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Russian Federation: Executive Branch

By Susan Cavan

PRESIDENCY

Don't trust anyone over forty

In an interview with *Obshaya gazeta* (26 Jun-2 Jul 97; FBIS-SOV-97-204), Yevgeni Savostyanov deputy head of the president's administration in charge of personnel, revealed that he believed the "optimal age" for employees was forty years old. This younger generation, claims Savostynov (himself forty-five years old), is "more pragmatic, more aggressive. They are less inclined to be subordinate and want more to lead."

Savostyanov also outlined in general terms the vetting process for state cadres, noting that his department does not participate in "appointments of the highest circle." Individual applications come into the Kremlin from the localities or departments, at which time they are researched through newspaper accounts and a special services' review. Before being interviewed personally through Savostyanov's office, a thorough "paper portrait" is prepared. Savostyanov's current goals for staffing include not only filling immediate openings throughout the executive branch, but also creating a "reserve bench" of qualified candidates from which the president could choose when the need arose. Savostyanov also noted that at present the president had responsibility for the selection of candidates to over 30,000 posts.

Tennis anyone?

Shamil Tarpishchev, the president's former tennis coach, adviser and sports minister, has recently been appointed as an aide to Moscow Mayor Yuri Luzhkov. Tarpishchev, who will advise Luzhkov on sports issues, is serving as a volunteer

and will probably be involved in the preparations for next year's World Youth Games to be held in Moscow. Tarpishchev was removed from his state post last fall in the wake of a scandal at the National Sports Foundation he founded. (See previous Digest reports) While some analysts view Tarpishchev's appointment as a move by Luzhkov to garner the support of the hardline camp that once surrounded President Yel'tsin, it is also possible that Yel'tsin would not object to his one-time ally resuming a quasi-political position.

New decree suggests flexible view of powers

While the government organs *Rossiyskiye vesti* (15 Jul 97) and *Rossiyskaya gazeta* (16 Jul 97) assert that the new decree on presidential representatives is little more than a restatement of the earlier-defined scope of representatives' powers, there are several elements of the decree that suggest a wide-range of possibilities for the president's regional delegates. While the primary duties of the representatives are to assist and inform the president and to interact with local organs, political parties and social organizations, the impact of these responsibilities will depend on each representatives access and relationship with the president, Kremlin and relevant federal officials. (*Rossiyskaya gazeta*, 16 Jul 97; FBIS-SOV-97-204)

The representatives are given oversight of local implementation of presidential and governmental decrees, federal laws and the disbursement of budgetary funds. In the past, the Control Department has had primary responsibility for supervision of presidential representatives, and while that connection is still present (representatives may protest to the Control Department if local organs fail to implement directives), the representatives are also given the right to petition "appropriate federal organs of executive authority." Theoretically, if a particular representative had ties to the Federal Security Services, he could appeal to the Moscow FSB for intervention. The representatives are also tasked with handling appeals from the local populace and addressing citizens' complaints. As with many state bureaucratic positions in Russia today, the job

description of a given post may prove less significant than the connections and access of the individual in the job.

GOVERNMENT

Svyazinvest auction fallout continues

The common cause of President Yel'tsin's re-election, which managed to bind together the major financial interests last year, has clearly broken down in the wake of the government auction of a 25 percent stake in the Russian telecommunications company Svyazinvest. Despite the loud protestations of First Deputy Prime Minister Nemtsov that the auction had been fair and delivered the shares to the highest bidder, complaints and conspiracy theories abound. Perhaps most interesting in the reaction to the auction is the role of various media outlets in fermenting or calming the brouhaha.

The auction winner, a coalition including Oneximbank's Vladimir Potanin, has been attacked in the media owned by his primary rival, MOST's Vladimir Gusinsky. An alliance between Security Council Deputy Boris Berezovsky and Gusinsky may explain an attack on the auction by Russian Public Television (ORT). While Berezovsky has a significant interest in ORT, the government maintains a 51 percent share, which may explain the displeasure with which government officials received the ORT broadcast. (Ekho moskvy, 27 Jul 97; FBIS-SOV-97-208)

If the Svyazinvest auction has served no other function, it provides a warning to those who would attempt to interpret the Russian press without careful consideration of the financial and political interests underlying the ownership of any publication.

