



Advocates on behalf of Jews in Russia,
Ukraine, the Baltic States & Eurasia

NCSJ WEEKLY NEWS BRIEF
Washington, D.C. Friday, June 30, 2006

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#1
Senate Foreign Relations Committee Hearing on Russia
By David Shulman
NCSJ, June 27, 2006

Presiding: **Sen. Richard G. Lugar (R-IN)**, Attending: Sen. Joseph R. Biden Jr. (D-DE), Ranking Minority Member

Witnesses: **The Honorable Stephen Sestanovich**, Council on Foreign Relations, Washington, DC

Dr. Dmitri Trenin, Deputy Director, Carnegie Moscow Center, Moscow, Russia

Amy Myers Jaffe, Associate Director, Rice University Energy Program, Institute for Public Policy, Houston, TX

The hearing explored U.S.-Russian relations in advance of the July meeting of the G8 in St. Petersburg, focusing on declining democracy and the interplay between energy and foreign policies.

Optimistically, the witnesses noted, the booming global energy market is beginning to create a Russian middle class, which may eventually lead to a more stable and democratic society. For now, however,

“democracy” in Russia is centrally managed for the benefit of entrenched political interests. Wealth from energy sales allows Russia effectively to ignore criticisms that it is rolling back democracy.

The United States can strengthen its position in relation to Russia by supporting non-governmental organizations that promote a progressive civil society, and by developing a coherent energy policy that emphasizes increased ‘energy independence’.

Hearing: [Russia: Back to the Future?](#)

#2a

Yiddish song fest in Ukraine

JTA Brief, June 29, 2006

Singers from New York and Moscow won a Yiddish song contest in Ukraine. Natan Kay, 11, from New York, and Alla Rid from Moscow triumphed among 20 amateur Jewish vocalists and dancers who competed Monday and Tuesday at the 10th Ukrainian Festival of Yiddish Art.

The event was co-organized by the Jewish Foundation of Ukraine and the Ukrainian State Committee on Nationalities and Migrations, with financial support from the American Jewish Joint Distribution Committee and local sponsors.

#2b

Ukrainian TV gets new show

JTA Brief, June 29, 2006

A new Jewish-themed show was scheduled to debut Thursday night on Ukrainian state-owned television. The biweekly, 30-minute show produced under Chabad auspices is titled “613,” a reference to the number of commandments in the Torah.

“This educational show will be directed toward wide circles of viewers, irrespective of their nationality and religion,” programming director Oleg Rostovtsev told JTA. “We are going to acquaint Ukrainian viewers with Jewish history, culture and traditions.”

The first episode will focus on the late Lubavitcher rebbe, Menachem Mendel Schneerson, whose yahrzeit, or anniversary of death, is being marked this week.

There are about 10 Jewish weekly TV shows on regional networks in Ukraine, as well as some 50 Jewish newspapers and several radio programs.

#3

Analysis: Bush Faces Russian Balancing Act

By Tom Raum

AP, June 26, 2006

WASHINGTON - It was five years ago Monday when President Bush peered into Vladimir Putin's eyes for the first time and got "a sense of his soul," pronouncing the Russian president "straightforward and trustworthy."

Bush might want to take a closer look when Russia hosts its first meeting of the world's economic powers. The Group of Eight summit takes place next month against a backdrop of increasing friction between Putin and the West over his hardball tactics on oil and his distancing from democracy.

It's a hard balancing act for Bush.

He needs Putin's backing on anti-nuclear efforts involving Iran and North Korea. But the American also wants to signal U.S. disappointment with Putin's increasingly hard-line governance.

In Hungary last week, Bush praised that nation's 1956 uprising against Soviet rule. He made no reference to conditions in Russia today, in contrast to Vice President Dick Cheney's harsh comments last month in Lithuania suggesting Putin was bullying neighbors on energy and backtracking from democracy.

