

DAILY REPORT ON RUSSIA

AND THE FORMER SOVIET REPUBLICS

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RUSSIAN FEDERATION

Politics

The Old Guard Marks Revolution Day

• Thousands of people, waving Soviet flags, red banners, and holding portraits of Vladimir LENIN and Joseph STALIN, marched on Red Square to commemorate the 1917 Bolshevik revolution. Reuters quoted one demonstrator saying, "Who said the USSR is dead? The USSR is alive—capitalism is dead! Look at Cuba, a small country with a great leader. Imagine what the USSR could do with a great leader at its head!" Similar crowds gathered in other cities in the former Soviet Union, including Kiev. Demonstrators in Moscow also marked the 60th anniversary of the Red Army parade past STALIN on Red Square in 1941, just prior to deployment to the western front to fight the Nazis. Several hundred World War Two veterans marched through Red Square to mark the occasion, including more than 100 dressed in long, olive-colored army coats who had gone on to the front on this day in 1941. Several dozen walked in formation, at least one with his arm stiffly raised in salute, and others ambling behind at a slower pace, some aided by canes. The youth movement, "Walking Together," marched south of the capital with red t-shirts emblazoned with President Vladimir PUTIN's portrait.

Meanwhile, Communist Party leader Gennady ZYUGANOV stressed that socialism is still popular in Russia. He said, "The ideas of socialism and justice in this country are not simply alive, they are in the soul of every person." The Russian Communist Party was formed in 1993. "Its strength, influence and authority show that decrees are unable to influence feelings of the people," ZYUGANOV said.

Russia's Biological Weapons Are Secure

• Russian President Vladimir PUTIN declared it

impossible for someone to buy or steal deadly anthrax or smallpox from his country. In an interview with Barbara WALTERS for ABC's 20/20 program, PUTIN said, "Those materials have been guarded, were guarded in the Soviet Union, and Russia, very securely. So I exclude that possibility. I believe this is true of anthrax and smallpox." Biological warfare experts suspect that North Korea and Iraq may have secretly obtained weapon-grade material from Russia. PUTIN insists that Russia is not the source of anthrax spores now circulating in the US and said his country's smallpox supply is safe, the Associated Press reported.

The anthrax scare, however, has extended to the U.S. consulate in Yekaterinburg. The consulate confirmed it had received mail tainted with anthrax. "The State Center for Medical-Epidemiological Control in Yekaterinburg informed the consulate this morning that one of six unclassified diplomatic mail bags received from Washington D.C. and opened on October 25th had tested positive for anthrax spores," the consulate said in a statement. "The source of the anthrax is not established, although the center told us the spores were found inside the bag." The deputy head of the regional health service said officials did not know what to do with the contaminated mail. "By Russian rules, it should be destroyed. On the other hand, it is American property," Igor ROMANENKO told local television. The incident in Yekaterinburg—once the base of a secret Soviet center for anthrax weapon production—was the first of its kind in

Russia since the spate of U.S. attacks. Yekaterinburg, then called Sverdlovsk, was the scene of an anthrax disaster in 1979.

PUTIN confirmed Russia's support for eradicating terrorism. The President said, "There has got to be a range of efforts on the part of the international community to fight this evil." PUTIN will meet with U.S. President George W. BUSH in Texas next week. PUTIN praised BUSH as a leader who keeps his word.

Russia Charges Six Militants

- Six of the 13 militants Georgia extradited to Russia have been charged with complicity in last spring's terrorist attacks in Mineralnyie Vody and Karachai-Cherkessia, The Federal Security Service (FSB) reported. These bombings claimed the lives of 28 residents. The other seven militants had been wanted by the police for grave offenses. Twelve persons extradited by Georgia are from Karachai-Cherkessia, and one, from the Stavropol Territory. ITAR-TASS reported, according to the investigators, the suspects had crossed into Georgia to join the Chechen militants in the Pankisi Valley. Those extradited are being investigated jointly by the Prosecutor General's office for the North Caucasus and the FSB.

Economy

<p>Ruble = 29.74/\$1.00 (NY rate) Ruble = 29.74/\$1.00 (CB rate) Ruble = 26.82/1 euro (CB rate)</p>
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Business

Gazprom's Miller Hires New Officials

- *Gazprom's* chief executive officer Alexei MILLER returned to work after suffering two weeks of illness and rumors of his resignation. Last week, *Izvestia* reported that the Kremlin was searching for a new CEO, stating that it wants to boost control over *Gazprom*. *Stran.ru* even reported that MILLER had signed his resignation. Analysts believe it is unlikely that MILLER, with such close ties to Russian President Vladimir PUTIN, would be so rapidly dismissed. On Monday, MILLER appointed Alexander RYAZANOV as his new deputy chief executive officer and Alexander KRASNENKO as a new official in charge of the company's assets,

the Financial Times reported.

