Kornukov reported that the air force-air defense force merger was 95 percent complete six months ago (ITAR-TASS, 1708 GMT, 11 Aug 98; FBIS-SOV-98-182), Strategic Missile Troops CINC Col. Gen. Vladimir Yakovlev was beginning to make a play for Kornukov's new empire. Yakovlev suggested that the missile troops and air force should be combined into a single service, allowing for additional savings over the almost 20 percent realized by the current air force-air defense merger. He believes the new service could be in place by 2003. (See Editorial Digest, Vol. III, No. 12) There is little doubt who he saw leading this "new and improved" force structure.

Though Yakovlev's idea for an "air and space" merger may have fallen off the scope for the time being, another even more controversial one has bubbled to the surface -- and continued to boil. Two months ago, Defense Minister Igor Sergeev reported that President Yel'tsin had agreed to a proposal to combine all strategic assets under one command. (See Editorial Digest, Vol. III, No. 16) Under the proposal, strategic forces of the air force, navy and missile forces would be consolidated into a Strategic Deterrent Force. This force would serve under a single Unified High Command instead of the General Staff. Not surprisingly, this revelation irked more than just air force officials. Navy and air force chiefs saw their empires, already suffering from reform cuts, crumbling further. Also, the General Staff's authority would be greatly reduced by not having the nuclear stick under its direction. Considering all the opposition, coupled with President Yel'tsin's failing health and diminished political clout, it seemed as if the
defense minister's new organizational design was destined for the archives even before it got off the drawing board.

However, it may be premature to close the books on this one yet. After two months of relative silence, Sergeev provided a strong indication that he has not given in to pressure from the opposition. Speaking to a group of Russian military journalists on 13 January, Sergeev said that the combined main command of strategic containment forces will be created in 1999. "If we do not create a more perfect combat control system, our missiles, no matter how many of them we have, will be decorative." (ITAR-TASS, 1814 GMT, 13 Jan 99; FBIS-SOV-99-014) He reiterated that the combined main command of strategic containment forces will incorporate Strategic Rocket Forces and the nuclear components of the air force and navy. The defense minister noted that the combat control system should be able to respond promptly to changes in the situation, "be viable," and act under any circumstances. (ITAR-TASS, 1814 GMT, 13 Jan 99; FBIS-SOV-99-014) The portion of his comments which raises the greatest expectation for actual realization of the new structure is that Sergeev said it would be created this year and not some time off in the next decade or at some undisclosed time in the future.

The most disturbing aspect of this proposal may be the opportunity to consolidate funding for nuclear assets. Russia's financial woes are well (and often) documented. Underfunding of the military continues to be severe, with each of the services having to make many tough decisions on how to spread the few rubles they do receive. Much has been reported on Sergeev's and Deputy Premier Maslyukov's desire to produce Topol-M missiles at an overly ambitious production rate. (See Editorial Digest, Vol. III, No. 16) Separating the nuclear forces from the navy and the air force would also separate the funding. Any arguments for equitable distribution of strategic and conventional funding from General Staff officials would fall on deaf ears, as presumably the funding chain for the Strategic Deterrent Forces would be through the newly established
Unified High Command. With the "You better listen to us because we’re still a powerful nuclear force to be reckoned with" defense advocated by Russian Federation officials every time the US or British do or say something contrary to their liking, it is pretty clear where their emphasis lies. The ultimate result would be a navy with more ships rotting under the surface than above; an untrained, underfed army forced to beg on the streets; a grounded, obsolete air force; and, most importantly, more highly capable nuclear ballistic missiles in the hands of fewer dangerous men.

And now it's time for 'Meet the Republic' with Igor Sergeev
Even Dale Carnegie would have been proud of Russian Defense Minister Igor Sergeev for his comments to Russian military journalists in connection with Russian Press Day, 13 January. During the gathering, Sergeev provided the press with details of several aspects of upcoming military reform initiatives. In addition to the establishment of a Strategic Deterrent Force, discussed above, Sergeev named the creation of permanent-readiness units, their interoperability, the modernization of their weapons and hardware, and their adequate funding as key reform initiatives. (ITAR-TASS, 1814 GMT, 13 Jan 99; FBIS-SOV-99-014)
He also said that work will continue on reducing the number of military districts and their reorganization into six operational and strategic commands, with the Volga and Ural military districts consolidated in 1999. (ITAR-TASS, 1814 GMT, 13 Jan 99; FBIS-SOV-99-014)

Then, the defense minister switched gears. He told the crowd that the "press is the drive belt of military reform, it is a mechanism which can keep the public informed about what the defense minister does and why he does it." Sergeev said that it is his duty to explain his actions to Russian taxpayers. Continuing, he stated, "An open society cannot be built without open press." The defense minister stressed, "I always read critical articles attentively. I am perhaps the first defense minister who writes resolutions on media reports." Sergeev also noted that "it is impossible to carry out military reform without information support."
Why did Sergeev make these comments? Maybe it was because he wasn't feeling much love from his generals due to his recent reform initiatives. Or maybe he felt he needed the press on his side to sell his ideas to the world. Whatever the reasons, I am sure Sergeev's comments brought tears to the eyes of everyone in the audience. Tears of pride ... or those tears you get when you've laughed uncontrollably for a long time.

**Wanted: S-300 deployment location, tourist-free and no Marines**

The $500 million Russia-Cypriot deal to send Russian-made S-300 anti-aircraft missile defense systems to Cyprus encountered a major obstacle last month when Cypriot Republic President Glavkos Kliridhis announced the S-300s would not be deployed to Cyprus as previously planned. At the time, Crete was announced as the alternate location. (See Editorial Digest, Vol. III, No. 18)

However, cloud over the deal has become as thick as London fog. According to Interfax, "This decision [to deploy the systems on Crete] stirred protests on the island, which attracts a lot of tourists." There is also a US Marine base situated on the island. In an apparent revelation Interfax reported, "Furthermore, stationing the complexes in Crete will not ensure security of Cyprus, say experts." (Interfax, 1012 GMT, 15 Jan 99; FBIS-SOV-99-015) Experts? Using not much more than a map, a ruler, and rudimentary knowledge of the S-300's capabilities, any teenager could have figured out that one. So stay tuned, the search continues for a suitable S-300 deployment location.

