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PRESIDENCY

Yel'tsin suggests successor, Yastrzhembsky takes it back

During his recent trip to Birmingham, England for the G-8 summit, President Yel'tsin reportedly introduced Dmitri Ayatskov, governor of Saratov, to President Clinton as "the future President of Russia." (ITAR-TASS, 19 May 98; NEXIS) Ayatskov later insisted that Yel'tsin was just joking, as did presidential spokesman Sergei Yastrzhembsky, who suggested that one should take Yel'tsin's statement "with a fair measure of ... healthy humor." (Ekho Moskvy, 18 May 98; FBIS-SOV-98-139) Yastrzhembsky was questioned on the possibility of a third Yel'tsin presidency and, in particular, why the text of the president's comments on the subject during his Internet chat appear in the English-language version, but not the Russian. Explaining the omission in the Russian text as "a technical slip-up," Yastrzhembsky claimed that since Yel'tsin himself did not rule out a run at a third term, he would not rule it out either.

Borodin dismissal reversed

According to initial press reports, Kremlin business manager Pavel Borodin met with Chief of Staff Yumashev the evening after President Yel'tsin left for Birmingham. Yumashev showed Borodin presidential instructions on the splitting up of the Business Administration into separate departments corresponding to its work with the Kremlin, government and legislature. (Komsomol'skaya pravda, 19 May 98; FBIS-SOV-98-139) The dismantling of the administration would represent a significant diminution of Borodin's authority, and therefore a strong hint of presidential disapproval. Borodin took the hint and announced on 18 May that he was leaving his position. Confirming the reports of Borodin's exit from the
administration, presidential spokesman Yastrzhembsky stated "it has already been decided that Pavel Pavlovich [Borodin] will be transferred to another job." (Ekho Moskvy, 18 May 98; FBIS-SOV-98-139)

It quickly became apparent, however, that someone forgot to inform the president of this decision. According to the Moscow Times, Yel'tsin learned of the move against Borodin during a phone conversation from Birmingham. Enraged at the attack on his close associate in his absence, Yel'tsin demanded that Borodin be reinstated. (Moscow Times, 21 May 98; NEXIS) Asked to comment on the reversal, Borodin said "Let Yastrzhembsky comment. He fired me, so he can explain." As for Yastrzhembsky, he suggested that the earlier statements on Borodin's departure be taken with "a healthy sense of humor."

Substantial personnel changes lack clear intent
We have come to expect periodic shake-ups in the Yel'tsin Kremlin. Normally, the dismissal and replacement of even just one or two officials are accompanied by detailed presidential decrees on reorganization, corruption allegations, insider gossip, or at least great fanfares of praise for the outgoing personnel. In the past few weeks, however, there has been a significant turnover in the Kremlin staff yet little public commentary.

Here, then, is a list of winners and losers in the current reshuffle, in which we'll attempt to discern a pattern:

Vladimir Putin, former advisor to St. Petersburg Mayor Anatoli Sobchak and former KGB intelligence officer, has been named first deputy chief of staff and replaces Viktoria Mitina in supervising regional relations;

Igor Shabdurasulov has been named a deputy chief of staff, tasked with overseeing public relations, the media and the team of speech writers;
Dennis Molchanov will head the Kremlin's Public Relations Department;

Mikhail Komissar retains his post as deputy chief of staff for relations with the Duma, political parties and local administrations; and

Anatoli Korabelshchikov and Mikhail Krasnov have been dismissed as presidential aides.

More controversial appointments include the addition of more security services "muscle" to the apparat:

Lt. Gen. Nikolai Patrushev, former deputy department head and chief of the Organizational Directorate of the Department for Organizational Personnel Work of the Foreign Security Service, was appointed director of the Main Control Department; and

Gen. Viktor Zorin, former deputy chief of the Foreign Security Service, replaces Vasili Frolov as head of the president's Main Administration for Special Programs.

Additionally, Yel'tsin has created a State Commission on Military Development to draft presidential decisions on military policy. The commission will be chaired by Prime Minister Kirienko and brings together top officials from the Ministry of Defense, General Staff, Border Guards, Security Council, FSB, MVD, FAPSI, FIS, and other government ministries. According to ITAR-TASS, "The role of the commission's working body will be played by the staff of the Security Council." (27 May 98; FBIS-SOV-98-17)

While the aim of the creation of this military council would initially seem to suggest a counterweight to the Security Council, much as the now-defunct
Defense Council seemed to serve, the membership, although impressive, would seem too large and unwieldy to strike an effective balance.

**SECURITY COUNCIL**

**Council session addresses crises**

Security Council members at the 25 May meeting heard reports on the miners' strikes and regional payment problems from Prime Minister Kirienko and on the instability in the North Caucasus region from MVD Chief Sergei Stepashin. As a result of the reports, the council instructed the government to establish crisis committees to address each issue. (ITAR-TASS, 25 May 98; FBIS-SOV-98-145)

**New deputy appointed**

Aleksei Molyakov has been named deputy secretary of the Security Council and Leonid Mayorov has been removed from this position, reportedly in connection with another job. (ITAR-TASS, 1 Jun 98; FBIS-SOV-98-152)

**Kokoshin on US visit**

Security Council Secretary Andrei Kokoshin was in the United States this week for meetings with President Clinton, various defense and security officials, and Congressional leaders. The topics of these consultations included the developing situation in Kosovo and proliferation of nuclear weapons. (RIA-Novosti.com, 16 Jun 98)

**GOVERNMENT**

**Reform and reductions slated for MVD**

Addressing a session of the Council of Local Self-Government on 29 May, President Yeltsin criticized the Ministry of Internal Affairs, claiming that "the whole system of the Interior Ministry should be changed." (ITAR-TASS, 29 May 98; FBIS-SOV-98-149) A reform plan was quickly submitted to the president and approved on 15 June. The two-stage reform sets a target date of the year 2000
for a reduction of the total number of interior troops to 120,000-140,000. (RIA-Novosti.com, 15 Jun 98)

Apparat reform detailed
Prime Minister Sergei Kirienko has announced a general 30 percent reduction of personnel in the government staff and proposed a reform of this support apparat aimed at eliminating redundant divisions and departments.

According to ITAR-TASS (1 Jun 98; FBIS-SOV-98-152), the reform envisages a reduction in the number of divisions from 38 to 21, a reduction in departments from 22 to 16, and the elimination of 8 secretariats for the premier and his deputies, leaving 4 in place. The total number of support staff is to fall from 1,450 to 1,015.

A spokesman for the Department of Government Information also announced that the number of this department's councils and commissions would be reduced by half, leaving approximately 50. Its departments will be organized into four broad categories: Macroeconomics and Finance; Industry, Agriculture & Infrastructure; Science, Technology, Culture and Foreign Relations; and Legal Issues and Legislative Relations. (ITAR-TASS, 1 Jun 98; FBIS-SOV-98-152)

Appointments/dismissals noted
Aleksei Vasilevich Gordeev has been appointed Russian Federation first deputy minister of agriculture and food; Nikolai Kuzmich Dolgushkin has been appointed Russian Federation deputy minister of agriculture and food; Vladimir Petrovich Strashko has been released from the post of Russian Federation deputy minister of foreign economic relations and trade.

Valentin Ivanovich Medvedev has been appointed deputy chief of the Russian Federation Ministry of Labor and Social Development Federal Labor Inspectorate--the main state inspector for labor protection.
Aleksandr Sergeevich Galaev has been released from the post of chief of the secretariat of R.G. Abdulatipov, Russian Federation government deputy chairman, in connection with Abdulatipov's departure from this post; Nikolai Stepanovich Anisimov has been released from the post of chief of the secretariat of F.R. Gazizullin, Russian Federation government deputy chairman and Russian Federation minister of state property, in connection with the departure of Gazizullin from this post; I. Shuvalov, Russian Federation deputy minister of state property, has been appointed acting chairman of the Russian Federal Property Fund for the period of I.B. Lipkin's illness; I.I. Shuvalov having been released from the post of Russian Federation deputy minister of state property for this period. (Rossiyskaya gazeta, 3 Jun 98, p. 6; FBIS-SOV-98-154)

**Chubais to return to government?**

In light of Russia's ongoing financial crisis, a new position is being created to serve as liaison between the government and the IMF and EBRD. Candidates are currently being considered for this post, titled the Personal Representative of the President for Interaction with International Financial Organizations, and Kirienko has suggested that Anatoli Chubais is the most likely man for the job. (RIA-Novosti.com, 17 Jun 98)

The BBC World Service (18 Jun 98) reports that not only has Chubais already been named to this new post, but he has also submitted an appeal for an IMF bailout of between $10-15 billion. An IMF representative is due in Moscow to negotiate the terms of a bailout, which is aimed at creating a stabilization fund for the ruble and possibly providing budget deficit support.

