

DAILY REPORT ON RUSSIA

AND THE FORMER SOVIET REPUBLICS

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RUSSIAN FEDERATION

Politics

Chechen Commander Goes On Trial

• Chechen rebel commander Salman RADUYEV went on trial today in Dagestan on charges of terrorism in connection with an armed attack that killed 78 people, the Associated Press reported. He also faces charges of banditry, hostage taking, organization of murders and illegal armed formations. Russia's Prosecutor General Vladimir USTINOV said on the eve of the trial that it was, "a demonstration of the triumph of justice over terrorism." "We will show the whole world that terrorism can be fought not only with weapons, but also through the force of justice," he said. RADUYEV's best-known attack was on the southern town of Kizlyar in 1996, when he and his comrades took hundreds of hostages at a local hospital and then used some of them as human shields to escape back into Chechnya. He was arrested during a special military operation in the Chechen city of Novogroznensky in March 2000. Three other defendants in the Kizlyar raid, Aslanbek ALKHAZUROV, Turpal ATGERIYEV, and Husein GAISUMOV, are being tried alongside RADUYEV. The suspects were brought to Dagestan's capital Makhachkala in an armored convoy. Paramilitary police closed off the street in front of the courthouse. Dagestan residents expressed concern that holding the trial in their republic could be a, "pretext for new terrorist attacks." Russian television pictures showed RADUYEV smiling in a dark coat and mirrored sunglasses, seated in a cage in the courtroom with the other three men. RADUYEV had re-grown a trademark beard that had been shaved when he was first captured, again covering a face that was repeatedly rebuilt in reconstructive surgery after several assassination attempts, Reuters reported. RADUYEV is the son-in-law of the late separatist leader Dzhokhar DUDAYEV. Meanwhile, Russia's

prosecutor general is seeking the extradition of Chechen field commander Ruslan GELAEV, who Russia claims is hiding in Georgia's Pankisi Valley. There have been conflicting reports within the Georgian government as to the whereabouts of GELAEV.

Russia To Create Foreign Visitor Database

• The Russian State Duma on Tuesday approved on the first reading a draft bill that calls for creating a single database on foreigners entering and exiting Russia, Interfax reported. Deputies said that at present the government does not know exactly how many people have entered and left the country and how many may have overstayed the amount of time specified on their visas, RFE\RL Newline reported.

Kuznetsov Against Missile Cuts

• Vice Admiral of the Russian Defense Ministry Valentin KUZNETSOV has objected to U.S. President George W. BUSH's proposal to unilateral missile cuts. He said, "we are heading in the right direction in the elimination of huge missile arsenals." However, in a speech at the General Staff Military Academy, he questioned, "what will guarantee the meeting of the reduction and verification" of the promised cuts? BUSH has proposed a ceiling of 1,700-2,200 nuclear warheads for the U.S. KUZNETSOV said the U.S. and Russia have, "worked out a thorough mechanism in the sphere of control and verification relating to the destruction of strategic defen-

sive weapons. Discarding it now would be wrong," referring to the 1972 Anti-Ballistic Missile Treaty. PUTIN last year proposed cutting each country's strategic nuclear arms to 1,500 warheads and called for cuts to be made under a formal agreement.

Russia Ready To Help NATO

- Speaking at Houston's Rice University before heading to U.S. President George W. BUSH's Texas ranch, Russian President Vladimir PUTIN argued that Russia was better equipped than most nations to help NATO combat threats of terrorism. He said, "We are now seeing threats that we have not encountered before. We are not only talking about the dreadful events of September 11th, but also other concerns ... including bioweapons, chemical weapons and weapons of mass destruction... NATO was not created to counter these threats. All NATO leaders should recognize that if there is an ally that can make a full contribution in countering them, that ally is Russia. We are ready to cooperate with NATO to the same extent that NATO is ready to cooperate with us." The North Atlantic Treaty Organization (NATO) was created to oppose the Soviet Union. Since the end of the Cold War the 19-member Western security alliance has struggled with how to structure its relations with Russia. In recent months, Russia has softened its fierce objections to further eastward expansion of NATO, saying it might not oppose new alliance members if Moscow were given some role in the process of deciding who might join, Reuters reported. At Rice University, PUTIN was greeted by former President George BUSH, father of the current president, and by former Secretary of State James BAKER.

