

U.S.-Russia Relations:

## A Trying Summer for the *New Partnership*

by Joseph Ferguson  
Director of North Asia Studies  
National Bureau of Asian Research

In the spring of 2002, the U.S.-Russian antiterror coalition seemed in fine shape. A bilateral summit between U.S. President George W. Bush and Russian President Vladimir Putin in May in St. Petersburg resulted in the signing of a dramatic arms reduction agreement. The trend continued through June and part of July. In public appearances Russian leaders continued to insist that their country stood firmly behind the United States and was committed to closer integration with the West.

But as the summer wore on it became apparent that the partnership had its limits. Two issues, in particular, became major irritants. One issue was an old one that came back onto the radar screen – Chechnya, or in this case Chechen fighters operating in the Pankisi Gorge over the Georgian border. Another issue was an even older one – Iraq. As U.S. leaders tried to convince their Russian counterparts that action was needed in Iraq as part of the global campaign against terrorism, Russian leaders tried to convince their U.S. counterparts that action against Chechen separatists operating out of Georgia was also related to the larger campaign. Meanwhile Russia’s flirtations with Iran and North Korea seemed directly in contravention of the U.S. policy of isolating the “axis of evil.” In both Russia and the United States voices clamored for a realistic reassessment of the relationship between the erstwhile antiterror partners. The successful energy summit in Houston in early October gives hope to many that cooperation between Russia and the United States will continue. But as autumn began it was unclear to most observers where the relationship was headed and the partnership weathered a stormy first anniversary.

### **Cracks in the Edifice**

U.S.-Russian cooperation throughout the year had been extraordinarily close. Not only was Russia aiding U.S. efforts in the war against terrorism in Afghanistan and Central Asia, but the Putin administration had signed an arms control agreement and acquiesced to a U.S. military presence in Central Asia. Russian politicians had toned down their vociferous opposition to NATO expansion. And Russian oil companies were offering to be the suppliers of the first and last resort to the United States. This all led the *Washington Post* to speculate in July that the U.S.-Russian *rapprochement* left U.S. allies in Europe exceedingly nervous.

Nevertheless, it was already apparent to some observers that cracks were appearing in the edifice. President Putin came under increasing pressure at home to modify what was perceived as a policy of leaning over backward to appease the United States. In late July, the Russian government announced a plan to boost nuclear cooperation with Iran, beyond the controversial Bushehr nuclear plant deal. This raised eyebrows in Washington, particularly as it came on the eve of a visit to Moscow by U.S. Energy Secretary Spencer Abraham. Russian leaders shrugged off criticism by pointing out the importance of economic ties with Iran for their country. Russian leaders also were quietly letting it be known that they were not shutting the door on cooperation with Iraq. In a speech in Moscow in late July, U.S. Ambassador Alexander Vershbow warned that Russia's relationship with the three "axis of evil" governments threatened world security. Meanwhile the Russian Foreign Ministry's refusal to renew the visas of dozens of U.S. Peace Corps volunteers was read by some as yet another subtle sign of the shift in bilateral relations.

One of the most successful areas of cooperation for the last several years between Russia and the United States has been the Nunn-Lugar program. Although President Bush signed a waiver allowing the release of several million dollars to the program, this was merely a stop-gap measure. Funding issues in Congress are threatening to jeopardize the future of the program. U.S. plans to construct a plant in the town of Shchuch'ye to destroy thousands of tons of deadly chemical munitions from the old Soviet arsenal are in trouble unless Congress acts. The Pentagon needs \$230 million and unless it receives this amount sometime this fall, it will be forced to shut down the project. There is grave concern that some of the material will fall into the wrong hands if action is not taken promptly. The critics "don't realize how serious this situation is," Sen. Richard Lugar (R-Ind) was quoted as saying. "This is the kind of stuff, at Shchuch'ye, that (terrorists) are after. We have an opportunity to get rid of it, and we're not moving forward." What has been the model program for U.S.-Russian cooperation now seems to have reached a critical point.

By August the rapidly unfolding situation in the Pankisi Gorge in Georgia became the flashpoint in U.S.-Russian relations. Chechen separatists apparently have been able to utilize the relatively lawless northeastern region of Georgia as a sanctuary when the Russian military makes sweeps into the mountains of southern Chechnya. Somewhat similar to Vietnamese Army regulars and Vietcong that were able to utilize sanctuaries in Cambodia and Laos, the Chechen fighters have been able to go in and out of Georgia with relative impunity, and authorities in Tbilisi have all but admitted they are powerless to do anything. The U.S. Army has deployed advisors to help train Georgian Army regulars, partly because it was thought that al-Qaeda members were hiding in the Pankisi Gorge.