"For the most part, Russians like what Putin's done," said Steven S. Smith, a Russia expert at Washington University in St. Louis. "They see him as the law-and-order president. And while his popularity waxes and wanes, he's a lot more popular in Russia than Bush is in the United States."

Smith added, "Beyond the military and diplomatic leverage that he has, there's not a lot that Bush can do to Russia. And Putin knows that."

Bush is taking some steps that clearly Putin would rather he not. Bush's visit to Hungary was one. Also, he is hosting President Mikhail Saakashvili of Georgia - an outspoken critic of Putin - at the White House the week before the mid-July G-8 summit in St. Petersburg, Russia.

Bush and European leaders issued a statement after meeting in Austria last week that said it was important that Russia honor "democratic freedoms, respect for human rights, civil society and transparency and a responsible approach to energy security."

At the same time, the Bush administration is working behind the scenes to smooth over some issues with Russia and avoid possible ruptures at the summit. Secretary of State Condoleezza Rice goes to Moscow this week to help pave the way for the meeting.

U.S. and Russian negotiators reached a last-minute agreement last week breaking a deadlock and extending for seven years a joint program that was about to expire for eliminating old Soviet nuclear warheads. That removed one potential confrontation at the summit.

Does Bush still have a good sense of Putin's soul? "Look, the president and President Putin have a pretty good working relationship. They talk regularly," said Bush's press secretary, Tony Snow said. "They're going to disagree on some stuff. ... Russia's right in the middle of a lot of things that we're dealing with right now."

Flush with oil revenues, Russia sees its role as summit host as a step toward reclaiming its great power status. But growing debate over Moscow's place in the exclusive club of wealthy democracies, and Putin's hardball politics, could mar the gathering.

"I think what we have is the end of an illusion," said Ivo Daalder, a national security aide in the Clinton White House who now is with the Brookings Institution.

"We thought that, with Putin we were getting a strong leader looking to the West who would further liberalize Russia both economically and politically. As it turns out, what we have is a strong leader who is less interested in cooperating with the West than in consolidating Russian power," Daalder said.

U.S.-Russian ties warmed after the attacks of Sept. 11, 2001, but have been on the cool side since Putin openly opposed the U.S.-led invasion of Iraq in 2003.

In April, Putin accused the U.S. of erecting artificial obstacles to slow Russia's entry into the World Trade Organization. The Pentagon contended Moscow gave intelligence on U.S. troop movements in Iraq to Saddam Hussein in 2003.

Bush and Putin talked about Russia's WTO application in a phone conversation this month that lasted 19 minutes, one of several recent calls they had.

It is Russia's first time to hold the rotating G-8 presidency. Moscow was invited to join the exclusive club near the end of the Clinton presidency.

Critics such as former Secretary of State Madeleine Albright and Sen. John McCain, R-Ariz., assert that Russia fails the criteria for membership.

Even with surging oil and gas revenues, Russia's economy ranks only 12th in the world, after Brazil. Also, Putin has moved to assert more state control over Russia's economy, particularly its oil industry, and to restrict press and individual freedoms.

"In terms of some criteria on open society, democracy, there are more and more questions, frankly," Albright said last week during a visit to Moscow. McCain has called on Bush to boycott the summit.

Not likely.

"Russia and the U.S. - Russia and the West - need each other," said the U.S. ambassador to Russia, William Burns. It would be "a great stupidity for both sides to forget" the gains that can come from working together, Burns said.

#4

Synagogue Damaged by Anti-Semites FJC, June 26, 2006

TOMSK, Russia – This week, anti-Semites in this Siberian city experienced another mental flare-up as they vandalized the city's Great Synagogue with anti-Semitic graffiti.

"This is not the first occurrence of vandalism in our city," said Chief Rabbi of Tomsk Levy Kaminetsky. "But it is the first time vandals dared to leave their signature on the walls of the synagogue. Three years ago, anti-Semites put up a poster saying "Death to Jews" on the road near the entrance to the city. When police tried to remove it, the poster exploded causing injuries to several people. In this case, the criminals were detained and punished by 25 years of prison, but, unfortunately, anti-Semites are still continuing their filthy actions, while the authorities do not always display the required severity towards the criminals. We have just repaired the walls in the synagogue, and, it seems that the fact that the synagogue looks so good now disturbs local anti-Semites."