**My plane's better than your plane**

The long-awaited public debut of the MiG fifth generation fighter aircraft took place on 12 January. Referred to in the West as the "MiG 1.42" (from the Mikoyan Design Bureau's Project 1-42), the Russians are calling it the "MFI" (from the Russian initials for multipurpose combat fighter). Russian print and TV media are lauding the development of this latest MiG fighter as proof of the viability and even superiority of Russian aviation design and ingenuity. While the
public unveiling of this aircraft is noteworthy, Russian press reports and the attendant sniping on the MiG have been particularly entertaining.

Before delving into what the Russians are saying about the new aircraft, here are some general notes. The aircraft shown is a prototype model, built in 1991 but essentially stored until now, due to lack of funding for development. It has not flown yet; that event may happen in February. From the few pictures released so far, it does not appear to break new design ground, sharing many characteristics with the French Rafale and the consortium-built Eurofighter. These include shaping for some stealth capability, canard foreplanes, and a large intake located on the underside of the aircraft. As with the US F-22, the MiG has twin-engines and twin-tails. A competing Russian aircraft from the Sukhoi Design Bureau, the S-37 Berkut, has a much more unconventional appearance, with forward-swept wings.

The first Russian press reports on Project 1-42 started off in a fairly straightforward manner, with the claims of the "new" aircraft's capabilities increasing over time. In all the reports there was an understandable air of pride noticeable. NTV broadcast a few brief reports on debut day, with its reporters interviewing and quoting from the MiG bureau's designers. NTV reported that the MiG would "not be inferior to the F-22," and would cost much less, but noted also that the plane had "a rather uncertain future" due to Russia's financial state. NTV stated that the aircraft's design was begun 15 years ago, and "a few" prototypes exist. A subsequent broadcast began the stream of hyperbole, promoting the superiority of the Russian design (including swipes at US stealth aircraft). The general manager (or director general -- the person is referred to by various titles) of the MiG aircraft works claimed that the aircraft is impossible to track in subsonic or supersonic flight, helped in part because all planned weapons are to be carried internally. (External weapons and other unnecessary protrusions increase an aircraft's radar return. The prototype had underwing stores stations, though.) The general manager was sure, according to NTV, that the MiG is "less
visible than the US Stealth fighter, which was not invisible to Soviet air defense facilities long before it went into service. Russian designers have taken into consideration the mistakes made by the Americans and have achieved less visibility at a lower price." (NTV, 1100 GMT and 1600 GMT, 12 Jan 99; FBIS-SOV-99-012)

Apparently not all of the Russian press was taking the design bureau's claims for its latest combat aircraft at face value. Moskovskiy novosti called the MiG 1-42 presentation a hoax. The newspaper alleged that an old design, designated 1-44, was shown instead of the actual Project 1-42, in part to obtain money from the government. A military analyst from the paper repeated these charges on Russia TV, giving the story a wider audience. (BBC, 20 Jan 99)

Rossiyskaya gazeta quickly countered with a blustery rebuttal. It featured comments by MiG's general manager, made at an ITAR-TASS press conference. Here are a few revealing excerpts: "Then there was World War II, and it turned out that the best airplanes were built in the United States, the USSR, and Germany.... In spite of all their genius and financial power, the Germans have for some reason gotten out of the habit of designing and making good submarines, tanks, fighters, bombers.... The Americans spent billions of dollars to achieve the effect of invisibility. Ultimately they have built all kinds of 'flying saucers,' which are easier to shoot down than the antediluvian German Junkers. It is simply that no one has ever really tried to shoot them down."

Then we get to the point of the history lessons: "So, the MFI (Russian!) embodies two technologies at once, making it really invisible to radar. And it turns out that no fancy shape, no frightening colors are needed. Everything is simple and wonderful in a Russian way. When they figured that out, the Yanks started kicking themselves." The article continues on in a similar manner, where proponents of the MiG assail those Russian journalists who denigrate Russian achievements and innovations.
ITAR-TASS followed up on its own with a report that "leading experts" in Russian aviation sent an open letter to Prime Minister Yevgeni Primakov complaining of publications critical to their industry. According to Tass, the experts think that such comments should "not be left unattended." "Wildcat" strikes at MiG facilities, in protest of these same critical comments, were also mentioned. (ITAR-TASS, 1500 GMT, 21 Jan 99; FBIS-SOV-99-022)

Obshchaya gazeta reported much the same in regards to the MFI, and from the tone of its article is right in tow with the "party" line. It did quote a Russian general on his view of the future of this aircraft: "The new fighter has a good chance of becoming the aircraft of the 22d century. At least that is what will happen if the project continues to be financed in the manner it has to date." The newspaper was not amused by the good general's remarks. (Obshchaya gazeta, 14-20 Jan 99; FBIS-SOV-99-025)

