

U.S.-Russia Relations:

A Reassessment or Business As Usual?

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U.S.-Russia relations continued down a rocky path this quarter. The summit meeting between George Bush and Vladimir Putin in Bratislava in February seemed inconclusive at best. While pundits in the West called on President Bush to be tougher on Putin, critics in Russia urged Putin to not “bow down” to the United States. Both presidents seem unsure as to which way they are leaning. Both recognize the strategic necessities that dictate a sound and cordial relationship. But they must also keep a wary eye on their domestic critics. Meanwhile, it is clear that the two nations’ agendas in Central Asia and the Middle East are starting to diverge. In East Asia, the two remain committed to the Six-Party Talks, but both Moscow and Washington have a number of unresolved issues in the region that need to be addressed; these issues could affect bilateral relations.

Bush II: the Second Term

After the reelection and inauguration of George Bush to his second term, there was an immediate chorus of calls from the media and from the community of Russia scholars in the West to address Vladimir Putin about the progress of democracy in Russia. Bush has been hesitant to bring up things such as civil society and freedom of the press in Russia, especially when the strategic benefits of cooperation with Moscow are so clear in the war on terrorism. During his first term, Bush relied on National Security Advisor Condoleezza Rice, who counseled a pragmatic approach to Russia, with an emphasis on engagement and cooperation. In January, Rice was nominated and confirmed as secretary of state, but neither she nor the president could any longer ignore calls within the U.S. to get tough with Russia on Chechnya, human rights, and the state of democracy in Russia. It has been speculated that both Vice President Dick Cheney and Defense Secretary Donald Rumsfeld have a much harsher view of Russia than the president or Secretary Rice. Critics in Congress are also numerous, and they probably outnumber those who call for a pragmatic relationship with Moscow.

In partial response to this criticism, but also as a common procedure, the White House in December called for a review of Russia policy. Thomas Graham, senior director for Russia on the National Security Council and a respected Russia expert, led the review, which was concluded in January. According to the *Wall Street Journal*, the review recommended that the United States maintain its policy of engagement and cooperation with Russia, mixed with a light dose of constructive criticism. But in the leadup to the February summit in Bratislava, one editorial after another chided the Bush administration

for turning a blind eye toward Russian actions in Chechnya, for failing to point out Russia's shortcomings as a democracy, and for refusing to use tools such as G-8 and World Trade Organization (WTO) membership as a lever against Moscow. Members of Congress echoed these calls. People who have voiced these concerns include both Democrats and neo-cons. Indeed, the focus of Bush's inauguration and State of the Union speeches was on fostering democracies across the globe. Russia, it is being argued, should be the first test case.

Russian media and the Kremlin took note of this chorus of dissatisfaction in the West and launched their own broadsides against the U.S. and its policy of issuing "double standards" when it comes to Russia. In a column in the daily *Izvestia*, Russian Foreign Minister Sergei Lavrov went so far as to call for an end to the "anti-Russian" bias in the Western media, which he fears is creating the conditions for a new Cold War. Many ordinary Russians scoff at the idea of Putin cracking down on "independent" media. They say that media was never independent to begin with, and has been dominated by business interests and political players since the first years of the Yeltsin presidency. An article in the daily *Nezavisimaya Gazeta* cynically suggested that Moscow look to China as a model on how to conduct relations with the U.S. "Peking's formula for success: when business is good, there is no room for discussion of democracy."

The Bush-Putin summit meeting at Bratislava (in Slovakia) took place in late February, and in spite of the anticipation and the buildup, the two-and-a-half hour meeting was devoid of fireworks. Bush mentioned his concern about democratic development in Russia, although his remarks were, in the words of one journalist, "largely oblique." This is in contrast to his speech in Brussels just prior to the summit in which he lambasted the Russian government for backsliding on democracy. Putin, meanwhile, maintained a stiff upper lip – or bit his lip, depending on whose account one reads. He tersely stated that Russia would never go back on democracy, but that it would follow its own schedule consistent with its historical development.

The two sides could agree on a substantial checklist of cooperative programs that are in the national interest of both nations. These include nuclear material safeguarding and security, Russian WTO membership, energy cooperation in Siberia and the Russian Far East, counterterrorism efforts (including an agreement on the control of MANPADS, portable, shoulder-launched missile systems), space cooperation, and cooperation on the Korean Peninsula. Many analysts (in both countries) concluded that the two sides have plenty to keep them busy in areas of cooperation and that the debates over democracy should best be left to the armchair pundits.