State cadres to be cut

First Deputy Prime Minister Boris Nemtsov announced on 26 July that the personnel of federal organs of government would be cut by 10 percent. The

reduction in the number of "unnecessary officials" is intended to decrease budgetary expenditures. Nemtsov, who has direct supervision of the Fuel and Energy Ministry, claims he will slice even deeper into his own pie, cutting the ministry's personnel by 25 percent. (ITAR-TASS, 26 Jul 97; FBIS-SOV-97-207)

Russian Federation: Foreign Relations

By Chandler Rosenberger

Russia boycotts NATO-Russia meeting until co-chairmanship is secured

Vitaly Churkin, Russia's ambassador to the Permanent Joint Council with NATO, delayed the council's first meeting by four days, insisting that Russia be a co-chair of its meetings. The council finally convened on 18 July, when the NATO secretary-general agreed to allow Churkin to chair one-third of the time. (ITAR-TASS, 0740 GMT, 19 Jul 97; FBIS-SOV-97-200).

The "Founding Act" on NATO-Russian relations, signed on 27 May, says that the Permanent Joint Council "will be chaired jointly by the Secretary General of NATO, a representative of one of the NATO member states on a rotation basis, and a representative of Russia." Churkin objected to NATO Secretary-General Javier Solana's suggestion that, for the sake of continuity, he chair all the meetings. The chair will rotate according to the issues under discussion. ITAR-TASS reported that the first meeting was divided into three parts, with one of the three representatives chairing a part.

Foreign Ministry, Zyuganov both support law restricting religious groups

Although Boris Yel'tsin eventually vetoed it, a law restricting religious freedom in Russia won the support of both Russia's Foreign Ministry and the leader of the Communist Party of Russia, Gennadi Zyuganov.

The bill, which would recognize only four "traditional" religions and would impose a fifteen-year waiting period on recognition of others, had been passed by the Duma but not signed by the president when the Foreign Ministry came to its defense. Faced with criticism from the United States Senate, the ministry released an official pronouncement. "No state," the Russian Federation Foreign Ministry announcement stressed, "can remain indifferent to offenses taking place on its territory." (Trud, 23 Jul 97; FBIS-SOV-97-203)

The Foreign Ministry did not explain why it was defending a bill that had not even yet become law. But its statement was in accord with the sentiments of National Patriotic Front leader Gennadi Zyuganov, who denounced the U.S. Senate's position as "trouble-making." (Sovetskaya rossiya, 22 Jul 97; FBIS-SOV-97-203)

Primakov highlights Sino-Russian friendship at ASEAN meeting

Speaking on 27 July to a meeting of the Association of Southeast Asian Nations (ASEAN), Russian Foreign Minister Yevgeni Primakov heralded the improvement in Russian-Chinese relations as "an impressive contribution to the cause of peace and security in the Asian-Pacific region."

The joint declaration titled "On a Multi-polar World and Formation of a New International World Order," signed by the Russian and Chinese presidents in Moscow on 23 April, makes a strong statement "in favor of establishing a new world order based on equitable cooperation and account of the interests of each other as well as those of the rest of the world," Primakov told the diplomats gathered in Petaling Jaya, Malaysia. (Xinhua, 0833 GMT, 27 Jul 97; FBIS-CHI-97-208).

While in attendance at the ASEAN meeting, Primakov held talks with Chinese Foreign Minister Qian Qichen on an anticipated visit to Beijing by Russian president Boris Yel'tsin in the autumn. Primakov also discussed the rights of Japanese fishermen near the disputed Kuril Islands and plans to train Russian

businessmen in Tokyo with Japanese Foreign Minister Yukihiko Ikeda. (Kyodo, 0819 GMT, 29 Jul 97; FBIS-EAS-97-210). Before arriving in Malaysia, Primakov stopped over in South Korea, where he signed an agreement on compensation for the seized Tsarist embassy (Interfax, 0744 GMT, 25 Jul 97; FBIS-SOV-97-206).

A "Great Game" that no one wants to play

U.S. Deputy Secretary of State Strobe Talbott called for nations interested in the affairs of the Caucasus to avoid a repeat of the 19th Century "Great Game" in their attempts to exploit the region's vast oil and natural gas reserves.

Speaking at the Johns Hopkins School of Advanced International Studies on 21 July, Talbott said that it had become fashionable to speak of an impending repeat of the struggle a century ago between Britain and Russia. He asked instead that "the geopolitics of oil" be conducted "in terms appropriate to the 21st century and not the 19th." (Reuters, 21 Jul 97)

Russian Foreign Ministry spokesman Gennadi Tarasov said that Russia had no interest in playing such a game, and was working instead for stability and democracy in Asia. (ITAR-TASS, 1546 GMT, 22 Jul 97; FBIS-SOV-97-203)

Russia accepts draft version of revisions to the CFE Treaty

Russia gave preliminary approval to a draft of proposed revisions to the Treaty on Conventional Forces in Europe that circulated at a 23 July meeting in Vienna, Interfax reported.

