

## U.S.-Russia Relations: **Spy Mania and Familiar Rhetoric**

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In January, on the eve of the inauguration of George W. Bush, the speculation among many in Moscow was that a Republican administration might be a better deal for Russia. The rationale was that the Bush administration would toe a realist line with Russia and would be less likely to micro-manage relations with Moscow. However, it did not take long for Russian leaders to realize that the Bush administration would bring with it the harsh “rhetoric of the Reagan years,” along with the Carter/Clinton penchant for criticizing Russia’s internal policies. The first quarter of the year also witnessed the eruption of a new round of diplomatic expulsions and arrests, threatening to damage relations and push them back to the Cold War deep-freeze. Indeed the press in both countries frequently alludes to the current situation in bilateral relations as a “new Cold War.” In East Asia, Russian President Vladimir Putin continues to search for a new role for Russia and hopes to find partners with whom he can revitalize Russia’s marginalized status in the region. The United States, meanwhile, seeks a tighter relationship with Japan and a firmer line with China.

### **The Formation of the Bush Administration’s Russia Policy**

It has been too soon for the Bush administration to formulate a comprehensive policy toward Russia. Thus far, it has been forced to react to events as they unfold. One of the first crises to occur was the February arrest of FBI agent Robert Hanssen, accused of spying for the Soviet Union and Russia since 1985. The Bush administration, no doubt privy to new secrets of Russian espionage in the United States, was forced to react and did so with the expulsion of 50 Russian diplomats a month later. The public reaction in Russia was harsh. Bush and company were portrayed as unreconstructed Cold warriors with a 1980s mindset. One Russian daily dubbed him “Cowboy George.” Interestingly the official reaction from the Kremlin was rather muted. In an interview in late-March, Putin suggested that Moscow was unlikely to overreact in response to the diplomatic expulsions, recognizing that the new administration in Washington was still finding its bearings. Nevertheless, Russia has also shown signs of a new assertiveness, conducting extensive missile and naval exercises. There were also reports that Russia had reintroduced tactical nuclear weapons into the enclave of Kaliningrad on the Baltic coast (which if true would be a violation of the 1987 INF treaty). But the Russian press has stayed focused on the actions of the Bush administration. For example, when state

secretary and Kremlin insider Pavel Borodin was arrested on his way to attend the Bush inaugural, it was read as a warning from the Bush administration that it would take a tougher line with Russia. In fact the move probably had little to do with the Bush team, as the arrest was made while Clinton was still president and it was at the behest of the Swiss government. Ironically, for the past several years many Russians have complained that Borodin was among the worst of corrupt officials in Russia. Suddenly he was portrayed in a sympathetic light. The Bush administration's statements on the situation in Chechnya are in line with the world community's views, and are in no way harmful to Russia. The interpretation in Moscow is that the Bush administration is just as meddling as the Clinton administration.

Meanwhile, the Putin administration has demonstrated that it too at times demonstrates a penchant for Cold War thinking. Russia is pushing around neighbors Georgia and Ukraine, has revived arms sales to questionable clients, and looks to reanimate relations with former Cold War allies. However, Russia says it wants a constructive relationship with the West. As *The New York Times* wrote in a March editorial, "These mixed messages pose a challenge for the Bush administration...When Moscow's policies collide with America's national interests, Washington must oppose them. But the U.S. should not turn away from encouraging Russia's transition to a market economy and democracy and working with Mr. Putin to reduce nuclear dangers left over from the Cold War."

Nevertheless, certain statements made by members of the Bush administration have left many in Russia perplexed. In an interview with *Figaro* magazine in France (published in February but conducted before the November election), National Security Advisor Condoleezza Rice termed Russia a "threat" to the United States. Secretary of Defense Donald Rumsfeld acknowledged that he shares this view in several speeches and interviews, as has his deputy Paul Wolfowitz. CIA Director George Tenet in testimony given to the Senate Intelligence Committee in February also labeled Russia as one of America's primary threats. Secretary of State Colin Powell added, "The approach to Russia ...shouldn't be terribly different than the very realistic approach we had to the old Soviet Union in the late '80s." To the average Russian, to suggest that Russia poses a threat to the United States is seen as not only false, but hypocritical. They look around and see that their government cannot guarantee heating, public safety, or even the bank savings of its citizens. They wonder, how could the United States, an unrivaled global power, see a threat in Russia?