Eurasian Developments

It is clear, however, that strategic issues also divide the thinking among the leadership of both nations. This mainly has to do with the depth of U.S. power and influence in the post-Soviet space. There is an enormous U.S. presence in not only the former Soviet republics, but also in former Soviet satellite states, such as in Eastern Europe and the Middle East.

The issue that has the potential to do the most damage to the U.S.-Russian relationship is not democratic regression, or even the U.S. presence in Central Asia, but the incipient nuclear program of Iran. Moscow appears to have no intention of giving up the cooperative nuclear energy program it has going with Teheran. In February, the Russian government signed an \$800 million contract with the Iranian government for further work at Bushehr. In spite of U.S. and European protests, Moscow seems determined to maintain its working relationship with Tehran. Russia also seems interested in maintaining a cordial relationship with Syria. Syrian President Bashar Assad visited Moscow in January as the United States and the rest of the world were condemning Syria's heavy-handed presence in Lebanon.

Last fall Moscow and Washington had a serious falling out over presidential elections in the Ukraine. The State Department severely condemned the Kremlin's clumsy intervention in the election. But the Kremlin was equally upset with what it considered U.S. "meddling" during the elections. Moscow backed down, and Washington's candidate won. This was a bitter pill for most Russians, and it still is a sensitive topic, as is America's role in all the former Soviet republics, including Georgia, the Baltics, and Central Asia. In all of these regions, a NATO or U.S. military presence has already been established. Perhaps taking a lesson from the Ukraine experience, the government in Moscow was one of the first to welcome the new government in Kyrgyzstan after President Askar Akayev had been deposed in a coup (and fled to Moscow). The outcome of the situation in Kyrgyzstan is still unsure, but both the U.S. and Russia maintain air bases there. As such, Moscow and Washington are more than anything interested in seeing that a peaceful settlement comes about soon.

Elsewhere in Central Asia, the past few months have seen a slight change in the regional orientation. Over the past decade (and especially since Sept. 11), the young nations there have looked to the U.S., albeit in varying degrees, to act as an outside balancer against overwhelming Russian influence. But over the past few months, several of the nations have begun looking back to Russia for a variety of reasons. Kazakhstan has always maintained a cordial relationship with Moscow, and Uzbekistan has begun mending relations with Moscow as well. Most recently, the Kyrgyz government (pre-coup) allowed the Russians to reoccupy an old Soviet air base. Apparently many of the governments in Central Asia are wary about the new U.S. policy aimed at fostering democracy across the globe. The "soft" revolutions in the Ukraine and Georgia have the leaders of the Central Asian nations as nervous as the leaders of Russia. Central Asian nations have begun looking to China for alternative sources of capital to finance the modernization of the energy infrastructure. China has obliged and has started in on a pipeline linking western China with Kazakh oil and gas fields along the Caspian. China has also evinced interest in linking this same pipeline with gas fields in Turkmenistan.

The State of East Asian Diplomacy

China has also been the focus of a recent controversy surrounding U.S.-Russia relations. China and Russia had long before planned on carrying out joint military exercises in the autumn of 2005. It was assumed that the exercises would take place in Xinjiang (far western China), where they would have a counterterrorism focus, and where the Russians could utilize their air base in Kant, Kyrgyzstan. In March, in the wake of the anti-secession law, the Chinese leadership announced that the exercises would take place opposite Taiwan, and would involve amphibious ships and anti-submarine exercises. Russian Chief of General Staff Yuri Baluyevsky traveled to Beijing to let the Chinese leadership know that the Russian Armed Forces was in no way about to become a “pawn” or “wildcard” in the tricky Taiwan issue. The Russian daily *Kommersant* suggested that China was using the Russian army to further put pressure on Taiwan, and that Russia should refrain from taking part in the exercises, as they would not only antagonize Taiwan (with whom Russia has a decent, if unofficial, relationship), but also Japan and the United States. Instead, Baluyevsky insisted on moving the exercises to the Shandong Peninsula, much further north of Taiwan.

Russia and the United States see eye-to-eye on the issue of the EU arms embargo against China, although for different reasons. When it appeared that the lifting of the embargo was imminent, the United States was concerned that the balance of forces along the Taiwan Strait would be permanently tilted toward China. Russia, on the other hand, was simply concerned that it would have high-tech competitors in the China market. China is one of Russia’s best clients for armaments. Last-minute politicking by the U.S. (and the clumsy diplomacy by China around the anti-secession law) appears to have persuaded the Europeans to not end the embargo, and a sigh of relief could be heard from Taipei to Tokyo to Moscow.