And now for the rest of the story. Any introduction of a major Russian weapons system is a newsworthy event, not to be belittled. However, one must not make too much of the introduction of a prototype, and not pay too much attention to unproven claims for an as yet unflown aircraft. Coupled with some rather off-the-wall remarks concerning foreign systems, it's hard to take the cheerleaders of the MiG MFI all that seriously, and apparently many in the West are not doing so: The more outlandish statements cited above have not reappeared in Aviation Week, for example. It is obvious that the Russian aviation industry, along with the Russian defense ministry, is trying hard to make a case for funding development of the MiG, hoping that it may be building a military justification for buying production versions, while at the same time promoting the Russian aviation industry. After all, it was in weapons systems that the USSR was able to compete effectively with the US and the West. The case really remains the same with Russia today -- broadly speaking, it is the only area of industry that has competitive products to sell on the world market.
A problem arises when not all Russians believe the sales pitches, and horror of horrors, are able to publish their views in the press. Think of the audacity of some Russians to point out the "bluff" of the new MiG, by reminding its readers that "hey, this is just one, unfown, unproven prototype on display here." To that may we humbly add some counters to the statements made in the various dispatches. To begin with, Project 1-42 is an old design. If it is true that design work on it started 15 years ago, around 1984, it is highly doubtful that the MiG is significantly more stealthy than, or even on par with, the US F-22, F-117 or B-2. Without actual flight testing, comments on the superiority of the MiG's design are at best premature. Just ask the folks who built the B-2, an aircraft that, despite its elegant design, needed some fine-tuning and tweaking to achieve its desired level of operational stealthiness.

Statements on US aircraft being "flying saucers" and not being shot down because no one really tried are plain silly, even by bombastic Russian standards. Maybe the Russians forgot that it was primarily Soviet-made missile systems that were trying, unsuccessfully, to shoot down F-117s in Iraq back in 1991. And finally, maybe the MiG folks should stick to critiquing only aircraft designs; for instance, the German Type 209 diesel submarine is not a threat to be dismissed lightly.

Development of the MFI will of course be watched closely in the West. Previous generations of Russian, primarily MiG, fighters have proven to be capable warfighting machines. The MiG 29, though not without some limitations, could be a worthy adversary if flown by competent pilots. Sukhoi's Su-27 (and variants) is a remarkable fighter. What has always been interesting is seeing the Russian approach to design -- they have taken different and at times ingenious approaches to the task. We'll be waiting for the press reports that may be forthcoming from the flight testing of Project 1-42. In the meantime, we'll just enjoy the entertainment factor provided by the aircraft's supporters.
All together now

On the one hand, Defense Minister Igor Sergeev called the Russian press the "drive belt of military reform," adding further that "An open society cannot be built without open press." His comments were made at a gathering celebrating Russian Press Day. (ITAR-TASS, 1731 GMT, 13 Jan 99; FBIS-SOV-99-014) This was before the questioning article on the MiG MFI appeared. On the other hand there is a "movement in support of the army and the defense industry" that wishes to "draft regulations to set up a public tribunal to accuse the mass media of not providing objective coverage of the army topic." (Radiostantsiya Ekho Moskvy, 1030 GMT, 16 Jan 99; FBIS-SOV-99-016) This of course would be done within the framework of the constitution; the group only wants to change it, not oppose it. An open press serves the country much better when it is not too free.

What a strange new world we're living in

Life in the new world order certainly has turned topsy-turvy compared to life in the Union of Soviet Socialist Republics. For instance, who back then could have imagined Swedish, much less Lithuanian, authorities monitoring Russian military presence in Kaliningrad? Swedish military personnel visited various Russian military elements in Kaliningrad in support of the Vienna Treaty, signed by 55 countries, "for security- and confidence-building measures in Europe." The initial report from the Swedes was that they were happy with the Russian compliance. (ITAR-TASS, 1805 GMT, 14 Jan 99; FBIS-SOV-99-014) Lithuanian inspectors followed a few days later for the same purpose. Tass noted the historic aspect of the Baltic Fleet visit, and remarked that "Russian military experts have not inspected the Lithuanian Armed Forces so far." (ITAR-TASS, 1232 GMT, 18 Jan 99; FBIS-SOV-99-018)

After the West spent billions of dollars over the decades in the Cold War against the USSR, the European Union will spend four million euros over two years to help retrain former officers of the Russian armed forces. (ITAR-TASS, 1952
Targeted officers are those awaiting discharge as well as those already released from duty. Several Russian ministries will cooperate in the running of this program, with the focus on servicemen receiving "help in job-finding at defense-related enterprises, currently in the process of conversion, as well as at small and medium-scale businesses." The number of expected trainees was not revealed. (ITAR-TASS, 1952 GMT, 15 Jan 99; FBIS-SOV-99-015)

The final note in this theme is a proposed Russian-Israeli cooperative effort in upgrading earlier generation MiG aircraft. The MiG director general observed that around 5,000 MiG-21 aircraft are still active worldwide, that this was a "huge market," and that "MiG should team up with Israeli companies 'in the markets of countries where we (Russia) have lost our influence.'" Israeli companies have already worked on upgrading Romanian MiGs but were not "very successful ... on their own." (Interfax, 1257 GMT, 13 Jan 99; FBIS-SOV-99-013) There is some irony in this as the MiG 21 was the most popular aircraft type employed by Israel's immediate neighbors. But then, the Israelis are very familiar with the plane.

**Update on the Minsk**

In October we reported on the former Russian aircraft carrier, the Minsk, being sold as scrap to China. One allegation made at that time was that the ship still had some of its weapons systems intact, calling into question the veracity of the scrap metal story. (Editorial Digest, 7 Oct 98) The Washington Post recently wrote that the ship really is intended to be a floating amusement park, complete with a hotel. (Washington Post, 25 Jan 99) This harkens back to an ABC News report from July 1998 which floated the story that the Minsk was going to be an amusement center in Macao. Apparently port authorities there did not like the idea of the ship in their harbor. The Post updated the Macao link: Instead of the Minsk, a larger, ex-Ukrainian (ex-Soviet) aircraft carrier the Varyag, will become the amusement platform there. Now, in either case, if any weapons systems still
remain intact, these floating fun palaces may add unmatched realism to their combat action video games.

Newly Independent States: CIS

By Sarah Miller

Collective security or just big brother?