Soon the Russian Army demonstrated that it was willing to take the war to Georgia if necessary. On Aug. 23 Russian warplanes reportedly bombed targets 20 miles inside Georgia. The U.S. government indignantly protested. Although the Russian government denied that it had hit targets in Georgia, later Russian officials reportedly tried to convince U.S. officials that Russian troops should be allowed to secure Georgia's borders since the Georgian government seems unable to do so itself. At a NATO meeting in

Warsaw in late September Russian Defense Minister Sergei Ivanov stated that Georgia is more of a threat to Russian security than Iraq. Russian losses in Chechnya mounted again in the summer, including the downing of a military transport helicopter that claimed more than 110 lives in August.

The seemingly endless quagmire in Chechnya is beginning to wear on officials in the Bush administration. Where once U.S. leaders were willing to turn a blind eye in order not to damage the antiterror partnership, they are becoming more openly critical about Chechnya. Leaders in Moscow are undoubtedly worried about U.S. intentions in the Caucasus, and especially in Georgia. The massive U.S. military and political presence in Central Asia is seen as a worrying trend and the concern expressed by many in Russia is that the United States will move next into the Caucasus, hence such headlines as seen recently in the *Nezavisimaya Gazeta* in August: "Farewell, Caucasus!"

### **Playing the Iraq Card?**

Iraq has also become an issue of great contention between Russia and the United States. Russia backs intervention in Iraq only under UN authorization. Russian leaders have stated publicly that they oppose unilateral intervention in Iraq (though they have not said they would veto any UN proposal to intervene militarily). Russian businesses, meanwhile, are hoping to cash in on what some estimate could be \$40 billion in contracts in Iraq if UN sanctions are lifted. Russia played host to Iraqi Foreign Minister Naji Sabri Ahmad al-Hadithi, who according to *Izvestia* came to seek Russian protection. In spite of the facade of Russian support for the regime of Saddam Hussein, there has been speculation (denied in both Moscow and Washington) that leaders in Russia are trying to convince counterparts in the United States that the Russian government will back a U.S. military intervention in Iraq in exchange for a free hand in Georgia. The *Washington Post* picked up on these rumors and ripped this "cynical suggestion of a *quid pro quo*." Later in a personal phone call to the Russian leader, President Bush failed to persuade President Putin to provide Russian backing for U.S. military intervention in Iraq.

Russia's connection to the "axis of evil" was not confined to the Middle East. As respected Russian analyst Pavel Felgenhauer wrote, "From the Black Sea to the Yellow Sea, U.S. and Russian policies place the two countries at loggerheads." Vladimir Putin resumed his ongoing dialogue with North Korean leader Kim Jong-il, who visited the Russian Far East in late August. It was the third summit meeting between President Putin and Kim since the summer of 2000. Russia is eager to try and cash in if North Korea is to open up. Russian companies might be in the best position to do so because much of North Korea's rotting infrastructure was at one time designed or built by Russian engineers. Russia also satisfies the condition of being "politically safe" for the North Korean regime.

The U.S. leadership is no doubt somewhat perturbed by Russia's flirtations with North Korea, but now the United States' closest ally in East Asia, Japan, has also made dramatic overtures to North Korea. In September, Japanese Prime Minister Koizumi Junichiro traveled to Pyongyang and met with DPRK leader Kim. Russian and Japanese

leaders have applauded one another's initiatives to reawaken relations with North Korea. Russia also hopes for Japanese assistance in helping to develop the Trans-Siberian Railroad's link-up with the Korean Peninsula. Meanwhile Russian weapons manufacturers have continued to push for arms sales to both North and South Korea. Taking a cue, perhaps from Moscow and Tokyo, the Bush administration is slated to send State Department envoy James Kelly to Pyongyang.

### **China to the Rescue?**

China-Russia relations have been influenced by the hiccup in U.S.-Russia relations. As mentioned before, many nations in East Asia tend to view trilateral relations from a zero-sum standpoint. In the eyes of many in China, the U.S.-Russian *rapprochement* had proven to be a major concern. Some in China worry that Beijing will be shut out of Central Asia, just as it had begun developing a serious diplomatic and economic agenda in the region. Therefore a falling out between Moscow and Washington is likely to please many among the leadership in Beijing. The summer witnessed several high-ranking visits to China by Russian officials (including Russian Prime Minister Mikhail Kasyanov). Although trade and economics were principal on the public agenda, a large part of the discussions no doubt was centered on the United States and the situation in Iraq and Central Asia. The China-Russia "strategic partnership" had all but been written off by analysts and pundits following the Sept. 11 attacks. The partnership, however, appears to have some life left in it. Two-way trade in 2001 reached its highest level ever (more than \$10 billion) and the Chinese Air Force (PLAAF) ordered yet more Russian-made Sukhoi Su-27 fighter aircraft in August.