**Russian Federation: Foreign Relations**

By John McDonough and Ray Gaul
**Russia 'confident' NATO cannot operate without UN go-ahead**

Russian Foreign Minister Yevgeni Primakov outlined Russia's position on settlement of the Kosovo issue at a news conference in Bern on 2 June. He said that this position was characterized by "three noes." "The first no is with regard to preserving the status quo. We understand that this is impossible. The second no means no to solving the problem by letting Kosovo leave Serbia and Yugoslavia," the minister said. Moscow believes that Kosovo's secession "may lead to a war and bloodshed," which is why Russia supports the idea of "autonomy within Serbia, some elements of the autonomy being handled on the federal level." "The third no is a no to an international use of force without Yugoslavia's consent. Kosovo is, after all, an internal matter for Yugoslavia," Primakov added. (ITAR-TASS, 1406 GMT, 2 Jun 98; FBIS-SOV-98-153)

In conjunction with Primakov's remarks, Valeri Nesterushkin, a spokesman for the Russian foreign ministry, said Russia is confident that NATO cannot legally stage operations outside its scope without go-ahead from the UN Security Council. He claimed that this position was made known at the Russian-NATO meeting in Luxembourg which Primakov attended. Moscow does not want the precedent created of using NATO forces without UN Security Council approval, Nesterushkin said. He added that Russia "opposes any decisions leading to use of external force interfering in these problems." (Interfax, 1541 GMT, 2 Jun 98; FBIS-UMA-98-153)

**Albanian Partnership for Peace role discussed**

"Any use of NATO force outside the alliance's sphere is possible with a sanction of the UN Security Council alone," Russian foreign ministry spokesman Vladimir Rakhmanin told Interfax 9 June. However, he stated that Russia does not oppose NATO actions in Albania under the Partnership for Peace program. These actions include "holding limited-scale military exercises with humanitarian objectives and training military personnel," he said. (Interfax, 0958 GMT, 9 Jun 98; FBIS-UMA-98-160)
Primakov continues to confirm Moscow's negative attitude to NATO's eastward expansion while speaking at a news conference in Helsinki at the end of his official visit to Finland. The incorporation into the alliance of former Soviet republics would disrupt Russian-NATO relations, he said. Answering a question by a Finnish reporter who described Russian-NATO relations as passive, Primakov dismissed that assessment and mentioned Russian involvement in the Partnership for Peace program, the operation in Bosnia, and bilateral consultations. He also stressed that former Soviet republics joining NATO would be "unacceptable" to Russia. (ITAR-TASS, 1522 GMT, 1 Jun 98; FBIS-SOV-98-152)

**Zhirinovsky delays START-II hearings**
The State Duma on 10 June supported a proposal by Liberal Democratic Party of Russia Chairman Vladimir Zhirinovsky to cancel parliamentary hearings planned for 16 June on ratification of the START-II strategic arms reduction treaty. The decision was approved by 235 Duma deputies, nine more than the proposal needed to pass. Zhirinovsky told reporters that he does not oppose a meeting of parliamentarians and the defense, foreign and atomic energy ministers on START-II. However, he said, he is against giving such a meeting the status of parliamentary hearings. The Duma's Defense Committee decided earlier that such parliamentary hearings would be held in the fall, Zhirinovsky said. (Interfax, 0930 GMT, 10 Jun 98; FBIS-TAC-98-161)

Defense Committee Chairman Roman Popkovich of the Our Home is Russia faction said that, by cancelling the hearings, deputies "dealt a serious blow on prospects for development of the country's nuclear forces." Chairman of the Duma's Committee on International Affairs Vladimir Lukin said the voting was "senseless" because the meeting on 16 June will focus on the development of Russia's strategic nuclear forces rather than just ratification of START-II. (Interfax, 0930 GMT, 10 Jun 98; FBIS-TAC-98-161)
Russia needs ratification of the START-II treaty more than the United States does, Rakhmanin stated 22 May. Ratification of START-II is "a crucial issue from the point of view of Russia's security," he said at a roundtable meeting on the country's geopolitical priorities at the end of the century. Russia cannot afford to maintain a large quantity of missiles, he explained. "Their number needs to be reduced. A START-III is necessary for this purpose, which is impossible without START-II," Rakhmanin said. (Interfax, 1419 GMT, 22 May 98; FBIS-SOV-98-142)

Zyuganov holds talks in Cuba with Castro
Russian Communist Party leader Gennadi Zyuganov on 9 June met with Cuban leader Fidel Castro. According to the official communique, the Communist leaders had a wide-ranging talk on inter-party ties and building up the long-standing Russian-Cuban relations. Zyuganov, visiting Cuba at the invitation of the Communist Party central committee, had harsh words for the United States' blockade policy towards Cuba, describing it as "unjust and inhuman." Zyuganov also met with State Council deputy chairman Carlos Lage Davila, who is in charge of the economy and is seen as a prime mover of Cuban-style reforms which leave in place total state controls. (ITAR-TASS, 0610 GMT, 10 Jun 98; FBIS-SOV-98-161)

Yel'tsin says Russia's foreign policy remains unchanged, multifaceted
President Boris Yel'tsin told several foreign ambassadors on 28 May that Russia will continue to pursue a multi-faceted policy in the international arena. While receiving credentials from 13 ambassadors, including the ambassadors of Israel, North Korea, and Turkey, Yel'tsin stated that "our goal is a multi-polar world, (and) cooperation between large and small countries should be developed for this purpose." Yel'tsin stated that, even though a new government had been formed in Russia, there would not be a change in "principled policy." (Interfax, 1012 GMT, 28 May 98; FBIS-SOV-98-148)
The Russian envoy to the United Nations described any sanctions against either India or Pakistan as unjust from the international, legal, political and humanitarian points of view, foreign ministry official Vladimir Rakhmanin told a briefing in Moscow 9 June. Speaking at a meeting on adoption of UN Security Council resolution No. 1172 on the nuclear tests staged by the two countries, the envoy "emphasized Russia's readiness to help India and Pakistan reach reconciliation and cooperation through direct dialogue," Rakhmanin said. The envoy "expressed the conviction that common ground can be found in the approaches of India and Pakistan without elevating the existing problems to the international level and that they can be helped to find an agreement through bilateral talks," he said. (Interfax, 1634 GMT, 9 Jun 98; FBIS-SOV-98-160)

The Russian foreign ministry "intends vigorously to help Russian foreign trade organizations" join the UN oil-for-food operation, Valeri Nesterushkin, a spokesman for the ministry, told a briefing in Moscow on 2 June. Russia "attaches great importance to the success of this humanitarian operation," he said. Russian companies must be involved in "both the purchase of Iraqi oil and the supply to Baghdad of humanitarian goods, above all Russian-made ones," he said. Under a new UN plan approved by the secretary-general on 29 May, Iraq will export up to $5.2 billion worth of oil over the coming six months. (Interfax, 1513 GMT, 2 Jun 98; FBIS-SOV-98-153)

Foreign ministers meet in ASEAN forum
Moscow hosted a meeting of the foreign ministers of the Association of South East Asian Nations (ASEAN) on 3 June. Russian Deputy Foreign Minister Grigori Karasin explained the ASEAN position: Russia, China, the United States and Japan are the guarantors of security in the Asia Pacific region and should become a "political vanguard to make the countries in the region feel secure." However, ASEAN Secretary General Rudolfo Severino, while welcoming Russia's participation, stated that the association is centered around the belief that all ASEAN states are equal and that each contributes to the security of the
Ethnic Koreans in Sakhalin

Discussions have continued on the issue of how to repatriate or compensate ethnic Koreans left in Sakhalin after Japan's defeat in World War II. Russia has called for Japan to finance any final agreement. A survey conducted indicated that, of the 30,000 ethnic Koreans in Sakhalin, 5,000 wish to return to South Korea. (Yonhap, 0208 GMT, 8 Jun 98; FBIS-EAS-98-158, and Interfax, 1408 GMT, 11 Jun 98; FBIS-SOV-98-162) However, lack of an agreement with Japan and Korea on how best to deal with the ethnic Koreans living in Sakhalin could have a negative impact on efforts to improve relations with the two countries.

More developments in fishing disputes

The Russian-Japanese intergovernmental agreement on fishing signed in February 1988 took effect on 21 May. (Kyodo, 21 May 98; FBIS-EAS-98-141) Russian diplomats in Tokyo have stated that Russian inspectors will begin to monitor Japanese fishing activity in the South Kurile Islands. Under the agreement, Japan is allowed to fish in the 12-mile zone of the islands of Iturup, Kunashir, Shikotan and Habomai. In turn, Russian inspectors will monitor the amount of fish caught by Japanese vessels and will conduct inspections at sea and in Japanese ports. It is important to note that these inspectors do not have the ability to penalize violators. The accord further demonstrates a softening in relations between the two countries over the contentious Kurile islands issue. (ITAR-TASS, 0756 GMT, 25 May 98; FBIS-SOV-98-145)

On 25 May, however, Russian border guards demonstrated that they have not completely come to an agreement on how best to monitor fishing in Russian coastal waters when they shot and killed two members of a Chinese fishing vessel that had been operating in a Russian economic zone. The border guards allegedly fired after the two Chinese ships failed to respond to warning signals.
The Chinese Embassy in Russia stated that it "deeply regretted" the "unpleasant event." China asserted that Russia should have attempted to resolve the issue without the loss of lives. In response, the Russian foreign ministry offered regrets but justified the shooting through Russian legislation and international law. The ministry also offered to present all evidence proving that the vessel had operated illegally. (Interfax, 1300 GMT, 29 May 98; FBIS-SOV-98-149, and ITAR-TASS, 1114 GMT, 29 May 98; FBIS-SOV-98-149)

**High-level visits scheduled**

Japanese Prime Minister Ryutaro Hashimoto is scheduled to travel to Moscow and St. Petersburg in October 1998. The agenda for the visit was established in an informal discussion between Hashimoto and Yeltsin in April and will focus primarily on the Kurile island dispute. Diplomatic trips by Prime Minister Sergei Kirienko (July) and Japanese Foreign Minister Keizo Obuchi (September) will precede Hashimoto’s trip. (ITAR-TASS, 1521 GMT, 27 May 98; FBIS-SOV-98-147) Additionally, Admiral Kazuya Natsukawa, head of the Japanese Joint Chiefs of Staff, made a first-ever visit to Russia to discuss security issues. The visit came amidst announcements for more joint exercises between the two navies. (ITAR-TASS, 0919 GMT, 1 Jun 98; FBIS-UMA-98-152, and ITAR-TASS, 0010 GMT 31, May 98; FBIS-UMA-98-151) During his visit, Natsukawa discussed demilitarization in the Kurile island region, however, no major breakthroughs were reported.