Five out of eight CIS member states' security council secretaries voted to extend the Collective Security Treaty at a meeting of the CIS Working Group meeting in Moscow. (TASS, 1653 GMT, 19 Jan 99; FBIS-SOV-99-019) Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia and Tajikistan attended the closed-door meeting held in the presidential office. (TASS, 1439 GMT, 19 Jan 99; FBIS-SOV-99-019) However, the Georgian secretary revealed that differences remain concerning whether to extend the treaty until modifications can be made, or simply to adapt the treaty to "contemporary conditions" before prolonging it. Either way, the future for a CIS Collective Security Treaty looks strong. Accordingly, the press release on the results of the meeting stressed the importance of the treaty as a deterrent to "across-the-border terrorism, illegal narcotics traffic, arms contraband, and organized crime," as well as a means of "ensuring nonproliferation of weapons of mass destruction." In support of joint measures, Chief of CIS Military Cooperation Viktor Prudnikov has advocated the establishment of a CIS-wide unified defense system, including missile warning systems, space control, and intelligence collection. Thus far, work has focused on developing an anti-aircraft system, the plans of which were Russian-led. (Interfax, 1040 GMT, 15 Jan 99; FBIS-SOV-99-015) Prudnikov's comments appear to have been prompted by "several states...[who] prefer the language of force" in reference to recent US actions in Iraq.

Big brother Boris tries again
CIS Executive Secretary Boris Berezovsky said that Russia has "a colossal influence" on the former republics, but stressed that artificially promoting the integration process "is the most dangerous, as it immediately reminds of the past, of the domination, of the division between the elder and the younger brother." (TASS, 1147 GMT, 17 Jan 99; FBIS-SOV-99-017) This has not deterred Berezovsky's personal attempts to dominate the CIS integration process. However, CIS collective measures will not include Berezovsky's most recent proposal. The proposal, called a "personal KGB" by his opponents, would establish an "anti-terrorist" and "counterintelligence" center in direct control of the executive secretariat. (Monitor, 22 Jan 99) This is not the first time that Berezovsky has attempted to create a stronger power base for the Secretariat. (See Editorial Digest, Vol. III, No. 18) In his previous plan, Berezovsky envisioned a CIS-wide free-trade area and the institution of a single coordinating center called the Executive Committee (EC) that would be led by Berezovsky himself.

Newly Independent States: Western Region
By Tammy Lynch

UKRAINE
Treaty? What treaty?
But not so fast. The Russian winds seem to have shifted, thanks in large part to Moscow Mayor Yuri Luzhkov. Luzhkov apparently considers himself the protector of Sevastopol, which he calls a "Russian city." During a visit to the city during August 1998, Luzhkov spoke before cheering crowds of ethnic Russians, vowing "to keep alive their hope that Sevastopol will be back in Russia one day." (For background, see Interfax, 1120 GMT, 26 Aug 98; FBIS-SOV-98-238) In the last two weeks, Luzhkov has been doing his best to fulfill his vow.

Luzhkov has been railing at Duma Deputies for "betraying Sevastopol," and calling on his fellow Federation Council members not to ratify the treaty. (Interfax, 1427 GMT, 11 Jan 99; FBIS-SOV-99-011) The treaty is, in his words, "a forced assimilation of Russians." (ITAR-TASS, 1644 GMT, 13 Jan 99; FBIS-SOV-99-013)

Without ratification by both houses of parliament, the treaty cannot go into effect. It was thought that ratification by the council, or upper house, would simply be a formality. The vote on ratification in the council, however, was delayed until 27 January. Then, on that day, the council voted overwhelmingly to postpone the ratification vote again -- this time until at least mid-February. Federation Council Chairman Yegor Stroev explained that the council needs time to "carefully study all opinions... I think we shall be guided by the opinion of the commission and of most members of the Federation Council." (Interfax, 0926 GMT, 17 Jan 99; FBIS-SOV-99-017)

Comment
The reluctance of the Federation Council to ratify the treaty may have also been influenced by Ukraine's outright refusal to participate in the "Union of Sovereign States," and by the country's continuing refusal to turn away from NATO.
After the Russian-Ukrainian Friendship Treaty and the "declaration on unification of Russia and Belarus" were signed on the same day, Oleg Korolev, the deputy chairman of the Federation Council, called the declaration "the beginning of an actual revival of the Union of Sovereign States." The Russia-Belarus Union Declaration, he said, "dooms" other republics to join. (ITAR-TASS, 2040 GMT, 25 Dec 98; FBIS-SOV-98-359) At the same time, Russian Duma Speaker Gennadi Seleznev claimed that the Friendship Treaty would stop Ukraine from cooperating with NATO. "All the rumors that someone is running somewhere -- to NATO or any other military bloc -- are [in] vain. Ukraine has been and remains a Slavic country, an eternal ally of Russia." (ITAR-TASS, 1703 GMT, 29 Dec 98; FBIS-SOV-98-363)

Ukraine, however, wasn't playing those games. The country immediately refused to join the "Slavic Union," and announced its intention to continue its current course regarding NATO. Russia was denied the rewards it apparently expected.

So, just how irritated at Ukraine are the Federation Council members? Or, just how influential is Yuri Luzhkov? Ukraine will once again simply have to wait and see -- at least until mid-February, when the Federation Council votes on whether Ukraine really exists or not.