The first quarter of 2005 was a bad time for Japanese-Russian relations. At the end of 2004 it appeared that Russian leaders were sending signals that Moscow was ready to make a compromise based on the return of two of the four disputed islands that have divided the two nations for the better part of six decades. A January meeting between Foreign Ministers Sergei Lavrov and Machimura Nobutaka, however, resulted in only more acrimony. The Russians had announced in December that the Siberian oil pipeline would be built to Nakhodka on the Pacific, a route favored by the Japanese. Machimura and other Japanese diplomats scarcely recognized this Russian concession in public statements. During his January visit to Moscow, Machimura continued to lobby for the return of the four islands. Vladimir Putin had been planning on visiting Japan in the spring, but the inconclusiveness of the January ministerial meeting caused the Russian government to announce that Putin’s visit would only come about in the fall, at the earliest. In what could be viewed as a tit-for-tat, Japanese Prime Minister Koizumi Junichiro announced that he might not visit Moscow for the 60th anniversary celebrations of the end of World War II in Europe. Japanese-Russian diplomatic relations have again devolved to a stalemate, even though economic relations have rebounded somewhat.

The U.S.-Russia partnership seems to have stalled as the two governments try to evaluate the state of the relationship. What the leadership of each country is trying to decide is whether the state of the strategic partnership is sound enough to merit using precious political capital at home. Both presidents have begun their second terms, and so it appears that they are willing to forgo popularity contests at home in order to see that the partnership in the war on terror is unchanged. The leadership in both countries wants to see that the two nations continue the type of cooperation that makes sense strategically for each side.

Chronology of U.S.-Russia Relations January-March 2005

Jan. 4, 2005: Secretary of Energy Spencer Abraham meets in London with the Director of the Russian Federal Atomic Energy Agency Alexander Romyantsev.

Jan. 11, 2005: Russian Defense Minister Sergei Ivanov arrives in Washington for four days of meetings with U.S. officials including Secretary of Defense Donald Rumsfeld and President George Bush. Ivanov discusses with his U.S. colleagues defense technical cooperation and the war against terrorism and in Iraq.

Jan. 13, 2005: Japanese FM Machimura Nobutaka travels to Moscow for meetings with Russian counterpart Sergei Lavrov. The two discuss plans for a visit by President Vladimir Putin to Japan.

Jan. 19, 2005: In confirmation hearings before the Senate, Secretary of State-designate Condoleezza Rice voices concern about the growing concentration of power in the Kremlin and democracy in Russia.

Jan. 23, 2005: Viktor Yushchenko inaugurated as president of the Ukraine.

Jan. 25, 2005: Syrian President Bashar Assad meets President Putin in Moscow.

Jan. 31, 2005: Standard & Poor's raises its long-term foreign currency rating for sovereign debt to "BBB-" from "BB+," giving Russia investment grade status.

Jan. 31, 2005: U.S. Trade Representative Robert Zoellick and Russian Economy Minister German Gref meet in Zurich to discuss bilateral trade and investment issues.

Feb. 1, 2005: In a telephone call, Presidents Bush and Putin discuss post-election Iraq.

Feb. 5, 2005: In a dinner meeting in Ankara with Russian FM Lavrov, Secretary Rice expresses U.S. discontent with the progress of democracy in Russia.

Feb. 13, 2005: Henry Kissinger meets in Moscow with Putin to talk about Russia's future and U.S.-Russian relations.

Feb. 17, 2005: Senate Committee on Foreign Relations holds hearing on “Democracy in Retreat in Russia.” Two of the star witnesses are executives from Yukos, the embattled Russian oil giant that is at odds with the Russian government.

Feb. 24, 2005: Presidents Bush and Putin hold a summit meeting in Bratislava, Slovakia. The atmosphere is decidedly less cordial than earlier meetings.

Feb. 24, 2005: Houston, Texas court throws out case by Yukos, which claims that the proposed sale by the Russian government of a Yukos subsidiary is unlawful. The Houston court claims that it has no jurisdiction.

Feb. 27, 2005: Alexander Rumyantsev, director of the Russian Federal Atomic Energy Agency, meets in Iran with Iranian counterpart Gholamreza Aghazadeh, and they sign an \$800 million contract on nuclear energy cooperation.

Feb. 28, 2005: U.S. State Department’s annual report on human rights lists threats to civil society and democracy in Russia.

March 17, 2005: George Kennan passes away in Princeton, N.J. at age 101. Kennan, a Russian expert, is considered the father of the containment policy during the Cold War.

March 21, 2005: After fraudulent parliamentary elections, a revolt in Kyrgyzstan unseats the government and President Askar Akayev flees to Moscow.