The two most significant changes would affect the new members of NATO and the nations of the Caucasus and Baltics. One would switch from a Cold War policy of weighing the weapons of NATO against Russia and its allies, and would measure arms deployments instead by region and individual nation. The draft revisions insist that new members of NATO from Eastern Europe decrease their

troop levels whenever troops from other NATO members are deployed on their territory. It also allows for an increase of Russian troops along the borders with the Baltic and Caucasian states. (Kurier, 25 Jul 97; FBIS-TAC-97-206)

The document "is not a framework agreement yet, i.e. it is not a full package of the future treaty," Russian Foreign Ministry spokesman Gennadi Tarasov said. The treaty participants have not yet determined the term "existing forces" with regard to permanent deployment of NATO capabilities on the territory of new members of the alliance, he said.

The flank agreement also needs further discussion, he said. All the figures set in the Treaty on Conventional Military Forces in Europe must be taken into account in the announced voluntary arms reductions, he said. (Interfax, 1351 GMT, 24 Jul 97; FBIS-UMA-97-205)

Comment

Let the games begin

Deputy Secretary of State Strobe Talbott has condemned the pursuit of influence in the Caucasus and Central Asia as a mere replay of the nineteenth-century "Great Game," the battle between Britain and Russia for influence over the southwestern Asia. "Our goal," he told an audience at the Johns Hopkins School of Advanced International Studies, "is to avoid that atavistic outcome."

Unfortunately, it takes two not to play. The United States may get up and walk away from the board, but that does not mean that Russia will stop moving its pieces forward. Indeed, the foreign policy of Russia's Yevgeni Primakov, obsessed with "multi-polarity," is bent on reducing the dominant position of the liberal West in world affairs. While "multi-polarity" may sound like a doctrine of cooperation that Talbott could endorse, it is in fact just the opposite. Rather than a world in which major players work together for mutual benefit, Primakov

imagines a globe divided into spheres of influence, each dominated by a regional hegemony.

Nor can one compare a post-Cold War world to the clash of empires in the last century. The Caucasians and Central Asians today are organized into independent states. Even the most autocratic of these represents the interests of its people better than a foreign power could. These states ought to be allowed freedom of choice when making alliances; if most take the chance to align themselves with the liberal West, we ought to welcome their decision as a condemnation of neo-imperialism. To dismiss their ambitions to escape Russian influence would itself be an act of high hubris that denied these newly-independent nations a role in their own affairs.

Russian Federation: Political Parties and Legislative Branch

By Michael Thurman

Duma urges Yel'tsin to keep peacekeepers in Abkhazia

Yel'tsin is to recommend an extension of the peacekeeper's mandate before the CIS Council of Heads of State.

The Duma's resolution says the withdrawal of peacekeepers from the region of the former armed conflict between Georgia and Abkhazia is premature. Future conflict in the regions may become a threat to the "territorial integrity" of the Russian Federation. The Duma has passed the resolution on the Federation Council for consideration.

Although ostensibly a CIS affair, the entire CIS peacekeeping force is made up of Russian troops. For this reason, the Duma has urged the Russian Foreign

Ministry to conduct direct negotiations with Georgia and Abkhazia on the stationing of its troops on their soil.

By suggesting bilateral negotiations outside of the CIS framework, not to mention the peacekeeping mandate, it begins to look like the CIS is nothing more than a department within the Russian Foreign Ministry (ITAR-TASS, 1322 GMT, 23 Jun 97; wnc.fedworld.gov)

Chernomyrdin calls for extraordinary session

Having recessed from mid-July to the first of September, members of the Duma may be recalled to consider several pressing matters of state. The law on sequestration of the 1997 budget and of the package of social bills introduced by the government are in need of decision making. As per Prime Minister Chernomyrdin, "The country will encounter difficulties in ensuring the stable payment of wages and pensions unless these problems are resolved."

Here can be seen one of the limits of the present Russian parliamentary system. Week- or month-long recesses can be awkward in a system dependent upon parliamentary action. Indeed, it provides the executive branch with an opportunity to act without parliamentary response. Given Russian political reality, however, the Duma possess no real threat to presidential power, but should the present system endure, the protracted period of "vacation" will have to be amended (Interfax, 1559 GMT, 30 Jun 97; wnc.fedworld.gov).

ELECTIONS

Kemerovo regional gubernatorial elections set

The region is finally slated to have a democratically elected governor. Elections will be held on 19 October. Debates leading up to the law which set the date for the elections raged between the regional Legislative Assembly and Governor Mikhail Kislyuk as to which branch should control the lion's share of political

authority. The bill was signed with the proviso that the issue remain on the table for discussion later.