**Money makes the world go 'round...**

Ukraine's leaders are collectively crossing their fingers, waiting to see if they passed the recent IMF reform test. Several IMF representatives left Ukraine on 26 January without saying whether they would recommend to the IMF board of directors that the third tranche of a $2.2 billion Extended Fund Facility loan be released. The EEF loan was granted to Ukraine in September 1998, but only $336 million was released before funding was halted in November. At that time, the IMF said Ukraine had failed to fulfill more than a few of the 141 economic reforms required in exchange for the loan.
Before the IMF representatives arrived last month, Ukrainian Vice Premier Serhiy Tyhypko admitted that most IMF requirements still have not been carried out, but noted that the country had now fulfilled 42 of the reforms and was in the process of beginning another 18. (ITAR-TASS, 1516 GMT, 12 Jan 99; FBIS-SOV-99-012)

Perhaps most importantly, the IMF representatives did not rule out a resumption of lending, and noted several improvements before departing. A decision on whether lending will be resumed will be announced in February. (ITAR-TASS, 1417 GMT, 19 Jan 99; FBIS-SOV-99-019)

Meanwhile, the United States announced that it would continue its aid to Ukraine, but will only provide $195 million, which is $30 million lower than the amount of aid granted last year. (Interfax, 0932 GMT, 13 Jan 99; FBIS-SOV-99-013)

Ukraine's FY 1999 debt to foreign creditors already has surpassed $1 billion.

**Election `99... here we come!**
At the beginning of the year, Prime Minister Valeriy Pustovoytenko announced that a parliament coalition had been formed to support President Kuchma in the upcoming election, and that "some staff changes" would be forthcoming "in response to the... coalition." Those changes have now begun to be detailed.

According to Pustovoytenko, the new coalition includes the centrist People's Democratic Party, the more liberal Green Party, and the original centrist Social-Democratic Party. It also includes factions of the leftist Peasants' Party, and nationalist Rukh and Hromada parties. However, given the divisions within the parties themselves, the strength of the coalition is questionable.

The fact that any type of coalition has been created at all, however, is a remarkable achievement. Just three months ago, most observers were predicting the fall of the Pustovoyenko government, and the resurgence of the communists. However, the government survived a 13 October 1998 "no-confidence" vote by
23 votes, and then began the task of building an anti-leftist coalition, with promises of cabinet posts for parties that voted in their favor. (For background, see Interfax, 1233 GMT, 14 Oct 98; FBIS-SOV-98-287)

Kuchma and Pustovoyenko apparently now believe they've molded the strongest coalition possible, and have begun dispersing the promised rewards. There has been no more talk from the Communists of removing the current government.

The most important staff changes are as follows (not all information is complete): First Deputy Prime Minister Anatoli Holubchenko was replaced by Vladimir Kuratchenko; Mikailo Hladi (former Lviv governor) was named deputy prime minister, agro-industrial complex; Stepan Senchuk was named Lviv governor; and Vasyl Rybachuk was named deputy head of the state service directorate. (Intelnews, 0047 GMT, 15 Jan 99; nexis, and Intelnews, 0127 GMT, 4 Jan 99; FBIS-SOV-99-004).

So, you want your missile cruiser, eh?
The Ukrainian Industry Ministry seems to have found itself a $10 million hostage -- the newly repaired missile cruiser Moskva.

The Moskva was built in 1976 (under the name Slava) and, according to the press service of the Russian Navy, "has a displacement of 12,000 tons and a crew of 400." It was sent to Nikolaev, Ukraine for repairs, which were to be financed by Russia, and was then scheduled to join the Black Sea Fleet in Sevastopol. Now the repairs are complete, except the Russian payment for the work never arrived. So, the Ukrainian industry ministry announced that the Moskva "will not be handed over to the Black Sea Fleet before Russia pays $10 million for repairs," and has been holding the ship for several weeks. According to the ministry, Russia owes a total of $100 million for Black Sea Fleet-related work. There has been no response from either the commander of the Black Sea
BELARUS

Diary of a non-union

On 25 December 1998, Boris Yel'tsin and Alyaksandr Lukashenka spoke in grandiose terms about their "declaration of further unification of Russia and Belarus." "This document opens a new page in our relationship. It embodies the aspirations of our countries and peoples to come together," Yel'tsin said. (ITAR-TASS World Service, 1233 GMT, 25 Dec 98; FBIS-SOV-98-359) But, does it really? Since that glorious declaration, there has been very little unity between Belarus and Russia, while the domestic opposition to President Lukashenka has been energized.

On 25 December, Interfax explained the "unification plan" step by step, detailing what would happen almost immediately in the process. "In February, a special agreement should be signed that will regulate prices and tariffs on goods and services in transport, communications, energy and gas industries. Also in February, the pricing principles of the two countries should be standardized." In addition, a plan should be implemented "to secure the mutual convertibility of the two currencies. (Interfax, 1318 GMT, 25 Dec 98; FBIS-SOV-98-359)

Soon, however, the backtracking began. Belarusian Finance Minister Mikalay Korbut said less than a week after the documents were signed that, before 2000, "the two countries will introduce a common clearing currency in one form or another." (Belapan, 1245 GMT, 1 Jan 99; FBIS-SOV-99-001) So much for February.

On 15 January, President Lukashenka announced the abandonment of "market spontaneous principles" for setting consumer prices, a policy that certainly does
not meet the unification requirement that "pricing principles of the two countries should be standardized."

Meanwhile, the Parliamentary Assembly of the Russia-Belarus Union met in Minsk on 21 January to create a task force to work on unification issues. On the same day, Russia stopped over 500 Belarusian trucks at the Russian border for failing to have the necessary entry permits. Belapan explained, "In accordance with the law, only 9,500 permits were issued for Belarusian carriers for 1999, although as many as 120,000 would be needed." (Belapan, 1435 GMT, 21 Jan 99; FBIS-SOV-99-022) After the trucks blocked traffic for a full day, they were allowed to cross the border.