Meanwhile, a number of diplomatic meetings have been scheduled both in Moscow and Seoul over the course of the summer now that Russia has expressed a desire to better relations with South Korea. Prime Minister Oleg Sysuev will visit Korea, most likely in July. This visit will be the first "contact with the new leadership of the Republic of Korea" and Russia has called the meeting very important. A central topic will be discussion of Russia's debt payments to South Korea. The debt payments pose a problem for both countries as both are experiencing economic crises. In addition, a Russian-South Korean friendship
will likely prove pivotal in resolving the ongoing conflict between North and South Korea. Diplomatic statements have already reflected Russia's willingness to cooperate with South Korea on such matters. (ITAR-TASS, 0959 GMT, 11 Jun 98; FBIS-SOV-98-162)

Russian Federation: Domestic Issues and Legislative Branch
By Michael Thurman

POLITICAL PARTIES
Fortunes of the NDR continue to change
Ever since Viktor Chernomyrdin's dismissal as prime minister, the fortunes of his Nash Dom Rossiya (NDR) party have been in question. Without the powerful anchor of a prime minister as party leader, the NDR no longer enjoys special access to the government and has been thrown into the Duma pit along with all the other smaller parties. With Chernomyrdin's departure, Vladimir Ryzhkov woke up one morning to find himself the highest-ranking party member with a position in government. He quickly moved to reassure those who monitor such things that the NDR remains an important player by showing, oddly, that the NDR is actually dependent upon other groups in parliament. "Our 'party of power' also consists of five or six totally unregistered factions. NDR is just one of them. There is the Chubays faction, the Nemtsov faction, and the Luzhkov faction and there is, evidently, the administration faction. They all together constitute the 'party of power' led by Boris Nikolayevich Yeltsin." (Novoye vremya, 19 Apr 98, pp. 10-11; FBIS-SOV-98-134)

But what exactly does this support for the president mean? If the NDR is the "party of power," it runs the risk of being merely a legislative appendage of the chief executive and his prime minister. Perhaps for this reason the party's Duma
faction leader, Aleksandr Shokhin, claimed that the NDR would not support (that is, be responsible for) the actions of the government because none of their party had been included in the new cabinet.

What is interesting, however, is that Ryzhkov turned down an offer to become the head of the government apparatus, saying that he would not be partly responsible for government policy without the authority to control its direction. With his decision one might speculate that the NDR does not wish to resurrect the intimate relationship with the government it had enjoyed, or endured, while Chernomyrdin was prime minister. Perhaps the ex-prime minister wants a party platform from which to run for the presidency in the year 2000, and one that is untainted by the political squalor which routinely emanates from the president's office. (Interfax, 1404 GMT, 8 May 98; FBIS-SOV-98-128)

This supposition is supported by Chernomyrdin's recent actions. Following the route taken by many former political, military, and business notables, Chernomyrdin has decided to run for a seat in the Duma from the Orenburg Region. Should his electoral bid succeed, he would join others in the Duma with similar election profiles consisting of a seat in the Duma and a national party devoted entirely to the electoral fortunes of one particular candidate. (Interfax, 0942 GMT, 10 May 98; FBIS-SOV-98-130)

But if Chernomyrdin’s presidential candidacy is to be successful, he will have to muzzle comments of fellow party members such as Ryzhkov who, when asked if he gave to the destitute, answered that he did not believe such persons were truly indigent. Not only are such comments politically imprudent, they are morally callous and show either an amazing ignorance of the current state of Russian economic affairs or a total disregard for the needs of the people he is supposed to represent. (Novoye vremya, 19 Apr 98, pp. 10-11; FBIS-SOV-98-134)
Former Nizhny Novgorod mayor-elect sentenced to jail

The 44-year-old businessman Andrei Klimentev, who won the mayoral election in Nizhny Novgorod two months ago, was sentenced by the regional court's judicial board to six years in prison with a confiscation of his property. Klimentev was charged with the usual list of corruption charges--forgery, embezzlement, and bribery. He has ten days to file an appeal with the Supreme Court.

On the surface, it would seem that a victory for the rule of law and for the public trust has been scored. And in some way this is true. But it must be pointed out that Klimentev somehow sits in disfavor with the former governor of the province and present king-maker, Boris Nemtsov. Without hard evidence no further inferences can be made, but other Russian politicians with similar histories have been allowed to take office. (ITAR-TASS World Service, 1110 GMT, 27 May 98; FBIS-SOV-98-147)

Lebed wins in Krasnoyarsk

Political maverick and aspiring tsar Aleksandr Lebed won the gubernatorial election of the vast Siberian province. Responses from the political establishment ranged from Boris Yel'tsin's recognition that the people had spoken and their decision must be respected, to Vladimir Zhirinovsky's dire predictions that Russia was doomed. Lebed himself only said that his first and foremost goal was to improve the lives of the citizens of Krasnoyarsk, and that he had no immediate plans to run for the Russian presidency.

Lebed has a great opportunity here. He can prove to the Russian electorate and to international investors that he is capable of running a large, diverse, and economically challenged region. But in order to do this he will have to keep his mouth shut and act like a statesman. It would be a mistake to simply pack his bags and take up permanent residence in the Federation Council. In Krasnoyarsk he is tsar, while in Moscow he must contend with the actions of other senators, the Duma, the prime minister, the president, and the mayor. By staying in
Krasnoyarsk, he can largely manage his own fortunes, and on occasion make "state visits" to Moscow with the resulting triumphalism of a popular politician who "understands the little guy" and is unscathed by the byzantine politics of Constantinople on the Moskva. (AFP (North European Service), 1810 GMT, 17 May 98; FBIS-SOV-98-137)

Russian Federation: Armed Forces
By Lt. Col. Dwyer Dennis and CDR Curtis Stevens

Delivery of S-300 to Cyprus is nearing
Though some media reports indicated that the S-300 missile air defense systems destined for Cyprus had already arrived, both Russian and Cypriot sources have denied delivery. In fact, on 10 June Col. Gen. Anatoli Kornukov announced that Cypriot servicemen will test the system at a base near Astrakhan, a city on the Caspian Sea, later this month. Apparently to counteract Turkish desire for preventing the deployment of this advanced air defense system on Cyprus, Kornukov also said that the decision of whether the delivery would be entrusted to the Russian air force will be made in August or September. (Interfax, 1219 GMT, 10 Jun 98; FBIS-SOV-98-161)

The Cypriot foreign minister, Yiannakis Cassoulides, also has denied that delivery occurred while reemphasizing the need for "adequate strengthening of Cyprus air defense." In response to the concern voiced by the international community and specifically Turkey on Cyprus's December 1997 purchase decision, Cassoulides stressed that criticism should be "voiced simultaneously with the concern over the presence of the 35,000 Turkish military contingent..." The Turkish troops have occupied 37 percent of Cyprus since 1974 in the face of UN Security Council resolutions which called for their withdrawal. (ITAR-TASS, 0755 GMT, 24 May 98; FBIS-SOV-98-144)
Despite political pressure to annul the contract, a Russian foreign ministry spokesman confirmed on 9 June that Russia will deliver the S-300 systems, repeating an earlier claim that "Russia is a reliable partner." The spokesman, however, seemed to leave room for the idea that the need for delivery could be eliminated with the demilitarization of the island. (Interfax, 1120 GMT, 9 Jun 98; FBIS-SOV-98-160)

As delivery time nears and Turkey steps up its inspections of shipping through the Dardanelles, tensions will be sure to increase. The use of air delivery will obviously help to circumvent Turkey's efforts--if it is truly feasible for the Russian air force. Despite assurances from Col. Gen. Kornukov that military air transport is up to the task, the An-124 crash and the resulting loss of two Su-27 fighters bound for Vietnam may make both the customer and seller somewhat nervous. While it is likely that maintainability and reliability have not increased during the prolonged budget woes (see May 1998 Digest entry on Russian aviation), Russia's military air transport is obviously technically capable. If the S-300 systems are delivered by air, the big question is what will be Turkey's recourse?

**Two killed in SU-24 crash**

On 10 June, two pilots died when their Russian Su-24 combat aircraft exploded while preparing to land at a military airfield outside Ostrov in the northwestern region of Pskov. The crash was the result of an apparent midair explosion approximately 300 meters from the end of the runway. (ITAR-TASS, 1034 GMT, 10 Jun 98; FBIS-SOV-98-161, and Mayak Radio Network, 1630 GMT, 10 Jun 98; FBIS-SOV-98-161)

The Su-24 is a twin-engined supersonic tactical bomber attack aircraft. This particular aircraft was registered to the Baltic Fleet. Reportedly, the aircraft had undergone technical and maintenance servicing prior to its flight from Chernyakhovsk to Ostrov. While most recent accidents and incidents have occurred due to poor training (such as insufficient flight hours), the unexpected
and sudden explosion indicated a mechanical failure. (NTV, 1200 GMT, 10 Jun 98; FBIS-SOV-98-161)

Today in Russia, current average accumulated flight hours are nearly one-tenth of the annual operational requirement. This lack of training can have obvious repercussions. But while flight hours may be easier to quantify, no less detrimental to safety and operational effectiveness are the hours allotted for maintenance training and quality assurance. With recent reports of spare parts shortages to hinder further proper maintenance, it is little wonder that such incidents occur.