Two main issues are proliferation of weapons systems and nuclear material, but Russians see these issues as a matter of economic survival, not strategic maneuvering. The U.S. announcement of a scaling back of the Nunn-Lugar Cooperative Threat Reduction program, one of the more successful bilateral programs, is a further sign of the major reassessment going on in Washington. The Russian daily *Vremya Novosti* noted that though he is the son of Bush, George W. is the "heir to Reagan."

## **Putin's Policies**

Vladimir Putin has had a year to formulate his foreign policy and he has spent much more time on this than on his domestic policy. While Putin's advisors discuss domestic economic reform, Putin takes every opportunity to travel, both within Russia and abroad. He also frequently hosts foreign leaders. The first quarter of 2001 was no exception. Putin traveled to Seoul, Hanoi, and Stockholm. In Russia he hosted leaders from Iran, Lithuania, Nigeria, and Japan. His travels also took him all over Russia. Putin's support ratings are still remarkably high (above 70%). But as Russia's economic performance slows down (as all indicators are showing), Putin's popularity may begin to wane. Russia has had every opportunity to begin implementing serious reform efforts, given its full bank account (thanks to revenues from energy and other exports). But the first year seems to have been wasted, while the Kremlin's economic advisors continue to argue about reform strategies. Putin meanwhile seems to have distanced himself from the dirty work. He wants to appear above the fray, and so far this has not adversely affected his image; in fact it has allowed him to maintain his positive image among the public. But if things begin to unwind economically (and the indications are that they already are), Putin will have to take a more active role in the management of the economy. This will make him more vulnerable to criticism from political opponents and from the public. Putin is doing what he can now to keep public criticism muted, by leashing in what free press that remains alive in Russia (most notably NTV and the liberal daily *Segodnya*, which is slated to be shut down in May).

The issues that divide the two countries have not changed with the accession of the new administration in Washington. Russian opposition to an American anti-ballistic missile (ABM) system, NATO expansion, and U.S. policy in the Balkans, Caucasus, and Central Asia is not new. And U.S. opposition to Russian arms sales, the war in Chechnya, and policy in the CIS (Commonwealth of Independent States) dates to the mid-1990s.

Relations with the U.S. have worsened. To suggest that it is strictly due to new policy from the Bush administration is missing the mark. Relations began their slide long ago and the recent downturn can be traced to the war in Kosovo in 1999. Russia's danger to the United States lies less in its active policies than in its weaknesses. If nuclear materiel from Russia is acquired by a "rogue" state, then it is likely to come via an unauthorized transfer, for example an impoverished and disgruntled scientist. And Russian arms sales to China, India, and Iran are directly linked to economic needs, as are Putin's recent overtures to Cuba and Vietnam (attempts to recoup Soviet-era debts). The Kremlin has a hard time admitting that its weakness is such that it is considered by many to be a threat. Therefore, out of pride, Russia sees U.S. actions as aimed at Russia's strategic position. As much as leaders in Russia claim that the Bush administration is stuck in a Cold War mindset, Russia too is guilty at times of "Cold War think." Russian attempts to reinvigorate its military strength, its blanket denunciation of a U.S. ABM system, its patronizing attitudes to its neighbors in the CIS, and its obsession with undermining the U.S. position in the world (by stressing the need for a multipolar world order and by attempting to introduce irritants in relations between the U.S. and its allies in Europe) are all rooted in Cold War habits. Both sides have a long way to go in improving mutual perceptions, which were scarred by 70 years of acrimonious relations.

A few recent events, however, have hinted that the Kremlin is not ready for a confrontational relationship with Washington. After the diplomatic expulsions, Russian Foreign Minister Igor Ivanov telephoned Secretary of State Powell. The two apparently expressed their desire to move past the acrimonious mood and continue mutual efforts to improve relations. There was also speculation that Putin's cabinet reshuffle, though no doubt long ago planned, will help modify U.S. behavior somewhat. According to the daily *Kommersant*, the sacking of Atomic Energy Minister Adamov, who was seen as the main proponent of nuclear exports to Iran, is viewed positively in Washington. Also, the appointment of Boris Gryzlov as Interior Minister is a positive signal to Republicans in Washington. Gryzlov led a committee of Unity Duma members to the U.S. last summer to attend the Republican national convention. There he discussed election strategy with Republican leaders. In a summit meeting with Lithuanian President Valdas Adamkus on March 30, Putin softened somewhat his tone on NATO expansion with regards to the Baltic trio of nations by stating that "every state is entitled to define its own priorities for national defense."