In effect, Kislyuk -- the last remaining appointed governor in the federation -- was at a disadvantage in negotiating with the democratically elected Legislative Assembly. Federal law states that each region or subject is to pass the appropriate laws on its future upon the democratic election of all branches of government. Since Kislyuk is an appointee, it hardly seems appropriate that he should attempt to fashion Kemerovo's democratic structure (Interfax in English, 1101 GMT, 20 June 1997; wnc.fedworld.gov)

On 1 July 1997, Yel'tsin reassigned Kislyuk to "another job," the nature of which is unknown. Kislyuk had been critical of Moscow's handling of the region's coal industry and had been supportive of all-Russia union strikes. He was replaced, ironically, by his predecessor, Aman Tuleyev, who also had been removed by Yel'tsin for his role in the 1991 coup which ousted Soviet President Mikhail Gorbachev. Tuleyev was relieved of his duties as Minister for CIS Affairs (Interfax, 1141 GMT, 1 Jul 97; wnc.fedworld.gov).

Newly Independent States: CIS

By Mark Jones

Cooperation seen between subgroups

CIS deputy executive secretaries met with the heads of executive agencies of the Alliance of the Four (Belarus, Kazakhstan, Kyrgyzstan and Russia), the Belarusian-Russian Union and the Interstate Council of Kazakhstan, Kyrgyzstan and Uzbekistan at the CIS headquarters in mid July "to discuss ways of increasing the efficiency of the interstate executive agencies established in the CIS." According to Belapan (18 Jul 97; FBIS-SOV-97-199), the participants agreed "to co-ordinate their activities in implementing agreements concluded

within the framework of the above-mentioned alliances." Additionally, the parties agreed to "commit themselves to assist each other in establishing direct contacts with international scientific, information, production and other organizations." Cooperation agreements within these organizations is nothing new and is actually quite unremarkable. This, however, appears to be the first instance of cooperation among these groups.

Agreement to provide air defense protection

Dushanbe Radio reported on 29 July (FBIS-SOV-97-210) that the chairman of the coordination committee for legal issues at the Council of Ministers of the Defense of CIS MemberStates and Chief Commander of Russian Air Defense, Army General Viktor Plotnikov, was due in Tashkent to sign documents of cooperation between Russia and Uzbekistan which will provide air defense protection to the "southern frontiers" of the CIS. It is not yet clear whether this is simply an implementation of the CIS air defense Agreement or some new, bilateral agreement.

Newly Independent States: Western Region

By Mark Jones

MOLDOVA

No farewell to arms

According to Tiraspol leader Igor Smirnov, "All armaments of the former 14th army, situated at the territory of Dniester, are the property of Dniester republic." Smirnov made the statement at a meeting with representatives of the Russian Ministry of Defense. Although the commander of Russian troops, LTG Valeriy Evnevich, expressed his concern over the poor condition of the arms and the difficulties associated with their secure storage, Smirnov declared that his side was "ready to provide for storage and security of the armaments"(Chisinau Infotag, 21 Jul 97; FBIS-SOV-97-202). If the arms are given to the Dniester

Republic, it will be interesting to see if they end up rotting in place, being sold on the black market, or being fired at Moldovan, Ukrainian, and Russian peacekeepers.

New deputy chairman of parliament chosen

Andrei Diaconu, a member of the Moldovan Agrarian Democratic Party (PDAM), was elected deputy chairman of the Moldovan Parliament. The ex-deputy chairman, Dumitru Diacov, was voted out of office amid claims of fraud. According to Diacov, votes for his dismissal, especially from the Socialist party, were purposely miscounted (Basapress, 18 Jul 97; FBIS-SOV-97-209).

BELARUS

Prime minister resigns

Belarusian Prime Minister Syarhey Linh submitted a letter of resignation to President Lukashenka in mid July. Linh cited age as his reason for stepping down. (Interfax, 17 Jul 97; FBIS-SOV-97-198)

Union intelligence service to be established

Interfax (26 Jul 97; FBIS-SOV-97-207) is reporting that a new security service will be set up under the auspices of the Belarusian-Russian Union. The purpose of the future organization is "to give the Union's Supreme Soviet and Executive Council information to prevent possible threats to the Union's security and help the leadership of the Russian Federal Security Service and the Belarusian KGB in the priority fields of joint work." One can only wonder if the service's employees will call themselves "Chekists."

Problems with the neighbors

On 21 July the Russian gas company Gazprom cut gas deliveries to Belarus by 50% (Interfax, 21 Jul 97; FBIS-SOV-97-202). The reason for the cutback was reportedly huge unpaid Belarusian gas bills.

Another example of un-neighborly relations occurred when a camera team from Russia's ORT TV broadcasting company was temporarily detained on the Belarusian-Lithuanian border as they shot footage on the activities of Belarusian border guards. According to Interfax (22 Jul 97; FBIS-SOV-97-203), the ORT office had applied for permission a week prior to send the camera team, but the State Border Committee did not reply in writing. The journalists learned that the border guards had been "advised not to talk to ORT correspondents." The Belarusian Committee for State Security then opened a criminal case against the team on charges of violating the Belarusian state frontier (ITAR-TASS World Service, 28 Jul 97; FBIS-SOV-97-209). The incident touched off a wave of condemnations by both domestic and foreign press representatives, but it is in keeping with President Lukashenka's recent directives to get tough on foreign journalists as well as his own Customs and Border Services.