Yel'tsin gives Border Guards slap on the back and the ax simultaneously

On 28 May, Russian President Boris Yel'tsin congratulated the border troops on the 80th anniversary of the Federal Border Guard Service's (FBS) founding. Yel'tsin specifically praised the pace of reform and the renewed interaction between the FBS and other security and law enforcement structures. In discussing future tasks, he emphasized the need for an increase in the defense of Russia's biological resources. Despite cuts to date of nearly 30 percent (of which the majority has been redundant administrative bureaucracy), actual troop strengths have been somewhat protected. On 8 June, though, Yel'tsin signed a decree dissolving the Amur river border guard flotilla. It appears that this is really only part of continued organizational restructuring. Col. Gen. Aleksei Shcherbakov, deputy director of the FBS, said that the ships, launches, and divisions would be kept. (ITAR-TASS, 1126 GMT, 21 May 98; FBIS-SOV-98-142, ITAR-TASS, 1340 GMT, 8 Jun 98; FBIS-SOV-98-159, and Interfax, 1131 GMT, 28 May 98; FBIS-SOV-98-148)

Since so far actual troop strength is being maintained and only the administrative portion seems to be undergoing "streamlining," terms akin to consolidation of power come to mind. One would not want to read too much into these reductions, however. The border guard troops have, for the most part, been kept current in
pay, unlike their Ministry of Defense counterparts. This cutting away at the "paper pushers" is apparently increasing efficiency and permitting operations within budget. From where are the funds flowing to meet the budget? Perhaps cities are part of the source, given the recent naming of the warship Moskva. Or perhaps, in their own form of privatization, the border troops are self-funding as they "monitor" the flow of contraband across territorial lines.

**Defense ministry holds high-level talks**

The warm spring weather seems to have been a reason for travel by senior military officials from a number of countries. The Russian defense ministry conducted the following high level meetings in May and June:

-- Members of a French military delegation led by Dominique de Nayves, diplomatic advisor to the French defense minister, and Jean-Claude Malet, head of the French defense ministry Strategic Research Department, held talks with their Russian counterparts which included a meeting with Marshal Sergeev. These talks constituted the first round of a series of planned Franco-Russian exchanges on the new European security structure, NATO expansion, military doctrine and nuclear issues. (ITAR-TASS, 1537 GMT, 27 May 98; FBIS-SOV-98-148)

-- Russian First Deputy Defense Minister Nikolai Mikhailov led the Russian delegation to talks in South Korea the week of 1 June. Both sides noted the military cooperation already taking place and planned ship visits, meetings between general staffs, a defense minister visit, and cadet exchanges at military academies. Additionally the Russians view South Korea as a potential lucrative market for arms sales. (ITAR-TASS, 0808 GMT, 2 Jun 98; FBIS-SOV-98-153)

-- Japan's chairman of the Self-Defense Forces' Joint Staff Council, Admiral Kazuya Natsukawa, commenced a tour of Russia on 1 June. Japan's top officer was scheduled to meet with Marshal Sergeev as well as with the chiefs of all the
Russian services. He was also in Moscow to firm up plans for a joint Russian-Japanese naval exercise scheduled for July. As with the ongoing Korean visit, the Russians expressed a desire to sell military equipment to the Japanese. (Jamestown Foundation Monitor, 3 Jun 98)

-- Commander-in-chief of the US Strategic Command, General Habiger, held talks with his Russian counterpart during the first week of June. In addition to touring Russian strategic facilities, the general pushed General Yakovlev, commander of the Strategic Rocket Forces, on START-II ratification. (ITAR-TASS, 1048 GMT, 6 Jun 98; FBIS-SOV-98-157)

-- Marshal Sergeev was scheduled to visit Belgium from 9-12 June, to hold talks with Belgian military leaders, and to attend a session of the Russia-NATO Council. (Interfax, 1603 GMT, 7 June 1998; FBIS-SOV-98-158)

More grim statistics
7 January, 17 January and 27 May are three special days in the Russian armed forces for the first five months of 1998: These are the only three days in which a Russian serviceman did not die of a non-combat death, according to Vladimir Kulakov, head of the army's Main Department for Educational Work. (RFE/RL Newsl ine, 1 Jun 98)

Newly Independent States: CIS
By Ray Gaul

Berezovsky enters Abkhazia discussions
In an attempt to "create a general atmosphere which would help make [Georgian-Abkhaz peace negotiations] especially effective," Boris Berezovsky met with negotiators in the conflict in June. (Interfax, 1008 GMT, 5 Jun 98; FBIS-SOV-98-156) Berezovsky succeeded in getting Georgian President Shevarden dze
Abkhazian President Ardzinba to meet. Officials had differing reactions to the news of Berezovsky's involvement. Russian presidential envoy for CIS states Ivan Rybkin said, "Berezovsky can contribute much to the Georgian-Abkhazian conflict settlement." (Interfax, 0830 GMT, 8 Jun 98; FBIS-SOV-98-159) "The Abkhazian side is ready to cooperate with all who can offer real assistance to the process of settlement," Ardzinba stated. (ITAR-TASS, 1718 GMT, 10 Jun 98; FBIS-SOV-98-161) Meanwhile, Shevardnadze expressed the opinion that Berezovsky's powers to influence the peace settlement are limited. (Interfax, 0758 GMT, 3 Jun 98; FBIS-SOV-98-154). Russian Deputy Foreign Minister Boris Pastukhov stated, "conflicts are usually not settled by fleeting visits." (Interfax, 1542 GMT, 3 Jun 98; FBIS-SOV-98-154).

**Berezovsky tours Central Asia**

Berezovsky embarked on a tour of Central Asia beginning 26 May. He visited Bishkek (Kyrgyzstan), Dushanbe (Tajikistan), Tashkent, (Uzbekistan), Ashgabat (Turkmenistan) and Almaty (Kazakhstan). The trip focused on discovering the individual concerns of each of the presidents over CIS relations with the aim of strengthening bilateral relations with member states. All parties involved stressed the need to develop economic ties. The presidents expressed confidence in Berezovsky's abilities and emphasized his plan to involve business leaders in CIS decision-making. They also expressed their desire to reform the CIS but each had different views on how to do so.

Two distinct proposals for reform did emerge. The first proposal calls for the CIS to undergo a drastic reorganization. This would permanently change the way the organization functions and would emphasis economic cooperation as the primary function of the Commonwealth. The second proposal calls for the optimization of executive body activities. This would leave the overall CIS structure intact and would reflect a desire to make alterations which could better serve member states. (ITAR-TASS, 2038 GMT, 29 May 98; FBIS-SOV-98-149).
Tyhypko and Agapov named to CIS posts

On 29 May, Ukrainian Deputy Prime Minister Serhiy Tyhypko was named chairman of the presidium on the CIS Interstate Economic Committee. (Interfax, 1158 GMT, 29 May 98; FBIS-SOV-98-149) On 9 June, Boris Agapov, former deputy secretary of the Russian Security Council, was appointed as deputy to Berezovsky. Previously, Berezovsky and Agapov worked together on the Security Council on relations with Chechnya. (Interfax, 1504 GMT, 9 Jun 98; FBIS-SOV-98-160)

While such staff changes have caused few ripples, a proposal to relocate CIS headquarters obtained a much stronger reaction. Belarus, the current host of CIS headquarters in Minsk, opposes any changes in the location of CIS administrative bodies. The topic is scheduled to be discussed at the special CIS forum beginning in mid-June. Berezovsky expressed a desire to move half of the Executive Secretariat to Moscow. (Interfax, 1542 GMT, 3 Jun 98; FBIS-SOV-98-154)

Newly Independent States: Western Region

By Monica Florescu

MOLDOVA

New government approved by parliament

With a vote of 59 to 36, the Moldovan parliament passed a vote of confidence in the new government led by Prime Minister Ion Ciubuc on 21 May. The new cabinet has four deputy prime ministers, a state minister, and 16 ministers. Some of the same ministers were retained in the cabinet, while no members from the Communist Party were selected. Ion Sturza of the Bloc for Democratic and Prosperous Moldova has been appointed deputy premier and minister of economy and reform. Other deputy prime ministers are Valentin Dolganiuc and Nicolae Andronic (both of the Democratic Convention). Dolganiuc will be in
charge of industrial and agrarian policies, while Andronic was put in charge of legal issues. The fourth deputy premier is Oleg Stratulat of the Party of Democratic Forces. He will be responsible for social policy and sciences. Nicolae Cernomaz continues to hold the state minister post. (Infotag, 1730 GMT, 21 May 98; FBIS-SOV-98-141)

Possible friction might come about from the two factions which felt ignored during the creation of the new government, namely the Communist Party (CPU) and the Democratic Convention of Moldova (CDM), the largest faction of the ruling Alliance for Democratic Forces (ADR). Although the Communist Party remains in the opposition, it will continue its parliamentary work in this new capacity, leader Vladimir Voronin stated at a news conference. He refuted rumors that the Communists were allegedly going to give up their 40 mandates to provoke a parliamentary crisis. (Infotag, 1850 GMT, 26 May 98; FBIS-SOV-98-146) At the same time, the leader of CDM, former president Mircea Snegur, voiced his objections to the new government, stating, "They are trying to push us aside so that we could not have any influence on the government." He stated firmly that if the CDM's opinion was ignored, the convention would return to the initial position and insist on its own candidates for minister of foreign affairs and national security. (Infotag, 1500 GMT, 21 May 98; FBIS-SOV-98-141) CDM has repeatedly threatened to become an obstacle in the parliamentary process if its demands are ignored (see previous Digest), however, party members have proven unable thus far to force through any candidates.