Mosenergo Releases Sale Revenue Figures

- *Mosenergo*, Moscow's energy utility, released its sales revenues for the first nine months of 2001, which totaled 32.297 billion rubles (\$1.09 billion) as compared to 21.721 billion rubles (\$730 million) in the corresponding period last year. The volume of profits reached 5.659 billion rubles, or \$190 million (2.61 billion rubles, or \$88 million in the first nine months of 2000). The company's accounts receivable reached 13.57 billion rubles, or \$456 million (as compared to 18.262 billion rubles, or \$615 million last year) and accounts payable amounted to 8.354 billion rubles, or \$281 million (13.838 billion rubles, or \$465 million in the first nine months of 2001).

EUROPEAN REPUBLICS

Russia Resumes Transdniester Pull Out

- Commander of the Russian force in Transdniester Lieutenant General Valery YEVNEVICH told ITAR-TASS that Russia will resume the pullout of armaments from Transdniester on Thursday. He denied Russian press reports claiming that the four trains with armored personnel carriers, artillery guns and other materiel, which would leave Transdniester on that day, would be sent for the Northern Alliance in Afghanistan. "This materiel needs to be repaired. It is sent to the Urals plants for restoration," YEVNEVICH said. The arrival of four trains to transport weapons and equipment is being delayed by Transdniester authorities. Tiraspol opposes the Russian troops pullout and demands compensations from Moscow. Military observers under the Organization for Security and Cooperation in Europe (OSCE) aegis are watching the withdrawal of Russian armaments. The Moldovan Foreign Minister told ITAR-TASS the day before, "Russia strictly meet the commitments of troops withdrawal from Transdniester it has taken at the OSCE summit in Istanbul, and the withdrawal of Russian materiel is being done ahead of schedule."

Ukraine Hopeful Of New IMF Funds

- Ukraine is hopeful that it will meet International Monetary Fund (IMF) terms to secure new loans by year's end. An IMF monitoring mission arrived in Kiev earlier this week for a key economic review. Ukrainian government officials have said the nation

hopes to receive a new \$375 million loan installment from the Fund in December. Last week, Finance Minister Igor MITYUKOV and Prime Minister Anatoly KINAKH met with IMF officials in Washington. The only outstanding issue for the installment is the implementation of the budget this year. MITYUKOV told the Interfax-Ukraine news agency, "We are experiencing certain difficulties due to lower than planned 2001 budget revenues and we will have to decide how to compensate. But if we can do it, I think we are certain to meet all other (IMF) targets." The Finance Ministry has said Ukraine's budget deficit totaled 113.3 million hryvnias (\$21.4 million) in the first nine months of the year compared with a surplus of 1.208 billion hryvnias in the same period a year ago. Budget revenues totaled 27.61 billion hryvnias in January to September or 94.2 percent of the plan for the period. Ukraine has a mixed track record with the global lender and loans have frequently been halted because the government failed to fulfill its promises to the IMF, Reuters reported. Foreign loans are vital to support a tentative economic recovery in Ukraine and help restructure foreign debts. MITYUKOV also said he was confident Ukraine could receive a \$100 million loan from the World Bank in November.

SOUTH CAUCASUS & CENTRAL ASIA

Abashidze Calls For New Rapprochement

- Aslan ABASHIDZE, Chairman of the Supreme Council of Adjara and newly appointed presidential representative to the Georgian-Abkhaz conflict, said that Russia and Georgia should start a new phase in their rapprochement. After meeting with Moscow Mayor Yuri LUZHKOVA, he said, "We live side by side, we have the common border, and Russia did much for the unification of Georgia in the past. We must value everything that has helped us to stand on our own feet." He warned that the political uncertainty, experienced since Georgian President Eduard SHEVARDNADZE dismissed the government, could lead to the, "revolutionary situation that existed in 1991-1992." ABASHIDZE noted that Georgia is living through a very difficult period, and, "only the unity with Russia will save us, help us to preserve what we have and advance," ITAR-TASS reported.

Giorgadze To Lead Georgia?

- Boris KAKUBAVA, who just restored his par-

liamentary deputy mandate, stated at a press conference today that if the current political regime in Georgia is dismantled, former security minister Igor GIORGADZE will return to Georgia, Prime News Agency reported. An Interpol warrant for GIORGADZE has been issued for his involvement in the 1995 assassination attempt against Georgian President Eduard SHEVARDNADZE. KAKUBAVA called on SHEVARDNADZE to resign and added that with SHEVARDNADZE at power human rights in Georgia will never be observed. KAKUBAVA stressed that GIORGADZE, "is not guilty to the Georgian people." Sooner or later, GIORGADZE will become the President of Georgia, KAKUBAVA stated. For two years, KAKUBAVA was wanted on a search warrant for participating in the 1999 coup attempt against SHEVARDNADZE. Two weeks ago, Georgian parliament restored his deputy mandate.