Rabbi Kaminetsky forwarded an official appeal to the police. The law-enforcement agencies have begun the investigation

#5

**Jewish cemetery desecrated near Lithuanian capital
AP, June 25, 2006**

VILNIUS, Lithuania - A Jewish cemetery near the Lithuanian capital was desecrated overnight, with 19 tombstones toppled and some smashed, the head of the country's Jewish community said Sunday.

Simonas Alperavicius said the attack at the cemetery in Suderve, 26 kilometers (16 miles) east of the capital, Vilnius, probably took place sometime on Saturday night.

"This is an act of vandalism and those who did it must be found and prosecuted," Alperavicius told The Associated Press.

Police did not immediately comment on the attack.

Alperavicius said one of the desecrated tombstones was that of a well-known Yiddish linguist from Lithuania, Chackelis Lemchen. He said police were investigating.

Alperavicius said he did not know the motive behind the attack, but speculated that it could be linked to the 65th anniversary of the June 23, 1941 uprising of Lithuanian nationalists against the Soviet Union.

#6

**The pull of power: how nothing is left to chance in Putin's 'managed democracy'
By Neil Buckley
Financial Times, June 27, 2006**

In the second of three articles ahead of the Group of Eight summit, Neil Buckley examines the Kremlin's use of state machinery to bolster the position of an already popular president

Until two years ago, Mikhail Kasyanov was one of Russia's most powerful politicians. As prime minister, he was often at President Vladimir Putin's side. Yet since being sacked in a government reshuffle - later declaring himself a potential pro-democracy candidate for president in 2008 - he has become almost a non-person in Russia.

His attempts to meet voters in Russia's regions have been disrupted by bomb hoaxes and demonstrations by Nashi ("Our own"), a pro-Putin youth group set up last year with Kremlin backing. He is ignored by state television. A bank suspected of funding him was raided for alleged malpractice and forced to close. State prosecutors opened an investigation, widely seen as politically motivated, into Mr Kasyanov's acquisition of a former government dacha.

The charismatic Mr Kasyanov has been dogged by the nickname "Misha 2 per cent" since media accusations in the Yeltsin era that he profited from office - which he has always denied - and it is not even clear he is capable of building a popular following. But the Kremlin, it seems, is taking no chances.

This is Russia's "managed democracy" in action. It is a system that preserves competitive elections while doing everything possible to predetermine the outcome. Or, in the words of one Russian political consultant: "Democracy is where the authorities arrange elections. Managed democracy is where the authorities arrange the elections and the result."

Mr Putin's many supporters say that, for now, it is the model Russia needs. After seven decades of communism and with little tradition of democracy, this vast and ethnically diverse country cannot slip seamlessly into a western-style political system, as many of its former east European satellites did. Left to their own devices, say these supporters, most Russians would still vote communist or nationalist. A transition period of strong rule is needed to allow market reforms to create a middle class espousing democratic values.

Some presidential allies add that the liberal democrats had their chance to run things under Boris Yeltsin's presidency in the 1990s. However well-intentioned, the "shock therapy" they administered to jolt Russia from communism into capitalism left millions worse off, created a handful of fabulously wealthy "oligarchs", nearly emptied state coffers and put the country in real danger of breaking up.

Liberal parties still carry the stigma of Russia's 1998 financial crisis, when it defaulted on billions of dollars of debt and devalued the rouble, wiping out ordinary people's savings for the second time in a decade. Their poor performance in 2003 elections to the parliament, or Duma, cannot be explained as simply the result of the Kremlin's increasing control and the blanket media coverage given to the pro-Putin United Russia party, which took two-thirds of seats.