Plans for reform
The main task of the new cabinet is to finalize the transition to the market economy, according to President Petru Lucinschi. He underlined the importance of the cooperation between the new cabinet, the chief of state and the parliamentary majority, as well as the constructive dialogue with the opposition. (Basapress, 1700 GMT, 25 May 98; FBIS-SOV-98-145) According to Deputy Premier and Minister of Economy and Reform Ion Sturza, the new government
needs at least two years to stabilize the economic situation. (Basapress, 1730 GMT, 29 May 98; FBIS-SOV-98-149) During the cabinet's first sitting, Sturza submitted a draft anti-crisis program consisting of 56 items. In the drafters' opinion, many governmental structures should duplicate the work of each other. The drafters stated that it is necessary to reorganize the governmental system, as well as reduce apparatus staff and expenditures by 25-30 percent. The program envisages a heavier taxation for certain population categories, toughening sanctions against dishonest economic agents, and denial of the mutual settlement practice. The draft of the new program is expected to be refined and submitted for parliament's consideration in early July. (Infotag, 1430 GMT, 5 Jun 98; FBIS-SOV-98-156)

Communists to cooperate with left-wing parties
The Communist Party and three left-wing formations have begun active consultations on founding a left bloc to begin preparing for the local elections to be held in early 1999. In an effort to form a strong opposition bloc, Communist Party leader Vladimir Voronin stated, "In the face of a real threat of actions by national radicals and Romanian unionists, it is just our duty to unite all healthy forces of the society in the struggle for our sovereign Moldova." (Infotag, 1900 GMT, 1 Jun 98; FBIS-SOV-98-152) At the same time, the Socialist Unity Bloc (BUS) is to be converted into a party that will enter into a coalition with other leftist forces, as was decided at the third congress of the Socialist Unity. Observers are not ruling out that the "union of left forces," which may be joined by the once-ruling but currently non-parliamentary Agrarian Democratic Party, may be set up under the aegis of the Communist Party. (Infotag, 1855 GMT, 2 Jun 98; FBIS-SOV-98-153)

Transdniestr constitution remains unchanged
Some time ago, a group of local parliamentarians initiated the decision to divide the executive and presidential powers in the Dniestr republic, and to introduce the post of prime minister into the state power structure. They demanded the
conversion of Dniestr into a parliamentary republic and to restrict presidential plenary powers. Until now, President Igor Smirnov has been heading the region's executive power as well, while all the current governmental work is coordinated by the deputy prime minister. The final word on governmental decisions is left for the president, who is also prime minister. Such a situation fails to suit some parliamentarians and state administration officials, especially since Igor Smirnov spent several long periods in the hospital, and his absence often led to difficulties at operative decisions. Smirnov stood up with an initiative of his own: to convert Dniestr into a presidential republic, which would allow the parliament broader powers as well, while the president would be preoccupied with executive power problems and would lead the power structures. Despite the proposals, however, parliament has decided to leave the constitution unchanged. (Infotag, 1900 GMT, 1 Jun 98; FBIS-SOV-98-152)

**Ukrainian forces to be deployed to Transdniestr**

The Ukrainian president's emissary in charge of the Dniestr settlement process, Yevhen Levytsky, said that, in keeping with the Odessa Agreement, Ukrainian military observers are being deployed to the no-man's zone separating Dniestrian and Moldovan military and paramilitary units. Local residents were reportedly watching the deployment process with a great degree of interest, hoping for the resumption of traffic via the Dubossary bridge, restoration on which was completed long ago. Ukraine's mediating mission to Moldova's breakaway province is rumored to have a big price tag, but will most likely do little to boost Ukraine's influence within the region, which is home to over 200,000 ethnic Ukrainians. (Intelnews, 0113 GMT, 2 Jun 98; FBIS-UMA-98-153)

**UKRAINE**

**NATO: Closer partnership with Ukraine**

NATO and Ukraine agreed to deepen their military ties ahead of next year's expansion of the alliance up to the former Soviet republic's border. After talks with Ukrainian Foreign Minister Boris Tarasyuk, NATO Secretary-General Javier
Solana announced plans to station a permanent liaison officer in Kyiv to boost cooperation between allied and Ukrainian armed forces. The officer's main task will be to help Ukraine draw up a program of joint military exercises with NATO under the alliance's Partnership for Peace (PfP). (AFP (North European Service), 0944 GMT, 29 May 98; FBIS-WEU-98-149)

Ukraine intends to join the European Union
Prime Minister Valeriy Pustovoytenko, speaking at the opening meeting of the Ukrainian-European Union Cooperation Council, said flat out that Ukraine's strategic goal is to become a full member of the European Union. The prime minister said Luxembourg has done much to ensure that Ukraine is treated in Europe in accordance with its status and role on the continent. "We would like to participate in the European conference of European Union member states and candidates for membership," Pustovoytenko told journalists after the morning meeting. "However, we do not hide the fact that our strategic goal is to become a full member." The European Union has stopped well short in the past of indicating that Ukraine stands any chance of qualifying for entry in the EU within the near future. (Inteinews, 0022 GMT, 10 Jun 98; FBIS-SOV-98-161)

Ukraine's decision to announce its intentions to join the European Union and have closer collaboration with NATO casts a shadow on its relations with Russia. After a meeting held between the secretary of the Ukrainian National Security and Defense Council, Vladimir Gorbulin, and Russian foreign minister Yevgeni Primakov in Kyiv last week, differences of opinion regarding the issue of European security between Russia and Ukraine became even more evident. Ratification of the Russian-Ukrainian "big" treaty (the bilateral treaty on friendship) had been postponed by Russia because of Tarasyuk's statements on NATO. (Interfax, 1020 GMT, 27 May 98; FBIS-SOV-98-147)

Miners protest
A crisis regarding protests of miners demanding to get paid for their work has escalated to include almost all major Ukrainian coal industry enterprises. Production at most coal mines has been almost paralyzed. Even before the protests, the highest-capacity Menzhinskiy coal mine had been at a standstill for the past 18 months following a fire. As a result, last year the miners of all the coal mines managed to produce about 1,200,000 tonnes of coal, which accounted for less than two percent of the aggregate amount produced in Ukraine. (ITAR-TASS, 1121 GMT, 25 May 98; FBIS-SOV-98-145) The miners began holding hunger strikes on 20 May. This was followed by marches to Kyiv: one thousand miners from western Donetsk Region started their march on Kyiv on 24 May, demanding that the 11 associations of Pavlohradugol receive their wages, worth 84 million hryvnyas (nearly $42 million). The miners also demanded that the industry receive state subsidies, without which (as the last 18 subsidy-free months showed) the Ukrainian coal industry will cease to exist. (ITAR-TASS World Service, 1107 GMT, 24 May 98; FBIS-SOV-98-144)

The government first assessed the protests as a "planned political action staged by the leaders of the Communist and the Hromada parliamentary factions." (UNIAR, 1545 GMT, 23 May 98; FBIS-SOV-98-143) However, wages did start to be distributed to the miners. In addition, negotiations went on between government officials and mining trade unions. (UT-1 Television Network, 1500 GMT, 25 May 98; FBIS-SOV-98-145)

On 28 May, the government fully settled its debts to the coal sector for the first five months of this year as part of the state budget subsidy. The government has ensured that regions pay for their electric power and especially energy coal debts from state subsidies earmarked for these regions by transferring the money directly to the mines, bypassing middlemen. (Ukrayinske Radio First Program Network, 1200 GMT, 28 May 98; FBIS-SOV-98-149) In addition, the World Bank office in Ukraine stated that it was ready to grant Kyiv the second tranche of US$150 million for closing unprofitable mines. The Ukrainian side has already
used the first tranche of the same size. Three mines were closed last year. According to a decision by the government, the country is to close down 32 collieries between 1996 and 1999, resulting in the layoff of over 63,000 persons. (ITAR-TASS, 0910 GMT, 28 May 98; FBIS-SOV-98-148)

**Deadlock in efforts to select a new speaker**

On 21 May four parliamentary factions--the People's Democratic (PDP), Social-Democratic (United), People's Rukh, and the Green parties--announced their intention not to participate in the election of the speaker of the Supreme Council scheduled for the following day. They also withdrew their parties' candidates for the position of parliament speaker. The right-wing/centrist factions decided to do so following the leftist factions' refusal to elect the speaker and his two deputies in "a package" (i.e., by a single vote). PDP Leader Anatoliy Matviyenko told reporters that the Hromada faction, which had not joined the right-wing/centrists in their decision to abstain from voting in the election of the speaker, is most likely to form a union with left-wing factions. The four factions' decision made it impossible to hold the voting scheduled for 22 May. (Infobank, 1903 GMT, 21 May 98; FBIS-SOV-98-141)

Parliament then began nominating candidates for speaker again on 27 May. With the mid-May decision by Oleksandr Moroz and the temporary ruling parliamentary presidium to allow candidates who ran in the first round of elections to present themselves again for election in the second round (previously parliament's internal rules forbade this), parliament deputies decided to do away with speaker campaign speeches and presentations. As a result, Communist Party boss Petro Symonenko, who received the lion's share of the votes cast--mostly by leftists--in the first round, competed in the second round. Hromada's Oleksandr Yelyashkevych also competed in the second round, while Vasyl Onopenko, the only other candidate nominated, withdrew his candidacy. According to Ivan Chizh, one of the leaders of the Socialist Party/Peasant faction, the right and center deputies were blocking the election because they had no
strong candidate themselves, and did not want a leftist candidate to be elected. The boycotting deputies say they abandoned the voting because of their opponents' refusal to agree to nominate the speaker and his two deputies in a package. (Intelnews, 0028 GMT, 27 May 98; FBIS-SOV-98-147)

In the runoff ballot held on 4 June, the speaker was not elected as neither candidate gained the necessary 226 votes required. According to the results of the voting, 423 of the 439 elected MPs received ballots, but only 382 MPs participated in the voting: 173 MPs voted for Leonid Kravchuk, member of the Social Democratic party (United); 178 MPs selected Petro Symonenko, leader of Ukrainian Communists; 14 lawmakers voted for neither candidate; and 17 ballots were found invalid. Speakers of two previous Supreme Councils were nominated for the following round--Ivan Plyushch (People's Democratic Party's faction) and Oleksandr Moroz (Left Center faction, leader of the Socialist Party). Five additional candidates were in the running: Oleksandr Pukhkalo (Hromada faction), Oleksandr Ryabchenko (the Green Party faction) and three MPs who belong to no faction--Volodymyr Semynozhenko, Ihor Nasalyk and Valentyn Zubov. (Infobank, 1538 GMT, 5 Jun 98; FBIS-SOV-98-156)