Meanwhile, NATO said Secretary-General George ROBERTSON will visit Russia next week to promote wider cooperation between the old rivals. Moscow has agreed with NATO to set up a think-tank of experts to explore various ways of beefing up practical cooperation. The think-tank could offer advice and information to Russia in areas such as defense reform and civil emergency planning. NATO spokesman Yves BRODEUR said, "NATO's cooperation with Russia, which we're trying to improve, has certainly moved a long way since September 11th," Reuters reported

Economy

Ruble = 29.72/\$1.00 (NY rate)

Ruble = 29.80/\$1.00 (CB rate)

Ruble = 26.39/1 euro (CB rate)

Senate Committee Passes Debt Reduction Plan

- The Senate Foreign Relations Committee on Wednesday unanimously approved a plan to reimburse Moscow for the costs of selected nonproliferation programs by forgiving an equal amount of debt to the U.S. Chairman of the Committee Senator Joseph BIDEN (Dem.-DE) developed the proposal with Senator Dick LUGAR (Rep.-IN). BIDEN said, "This is something that is very fertile ground and of considerable interest to the Russians." He noted that Moscow owes about \$3.5 billion to Washington and \$30 billion to European nations. Russia has expressed an interest in reducing its debt to boost its standing with international lending institutions, Reuters reported. The debt swap plan does not extend to other former Soviet states because Russia assumed the entire Soviet debt, a decision Russian President Vladimir PUTIN decried Tuesday, BIDEN said. He added that the proposal could provide an incentive for Moscow to make significant strides in nonproliferation efforts such as the elimination of its chemical weapons stockpile, which could cost an estimated \$8 billion.

Under the proposal, included in a measure authorizing funding levels for military training and financing for fiscal years 2002 and 2003, the U.S. would be able to audit and approve any of the nonproliferation activities. At the urging of Senator Jesse HELMS (Rep.-NC), the proposal also includes language that would restrict U.S. debt relief unless Russia can certify there has been no transfer of weapons to countries that Washington believes support terrorism.

It also would establish an inter-agency committee to coordinate nonproliferation activities in Russia and double to about \$65 million the amount of funds available to help develop jobs for Russian weapons scientists in non-weapons fields. A second provision HELMS pushed would allow Russia to use as much as 10 percent of the debt swap to promote a free media in Russia.

Business

India Invests \$2B In Sakhalin-2

- The government of India has invested \$2 billion in the Sakhalin-2 project, Khimato ZINOMI, the Council General of India in Vladivostok, announced. In addition to the Sakhalin region, India is interested in investment projects in the Yakut region, where Indian businessmen own the largest diamond-cutting factory. The Indian *Sun Group* is investing in the Primorye beer company *Pivoindustria Primorya*. The Indian Council General stressed that the Far East is one of the most attractive parts of Russia for investments. It is worth mentioning that India and Russia signed a credit agreement on credits to India from Russia's *Vneshekonombank* and the Indian Confederation of Industrialists signed an agreement with the Russian Union of Industrialists and Entrepreneurs, RosBusiness Consulting reported.

EUROPEAN REPUBLICS

The Internet A Tool For Political Warfare?

- Ukrainian President Leonid KUCHMA condemned the Internet on Wednesday, saying it had become a tool for political warfare and muckraking, Reuters reported. "The Internet has become a killer. People can write whatever they like without signing their names, and then it appears in the mass media," KUCHMA told reporters. "You won't see filth the likes of which we often get in Ukraine [on the Internet] in any other European country." The internet is one area in which free press has flourished outside of governmental controls. Websites often carry uninhibited criticism of the president and other senior figures. Government officials are working on ways to regulate the Internet, possibly by licensing websites. The Internet has become a thorn in KUCHMA's side and, political analysts say, a pressing issue ahead of parliamentary elections scheduled for March 2002. Ukraine's biggest political scandal erupted last year after Georgy GONGADZE, a reporter working for an online newspaper, disappeared in September. Thousands took to the streets demanding KUCHMA's resignation after audio tapes were published on which a voice like the President's was heard ordering aides to "deal with" GONGADZE. KUCHMA denies all involvement in the reporter's murder and says the tapes, which a former body-

guard says he recorded in the president's office, were doctored to put words into his mouth.

Kuchma Signs Land Code Into Law

- Ukrainian President Leonid KUCHMA has signed the Land Code adopted last by the parliament, Interfax reported. The code makes farmland the property of agricultural workers as of the beginning of 2002. The code allows limited land sales between 2005 and 2010 and free trade in farmland after 2010. Ukraine's Communists, who oppose private land ownership, have announced their intention to challenge the code's legality in the Constitutional Court. Meanwhile, presidential administration deputy chief Pavlo HAYDUTSKYY said KUCHMA will soon ask the parliament to speed up the adoption of some 30 bills necessary to implement the Land Code. HAYDUTSKYY suggested that KUCHMA may introduce some provisions of the Land Code by decree if the parliament fails to pass the appropriate laws, RFE\RL Newline reported.