Lawyer's rights curtailed

An article appeared in the Minsk newspaper Svoboda (18 Jul 97; FBIS-SOV-97-202) detailing the plight of lawyer Nadzeya Dudarava. The paper reported that she is about to lose her right to practice law because she has failed to comply with the directive of Justice Minister H. Varantsow. Varantsow decreed that "as of 1 July 1997, the persons who did not join a collegium of lawyers have no right to pursue their practice of law and their licenses are to be annulled by the Justice Ministry." This is one example of the fallout from President Lukashenka's presidential decree No. 12, by which he decided to "improve" the activity of lawyers and notaries by obliging them to join collegiums controlled by the state.

UKRAINE

Air defense chiefs meet

Commanders of the Air Defense Forces of Russia and Ukraine signed a group of bilateral cooperation agreements during their meeting in Kiev. Interfax (16 Jul 97; FBIS-UMA-97-197) reported that the two chiefs also worked out a draft

agreement on control of the airspace over the Black Sea. The proposed accord will be "be handed over to the Foreign Ministers for compromising."

Involvement in regional issues increases

Nezavisimoye voyennoye obozreniye (31 May-6 Jun 97; FBIS-UMA-97-136-S) reported that Ukraine will provide Uzbekistan with armored vehicle repair and maintenance services. The Deputy Minister of Machine-Building, the Military-Industrial Complex and Conversion of Ukraine, Valeriy Kazakov, noted that there is already a successfully completed intergovernmental agreement for deliveries of aviation goods, and he believes that "there is every opportunity for further cooperation of the two countries in the field of military technology."

Hennadiy Udovenko, Minister of Foreign Affairs, announced that Ukraine will take part in the construction of the Turkmenistan-Armenia gas pipeline by supplying pipes and equipment. (Lvov Infobank, 15 Jul 97; FBIS-SOV-97-196).

Foreign Minister Udovenko also visited Estonia for a two-day official visit. On his agenda were discussions relating to economic relations, regional politics, and security issues (Estonian Television Network, 24 Jul 97; FBIS-SOV-97-205).

All of these stories taken together reflect that Ukraine continues to develop as a regional leader (and competitor) in the economic, military, and political spheres.

Newly Independent States: Caucasus

By Miriam Lanskoj

Yel'tsin confirms Russian withdrawal from Caspian oil field deal

On 7 August President Yel'tsin told President Niyazov of Turkmenistan that Russian companies would not participate in developing the Kyapaz oil field. (RIA, 7 Aug 97; BBC Summary of World Broadcasts, 8 Aug 97) The field lies on the

boundary between Azerbaijan's and Turkmenistan's sectors of the Caspian and is claimed by both countries. During President Aliev's visit to Moscow in July, the Russian oil companies Lukoil and Rosneft signed a contract with Azerbaijan's oil company SOCAR to develop that field, but signaled they would pull out of the deal when Turkmenistan issued its objections. Moscow found itself in an awkward position; since it does not recognize the sectorized division of the sea but favors a condominium arrangement whereby all development must be cleared with all the coastal states, it could hardly fail to accommodate Turkmenistan's objections.

Aliev's US visit

In the spring, Aliev was invited to the US to meet President Clinton as part of the US lobbying effort for Azerbaijan's ratification of the CFE Treaty. Until recently US policy towards Azerbaijan has been dominated by the Armenian lobby which succeeded in passing a prohibition on humanitarian aid to Azerbaijan, Section 907 of the 1992 Freedom Support Act. This law remains in force and the US has given Armenia five times as much as it gave to Azerbaijan. Over the last two years, as the possibility of tapping into the Caspian Sea oil reserves became increasingly viable, the major oil companies have enlisted top former officials to lobby the administration and Congress on Azerbaijan's behalf. Among the personalities who have lent their credentials to altering the imbalance in US policy are two former national security advisers, Brent Scowcroft and Zbigniew Brzezinski; former White House Chief of Staff John Sununu; former Defense Secretary Richard C. Cheney; former Secretary of State James A. Baker III; and former Treasury Secretary Lloyd Bentsen. (Washington Post, 6 Jul 97)