**New government established in Crimea**

A coalition government of the Crimean autonomy was established on 27 May. The new government predominantly consists of representatives of the Communist Party, the People's Democratic Party of Ukraine (NDPU) and the "Soyuz" (Union) Party. Sergei Kunitsyn, mayor of the city of Perekop and leader of the NDRU regional department, was appointed to the post of Crimean prime minister. Ukrainian Prime Minister and NDPU leader Valeriy Pustovoytenko stressed that the Crimean autonomy currently had two leaders--Communist leader Leonid Grach and NDPU regional department chief Kunitsyn, adding that the two men had been demonstrating good mutual understanding. The newly appointed prime minister promised to submit his proposals on reorganization of
the cabinet in two weeks' time. (ITAR-TASS, 1120 GMT, 27 May 98; FBIS-SOV-98-147)

BELARUS

Regional security zone considered between Belarus and Russia

Russia and Belarus "will be able to start the formation of a regional army group once the legislatures of the two countries ratify the 1997 agreement on joint provision of regional military security," Aleksandr Bevzo, head of the Special Program Board on the Executive Committee of the Union of Russia and Belarus, stated on 27 May. "If a political decision to this effect is made, a common defense area may be set up eventually," he said. "The Union of Russia and Belarus Executive Council will consider soon a joint program of training Belarusian servicemen in Russian military schools," Bevzo said. "The Union of Russia and Belarus, which aims for stable socioeconomic development of the two countries, has a right to have mechanisms designed to protect its integrating development and interests in the areas where unscrupulous neighbors are likely to make unjustified claims," Bevzo said. However, in line with the Concept of Joint Defense Policy agreed to in January 1998, Moscow and Minsk do not regard any country or coalition as their enemy, he said. (Interfax, 1558 GMT, 27 May 98; FBIS-UMA-98-148)

Changes proposed for the presidency

Presidential administration chief Mikhail Myasnikovich said that the concept of the effective state proposed by President Alyaksandr Lukashenka was aimed at raising the status of the state leader as a guarantor of the constitutional rights and freedoms of citizens and that legislators should take this into account when working out their bills. He also believes that a more important role should be given to the presidential administration and the national center of legislative activity attached to it. (Belapan, 0930 GMT, 29 May 98; FBIS-SOV-98-149)
The Belarusian parliament approved at the first reading on 4 June a draft law envisioning tough penalties for insulting the head of state. Under the document, sent to parliament by Lukashenka, insulting him in public can be punished by four years imprisonment while repeated offenses, including those using the media, can lead to a five-year prison term. Stiff fines or administrative arrests will be imposed on those who appear in public places with posters which insult the honor and dignity of the president. Media executives are also liable for heavy fines if they allow the release of materials defaming Lukashenka. (ITAR-TASS, 1708 GMT, 4 Jun 98; FBIS-SOV-98-155)

**Foreign envoy crisis escalates**

A standoff situation developed last week between Belarusian authorities and foreign envoys who refused to leave their homes, while Minsk was insisting that the embassies were long overdue for repairs. The foreign ministry apologized to the ambassadors living in the Drozdy village on the outskirts of the capital over the inconvenience linked with moving their residences. The foreign envoys say Lukashenka should intervene but, according to deputy chief of the presidential administration Ivan Pashkevich, there have been no formal requests from diplomats. In addition, Moscow expressed concern over the situation. (ITAR-TASS, 1307 GMT, 9 Jun 98; FBIS-SOV-98-160)

On 10 June, Lukashenka said that all problems connected with the relocation of foreign ambassadors from the Drozdy complex had been resolved. He stressed that Drozdy is the residence of the Belarusian president and foreign diplomatic missions are located just 30-50 meters from it. "We are ready to start repairing all lifeline support systems in Drozdy and we have built a new house for the diplomats to live in," he said. Responding to some diplomats' requests conveyed to Foreign Minister Ivan Antonovich by US Ambassador Daniel Spekhard, Lukashenka said the transfer had been postponed for a week. He pointed out that Belarus will observe earlier agreements with the diplomatic missions. "If someone had property in Drozdy, he will not lose it. The lease agreements will
remain in effect," he said. (ITAR-TASS, 1846 GMT, 10 Jun 98; FBIS-SOV-98-161)

Newly Independent States: Central Asia
By Monika Shepherd

KAZAKHSTAN

President Nazarbaev establishes relations with Qatar, UAE

Kazakh President Nursultan Nazarbaev visited Qatar and the United Arab Emirates at the end of May in order to discuss trade relations and the creation of stronger economic ties between his country and these two Gulf states. The Kazakh president's meeting with Qatar's Amir Hamad Bin-Khalifah Al Thani on 23 May resulted in the signing of an agreement on cooperation between the two countries' chambers of commerce and industry, as well as an agreement to set up a Kazakh-Qatari council of entrepreneurs. The two governments also decided to establish embassies in each other's capital cities. (ITAR-TASS, 1626 GMT, 23 May 98; FBIS-SOV-98-143)

President Nazarbaev's visit to the United Arab Emirates (Dubai) produced even greater results: The governments of Qatar and the UAE agreed to grant jointly $100 million to Kazakhstan for the development of its new capital, Astana, as well as for the rehabilitation of that portion of Kazakh territory which borders the Aral Sea. (Kazakhstan appears to have oil and possibly natural gas resources located near the Aral Sea.) Qatar and the UAE have also agreed to cooperate in the development of Kazakhstan's oil and gas industries. (Interfax, 1137 GMT, 25 May 98; FBIS-SOV-98-145)

Japanese firms interested in developing Kazakh oil fields, pipelines

Japanese companies have become engaged in exploring Kazakh offshore oil fields near Aktyubinsk and in the area northwest of the Aral Sea. Japanese oil
firms have also expressed interest in developing Kazakhstan's offshore Caspian oil fields and investing in new pipelines to transport Kazakh oil to other former Soviet republics. The companies are particularly interested in the Chinese-Kazakh project to construct a pipeline link to Turkmenistan. (Interfax, 1327 GMT, 29 May 98; FBIS-SOV-98-149)

**Kazakh government hopes to resolve border dispute with China**

Kazakhstan's lower parliamentary chamber, the Majles, ratified the five-nation (Kazakhstan, Kyrgyzstan, Tajikistan, the Russian Federation, and the People's Republic of China) agreement on mutual reductions of troops along the Chinese border on 3 June 1998. (The agreement was signed approximately one year ago.) In addition to demilitarizing its border with China, the Kazakh government would also like to enter into negotiations to resolve the issue of more than 1,000 km of disputed territory along the Chinese-Kazakh border. The Kazakh parliament has recommended postponing border-dispute discussions with China until Kazakhstan's economy is in a better state, but the Kazakh government advocates beginning negotiations as soon as possible. (Kazakh Television First Program Network, 1500 GMT, 3 Jun 98; FBIS-UMA-98-154) It seems that the Kazakh government may want to link the issue of its territorial disputes with China to the five-nation demilitarization agreement. This agreement will be the subject of a summit meeting to be held in Almaty on 3 July 1998, at which the five signatory countries will exchange information about their military and border troop forces, and wrap up the final details of the agreement. (Interfax, 1317 GMT, 3 Jun 98; FBIS-SOV-98-154)

**KYRGYZSTAN**

**President Akaev has right to stand in third election**

At a business conference in London on 15 May, Kyrgyz Prime Minister Kubanychbek Jumaliev announced that President Askar Akaev is entitled to stand in a third presidential election because the new Kyrgyz constitution which limits the president to two terms was not adopted until 1993. Therefore, although
President Akaev has been elected (by the Kyrgyz parliament) to his post twice already, once in 1991 and again in 1996, the term limits set out by the new constitution only apply to elections which were held after 1993. (Radio Tashkent Network, 0900 GMT, 15 May 98; FBIS-SOV-98-135)

**Kyrgyz president advocates parliamentary electoral reform**

President Akaev declared his support for a reform of the Kyrgyz parliamentary electoral system at a conference on 4 June in Bishkek, titled "Improving the Election System of the Kyrgyz Republic." A draft electoral law formulated by Kyrgyz government and parliamentary representatives, UN officials, and members of other (unnamed) international organizations will soon be submitted to the Kyrgyz parliament. The draft law would eliminate multi-round parliamentary elections, as well as instituting a "winner-take-all" formula which would grant all of a particular voting district's parliamentary seats to whichever party received the most votes in that district. President Akaev also stated that the elections should be conducted "indirectly via district and local councils." The next parliamentary elections are scheduled to take place in the year 2000. (Interfax, 1150 GMT, 4 Jun 98; FBIS-SOV-98-155)

**Kyrgyzstan will not join anti-Islamic troika**

On 18 May, presidential spokesman Kanybek Imanaliev announced that the Kyrgyz government does not wish to join the troika recently formed by Russia, Uzbekistan, and Tajikistan to combat Muslim fundamentalism in Central Asia and in the Russian Federation (Voice of the Islamic Republic of Iran, 1600 GMT, 18 May 98; FBIS-SOV-98-138). Imanaliev did not provide any further details.