SOUTH CAUCASUS & CENTRAL ASIA

Burdzhanadze Responds To Journalists

- Answering Russian journalists' questions today, Georgian Parliament Speaker Nino BURDZHANADZE stated that the normalization of the Georgian-Russian relations is "a top priority" for Georgia, Prime News Agency reported. According to the Speaker, Russia understands Georgia's western orientation and its appreciation of western democratic values. When asked if Georgia wanted to join NATO, BURDZHANADZE stated that Georgia might, "knock on NATO's door" in 2005. However, at a press conference given on Monday, Georgian President Eduard SHEVARDNADZE stated that more than five years will pass before the NATO accession will become a reality for Georgia. BURDZHANADZE also stated that if Georgian law enforcement agencies know the current location of the Chechen field commander Ruslan GELAEV, they must detain and extradite him to Russia. At the same time, she called on the Russian side to extradite Igor GIORGADZE, who is on the Interpol wanted list for the 1995 assassination attempt against SHEVARDNADZE. Moreover, she stated, GIORGADZE is accused of international terrorism. Commenting on domestic issues, BURDZHANADZE stated that an, "aggravated social-economic situation in the country is

caused by the [high] level of corruption which can be defeated by the radical steps." She expressed hope that Georgia's President is ready to implement these radical steps against corruption.

Abkhazia Not Ready To Cooperate

- At a press conference in Moscow today, Abkhaz Prime Minister Anri DZHERGENIA stated that Abkhazia is not ready to resume negotiations to settle the Georgian-Abkhaz conflict, Prime News Agency reported. According to DZHERGENIA, before the resumption of talks Georgia must acknowledge that it has violated earlier signed agreements including the Moscow Agreement on a ceasefire and the August 14, 1997 statements of the Georgian and the Abkhaz Presidents. Currently, Abkhazia insists that Georgia withdraw its defense ministry troops from the Kodori Gorge. DZHERGENIA is hopeful that Russia will demand that the Georgian government comply with the earlier signed agreements and stop any military operations. The change of government in Georgia will not change anything in the current standing of the conflict, DZHERGENIA told journalists. For Abkhazia, he said, "it does not matter who will rule Georgia." Sukhumi will "negotiate with the Georgian leader who will recognize the independence of Abkhazia." DZHERGENIA noted, "it is hard to cooperate with the regime which tries to settle its own problems with the help of international terrorists." Meanwhile, after a meeting with the Russian Foreign Ministry officials DZHERGENIA said that Moscow was not very enthusiastic to establish associate member relations with Sukhumi. Abkhazia offered to join Russia as an associate member in October, when the skirmishes broke out in the Kodori Gorge.

Editors Protest Distribution Restrictions

- Editors of Azeri media outlets met on Tuesday with Baku Mayor Hadjibala ABUTALIBOV and presidential administration official Ali HASANOV to protest ABUTALIBOV's systematic destruction of newspaper kiosks belonging to the Gaya distribution network, Turan reported. Gaya owner Hanguseyn

ALIYEV said he believes the Azeri authorities want to eliminate any competition prior to privatizing the state-owned periodicals distribution network. Media editors also agreed to protest the closure of Bakinskii bulvard and Milletin sesi. On Wednesday, ABUTALIBOV rejected their request for permission to do so, Turan reported.

Aliyev Meets With NATO Regional Commander

- Azeri President Geidar ALIYEV on Tuesday met with General Oktay ATAMAN, who heads NATO Joint South-East Command. President ALIYEV praised the conduct of the NATO Cooperative Determination 2001 simulated exercises that began in Baku one week earlier, Turan reported.

Congress Agrees To Lift Aid Suspension

- A House-Senate negotiating committee agreed on Wednesday to lift a nine-year ban on U.S. military aid to Azerbaijan. The Bush administration had asked Congress to set aside the ban to reward Azerbaijan for its cooperation in the fight against terrorism. Pro-Armenian lawmakers have voiced concern that lifting the ban could lead to renewed aggression by Azerbaijan against Armenia over Nagorno-Karabakh. Senator Mitch MCCONNELL (Rep.-KY) helped draft the Senate compromise that suspends the ban only through 2002 and provides \$4 million in military aid to Armenia.

U.S. Increases Aid To Armenia

- The volume of U.S. assistance to Armenia will rise and reach at least \$90 million in 2002, Media-max information agency reported. As compared to 2001, the amount of U.S. assistance in 2002 will be increased by \$8.3 million. The U.S. assistance to the Armenian military sector will be \$4 million. In addition, \$300,000 will be allocated for military training programs.

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