"Mr Putin did not appear by chance," says Andrei Klimov, deputy chair of the United Russia group in the Duma. "Russia needed someone like him who could unite society."

Mr Putin's Russia is not a carbon copy of the Soviet Union. Russians have freedoms - to travel, open businesses, go to church, watch satellite television or use an uncensored internet - unthinkable 20 years ago. They can also vote for a range of parties. But they face a daunting array of forces trying to influence their political behaviour.

Managed democracy has two main mechanisms. The first is the use of the police, security services, courts, electoral commissions and, above all, the media (see below) to manipulate opinions and events and stifle opposition voices. Then there is "political technology", a multi-million dollar industry in Russia. In *Virtual Politics: Faking Democracy in the Post-Soviet World*, Andrew Wilson, a lecturer at London's School of Slavonic & East European Studies, has documented a head-spinning array of "black PR", media and electoral ploys used to sway political outcomes.

Mr Wilson says that in the world of Russian politics - as in that of many other former Soviet states - parties and politicians are often not what they seem. They may be "clones": artificial parties backed by the authorities that profess similar views to genuine opposition groups to try to split their vote. Rodina, a nationalist party set up with Kremlin support before parliamentary elections in 2003 to steal votes from the communists is an example. It did its job well - but its leader, Dmitry Rogozin, resigned this year under what he claims was Kremlin pressure after the party became too popular. Vladimir Korsunsky, editor of Grani.ru, an independent political website, agrees that Russia is a "staged democracy". "It's a play in which the Kremlin is the director, casting the roles," he says.

Yet Mr Putin did not introduce such techniques. Grigory Yavlinsky, longtime leader of the Yabloko liberal democratic party, dates managed democracy back to 1996. Then, Russia's oligarchs, several having received stakes in lucrative state businesses in 1995, used their financial and media resources to back Mr Yeltsin's re-election and prevent an almost certain communist victory. Political technologists were paid to magnify the negative consequences of such an outcome. With their help, Mr Yeltsin went from single-digit approval ratings in late 1995 to victory.

"All the oligarchs, all the media, agreed to be unfree to prevent the return of communism," says Marat Gelman, a political technologist who worked on the campaign. "Managed democracy started from that moment."

Asimilar feat was achieved in 2000, when the candidate who came from nowhere was Mr Putin. To the threat of communist revanche was added the spectre of Chechen terrorism, after apartment block bombings in Moscow blamed on rebels from the separatist region. In many ways, Mr Putin was the ultimate political "project", chosen partly because he matched the ideal candidate sketched out by Kremlin pollsters.

The west turned a blind eye to the Yeltsin-era tactics because it also wanted to prevent a communist return, and because the Yeltsin team remained committed to economic reform.

There are differences, however, between the Putin and Yeltsin eras. Not only has Mr Putin's apparent appetite for market reforms waned during his second term, but he has taken steps to perfect the system of managed democracy he inherited - despite having advantages that his predecessor largely lacked. He enjoys real personal popularity - Mr Putin's approval rating remains above 70 per cent - and robust economic growth driven by high oil prices. "People respond to Mr Putin," says Mr Klimov. "He corresponds to their understanding of power."

The depredations of the 1990s also left many Russians sceptical of democracy and willing to acquiesce in the bargain Mr Putin implicitly offered them. An April poll by the Levada Centre, an independent pollster, found that nearly half of respondents were happy to sacrifice freedom and human rights for material wellbeing. They listed "strengthening democracy and freedom of speech" as only Russia's eighth most important political task - well behind goals such as developing industry.

Yet although he and United Russia could probably win without manipulation, Mr Putin in his first term he brought under state control two television channels and several newspapers previously controlled by oligarchs. The Yukos case, when Mikhail Khodorkovsky, Russia's richest man, was jailed for fraud after revealing political ambitions, demonstrated the ruthlessness with which the authorities are prepared to use the legal system to neutralise a potential opponent.