Shortly after, the Russian government imposed new export duties on crude oil, which will reportedly remain in effect for only six months. As of the end of January, no special arrangement had been made for Belarus, although consultations were being held with Belarus, Kazakhstan and Kyrgyzstan. (ITAR-TASS World Service, 1530 GMT, 25 Jan 99; FBIS-SOV-99-025)

As the unification plans began bogging down, Lukashenka appealed to Russia to "keep the integration process at its current pace and fulfill its plans," but admitted that relations "have somewhat slowed down." (Interfax, 1238 GMT, 12 Jan 99; FBIS-SOV-99-012)

Lukashenka's domestic opposition has been invigorated, however. In a country where the people have generally been afraid to protest for fear of police brutality and arrest, significant demonstrations against both the union and Lukashenka's policies have been held at least six times since 25 December. While the protests began on 28 December with just a few dozen people blocking traffic, they have increased to include several thousand people at a time. (Interfax, 1514 GMT, 28 Dec 98; FBIS-SOV-98-362, and Belapan, 0100 GMT, 23 Jan 99; FBIS-SOV-99-023) All protests, of course, end in dozens of arrests.
As the demonstrations have grown, so has the will of the legitimate government to continue its shadow operations. The 40 remaining members of the Duma elected by the people in 1994, but disbanded in 1996 by President Lukashenko in favor of hand-picked members, still hold parliamentary sessions. This month, the 13th Supreme Soviet, as they are known, announced that the next presidential elections in Belarus would, according to the constitution of 1994, be scheduled for 16 May 1999. Lukashenko does not subscribe to the 1994 constitution, and his prosecutor general said that the scheduling of elections is "an attempt to seize power by unconstitutional means, destabilize the society, and provoke wide-spread unrest." (Interfax, 1356 GMT, 12 Jan 99; FBIS-SOV-99-012) Meanwhile, the two main opposition parties, the Belarusian People's Front and the Belarusian Social Democratic Hromada, have both threatened violence over unification.

The opposition has found a cause, thanks to Lukashenko. Clearly, at least at this point, the president seems to be on the losing side of this issue.

**MOLDOVA**

**We're back in the money!**

Just when it seemed that Moldova was on the verge of complete collapse and bankruptcy, the country has been pulled out of the abyss by the IMF. The country, which has been forced to lay off military personnel, shut down most of the state-run media, and ration food and electricity because of a lack of funds, has received word that the IMF will shortly resume lending to it.

The head of the IMF mission in the area, Mark Horton, said the country will soon receive a tranche of $35 million, and could receive a total of $135 million from the IMF this year. Lending had been halted in mid-1997 when the IMF determined that Moldova was making no progress on economic reforms. Horton said the
resumption of lending came because the main recommendations of the IMF had been incorporated into the FY-1999 budget.

Back to the table
Negotiations between the government of Moldova and representatives of the breakaway republic of Dniestr have resumed after months of bickering. Moldovan President Petru Lucinschi (in need of some positive news for his administration) has been implying to the news media that an agreement may be near on both withdrawal of Russian troops and the status of the republic. "You have to bear in mind," he said, "that of all the conflicts bequeathed to us by the Soviet Union, this particular one is closest to settlement." (ITAR-TASS World Service, 1738 GMT, 15 Jan 99; FBIS-UMA-99-016) Does "nearest to settlement" really mean agreement, however? Probably not. The plans proposed by both sides appear not to have changed a great deal, and although Russia claimed a month ago that the country was in the process of beginning a pullout of troops, it now seems that the pullout never actually began. Lucinschi will have to find his good news somewhere else.

Newly Independent States: Caucasus
By Miriam Lanskoy

AZERBAIJAN
Desperately seeking something...
"If Armenia places Russian military bases on its territory, why cannot Azerbaijan place US, Turkish, or NATO military bases on its own territory? " asked State Foreign Policy Adviser Vafa Guluzade. "I really think that in the current situation, Azerbaijan should bolster military cooperation with the West to ensure its security. To start with, it would not be so bad to move the US military base in Turkey, at Incirlik, to the Apsheron peninsula [Azerbaijan]." (Turan, 1700 GMT, 18 Jan 99; FBIS-SOV-99-019) Washington's icy silence and Guluzade's
retraction followed swiftly on the heels of this statement. Yet, in the context of ever-increasing Russian military presence in Armenia and flagging US interest in Azerbaijan, there are plenty of reasons for concern.

...enter GUAM

The defense ministers from Georgia, Ukraine, and Azerbaijan met in Baku on 21 January to discuss the possibility of military cooperation. (The Moldovan defense minister was expected but did not arrive.) They discussed a plan to form a peacekeeping battalion that would operate only with the approval of the member countries and only on their territory -- therefore, it would not require a UN mandate. One of the main duties of the battalion would be the protection of the oil pipelines. (Turan, 1630 GMT, 21 Jan 99; FBIS-SOV-99-021) Should such a battalion be formed it may to some degree enhance the scrutiny of the four member states and make them more desirable partners for the US.

A very porous blockade

A recent article shows that Azerbaijan's blockade against Armenia has been largely ineffective. Using trade statistics for sales of fuels and chemicals to Armenia and Georgia, the authors demonstrate that the trade with Georgia has increased in the same products and quantities as Armenian imports for 1987, the last year before the imposition of the blockade. This indirect evidence is corroborated by other more specific reports, that Azeri Afghan veterans and Armenian Afghan veterans ran a fuel import-export business during the most difficult stage of the war. Since the cease-fire accord of 1994, the trade has grown substantially among more legitimate businesses. The high volume of exports benefits Azerbaijani producers, who avoid breaking the law by working with Georgian middlemen. In view of the difficult economic situation in the country, the governmental authorities choose to look the other way. (Zerkalo, 26 Dec 98, p. 22; FBIS-SOV-99-018) It seems that the only tangible result of the Azerbaijani blockade against Armenia is the imposition of punitive sanctions by the US Congress against Azerbaijan.
Another coup attempt suppressed?
On the night of 7 January several former military and police officers who were serving jail sentences for participating in a failed coup attempt in 1995 reportedly tried to break out of prison. According to Rami Usbou, the interior minister, the leaders were Vakhid Musaev, a former deputy defense minister and army general, and Faig Bakhshalieiev, a former ally of Rovoshan Dzavadov, a police commander who died while leading the March 1995 uprising. Musaev, Bakhshalieiev, nine other inmates, and a guard were killed. (Interfax, 1333 GMT, 10 Jan 99; FBIS-SOV-99-010)

Usbou claimed that the jail mutiny was sponsored by foreign agents and was aimed at the removal of President Aliev, yet he offered no details to corroborate that version of events. The one item he shared, that Musaev and Bakhshalieiev told the others that Aliev had already been deposed, seems illogical. If Aliev had been removed, why would they need to mutiny? Surely those who had seized power would free them.

