



**U.S.-Russia Relations:  
Coming Full Circle**

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The opening of 2007 witnessed perhaps the nadir in bilateral relations between Moscow and Washington since the establishment of the “strategic partnership” in the war on terror in late 2001. In a highly publicized speech in Munich in February, Russian President Vladimir Putin launched a broadside against U.S. foreign policy, suggesting that the United States seemed to view force as the only policy option at its disposal. If relations did not return to the dark days of bipolar confrontation during the Cold War, then the series of events that transpired this quarter did resemble a return to the tumultuous days of the late 1990s, when U.S. and NATO forces were bombing a long-time Russian ally in the Balkans, when NATO expanded into the former Soviet sphere, and when China and Russia were locked in an embrace hoping to contain U.S. “unilateralism.” But, in an interesting twist, by the latter stages of March it appeared that Moscow and Washington had agreed on the need to foil Iran’s bid to march down the road to uranium enrichment. Thus, the quarter concluded on a favorable note, hinting that – at least temporarily – the bilateral relationship had regained sounder footing.

**Munich takes center stage – again**

Munich served as a stage for global geopolitics on several occasions during the 20<sup>th</sup> century. The picturesque city again took up a familiar role in discussions of global importance this past February. At a conference on international security attended by dozens of European defense and foreign ministers, Vladimir Putin denounced the U.S. tendency to unilaterally impose its will across the globe. “The United States has overstepped its national borders in every way,” the president said in his address. “Nobody feels secure anymore, because nobody can take safety behind the stone wall of international law.” NATO expansion, U.S. policy in the Middle East, the development of a missile defense system, and a series of other issues were negatively highlighted during his talk. In the past, Putin had made oblique references to “unilateralism” and “Comrade Wolf,” but this speech was by far Putin’s most damning public excoriation of U.S. policy.

Both the timing and the venue were perhaps selected to ease the sting of Putin’s remarks. For one, there were few other heads of state present (the other notable attendee was German Chancellor Angela Merkel), so George Bush and others were not forced to sit and listen to the rebuke. Additionally, Russian Defense Minister (soon to be named first deputy prime minister) and close Putin confidante Sergei Ivanov was quick to downplay

Putin's remarks the following day. Ivanov spoke of the necessity of cooperation and invited U.S. Defense Secretary Robert Gates (who was present in Munich) to Moscow. What is significant is that normally Ivanov is the man tasked to deliver public criticism of the United States. Perhaps Moscow hoped to defuse any tension by using a hardliner to speak in soothing tones afterward. Putin was clearly speaking to a domestic audience; and it might even be argued that if Putin was not addressing a disillusioned electorate in the U.S. that had delivered a stinging defeat to the Republicans in Congressional elections at the end of 2006, then the Democratic victory at least gave Putin the courage to say what he did publicly.

The timing must also be viewed in the context of international and domestic factors. Just prior to the Munich conference, Secretary Gates delivered a dire assessment of the situation in Russia at a Congressional committee meeting. Additionally, Putin may have had the Arab world on his mind. After the Munich meeting he traveled to Saudi Arabia, Jordan, and Qatar. Russia is attempting to play a larger geopolitical role in the region and any distancing from the U.S. would be perceived by many in the region as a plus.

In the Mideast, however, hopeful news emerged concerning the long-running Iranian attempt to develop a nuclear weapons program. In mid-March, Moscow warned Tehran that nuclear fuel shipments for the Russian-built Bushehr plant would be suspended if the Iranian government did not resolve outstanding financial obligations. Of even more importance was the Russian decision to back UN-sponsored sanctions against Iran, if the regime continues to pursue a uranium enrichment program. At the end of March, the Iranian government had 60 days to comply with UN demands or face severe sanctions, and Moscow (as well as Beijing) continued to stand firm with other Security Council members.