### **Central Asia and the Caucasus**

Many analysts (including this one) speculated that Central Asia could be an arena of cooperation between the United States and Russia. The incoming Bush administration appeared cool toward the Baku-Ceyhan pipeline project, the primary irritant between the two nations in the region. However, the recent find at the Kashagan oil field in Kazakhstan has reawakened U.S. interest in the pipeline project, which had waned due to questions about its economic feasibility. This leaves Russia more nervous than ever about U.S. intentions in the region. Russia is eager to improve cooperation with Iran. This cooperation would include a demarcation of mineral rights in the Caspian basin to the benefit of Moscow and Teheran, both of which desire minimal U.S. activism in the region.

Russia's announcement of the resumption of arms sales to Iran and the refitting of a nuclear plant at Bushehr was roundly criticized in Washington. This has become perhaps the single most divisive issue between the two nations, after the ABM issue. Secretary of State Powell publicly stated the Bush administration's displeasure with the resumption of the arms sales, which Russia had promised to cease when Yeltsin was still president. Powell also spoke of America's displeasure toward Russia's conduct in Chechnya, something that surprised those in Russia who felt that the Republican administration would show less interest in Chechnya. In late March the State Department announced that representatives would meet with Ilyas Akhmadov, minister of foreign affairs for the self-styled Chechen Republic of Ichkeria. Russia's reaction was as could be expected. "Russia views such contacts as absolutely unacceptable," Sergei Yastrzhembsky, a top aide to President Putin, told reporters. Nevertheless Akhmadov met with Assistant Secretary of State John Beyrle on March 26.

Many in Russia partially blame the horrible situation in Afghanistan on U.S. support of the Taliban (through Pakistan) during the Soviet Union's campaign there in the 1980s and afterwards. Russia, China, and India worry about the dangers associated with the

situation in Afghanistan and there is talk of the three coming together to normalize the situation, or at least contain the conflict, the *Nezavisimaya Gazeta* reported. Consequently Russia's relations with China and India are directly linked with the situation in Central Asia.

### **East Asia: A Place for Russia?**

Vladimir Putin made another long trek to East Asia, something that has become an almost quarterly occurrence. Putin's first stop was Seoul. In meetings with Kim Dae-jung he stressed Russia's interest in economic cooperation (via a trans-Korean railroad linking up with the Siberian mainline). He also reiterated Russia's desire to be involved in any Korean peace settlement process, explaining that Russia's close relations with North Korea would be of great benefit to the process. From Seoul, Putin flew to Hanoi where he was greeted in Soviet fashion, by youth groups clad in red scarves that sang in perfect Russian. But Putin's primary interest again was economic. He hopes to acquire repayment of Soviet-era debts (more than \$2 billion), and to reenergize Russia's involvement in offshore oil projects in the South China Sea. Russian warships made a port call in February to Cam Rahn Bay, and Russian military leaders expressed interest in extending leases to naval facilities there.

At the end of March Putin flew to the shores of Lake Baikal to meet with outgoing Japanese Prime Minister Mori Yoshiro. The summit meeting was arranged more at the behest of the Japanese, and there was little progress in the way of a peace treaty and territorial settlement. However, Putin did recognize officially the validity of the 1956 joint declaration, which recognizes Japanese claims to the two southernmost Kurile Islands (Habomai and Shikotan), and calls for their return on the signing of a peace treaty. Putin reiterated his interest in economic cooperation. Japan's major dailies uniformly trumpeted the affirmation of the 1956 declaration, but warned that relations could only be fully normalized with the return of all four islands. What was surprising was the mixed reaction accorded the summit in the Russian press. *Nezavisimaya Gazeta* gave the summit surprisingly good marks, announcing that Japanese economic cooperation could amount to a substantial sum. *Vremya Novosti*, however, wrote that with the new "Rumsfeld Doctrine" the U.S. could be expected to increase defense cooperation with Japan, and might even seek to construct radar stations for a new ABM system on the Southern Kuriles were Russia to return them to Japan.

It is this type of thinking that has left many people wondering whether we are on the brink of a new Cold War.

## **Chronology of U.S.-Russia Relations January-March 2001**

**Jan. 3, 2001:** U.S. officials announce that Russia secretly moved short-range nuclear weapons to its Kaliningrad military base on the Baltic Sea in 2000.

**Jan. 15, 2001:** Russia sends three warships on a two-month long tour of the Pacific and Indian Oceans, its most ambitious naval display since the Soviet Union collapsed a decade ago. The ships make port calls in Vietnam and India.

**Jan. 18, 2001:** Pavel Borodin, state secretary of the Russia-Belarus Union, is arrested on money laundering charges when he arrives in New York on his way to President-elect George W. Bush's inauguration.