**Border patrol to assume Russian counterparts' duties by 2000**

On 20 May, Lieutenant Colonel Pavel' Vasko, commander of the Russian border troops in Kyrgyzstan, announced that Kyrgyz border guards will begin patrolling their country's borders by the end of this year, and that by the end of the year 2000 Kyrgyzstan will guard all of its own borders. The Russian border troops are...
to hand over their duties to their Kyrgyz counterparts in three stages: By the end of the current year Kyrgyz border guards will assume control of those sections of the border most frequently used by narcotics smugglers (this would be the Tajik-Kyrgyz border, as well as some portions of the Kyrgyz-Chinese border); in 1999 Kyrgyz border guards will take over the Russian guards' functions at Bishkek's Manas (international) Airport; and in the year 2000 the Kyrgyz border services will begin patrolling the remaining sections of the Kyrgyz-Chinese border. Lt. Col. Vasko cited financial reasons as the main impetus for handing his troops' border patrol duties over entirely to the Kyrgyz border services; currently, the Russian Federation is responsible for providing 80 percent of his troops' budget. (Interfax, 1109 GMT, 20 May 98; FBIS-SOV-98-140)

TAJIKISTAN

Tajik president, UTO set up commission to resolve political differences

After two closed door meetings with United Tajik Opposition (UTO) Chairman Said Abdullo Nuri on 27 May (ITAR-TASS World Service, 0848 GMT, 27 May 98; FBIS-SOV-98-147) and 2 June, President Imomali Rahmonov announced the formation of a "conciliation commission," to be made up of representatives from Tajikistan's Supreme Assembly (the parliament), the government, and the National Reconciliation Commission (NRC), in order to resolve the issue of the new law prohibiting all religious political parties. (Khovar, 1250 GMT, 2 Jun 98; FBIS-SOV-98-153) This law was passed by the Tajik Supreme Assembly at the end of May (see previous Digest), in direct opposition to the terms of the peace agreement. Both Said Abdullo Nuri and Haji Ali Akbar Turajonzoda (deputy leader of the UTO and first deputy premier in the Tajik government) have denounced this law and called for President Rahmonov to veto it.

President Rahmonov has expressed neither support for, nor opposition to, the law, but seems to be withholding his comments until the conciliation commission submits its proposals on how to handle the situation. The commission has been granted 20 days (from 2 June) in which to reach a consensus on how the Tajik
government should respond to the law. (Khovar, 1250 GMT, 2 Jun 98; FBIS-SOV-98-153)

International community reacts to law on political parties

Representatives of various international organizations and non-Central Asian governments have now expressed their opposition to Tajikistan's new law on political parties on the grounds that it impedes the peace process in Tajikistan. Michel Camdessus, the managing director of the IMF, met with UTO Chairman Nuri on 30 May in Dushanbe and declared that the release of IMF funds to the Tajik government was contingent upon the achievement of further progress in the peace process. Camdessus told Nuri that the IMF considers the establishment of economic stability in Tajikistan to be linked directly to the fulfillment of the terms of the peace agreement. (ITAR-TASS, 1039 GMT, 30 May 98; FBIS-SOV-98-150)

On 27 May, US State Department spokesman James Rubin called upon President Rahmonov to invalidate the law, which in the eyes of the US government directly violates the terms of the inter-Tajik peace agreement. He also implied that the release of further international aid funds to the Tajik government will be delayed until President Rahmonov complies with the terms of the peace agreement. (RFE/RL Newsline, 28 May 98) On 9 June, UN Secretary-General Kofi Annan finally weighed in with his reaction to the Tajik parliament’s ban on religious political parties, during a meeting with President Rahmonov in New York City. Annan stated that the ban contravenes the "spirit" of the Tajik peace accord, and told President Rahmonov that he hoped that the law would be overturned. The following day, the UN's acting special envoy to Tajikistan, Paolo Lembo, informed the NRC in Dushanbe that the $515 million credit pledged to the government of Tajikistan at the Paris Donors conference in May would be forthcoming only if there were further progress in the Tajik peace process. (RFE/RL Newsline, 11 Jun 98)
Spokesmen for the Iranian government and for the Russian Federation's foreign ministry also condemned the new law prohibiting the formation of religious political parties, stating that it violates the inter-Tajik peace agreement. (RFE/RL Newsline, 3 Jun 98)

Newly Independent States: Caucasus

By Miriam Lanskoy

AZERBAIJAN

More calls for 'united' Azerbaijan
The United Azerbaijan Movement has called on Azeris living in Iran not to participate in Iranian politics, but to struggle to achieve independence. (Turan, 30 May 98; FBIS-SOV-98-152) A new journal, United Azerbaijan, appeared in May of this year. The publication aims at igniting a debate about the idea of unifying the Republic of Azerbaijan with the southern, Iranian portion of Azerbaijan. (Turan, 0430 GMT, 18 May 98; FBIS-SOV-98-141) This follows increased pro-union agitation on the part of certain Azeri factions, including the party of former president Abulfaz Elchibey. In one recent incident the Azeri ambassador was dismissed from Teheran after he called for greater autonomy for the Azeri population of Iran. (See previous Digests.)

Azeris rally against French decision
The lower house of the French legislature has followed the Belgians in adopting an Armenian genocide resolution. The new Armenian government has adopted the goal of attaining widespread international recognition that the WWI massacres of Armenians in the Ottoman empire constituted genocide. (See previous Digest.) During a conversation with a visiting French delegation, Azerbaijani President Heydar Aliev called the decision unjust in view of contemporary realities--the occupation of Azeri land and the slaughter of Azeri civilians in Khojali in 1992. He also said that this position of the French
parliament causes particular dismay in conjunction with France’s co-
chairmanship of the Minsk group. (Interfax, 1753 GMT, 3 Jun 98; FBIS-SOV-98-
154)

Youth groups together with opposition political parties had a similar assessment. They picketed the French embassy in Baku demanding that Azerbaijan cut off all relations with France and replace its representation in the Minsk group. When they were dispersed by the police, they relocated to a support rally in front of the Turkish embassy but were removed from there as well. As a result several participants, including one journalist, were arrested and beaten by the police. (Turan, 1530 GMT, 2 Jun 98; FBIS-SOV-98-154, and Turan, 1120 GMT, 3 Jun 98; FBIS-SOV-98-155)

**Azerbaijani PM meets US officials**

While on a visit to Washington DC in May, Artur Rasizade, the prime minister of Azerbaijan, met with Vice President Al Gore, Deputy Secretary of State Strobe Talbott, and Senator Mitch McConnell. Talbott in particular stressed that the US expects Azerbaijan to hold free and fair presidential elections in the fall. In his meeting with McConnell and other senators and representatives, Rasizade again called on Congress to lift Section 907 of the Freedom Support Act, which continues to inhibit assistance to Azerbaijan (Turan, 22 May 98; FBIS-SOV-98-142) and impairs Azerbaijan’s ability to participate in Partnership for Peace exercises. Whereas the militaries of other PfP states are eligible to receive sponsorship from the US to enable them to participate in exercises, Azerbaijan has to finance its participation completely. Due to funding difficulties, Azerbaijan has been able to send only one officer to the most recent exercises. (Zerkalo, 16 May 98, p. 10; FBIS-SOV-98-141)

**US, Azerbaijan agree on Ceyhan line, disagree over Baku-Supsa line**

This year’s decline in oil prices has led many to doubt the efficiency of building the Baku-Ceyhan oil pipeline since the project could cost as much as $2 billion.
Still, US and Azeri experts have repeatedly made public their preference for that route and continue to promote it. The president of State Oil Company of Azerbaijan (SOCAR), Natig Aliev (son of the president) said that "We never considered the Baku-Ceyhan route to be a dead project. On the contrary, we believe that the Baku-Ceyhan route is a realistic project for bringing the Azerbaijani oil to the Mediterranean Sea." (Turan, 0930 GMT, 25 May 98; FBIS-SOV-98-145) A few days later the US Undersecretary of Trade, David Aaron, told a Baku audience that the administration favors a route which would carry oil across the Caspian from Central Asia, and through Azerbaijan, Georgia, and Turkey to western markets. He emphasized that the US will not finance any project which involves Iran. (ITAR-TASS, 1250 GMT, 2 Jun 98; FBIS-SOV-98-153)

At the same time there is a serious disagreement between the Azeri and US partners about the construction of the Baku-Supsa line. This route should be completed before the end of 1998. The Baku-Supsa line was estimated to cost $315 million but the actual cost is more likely to reach $590 million. Azerbaijan is distressed about the cost since it will be paid out of already depressed oil revenues. Azerbaijan proposes doubling the size of the pipe so that it can carry larger volumes and be incorporated into the Baku-Ceyhan project. US oil companies oppose using larger pipes and prefer to stick to the original plans because they would like to see the project completed in a timely manner. They believe the Baku-Supsa line can be profitable on its own, without linkages to the Ceyhan project. The disagreement prompted US Senator Chuck Hagel to lobby President Heydar Aliev to intervene personally with SOCAR. (Interfax, 1629 GMT, 29 May 98; FBIS-SOV-98-149)

**A pipeline through Ukraine?**

Ukraine announced on 9 June that it plans to become a major competitor, along with Russia and Turkey, for the route of the main oil export pipeline from the Caspian Sea. The proposed Baku-Supsa-Odessa-Brody route would presumably
link up with the trans-Caspian pipeline and would require the construction of a Black Sea pipeline. Ukraine has most of the necessary infrastructure, including 35 percent of the pipeline, already in place, as well as underutilized oil refineries and ship-building facilities. (Interfax, 1725 GMT, 25 May 98; FBIS-SOV-98-145) In addition, this route would free Ukraine and the Baltic states from dependence on Russian oil. Its advocates urge the construction of the Ukraine line in addition to the Baku-Ceyhan line. (See Prism, 12 Jun 98.) Politically that is the ideal solution: It allows all the regional powers friendly to the West to benefit from the oil boom and liberates all of them from Russian domination.