Meanwhile back in Europe old East-West tensions seemed to re-emerge from the woodwork. The issue receiving the most negative coverage in Russia was the announcement that the U.S. Department of Defense and NATO were discussing with the governments in the Czech Republic and Poland about the construction of radar stations in their countries that would serve as integral parts of a region-wide anti-ballistic missile defense system. Both Putin and Foreign Minister Sergei Lavrov questioned the necessity and the objective of such a system so close to Russia's borders. U.S. statements meant to assuage Russian fears (issued by Secretary of State Condoleezza Rice and National Security Advisor Steve Hadley) fell on deaf ears. No Russian leader could be persuaded that the establishment of a missile defense system in Europe would be aimed at anyone other than Russia.

Over the past several months, the Russian government and military leaders have openly spoken about the idea of Russia unilaterally withdrawing from the Intermediate-Range Nuclear Forces Treaty (otherwise known as the INF Treaty signed by Reagan and Gorbachev in 1987). A deconstruct of the Russian argument was posted in the respected *Nezavisimoe Voennoe Obozrenie*. Truth be told, the Russians would not see a withdrawal as "unilateral." It would be viewed in Moscow as a clear response to the U.S. withdrawal

from the ABM Treaty in 2002, and the U.S./NATO attempts to build an anti-missile defense system along Russia's old borders.

The idea of "coming full circle" in U.S.-Russian relations (at least back to 1999) really gains credence when the issue of the former Yugoslavia comes up. Readers remember the highly publicized split between Moscow and Washington in response to NATO's bombing campaign of Belgrade in 1999, and the dramatic turn-around of Prime Minister Evgeny Primakov's plane over the mid Atlantic. Back then, Russian armored forces made a dash to the airport in Pristina from nearby Bosnia, in order to arrive before British-led NATO forces, almost touching off an armed skirmish. In 2007, Kosovo again presents a divisive issue. Kosovar leaders now desire independence for their region, which has been administered by NATO for the last eight years. The West feels that Kosovo deserves to become an independent nation (which Serbia does not want). Moscow – without directly stating its support of Serbia – simply states that the future of Kosovo must not be decided without a Russian say. To be sure, Russian leaders are also nervous about the precedent that independence for Kosovo would set for Chechnya, Moldova, and elsewhere. The UN Security Council is due to make a final decision on the future of Kosovo later this spring or summer. This could fully expose the U.S.-Russian rift on this issue.

Perhaps of utmost concern to leaders in Russia is NATO's continued expansion (again coming full circle to the 1999 expansion bringing in the first former Soviet bloc members: the Czech Republic, Hungary, and Poland). In March, the Senate approved a measure calling for U.S. support of NATO membership for Georgia and Ukraine (as well as Albania, Croatia, and Macedonia). Although the former Soviet Baltic states were granted NATO membership in 2004, Georgia and Ukraine are much closer to the traditional core of Russian interests, and the two nations have a much longer historical association with Moscow (though not necessarily St. Petersburg). Their entry into NATO would be seen as a much bigger affront to Russian strategic interests than prior entries. Equally offensive to Russian leaders is the rumor of the U.S. probing the possibility of establishing missile defense radar stations in Georgia and elsewhere in the south Caucasus.

What has not gone unnoticed in the Russian press is the fact that many in the Democratic leadership who have ascended to positions of authority and influence manifest a decided anti-Russian bias. Tom Lantos who is now the chair of the House International Relations Committee is known in Russia as much for his supposedly anti-Russian views as his East European (and, hence, in the Russian mind, prejudiced) heritage (he was born in Hungary). Joseph Biden, who now chairs the Senate Foreign Relations Committee, is known as an advocate of expelling Russia from the G-8. John McCain is the foremost advocate of this strategy, and although he attained no leadership position after the Congressional elections, he is viewed as one of the more prominent U.S. presidential candidates by observers in Russia. Ironically, Lantos visited Moscow in February and promised to help repeal the long-standing Jackson-Vanick Amendment, which has prevented Russia from attaining normal trading status with the U.S. (even though the legislation was initially aimed at the Soviet Union in the 1970s).