The frequency with which the Azerbaijani government uncovers schemes in time to eliminate its opponents is truly amazing. Aliev must have the stupidest enemies and the very best security personnel. It seems at least equally likely that the prisoners were shot in their cells. That is the opinion of Musaev's widow, who insists that her husband was not involved in any conspiracy. She also points out that all four of his cellmates were killed as well, which would also suggest that they were simply murdered. (Turan, 1350 GMT, 9 Jan 99; FBIS-SOV-99-009)

DAGESTAN
Early warning in border region
The mayor of Derbent, Nikolai Alchieiev, stated in a recent interview that he is not concerned by signs of renewed activity by the Lezgin terrorist organization Sadval. Alchieiev insists that the Dagestani and Azerbaijani politicians who fear
that the Sadval congress, which was held in Derbent, may signify the re-emergence of a violent Lezgin movement for independence are mistaken.

Although several years ago Sadval armed the Lezgin population on the border between Dagestan and Azerbaijan, carried out bombings in the Baku subway, and provoked several border confrontations, it may yet transform itself into a legitimate political party. Alchiev thinks that new personalities have taken control of Sadval and wish to use it as a springboard for the 9 March elections to the Dagestani parliament. In his estimation, the local population does not wish to provoke a secessionist conflict but it may still regard Sadval as the most legitimate voice to represent the Lezgins in the Dagestani parliament.

"It is very hard to find broad support among the population for separatist statements," he said. However, that does not mean that there is no necessity to find ways of accommodating the legitimate needs of the population, for instance, "an organization that would deal with the problems of Lezgins's compact habitation on a socioeconomic level." This structure would presumably represent the Lezgin community to both governments without challenging the sovereignty of either. The most important topic at present is the nature of the border controls and tariffs since many Lezgins make their living in cross-border trade. (Zerkalo, 26 Dec 98, p. 27; FBIS-SOV-99-014)

In the mid-80s the Nagorno-Karabkh leadership complained to the Azerbaijani government about the poor maintenance of the road leading to Armenia. At roughly the same time the Abkhaz leaders wanted to found a university in their region. While many other factors contributed to the escalation of those conflicts into wars, the fact that the Azerbaijani and Georgian governments were unresponsive to moderate demands certainly did not help their cause. While a government can do little to forestall separatist agitation, it may well be able to curtail the popularity of radical and violent movements by responding to reasonable requests.
KAZAKHSTAN

Observers disagree sharply over legitimacy of president's electoral victory

Amid widely differing views on whether the recent presidential elections in Kazakhstan were marred by coercive campaign promises and voter fraud, President Nursultan Nazarbaev swept to victory with an alleged 81.75 percent share of the vote. (Kazakh Radio First Program Network, 0700 GMT, 11 Jan 99; FBIS-SOV-99-011) Voter turnout was also high, with 7,135,275 out of 8,270,217 eligible voters (86.28 percent) going to the polls. (Kazakh Radio First Program Network, 0500 GMT, 11 Jan 99; FBIS-SOV-99-011). The remaining three candidates -- Gani Kasymov, Serikbolsyn Abdildin, and Engels Gabbasov -- received 4.72 percent, 12.8 percent, and 0.78 percent of the vote, respectively. (Kazakh Radio First Program Network, 0700 GMT, 11 Jan 99; FBIS-SOV-99-011)

However, at a press conference on 12 January, Serikbolsyn Abdildin, the Kazakh Communist Party’s presidential candidate, accused the electoral commission of falsifying the election results by drastically inflating the figures for total voter turnout and by submitting false ballot counts for the various voting districts. Abdildin alleged that several of his party’s observers had seen electoral officials at the polls hand ballots to voters which had already been filled out, and that in most voting districts, the members of the electoral commission did not even bother to count the actual ballots, but simply broadcast figures given to them by the authorities. The Kazakh Communist Party further claimed that, according to the real election results, he had won the largest share of the votes. However, he added, his party would not attempt to challenge the election results in a court of law, but would instead demand that new elections be held in 2000. (Interfax, 1157 GMT, 12 Jan 99; FBIS-SOV-99-012)
Whether or not all of Abdildin's allegations are true, Gani Kasymov's campaign managers also claimed to have witnessed incidents of voter fraud at Polling Station No. 18 in Almaty, where many voters apparently turned in more than one ballot. (NTV, 1100 GMT, 10 Jan 99; FBIS-SOV-99-010) The OSCE voiced grave doubts about the fairness and legitimacy of the elections as well. Coordinators of the OSCE's Kazakh mission, Judy Thompson and Vladimir Shkolnikov, told a press conference on 11 January that their organization did not recognize the validity of Kazakhstan's recent elections, based on the fact that the elections had not been in compliance with the OSCE's membership principles. Thompson stated that one of the most serious violations of these principles was the amendment to Kazakhstan's election law which prohibits anyone who has been criminally charged from running for political office for one year. Aqezhan Qazhegeldyn was barred from the presidential elections on the basis of this law. (Interfax, 1246 GMT, 11 Jan 99; FBIS-SOV-99-011)