**Jan. 21, 2000:** Inauguration of President George W. Bush.

**Jan. 23, 2001:** Russian President Vladimir Putin writes letter to President Bush congratulating him and setting out Moscow's views on how to improve bilateral relations.

**Jan. 31, 2001:** Presidents Putin and Bush speak for the first time by telephone, maintaining "a close and fruitful dialogue."

**Feb. 3, 2001:** At the annual Munich Conference on European Security Policy, U.S. Secretary of Defense Donald Rumsfeld says that Russian opposition to a U.S. ABM system is based on an "outdated" ABM Treaty. The next day Russian national security chief Sergei Ivanov reiterates Russia's strong opposition to the deployment of an ABM system.

**Feb. 7, 2001:** Addressing the Senate Intelligence Committee, CIA director George Tenet refers to Russia as one of the prime threats to American security and a menace on the nuclear non-proliferation front. Moscow officially expresses "bewilderment" at this statement.

**Feb. 17, 2001:** Russia test-fires land, air, and sea-launched nuclear-capable missiles. The near simultaneous launches come from a land-based silo in northwest Russia, a nuclear-powered submarine in the Barents Sea, and a bomber.

**Feb. 18, 2001:** FBI counter-intelligence agent Robert Hanssen is arrested on suspicion of spying for the Soviet Union and Russia since 1985.

**Feb. 19, 2001:** A U.S. Congressional delegation led by Curt Weldon arrives in Moscow at the invitation of the Unity faction.

**Feb. 20, 2001:** Russian Defense Minister Igor Sergeev hands over a proposal for a joint Russo-European ABM system, Russia's answer to the U.S. NMD system, during talks with NATO Secretary General George Robertson.

**Feb. 21, 2001:** NATO chief Robertson holds talks with President Putin and senior ministers in Russia in an attempt to unfreeze relations that had worsened drastically after the war in Yugoslavia.

**Feb. 24, 2001:** FM Igor Ivanov meets Secretary of State Colin Powell in Cairo. The two discuss the Middle Eastern situation, as well as bilateral relations.

**Feb. 26, 2001:** The State Department annual report on human rights says that Moscow's record on press freedom had "worsened" and that "serious problems" remained with Russia's overall human rights record, especially in Chechnya.

**Feb. 26, 2001:** President Putin begins a two-nation tour in Asia, beginning in Seoul and ending up in Hanoi.

**Feb. 28, 2001:** The U.S. Commerce Department announces that Russian-U.S. trade turnover amounted to \$10.11bn in 2000 against \$7.98bn in 1999. The U.S. is also the leader in direct investments in the Russian economy. As of December 2000 U.S. investment totaled \$8.5 billion, of which \$7 billion were direct investments. The majority of the U.S. investments is in Russia's fuel and energy complex (about 60%).

**Mar. 9, 2001:** The CIA releases 859 secret documents of Cold War analysis on the Soviet Union.

**Mar. 12, 2001:** Iranian President Mohammed Khatami arrives in Moscow on an official visit, the first by an Iranian president since the early 1990s. It is announced that Russia and Iran will resume nuclear cooperation and that Russia will continue selling conventional arms to Iran.

**Mar. 13, 2001:** The Bush administration considers deep budget cuts for the Nunn-Lugar Cooperative Threat Reduction program, which helps Russia safeguard its nuclear materials. The program targets cuts of 12 percent below the level for 2001 and 30 percent below the figures proposed in the Clinton administration's fiscal 2002 budget.

**Mar. 14-16, 2001:** Russia's chief of the presidential security council, Sergey Ivanov, meets with his counterpart, Condoleezza Rice, and with Secretary of State Colin Powell during his official visit to Washington, D.C.

**Mar. 21-22, 2001:** U.S. FBI director Louis Freeh visits Bulgaria and Georgia. He expresses support for each nation's struggle to survive in Russia's shadow. He also praises the Bulgarian decision to expel several Russian diplomats who are accused of spying.

**Mar 22, 2001:** The White House announces that it is asking 50 Russian diplomats, suspected as spies, to leave the United States. Russia announces that it too will expel an equal or greater number of U.S. diplomats from Moscow.

**Mar. 25, 2001:** President Putin meets with Japanese PM Mori Yoshiro in Irkutsk for a one-day meeting, results are minimal.

**Mar. 26, 2001:** Ilyas Akhmadov, minister of foreign affairs for the self-styled Chechen Republic of Ichkeria, meets Assistant Secretary of State John Beyrle in Washington.