## Washington's stance vs. the view from America

On most occasions this column would be littered with references to energy cooperation, nuclear proliferation, the war on terror, strategic competition in Central Asia, and the North Korean nuclear impasse. But the high-level nature of the dialogue on the state of relations deserves close inspection. Now that Russia's views have been examined in-depth, it behooves us to look at the view from Washington and elsewhere in the U. S.

It would be dangerous to generalize about how "official Washington" views relations with Russia, as viewpoints in the various branches of government run from A to Z. Most of the press emanating from the western shores of the Atlantic Ocean (or the eastern shores of the Pacific for the Pacific Forum audience) has been increasingly critical of the Russian government, and of Putin specifically. The list of journalists and opposition figures being jailed and killed seems to grow with each passing week. Political opposition to the pro-Putin party *United Russia* is becoming a distant memory, a fact made even more apparent with the regional elections in Russia on March 11. *United Russia* scored a convincing victory in 13 of the 14 regions where elections were held; the 14<sup>th</sup> region was won by another pro-Putin party, *A Just Russia*. Additionally, Putin seems to be laying the groundwork for a smooth transition for his successor, due to be elected (with a comfortable margin, no doubt) in March 2008. Putin elevated Sergei Ivanov from defense minister to first deputy prime minister, where he now is equal in rank with Dmitry Medvedev. Both Ivanov and Medvedev are close confidantes of Putin and are rumored to be his first choices for successor (although given Russia's track record the "chosen" successor may very well be a relative unknown named at the 11<sup>th</sup> hour). Putin also recently named a political protégé as head of the Central Electoral Commission.

Given these trends, it is hard to be enthusiastic about the development of democracy in Russia. Throw in the continued political and military morass in Chechnya; the energy power plays that Moscow has undertaken against CIS neighbors like Belarus, Georgia, and Ukraine; Russia's less than cooperative stance in the Middle East (outside of Iran); arms sales to China, Iran, Syria, and Venezuela; and one can see why Russia's supporters in the U.S. are on the defensive.

Nevertheless, the Bush administration – feeling isolated domestically and internationally – appears to be strengthening efforts to keep the "strategic partnership" with Moscow afloat. Despite the criticism and invective that have been streaming from Moscow toward Washington, the leadership in the White House and the State Department has decided to turn the other cheek. Whereas a year ago the Bush administration may have sent Dick Cheney to the Baltics to deliver a speech warning of growing authoritarianism in Russia, President Bush and Secretary Rice are now extending olive branches to the Kremlin. A lead article in *The New York Times* March 6 reported that senior administration officials were orchestrating a series of high-level talks aimed at assuaging Russian fears about U.S. intentions in Eastern Europe, the Middle East, and Central Asia. The article stated, "there is a growing acknowledgment among officials in Washington that the United States has not responded as rapidly or eloquently as it might have to a widespread sense of grievance in Russia." Both Secretary Rice and National Security Advisor Stephen

Hadley met with their counterparts in March, while at the end of the month President Bush personally telephoned President Putin to give his explanation for a number of strategic decisions (including the establishment of a missile defense system in Eastern Europe). Bush's call was reportedly "received with satisfaction" by Putin.

The Bush administration is not alone in the U.S. in its decision to look past moral and normative issues and focus on the big picture. Wall Street also appears to be in love with Vladimir Putin's version of Russia. A January article in the *Wall Street Journal* pointed out that when Putin became president in 2000, the value of Russia's traded stocks was \$74 billion. Today that value exceeds \$1 trillion. While energy prices have had much to do with that, political stability and predictability are also valued assets in the eyes of international investors and fund managers. For them, Putin is the essence of stability. Companies such as Boeing, Exxon-Mobil, General Motors, IBM, Microsoft, and a host of others have made huge profits in Russia during Putin's time in office. They are a quiet, yet effective voice for Russia in Washington. Although Russian commentary often decries the lack of a Russian lobby in Capitol Hill corridors, multinationals undoubtedly represent Russia with flying colors in Washington.