However, finding funding for both projects will be tricky at best. At present there are major doubts about the Ceyhan project due to its high cost. Moreover, Kyiv is not likely to offset importing costs through collecting transit fees. Transit fees are simply not that high. Chechnya presently collects $4 per ton of oil that passes through the pipeline on its territory. This means that, since the oil pipeline began operating in November 1997, Chechnya has earned $1 million in transit fees. (ITAR-TASS, 0921 GMT, 26 May 98; FBIS-SOV-98-146) Of course, there would be more oil going through the major pipeline; still, it is hard to imagine that transit fees could offset hundreds of millions of dollars in pipeline cost. Moreover, the Ukraine route would require the wider pipe in the Baku-Supsa line which lies at the heart of the controversy discussed above. It is by far more likely that the Ukraine route will compete against the Ceyhan route when the question is decided this fall.

Newly Independent States: Baltic States
By Kate Martin

Spring has come to the Baltic region, and military exercises are in bloom. Many members of the Baltic states’ armed forces have been taking advantage of a
plethora of training exercises, under the auspices of NATO's Partnership for Peace program as well as through regional agreements.

Baltic military officers took part as observers in a week-long air combat training exercise, Cooperative Zenith '98, staged in the United States in the framework of NATO's Partnership for Peace program. Observers were sent from all three Baltic states, as well as from Albania, Azerbaijan, Bulgaria, the Czech Republic, Georgia, Romania, Slovakia, the former Yugoslav Republic of Macedonia, Ukraine, and Uzbekistan. NATO members Great Britain, Canada, the Netherlands, and Italy participated in the exercise with the US. (Baltic News Service Daily Report, 1300 GMT, 14 May 98)

Shortly thereafter, members of Lithuania's armed forces joined another PfP exercise, this time in Denmark. The joint land, air and sea exercises, called "Cooperative Jaguar," included over 3,000 servicemen from 17 NATO member states and partnership countries. (ELTA, 1024 GMT, 18 May 98; FBIS-UMA-98-138)

In June, an infantry platoon of the Estonian defense forces arrived in the United States for international peace enforcement training, Cooperative Osprey '98, scheduled to be held through 19 June at Camp Lejeune, North Carolina. This training exercise, staged under the auspices of NATO and its Partnership for Peace program, is aimed at improving the interoperability of the armed forces of NATO partner nations with alliance forces for peacekeeping and humanitarian aid missions. Besides NATO members Canada and the United States, Partnership for Peace nations Albania, Azerbaijan, Bulgaria, Estonia, Georgia, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Ukraine, and Uzbekistan were scheduled to participate. (Baltic News Service Daily Report, 1000 GMT, 1 Jun 98)
The Baltic countries are not looking solely on the western horizon for military alliances. Both Lithuania's Seimas and Estonia's Riigikogu ratified the agreement on the establishment of the joint Baltic peacekeeping battalion, BALTBAT, last month. (Baltic News Service Daily Report, 1300 GMT, 21 May 98, and 1000 GMT, 2 Jun 98). Latvia's parliament, the Saeima, had ratified the agreement in April. The document, designed to address issues of leadership, personnel status and disciplinary problems that were not regulated by the initial 1994 agreement, had been signed by the Lithuanian, Latvian and Estonian defense ministers in Tallinn on 10 December 1997.

From 4 to 11 June, Baltic troops were involved in the Smooth Road war games at Lithuania's military base in Pabrade. The war games involved 500 troops from Lithuania, Latvia and Estonia, under the command of BALTBAT chief Lieutenant Colonel Alar Laneman. Next month, 4,500 troops from abroad are expected to land in Lithuania with weaponry, combat technology and munitions to participate in the international Baltic Challenge '98 exercises, scheduled to be held in the Klaipeda District. Baltic Challenge '98 will involve troops from Lithuania, Estonia, Finland, Hungary, Norway, Sweden, Latvia, Denmark, Germany, Holland, Poland and the US, along with BALTBAT. The largest number of troops participating in the exercises will come from the US (2,149), Lithuania (800) and BALTBAT (660). (Baltic News Service Daily Report, 1600 GMT, 4 Jun 98)

Lithuanian military personnel also participated in the first staff exercises of the "Pollithbat," or the Polish-Lithuanian Battalion of Peacekeeping Forces, held in May at the home base of 4 Suwalki Armored Cavalry Brigade. The exercises were designed to prepare the command cadre for planning and directing the unit's operations as part of UN peacekeeping forces. According to Maj. Zbigniew Skora, the commanding officer of the battalion, exercises in redeploying the battalion and operating in a region of conflict were conducted, along with training in the preparation of staff documents according to NATO standards. The unit consists of personnel from Poland's 4 Armored Cavalry Brigade (based in
Orzysz), and from Lithuania's "Iron Wolf" Motorized Infantry Brigade (from Alytus). Altogether 750 to 800 persons are to serve in this battalion. The staff, the headquarters company, and the supply company all are to be joint structures. It is predicted that the unit is to be ready for operation as of 2 January 1999. (Polska Zbrojna, 22 May 98; FBIS-EEU-98-153)

LITHUANIA

Many in military still suffer from training, health deficiencies

The PfP and regional training, while useful in terms of Baltic hopes for joining NATO, has not been enough to deal with some very real deficiencies that the Lithuanian military currently is experiencing. According to armed forces commander Lieutenant General Jonas Andriskevicius, Lithuanian troops are insufficiently prepared to combat armored vehicles and aviation or fight a foe at great distance. However, Andriskevicius told members of parliament that this year's military budget allows for providing troops with the most indispensable items and training them to use weaponry, as well as to participate in international war games and peacekeeping missions. Anti-tank weaponry has already been acquired or is being ordered, along with communications technology and new barracks. Answering questions on the physical fitness of draftees, he said that their state of health "is becoming almost an object of ridicule, since among European countries, Lithuania's youth is the very weakest." As much as one-half of youths drafted receive deferments from military service for various health problems. (Baltic News Service Daily Report, 1600 GMT, 12 May 98)

Big Brother isn't watching, but the Third Department may have been

Just who is watching whom, and under whose orders, are questions that have been preoccupying many members of the Seimas lately. The popular newspaper Lietuvos rytas reported toward the end of May that some high-ranking government officials had been under surveillance by the Third Unit of the Government Security Department, a unit directly accountable to Seimas chairman Vytautas Landsbergis and Minister of the Interior Vidmantas Ziemelis.
President Valdus Adamkus immediately requested an investigation by the 
Prosecutor General's Office. Prosecutor General Kazys Pednycia, when asked 
by journalists if he had felt he was under surveillance, replied that he was too 
busy to look around. (ELTA, 1254 GMT, 25 May 98; FBIS-SOV-98-145) He was 
destined to become busier. 

Landsbergis and his Conservative Party quickly issued denials, although 
apparently without consulting each other. Landsbergis denies instructing anyone 
to carry out surveillance operations, although he admitted that he had asked 
secret services to "check certain individuals," reportedly those who had issued 
threats against him. (Baltic News Service Daily Report, 1600 GMT, 26 May 98). 
Meanwhile a spokesman for the party (and first deputy chairman of the Seimas), 
Andrius Kubilius, did not dispute that government officials had been under 
surveillance, but did deny categorically that such observation was ordered by 
Landsbergis. The culprits, according to Kubilius, most likely were former KGB 
staff members working in the government. (Baltic News Service Daily Report, 
1300 GMT, 25 May 98) [Shortly thereafter, the Conservative Party submitted 
draft legislation that would ban from government employment those former KGB 
agents who had been actively involved in repressive acts. The bills bars ex-KGB 
agents from positions as civil servants as well as from posts in government, self- 
government, defense, and legal institutions, state control, strategic economic 
entities, banks and security structures. (ELTA, 1604, 4 Jun 98; FBIS-SOV-98- 
155)] 

In a statement probably not designed to instill confidence in government 
agencies, the chief of the Third Unit, Zigmas Slusnys, announced that such 
surveillance, even if it had been ordered, could not possibly have been carried 
out, since the unit had no appropriate equipment. (Baltic News Service Daily 
Report, 1600 GMT, 25 May 98). Whether this was an ill-advised attempt to 
increase the unit's budget, or an effort to convince the public that his unit was 
self-contained and ineffective, future disclosures would demonstrate that the unit
could and did expand beyond its official function of protecting high-level government officials.

While the investigation was continuing, Ziemelis' replacement as Minister of the Interior, Stasys Sedbaras, signed on 2 June an order to dissolve the Third Unit. According to Lietuvos rytas, prior to his resignation (submitted before the scandal broke, and citing friction with PM Gediminas Vagnorius), Ziemelis had been planning "a total surveillance" to get information "on every resident in Lithuania."

The paper reported that Vilnius police authorities had been instructed by the police department to collect information on every resident of the capital city. A municipal police head said he believed the "absurd" total surveillance plan to be dropped after Sedbaras had taken over as interior minister. (ELTA, 1519 GMT, 3 Jun 98; FBIS-SOV-98-154)

The following day, additional allegations were reported, again by Lietuvos rytas. The newspaper stated on 4 June that members of the Prosecutor General's Office and the Third Unit of the Government VIP Security Department carried out illicit surveillance operations against candidates Arturas Paulauskas and Valdas Adamkus during the presidential campaign last year. According to the daily, documents confirming that Paulauskas was under surveillance were found in the office of Kestutis Ragaisis of the Prosecutor General's Organized Crime and Corruption Investigations Department. Written reports on Paulauskas' electioneering routes, meetings, activists of his headquarters and sponsors were found in Ragaisis' office. Surveillance operations were also carried out by the undercover Third Unit of the Government VIP Security Department with help from the Prosecutor General's Office and the State Security Department, according to the daily. The newspaper reported that the head of the undercover unit, Slusnys, and Prosecutor Ragaisis would privately ask police and state security department officials in various towns to supply information discrediting the Paulauskas and Adamkus camps. The newspaper does not say if such information was provided. (Baltic News Service Daily Report, 1300 GMT, 4 Jun 98)