NATO Peace Exercises Begin In Baku

- A NATO computer staff exercise, code-named Cooperative Determination-2001, began in Baku on Monday to polish off cooperation in peace-making operations. The exercise, which is being held at the study center of the Azerbaijan Defense ministry, is to last until November 16th. ITAR-TASS reported that up to five hundred servicemen are participating in the exercise, which is directed by high-ranking military officers from the NATO Southeast Europe Command. Representatives from U.S., Germany, Italy, Spain, France, Turkey, Hungary, Portugal, Greece, as well as the NATO partners – Austria, Azerbaijan, Bulgaria, Yugoslavia, Macedonia, Romania, Slovakia, Moldova, Georgia, and Kyrgyzstan are participating in the military exercises. The purpose of the exercise is to expand the military cooperation among the NATO members and the NATO partners during crisis situations. The official opening of the exercise is to be held here on November 8th. The ceremony is expected to be attended by Azerbaijan President Geidar ALIYEV.

The U.S. Government will support GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova) in all issues concerning the regional security, Nancy MALCDONY, a representative of the U.S. Embassy in Azerbaijan, stated during the opening of a two-day conference on security and effective functioning of the transport corridors within the GUUAM. The conference is held in Baku and is focused on the

security of the transport corridors, combating arms and drugs smuggling, PNA reported.

CPC Conducts Ecological Tests

- The *Caspian Pipeline Consortium (CPC)* has carried out a large-scale ecological exercise at the newly built oil terminal South Ozereika, in the Black Sea port of Novorossiisk, ITAR-TASS reported. The exercise tested the terminal's readiness for commercial operation. Measures were practiced to eliminate an oil spill during tanker loading. Involved in the exercise were the multi-purpose ship Mikhail Dobrov, tugboats, boom-setting boats, an amphibious ship, and an oil skimmer. The exercise was monitored by the State Maritime Emergency Rescue Service, Novorossiisk port authorities, Natural Resources Ministry and other agencies. Representatives from the CPC's shareholder companies were present, as well. The first tanker was loaded at the South Ozereika terminal in a test mode two weeks ago. About 1 million tons of crude to be delivered by the CPC from the Tengiz oil field in western Kazakhstan will be reloaded to tankers at the terminal by the end of the year.

Turkish President Visits Tajikistan

- Turkish President Ahmet Necdet SEZER arrived in Tajikistan for a two-day official visit. The Turkish Ambassador to Tajikistan Ahmet Ferit ULKER told ITAR-TASS that the visit was very important and was expected to promote further development of relations between Turkey and Tajikistan. "Historical contacts unite us, and no political problems exist between us," the Turkish Ambassador stressed. He called for developing bilateral economic cooperation. We wish to further develop trade and economic relations with Tajikistan, "which cannot be limited by Turkish participation in the construction of motorways and exports of aluminum and cotton from the republic," the diplomat said. Turkey is Tajikistan's biggest trade partner among Asian countries. In January to September, 2001 the trade turnover between the two countries totaled \$70.8 million, which was 2.1 times more than in the same

period last year. Turkey accounts for 21 percent of Tajik aluminum exports, and it belongs to the group of five main exporters of Tajik goods, accounting for 13 percent of Tajik overall exports. The Turkish President will meet with Tajik President Emomali RAKHMONOV, participate in a ceremony of signing bilateral inter-government agreements on the struggle against drugs trafficking and cooperation, and meet with Chairman of the upper Chamber of the Tajik parliament Mahmadsaid UBALDULLAYEV.

On Thursday, SEZER will visit Tbilisi, Georgia to discuss the Baku-Tbilisi-Ceyhan pipeline project, bilateral relations, and the situation in the South Caucasus.

U.S. Troops To Deploy From Tajikistan

- A senior Tajik Defense Ministry official today said that U.S. Special Forces were scheduled to deploy to Mazar-e-Sharif in Afghanistan from air bases in Tajikistan. The source told Kyodo News that the deployment would only be a "small-scale" one, but indicated that there is scope for larger deployments from Tajik territory over time. The upcoming deployment would be the first from Tajik territory. During U.S. Defense Secretary Donald RUMSFELD's visit to Tajikistan on Saturday, the two sides discussed the possible use of three Tajik air bases by U.S. forces, including the former Soviet military airfield of Kulyab, situated only 96 kilometers from the Afghan border. A Pentagon spokesman said Monday a U.S. military team was already in Tajikistan to assess the condition of the airfields, which also include Kurgan-Tyube in the south and Khujand in the north, to see whether they could serve to access Afghanistan from the north. It appears that Tajikistan has agreed to cooperate with the U.S. military in its campaign against terrorism.

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