The love-hate relationship between Moscow and Washington has become a semi-permanent fixture in international politics. It is also not so easily painted in black and white, as it was during the Cold War. One long-time U.S. resident in Moscow had this to say about the recent acrimony between the U.S. and Russia: "an unbiased observer will easily see that both are at fault, and the list of recriminations in either case is perfectly logical and adequate." This may actually represent the establishment of normalcy in the bilateral relationship. How are relations between the United States and China, France, Germany, or Japan at any one time? Are they not at times contentious and stormy? Nations such as Great Britain, Canada, and Australia are perhaps exceptions to the rule, but to suggest that U.S. relations with the world besides Russia over the last six years have been ideal would be delusional.

### **Russia and the U.S. in Asia**

Besides the high-profile visit of Chinese President Hu Jintao to Moscow in late March and the launching of the "Year of China" in Russia, there was little in the news about Russia in East Asia, except for the fact that bilateral meetings between Russian and North Korean officials in Moscow in March resulted in no deal.

Russian officials, eager to play a positive role on the Korean Peninsula – and to get in on any economic deals – were prepared to offer DPRK Deputy Foreign Trade Minister Lim Gen Man (who was in Moscow in late March) debt forgiveness for a more cooperative stance on nuclear issues. The DPRK owes Russia approximately \$8 billion from the Soviet era, and on several occasions Moscow has dangled debt forgiveness in front of Pyongyang, only to get nowhere. Thus far, Pyongyang has been unwilling to play its "Russia card" in negotiations with the U.S. and the other three parties.

Russian and Japanese diplomats were engaged in a so-called “strategic” dialogue in January. At the time there were hopeful signs from the entourage of Prime Minister Abe Shinzo concerning Japanese flexibility on the territorial issue. But by the end of the quarter, relations – like a broken record – returned to the familiar tones and rhetoric of negativity.

The most noteworthy issue recently debated in Russia concerning Asia had to do with its own territory. In December 2006, President Putin announced in a speech that the economic isolation of the Russian Far East and the ineffective management of the region pose a national security risk to Russia as a whole. Putin made no direct reference to foreign powers, but considering his comments several years ago that if the region did not sufficiently develop economically, politically, and socially everyone there would be speaking Chinese, it takes little to surmise which neighbor he feels is a national security risk. Since Putin’s speech, the Russian government has announced a plan to allocate several billion dollars to help the economic development of the region (centering on the immediate area around Vladivostok). Social and economic development and stabilization are rightly seen in Moscow as keys to national security in that beleaguered region.

Although the Russian government has announced its interest in constructing a gas pipeline to parallel the proposed East Siberian-Pacific Ocean (ESPO) oil pipeline, there has still been no concrete decision or public announcement whether the pipelines will end in China, or in Perevoznaya, a terminal outside of Vladivostok (across from Japan and the Korean Peninsula). Beijing and Tokyo await that decision with baited breath.

### **Looking ahead**

The primary pending issues between Moscow and Washington are the presidential elections slated for March and November of 2008. But these are a long way off. Two issues will be coming up soon in the United Nations, however, that will also have an impact on bilateral relations. Within the next 60 days or so, Iran will have to have shown progress on the nuclear issue. Additionally the UN Security Council is due to debate Kosovo independence, which will also have a bearing on relations between Moscow and Washington. As for Kosovo, it appears that Russia has many allies on this issue in the UN, including China, Indonesia, Romania, Slovakia, and a handful of other states. The next few weeks will also be critical for maintaining whatever momentum the Six-Party Talks on Korean Peninsula security issues achieved early this year. Russia has demonstrated positive attitudes toward the U.S., but has been unable to deliver anything of note.

If the relationship between Moscow and Washington can survive the public tongue lashing Russian leaders have been delivering over the past several weeks and if the leadership of both nations can maintain civil relations, then it appears the “strategic partnership” will have survived yet another tense quarter.

## **Chronology of U.S.-Russia Relations**

### **January-March 2007**

**Jan. 6, 2007:** The Russian Foreign Ministry publicly denounces a U.S. government decision to maintain sanctions against the Russian arms export firm Rosoboroneksport. The decision was made in fall 2006; subsequently the U.S. government lifted sanctions against aircraft maker Sukhoi, while Rosoboroneksport remains blacklisted.