On 28 July President Aliev began his first visit to the US by meeting with UN Secretary General Kofi Annan, who voiced support for the OSCE proposals on Nagorno-Karabakh. (Turan, 29 Jul 97; FBIS-SOV-97-210). On 31 July, Aliev described the latest OSCE Minsk Group initiatives during a lecture at Georgetown University. Aliev used a map to illustrate the proposals; in the first

stage, Armenian forces leave the six non-Karabakh Azeri districts they currently occupy and OSCE troops are stationed along the Karabakh border. In the second stage, the parties negotiate the status of Nagorno-Karabakh and Armenia withdraws its forces from Shusha and Lachin. The Lachin corridor remains as a link between Armenia and Nagorno-Karabakh and is policed by OSCE forces. In regard to the status of Karabakh, Aliev reiterated Azerbaijan's long-held position that the region can have the highest degree of autonomy short of independence. (Turan, 31 Jul 97; FBIS-SOV-97-212) Although divulging the details of the proposals is contrary to the rules of confidentiality governing the peace process, the content of the proposals in fact had appeared in the press before he gave this speech.

On July 31 Aliev met with Defense Secretary Cohen in Washington and signed an agreement on bilateral military cooperation. They agreed to hold regular consultations on security issues and military cooperation at the level of defense minister. Further details of what that cooperation entails were not available, but if the joint statement they released serves as any indication, the military cooperation is conditional on a settlement of the Karabakh conflict. "The sides agreed that the resolution of the Nagorno Karabakh conflict as soon as possible would create broad opportunities to strengthen Azerbaijani-American relations in the defense sphere." Secretary Cohen expressed his wish to "propose a programme of cooperation enabling the development of the Azerbaijani armed forces under conditions of democratic and civilian control." He further suggested that this program may include contacts between senior military personnel, military training, preparation of military budgets and the management of armed forces reserves. (Turan, 1 Aug 97; BBC Summary of World Broadcasts, 4 Aug 97)

On 1 August Aliev had a three-hour meeting with President Clinton during which they discussed expanding bilateral cooperation in the political, security, economic, and commercial spheres; the OSCE Minsk Group proposals on

Nagorno-Karabakh; the importance of their commercial relationship; Azerbaijan's economic reform program and its integration into international financial and security structures.

The joint statement emphasized that President Aliev has "endorsed the recent proposal of the co-chairs of the OSCE Minsk Group as the basis for intensified negotiations to achieve a peace agreement this year." For his part, "President Clinton reiterated the administration's strong support for the repeal of Section 907." The presidents "welcomed the establishment of an official dialogue on energy policy and commercial issues ...[and] agreed on the vital importance of the Eurasian transport corridor to the economic future of Azerbaijan and the entire region. The two presidents welcomed the signing of the US.-Azerbaijani Bilateral Investment Treaty and the US Export Bank Incentive Agreement." (US Newswire, 1 Aug 97)

On the same day three new oil contracts valued at \$10 billion were signed with Amoco, Chevron, Exxon and Mobil. (US Newswire, 1 Aug 97)

Iran condemns oil deals concluded in Washington

On 5 August Iran's Deputy Foreign Minister, Mahmud Vaezi, condemned Azerbaijan's "unilateral steps" in developing oil wells in the Caspian and described the most recent Azeri-US contracts as an action that "brings nothing but tension between the states bordering the sea and risks a crisis in the region." (Agence France Presse, 5 Aug 97) This statement comes only days after a US decision to make an exception to the rule forbidding the involvement of US companies in business ventures with Iran; US companies will be able to participate in constructing a pipeline from Turkmenistan to the Persian Gulf by way of Iran.

This announcement had obvious implications for Azerbaijan; it opens the door to the possibility of transporting Azeri oil across Iran. Yet, it seems that US

reluctance to deal with Iran is only one factor thwarting this plan; the strained relationship between Iran and Azerbaijan may prove an even more formidable obstacle. Iran is home to an ethnic Azeri population roughly equal to the population of Azerbaijan. Some Azeri movements had sought a reunion with "Southern Azerbaijan" (which lies just across the border in Iran), and although the current government has not furthered such designs, Teheran remains wary of the possibility of a secessionist movement in its northern districts. In 1995 President Aliev, bowing to Clinton administration pressure, cut Iran out of the largest oil deal in the Caspian. That action was particularly embarrassing for Iran because it was originally announced that Iran would participate and then, after intensive US lobbying, Iran's shares were distributed to US companies. Although Azerbaijan and Iran have signed development contracts since then, these were for smaller, less-visible projects that never earned "contract of the century" billing. In recent months Aliev barred the pro-Iranian political party, Islamic Party, from holding a congress and other electioneering activities.