Last quarter I questioned whether the United States was giving enough to the partnership to merit President Putin's dramatic decision to turn toward the West. (See "Growing Expectations: How Far Can *Rapprochement* be Carried Forward?" in *Comparative Connections*, Vol. 4, No. 2, July 2002.) It seemed a matter of time before domestic opposition in Russia would start to bring pressure on Putin to show results. The summer of 2002 might prove to have been that time.

### **Chronology of U.S.-Russia Relations July-September 2002**

**July 3, 2002:** First shipment of Russian oil to the United States arrives in Houston. U.S. officials hail the delivery as a step toward reducing dependence on Middle East oil. Later, this event would be marred by judicial proceedings in Texas brought against the Russian oil company that delivered the oil, Yukos.

**July 10, 2002:** In an interview in the daily *Izvestia*, Russian Foreign Minister Igor Ivanov emphasizes that Russia's diplomatic priorities are to maintain a strong connection with the United States and Western Europe.

**July 12, 2002:** In an unprecedented meeting with 130 Russian ambassadors in Moscow, Russian President Vladimir Putin explains that the close relationship between Russia and the United States was the result of a “new reading of both countries’ interests and a similar perception of the very character of modern global threats.”

**July 30-31, 2002:** U.S. Energy Secretary Spencer Abraham and Undersecretary of State John Bolton in Moscow meet with Russian Energy Minister Igor Yusufov and Deputy Foreign Minister Georgii Mamedov. They discuss a proposed \$20 billion program financed by the Group of Eight nations to protect Russia’s nuclear, chemical, and biological weapons arsenals.

**Aug. 1, 2002:** In response to rising tensions between Moscow and Tbilisi over Chechnya, the U.S. State Department issues a strong statement of support for Georgia’s sovereignty and inviolability.

**Aug. 7, 2002:** U.S. President George Bush signs a temporary waiver permitting millions of dollars to be released to programs (the so-called Nunn-Lugar programs, or Cooperative Threat Reduction) aimed at reducing the threat posed by Russian nuclear, biological, and chemical weapons.

**Aug. 23, 2002:** In operations against Chechen separatists, Russian warplanes reportedly bomb targets 20 miles inside the border of Georgia. In a show of solidarity with the Georgian government, Washington rebukes Russian actions.

**Aug. 23, 2002:** Russian President Putin meets in Vladivostok with North Korean leader Kim Jong-il.

**Aug. 22, 2002:** American and Russian technical experts working with Yugoslav scientists and protected by heavily armed Serbian police and Yugoslav troops secretly fly more than 100 pounds of nuclear material considered at risk of being stolen or sold for use in producing nuclear weapons from the Vinca Institute of Belgrade, Serbia to Russia, where it will be processed for use in a commercial power plant.

**Aug. 29, 2002:** U.S. Sen. Richard Lugar (R-Ind) winds up a nine-day visit to Russia, where he toured and inspected nuclear facilities.

**Sept. 2, 2002:** Iraqi Foreign Minister Naji Sabri Ahmad al-Hadithi arrives in Moscow for two days of meetings with his Russian counterpart, Igor Ivanov, and other senior officials.

**Sept. 11, 2002:** On the anniversary of the terror attack that created the new U.S.-Russian partnership, U.S. Under Secretary of State Bolton arrives in Moscow in an effort to persuade the Kremlin to soften its strong opposition to a proposed U.S. military campaign against Iraq.

**Sept. 11, 2002:** President Putin issues a threat to take unilateral military action on Georgian soil if Tbilisi does not step up efforts to contain Chechen fighters operating in the Pankisi Gorge.

**Sept. 13, 2002:** The U.S. State Department announces a decision to impose sanctions on three Russian enterprises that allegedly sold military equipment to countries the United States says sponsor terrorism.

**Sept. 18-20, 2002:** Russian FM Igor Ivanov and Defense Minister Sergei Ivanov in Washington to meet with U.S. counterparts Secretary of State Colin Powell and Defense Secretary Donald Rumsfeld. They discuss a variety of topics, but foremost on the agenda are discussions about Iraq and Georgia.

**Sept. 23, 2002:** In a half-hour phone conversation President Bush fails to persuade President Putin to agree to U.S. military action against Iraq.

**October 2-3, 2002:** U.S. Energy Secretary Spencer Abraham leads energy summit in Houston. On day two, Abraham guides Energy Minister Igor Yusufov through a key section of the heavily guarded U.S. strategic petroleum reserve in Freeport, Texas, the first time a Russian official has been given such a tour.