**Jan. 11, 2007:** U.S. National Intelligence Director John Negroponte reports to the Senate Intelligence Committee that the emerging “rivalry with Russia will complicate cooperation on important foreign policy goals including counter-terror, nonproliferation and democracy promotion in the Middle East.”

**Jan. 16, 2007:** Russian Defense Minister Sergei Ivanov announces that Russia has completed the sale of *Tor-M1* anti-aircraft missiles to Iran, the latest generation of Russian-produced *SAM* missiles.

**Jan. 22, 2007:** Reports from the Russian press (*Itar-Tass*) announce that Washington has begun negotiations with the Polish and Czech governments about placing radars to accompany anti-missile defense systems in those two countries.

**Jan. 23, 2007:** The governments of Japan and Russia hold a “strategic dialogue,” as their foreign vice ministers meet in Moscow.

**Jan. 26, 2007:** Russian President Vladimir Putin arrives in India for a two-day visit.

**Jan. 31, 2007:** Russian Foreign Minister Sergei Lavrov arrives in Washington for a three-day visit. He meets with U.S. counterpart Condoleezza Rice and President Bush. The agenda is primarily economic, concerning Russia’s WTO membership.

**Feb. 10, 2007:** In a key policy speech at an international security conference in Munich, Russian President Vladimir Putin strongly denounces U.S. policy, using – among other terms – the words “pernicious” and “unacceptable.”

**Feb. 21, 2007:** Chairman of the U.S. House of Representatives’ International Relations Committee Tom Lantos arrives in Moscow for a two-day visit. In Moscow, Lantos pledges to help repeal the Jackson-Vanik Amendment, which prevents Russia from attaining permanent normal trading status with the United States.

**Feb. 22, 2006:** U.S. National Security Advisor Stephen Hadley visits Moscow to reassure Russian leaders of the benign intentions behind the proposed deployment of a missile defense system in Eastern Europe.

**Feb. 25, 2007:** In a television interview, FM Lavrov criticizes U.S. discussions with the Czech and Polish governments over the installation of radar stations linked to missile defense systems.

**Feb. 27, 2007:** Russian Prime Minister Mikhail Fradkov visits Tokyo to discuss conventional and nuclear energy cooperation between Japan and Russia.

**March 6, 2007:** U.S. State Department releases its annual *Country Reports on Human Rights Practices*. The report states that human rights abuses are worsening in Russia.

**March 7, 2007:** Two U.S. citizens return to Los Angeles after having been hospitalized in Moscow and diagnosed as having been poisoned.

**March 11-14, 2007:** U.S. Deputy Energy Secretary Clay Sell leads a U.S. delegation to Moscow to participate in discussions with Russian counterparts and U.S. industry executives on energy issues and nuclear nonproliferation.

**March 12, 2007:** The Russian government expresses dissatisfaction with Iran over its defiant stance concerning its nuclear program. It informs Tehran that it will withhold nuclear fuel for Iran's nearly completed Bushehr power plant unless Iran meets financial obligations and suspends uranium enrichment as demanded by the UN Security Council.

**March 13, 2007:** The GAO issues a report saying that the U.S. Energy Department has not done enough in Russia to secure radioactive material.

**March 16, 2007:** The Senate approves a nonbinding resolution calling for the support and funding of Ukraine and Georgia's membership to NATO.

**March 27, 2007:** The Russian Foreign Ministry publishes a 100-page document entitled *A Review of the Russian Federation's Foreign Policy*. The document is critical of U.S. policies seeking "unipolar" domination of the globe.

**March 28, 2007:** President Bush telephones President Putin to explain U.S. plans for a missile defense system in Eastern Europe. His attempts to assuage Russian concerns include a pitch for U.S.-Russian cooperation on missile defense. The U.S. explanation is reportedly "received with satisfaction."