Newly Independent States: Central Asia

By Monika Shepherd

TAJIKISTAN

Inter-Tajik peace process on track; military, police forces downsized

President Rahmonov and United Tajik Opposition (UTO) leader Said Abdullo Nuri signed a mutual amnesty act ("Document on Mutual Forgiveness") on 14 July 1997, completing another significant step in the inter-Tajik peace process (ITAR-TASS, 1406 GMT, 14 Jul 97; FBIS-SOV-97-195). A few days later (18-20 July), the long-delayed POW exchange finally took place, fulfilling one of the conditions set out in the general peace agreement which both sides signed on 27 June, in Moscow. The POW exchange occurred in three stages and included a total of 48 prisoners from each side (originally the number of prisoners exchanged was to be 50). The operation was overseen by representatives of the

UN military mission and both sides agreed to further POW swaps in the near future (Interfax, 1124 GMT, 20 Jul 97; FBIS-SOV-97-201).

Perhaps as a sign of confidence in the peace process, President Rahmonov decreed a 30% staff reduction in the personnel of: the Ministry of Internal Affairs of the Republic of Tajikistan, the Ministry of Defense of the Republic of Tajikistan, the Committee for State Border Protection under the government of the Republic of Tajikistan, the Presidential Guard of the Republic of Tajikistan, the Committee for Emergency Situations and Civil Protection under the government of the Republic of Tajikistan, and the Special Rapid Reaction Brigade. The decree was issued on 10 July and is to be carried out over the next four weeks in order to make more funding available to raise the salaries of teachers and scientists and to bolster the social safety net (Radio Tajikistan Network, 1200 GMT, 10 Jul 97; FBIS-SOV-97-191). Although the Tajik government is no doubt in need of additional funds in order to begin rebuilding the country, it is also interesting to note that two of the bodies whose staffs are to be reduced are the Special Rapid Reaction Brigade and the Presidential Guard, both of which have been plagued by incidents of mutiny. The Presidential Guard was also unable to capture the renegade militia leader Rezvon Sodirov, who is rumored to still be at large in the country.

Andrei Nikolaev, director of the Russian Federal Border Services, told reporters in Moscow earlier in the month that the possibility now existed of implementing a gradual reduction of the number of border troops stationed in Tajikistan. He also informed reporters that the border guards had so far halted more than 80 attempted illegal border crossings from Afghanistan and had been engaged in 13 border skirmishes, ostensibly with UTO groups. The Russian border guards are apparently working in cooperation with Afghan forces (it was not specified which forces) to stop illegal border crossings, using the 25 km security zone established in August 1996 (this security zone permits Russian troops to pass up to 25 km

across the Afghan border) to catch and detain smugglers and "militants"(Interfax, 1008 GMT, 2 Jul 97; FBIS-SOV-97-183).

KAZAKHSTAN

Chinese firm wins stake in Kazakh oil fields, will build second pipeline

The China National Petroleum Corporation (CNPC) offered the winning bid in the international auction for a 60% stake in Aktobemunajgaz, a Kazakh company which controls two of Kazakhstan's western oil fields. The two fields have reserves of 590 million tons of petroleum and 220 billion cubic meters of gas. The Chinese company plans to invest more than 300 million US dollars in the development of these oil fields, which will allow their annual production to double (from 2.60 million tons of oil in 1996) (Xinhua, 1506 GMT, 4 Jun 97; FBIS-CHI-97-155). The Chinese company has also agreed to construct an oil pipeline from Kazakhstan to the Karamai oil field in western China, where it would be linked to an already existing pipeline which runs to eastern China. Apparently a number of Japanese and South Korean oil and gas companies have also expressed interest in backing this pipeline construction project. Kazakhstan expects its oil production to be more than 100 million tons by 2005, which would exceed the capacity of the pipeline to be built by the Caspian pipeline consortium (from Kazakhstan's Tengiz oil fields to Novorossiisk, a Russian port on the Black Sea). Therefore, a second pipeline route is necessary (Interfax, 1527 GMT, 6 Jun 97; FBIS-SOV-97-157).

Kazakhstan, Azerbaijan plan pipeline route via Georgia, excluding Russia

In mid-June, Presidents Aliev and Nazarbaev signed an agreement on cooperation between their two republics, which also includes plans for the construction of an underwater oil pipeline linking Aktau (Kazakh Caspian port) and Baku. The pipeline would then travel through Georgia to the Turkish port of Ceyhan. President Nazarbaev has declared that Kazakhstan will eventually require several pipelines to transport all of the oil which it expects to produce. No

date has yet been given for the construction of the Aktau-Baku pipeline route (Rossiyskaya gazeta, 5 Jul 97; FBIS-SOV-97-190) .