International election observers from Russia, Kyrgyzstan, Belarus, Turkey, and England reported no irregular voting practices whatsoever. One observer from the British parliament called the Kazakh elections "well-organized" and a Turkish parliament member stated that the elections had been democratic. (Interfax, 1753 GMT, 10 Jan 99; FBIS-SOV-99-010, and Interfax, 0752 GMT, 11 Jan 99; FBIS-SOV-99-011)

Comment
Regardless of whether the published ballot results for Kazakhstan's presidential elections reflect the truth, there does appear to be plenty of evidence that President Nazarbaev's campaign managers engaged in illegal practices in order to obtain enough signatures for his registration as a candidate with the electoral commission. According to an article in Komsomol'skaya pravda, many people were threatened with loss of their jobs or expulsion from their places of study if they did not sign registration petitions in support of the incumbent president. In
other instances, families were threatened with having their electricity and/or telephone service cut off unless they supported the president in the upcoming elections. The opposition candidates and their campaign workers were also subjected to considerable harassment. A number of Serikbolsyn Abdildin's campaign assistants in Astana were forced to stop working for the Communist Party candidate after their children were threatened with expulsion from school. (Komsomol'skaya pravda, 6-15 Jan 99, p. 10; FBIS-SOV-99-007)

Evidence such as this, along with the fact that scheduling early elections on such short notice gave the opposition little time to organize a real campaign, seriously undermines the election results. The barring of not only Aqezhan Qazhegeldyn, but also other prominent opposition figures (e.g., Petr Svoik of Azamat), from standing in the elections ensured that President Nazarbaev would face little real competition. Thus, even without the allegations of voter fraud and ballot count falsification, it is difficult to perceive Kazakhstan's 1999 presidential elections as more than a rather spurious means of ensuring President Nazarbaev's reign for another seven years.

**Newly Independent States: Baltic States**

*By Kate Martin*

**External funding focuses on education and joint projects**

The Baltic states will continue to receive substantial support in 1999 for military projects from foreign countries. The US is set to provide $3.4 million worth of surveillance equipment for a Baltnet station west of Tallinn. Norway will provide communication equipment to the surveillance project. Support for military education and training is also due to arrive from Sweden, Switzerland, Denmark, Norway, Finland, Iceland, the Netherlands, Great Britain and the United States. (Baltic News Service, 1817 GMT, 12 Jan 99; FBIS-SOV-99-012)
ESTONIA
Attention brought to defense spending, command structure
Demonstrating an awareness of the need to increase military-related spending, Estonia has earmarked 949 million kroon (EEK), the equivalent of US$71.46 million, for the defense ministry budget in 1999. Of that total, EEK87.7 million is dedicated to joint military defense projects with the other Baltic states, participation in the NATO Partnership for Peace program, and military attaches. (Baltic News Service, 1626 GMT, 4 Jan 99; FBIS-SOV-99-004). This could result in a critically needed rise in preparedness for both professional military and reservists. Currently, in the case of attack, Estonia can arm 53 percent of its male population listed as reservists, according to a defense ministry spokesman. (BNS, 1624 GMT, 5 Jan 99; FBIS-SOV-99-005)

Money alone will not guarantee a well-run military machine, however. According to Andrus Oovel, Estonia's outgoing defense minister, the armed forces commander has too much free rein with virtually no civilian oversight. The current defense management system, Oovel said, "makes it possible for the defense forces commander to interpret laws, government decrees, the prime minister's resolutions, and of course the defense minister's orders ... to his best advantage." (BNS Daily Report, 1100 GMT, 6 Jan 99) Oovel's solution: subordinate the armed forces commander to the defense ministry.

LATVIA
Latvia raises defense budget, names new armed forces commander
Latvia, too, is increasing its defense budget allocation, as promised. President Guntis Ulmanis expressed his satisfaction with the Cabinet of Minister's commitment to increase the country's defense budget allocation to 1 percent of GDP. (BNS, 1801 GMT, 6 Jan 99; FBIS-SOV-99-006) In talks with NATO Secretary General Javier Solana last summer, government officials had outlined their plan to increase defense spending from .67 to 1 percent of GDP in 1999
and gradually to 2 percent of GDP in five years' time. (Baltic News Service Daily Report, 1600 GMT, 18 Jun 98) NATO member states in 1997 had defense budgets averaging 2.8 percent of GDP. (Baltic News Service Daily Report, 1600 GMT, 16 Jun 98)

In addition to money matters, the government also took some much-needed care of personnel business. The turmoil over the position of armed forces commander, begun when a misappropriation of funds scandal brought about the resignation of Juris Eihmanis last fall, has finally ended with the appointment of Raimonds Graube. Graube, a lieutenant colonel of the Home Guard who had been serving as acting commander since Eihmanis' removal, won the support of the Saeima’s Defense and Internal Affairs Commission in mid-January. (Radio Riga Network, 1300 GMT, 13 Jan 99; FBIS-SOV-99-013)

**False interview charges bring about spokesman's resignation**

Latvian Way spokesman and Respublika correspondent Mikhail Mamilov, who published a falsified interview with NATO Secretary General Javier Solana on 11 January (Radio Riga Network, 1300 GMT, 13 Jan 99; FBIS-SOV-99-013), was removed from his party post. After NATO announced that Solana had never granted an interview to Respublika or Mamilov, Mamilov explained the article was "a literary-processed version" of a news conference Solana gave in Latvia last summer. (Baltic News Service Daily Report, 1700 GMT, 18 Jan 99) Party chairman Andrejs Pantelejevs cited Mamilov's primary identification with Latvia's Way, rather than as a Respublika reporter, as reason for the dismissal. (Baltic News Service Daily Report, 1100 GMT, 14 Jan 99)