



**INTERNATIONAL POLITICS AND
ECONOMIC RELATIONS**

**UKRAINE, RUSSIA
SETTLE DISPUTE OVER
BLACK SEA FLEET**

Sochi, June 10, 1995 ... The leaders of Ukraine and Russia signed an agreement that should conclude their bitter dispute over the Black Sea Fleet, improving relations between the two neighbours and adversaries.

The issue of the old Soviet fleet and naval base at Sevastopil, Crimea, has done much to fan nationalist tensions between Moscow and Kyiv, since the Soviet Union died in 1991.

It is a measure of how much the world has changed that the two presidents, Leonid Kuchma of Ukraine and Boris Yeltsin of Russia had their meeting at an American-run hotel, the Radisson-Lazurnaya, in the Russian Black Sea resort of Sochi.

An obviously pleased Yeltsin told reporters that the signing was an important one that "finally put a period on this question once and for all."

Kuchma was more careful, as is his nature, adding, "Although some detailed issues remain, I consider this question solved in general." The main thing, he added, "is that Ukraine and Russia really agreed on strategic partnership."

But the fleet, which is both small and old, with the newest of the 635 vessels build 17 years ago, was always more of a political issue than a strategic one. A newly independent Ukraine has been reluctant to sacrifice its sovereign rights to a Russia that has generally patronized it.

For a time, the vessels flew the flags of both countries, but since Moscow paid the bills, commanders nearly always obeyed Moscow's orders, creating a dangerous series of mutinies and fistfights.

The matter was further complicated by the weird history of Crimea, an area with a large ethnic Russian population, resorts and a naval base, that was handed to Ukraine as a gesture of friendship in 1954 by the Soviet leader

Nikita Khrushchev. The new border lost its meaninglessness after the breakup of the Soviet Union, and Russian nationalists regularly demand that Crimea be returned to Russia, long with the fleet and the base.

Many previous agreements on the issue have fallen apart, but in this current accord, the two countries agreed in principle to split the fleet; Russia is then to "purchase" most of the Ukrainian share, ending up with 82 percent of the vessels.

Russia will continue to use the base at Sevastopil, paying rent to Ukraine, mostly in the form of energy supplies and debt forgiveness. But Ukraine will also be able to use other parts of the large base in Sevastopil for its small fleet. Exactly where Ukraine's main base will be is to be announced, as the two countries decided to leave this issue out of the final document.

(with files from the New York Times)

**PARLIAMENT PASSES
LAW BROADENING
PRESIDENTIAL POWERS;
NEW PM APPOINTED**

Kyiv, May-June, 1995 ... Ukraine's Parliament approved legislation on May 18, broadening the powers of President Leonid Kuchma, giving him the right to implement his economic reforms quickly and name the ministerial team of his choice. Communists and their allies refused to vote after a fierce debate on the move to expand presidential authority. They said the law's approval by a simple majority was illegal, as constitutional changes required a two-thirds vote.

The new legislation, long sought by Kuchma, allows the president to appoint ministers and proceed with government measures with reduced right of control by parliament. It also allows him to issue decrees to guide the economic reforms he has launched since his election last July and over-rule uncooperative local councils.

Armed with new powers, on June 8 Kuchma named 54-year-old Yevhen Marchuk, a former intelligence officer, as Prime Minister. Marchuk served as

acting PM since his predecessor Vitaly Masol resigned last fall.

Kuchma's closest adviser Volodymyr Gorbulin said the law would take effect immediately, and predicted the president and parliament would soon clinch a "constitutional agreement" on the changes. "Parliament has made its choice about the necessity of proceeding with reforms so badly needed in Ukraine," Gorbulin told reporters after the vote. "It has made a big step forward to create conditions for future cooperation between the president and parliament."

Reforms in the former Soviet republic have picked up speed in past months and Ukraine recently agreed to a \$1.5 billion loan deal with the International Monetary Fund. But conservative deputies complain that rapid reforms hurt impoverished people and open the door to corruption. Kuchma had made approval of the "law on power", proposed to deputies in December, a condition for naming a new cabinet since parliament dismissed the entire government last month. He had threatened to call a plebiscite of confidence in the president and parliament unless deputies passed the law, which he considers the foundation for a new post-Soviet constitution. A key turning point in Thursday's debate was a proposal by a presidential representative to remove from the text language on impeachment of the president and the president's right to dissolve parliament. Centrist deputies hailed the law as a means to implement economic reforms frequently blocked in parliament by the sizeable Communist minority. "Society is going through its biggest crisis right now, and it is critical to give the president the chance to take responsibility for the country and implement economic reforms," deputy Ihor Yukhnovsky said. *(Reuters)*

**NEW HRYVNA
CURRENCY BY AUTUMN:
KUCHMA**

Kyiv, June 6, 1995 ... Ukraine will introduce its new hryvna currency this autumn, perhaps as early as September, President Kuchma told the news media.