KYRGYZSTAN

Kyrgyz water no longer free of charge

Following the presentation of a report on the interstate use of Kyrgyzstan's water resources by the other Central Asian republics issued by a commission headed by the parliamentary speaker, the Kyrgyz legislature (or more accurately, the Assembly of People's Representatives of the Supreme Council of the Kyrgyz Republic) passed a resolution to begin charging fees for the use of its water resources (reservoirs, rivers, irrigation systems, etc.) by the other Central Asian republics. The resolution included the statement that, according to international law, Kyrgyzstan's water supply cannot be considered the common property of all the Central Asian republics, even though it was treated as such by the Soviet government. The Kyrgyz government has had to shoulder the financial burden of maintaining its water resource system since the collapse of the former USSR, and can no longer afford to provide water to the other republics free of charge. The prices for the use of Kyrgyzstan's water supply will be set in accordance with international norms (Slovo Kyrgyzstana, 3 Jul 97; FBIS-SOV-97-199).

Comment

The borders of the Central Asian republics were established in such a way that no single republic can be completely self-sufficient in terms of its water resources. The republics must tap into each other's rivers and reservoirs in order to provide enough water to irrigate their crops, not the least important of which is the cotton crop. Despite the fact that it was largely the huge increase in cotton cultivation during Soviet times which caused the Aral Sea to shrink to its present size, since becoming independent most of the Central Asian governments have chosen to raise cotton production even higher, because it is a valuable cash crop and export on the world market. Kyrgyzstan's decision to begin demanding payment for the use of its water resources could mark the start of a serious battle

among the Central Asian republics over water rights. For instance, Kyrgyzstan is claiming ownership of the Naryn River, which forms its border with Uzbekistan. No doubt, the Uzbek government will dispute this claim, and perhaps demand compensation from the Kyrgyz government for its use of water from this river.

Newly Independent States: Baltic States

By Kate Martin

Mixed signals provided on security options

Having lost out on the first round of NATO expansion during the 8-9 July summit in Madrid, the Baltic states are adamant about continuing their efforts to join the alliance in later years. Whether they will receive support for such a venture from the west is unclear, as the United States sends mixed signals. US Secretary of State Madeline Albright, in a visit to Vilnius following the summit, reassured the Baltic states of continued US support for Baltic aspirations, saying that "Madrid was a point of departure for the new NATO, not a final destination. NATO's door will remain open in Madrid, a promise was kept. We do consider the Baltic States as serious candidates for future NATO membership." (Department of State text, 14 Jul 97) Questioned about Russian Prime Minister Viktor Chernomyrdin's recent offer of security guarantees to the Baltic states, Albright had little comment except to reiterate that it is up to the Baltic states to decide upon security guarantors. (The countries have declined Russia's offer.)

Despite Albright's assurances of continued support, the Clinton administration sent an entirely different message the same week, with the nomination of Stephen Sestanovich, .a vocal opponent of NATO expansion, as Ambassador-at-Large for the Newly Independent States. (ELTA, 0607 GMT, 10 Jul 97; FBIS-SOV-97-191)

The news from countries closer to home was a little more encouraging: After a meeting with their Baltic colleagues, presidents Aleksandr Kwasniewski from Poland, Vaclav Havel from the Czech Republic and Arpad Goncz of Hungary, having received the sought-after NATO invitation in Madrid, said they would act as special advocates for early Baltic admission, Latvian President Guntis Ulmanis reported. (Radio Riga Network, 9 Jul 97; FBIS-SOV-97-190)

LATVIA

New government coalition formed following Skele's resignation

Andrus Skele resigned as prime minister of Latvia on 28 July, after the three largest parties in the government announced their intention to leave the coalition (Radio Riga Network, 1300 GMT, 25 Jul 97; FBIS-SOV-97-206). The resignation followed months of charges of corruption leveled against government ministers (resulting in the resignation of four since May). In addition to internal squabbles, the country faced problems from the outside as well, such as exclusion from the first wave of NATO expansion and from negotiations with the European Union, following a recommendation by the European Commission to begin talks with only one Baltic state, Estonia. (Radio Riga Network, 1300 GMT, 18 Jul 97; FBIS-SOV-97-199) To replace Skele, President Ulmanis nominated Guntars Krasts of the Union for the Fatherland and Freedom party and a former minister of economics (in a previous Skele government).

LITHUANIA

Eight registered as presidential candidates

The list of candidates for the presidential elections on December 21 has grown. Eight candidates have registered for the ballot, including the Seimas speaker Vytautas Landsbergis, US environmentalist Valdas Adamkus, chairman of the Lithuanian Reform Party, Algirdas Pilvelis; prosecutor general Arturas Paulauskas; media entrepreneur and anthropology professor Liucija Baskauskaitė; head of Catholic radio Vaidotas Zukas; chairman of the newly created Eurosceptic party Rimantas Smetona; and the leader of the Christian

Democrat Union and member of parliament Kazys Bobelis. (ELTA, 1025 GMT, 245 Jul 97; FBIS-SOV-97-205)

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