The political tightening has continued since Mr Putin's re-election. The Kremlin used the Beslan terrorist siege as a pretext to extend its control over Russia's 89 regions, ending direct elections of governors in favour of presidential nominees who must be approved by elected regional parliaments. It also passed a law requiring proportional representation for elections to the Duma, phasing out constituency seats that had enabled independent candidates to enter parliament.

The Kremlin says the electoral law change was intended to encourage the development of larger, more stable parties. It adds that replacing governors' elections with nominees enabled the removal of some incompetent and corrupt figures who had bought their way into office.

Pro-democracy revolutions in Georgia in 2003 and Ukraine in late 2004 prompted further measures to strengthen Kremlin control. Russia passed a law clamping down on foreign-funded non-governmental organisations, seen as playing a big part in fomenting dissent. Nashi was created to counter the possibility that pro-democracy youth groups, similar to those that rallied the crowds in Kiev and Tbilisi, might emerge. "The next two years will be decisive for people to realise that Russia is moving in the wrong direction," says Mr Kasyanov. "Otherwise, political freedoms that are simply being squeezed today will end up being crushed."

However, even he agrees with most analysts that, given the Kremlin's control, the chances of an "Orange Revolution" in Russia in 2008 are low. While those around him may yet persuade Mr Putin to alter the constitution so he can serve a third term - a move opinion polls show most Russians would support - the more likely scenario is that he will name a successor. He has already marked out Dmitry Medvedev, his former chief of staff, and Sergei Ivanov, defence minister, as possible candidates by promoting both to the rank of first deputy prime minister.

But even as the Kremlin continues to tighten its grip, many - including some former supporters - believe it should already be loosening it. Mr Gelman, who gave up political technology work in 2003, says that with the communists in decline and oil wealth flooding in, it is time to remove the "plaster cast" Mr Putin applied to heal the wounds of the Yeltsin era.

Stephen Jennings, chief executive of Renaissance Capital and an investment banker in Russia for 14 years, believes the pressure from a new generation of often internationally-trained business people and entrepreneurs will ultimately become irresistible. "The long-term outcome is clear," he told a conference last week. "People and business will prevail over today's bloated and inefficient government."

Until that happens, however, the west will have to deal with a Russia quite different from the one it had hoped would emerge from the wreckage of the USSR.

#7

Non-Governmental Organizations Fail The Test

Federal Registration Service: foreigners "don't understand" requirements

By Anastasia Kornya

Vedomosti, June 29, 2006

Forty foreign non-governmental organizations have tried to obtain official registration in Russia since the new legislation came into effect this April. Not one of them has been successful.

The new law on non-governmental organizations came into effect on April 18. According to the Federal Registration Service, there are between 500 and 2,000 branches of foreign NGOs in Russia. They all have until October 18 to apply for and obtain registration.

The Federal Registration Service complains that foreigners "don't understand" what is required. Not a single organization has been entered into the state roster yet, Alexei Zhafjarov said. Nearly 40 foreign NGOs submitted documents for registration, but had to take them back to fix their shortcomings. As far as Zhafjarov is concerned, the new registration procedure is absolutely transparent and "fairly technical" because filling out a great deal of paperwork and instruments is all it really takes. It seems, however, that foreign NGOs can't even do that much. For example, a 14-year-old American was once listed as the head of a foundation - whoever filled out the forms gave a wrong birth date.

Zhafjarov admits, however, that the Russian Foreign Ministry has already approached the Federal Registration Service and pointed out that it's foreign NGOs specializing in international adoption that are mostly active nowadays. Their accreditation with the Education Ministry is expiring, so they are in a hurry to re-register. Other NGOs are taking their time.

Representatives of foreign NGOs themselves have a different view of the problem. "We've been pestering them to answer who has the right to represent an organization, but they wouldn't say anything," says Svetlana Levicheva of the Russian branch of CAF (a British foundation). "Can it be done with a power of attorney? Or is general director supposed to turn up in person, as the Tax Service demands?" Legislation and regulations are so vague and imprecise that state officials can interpret them any way they please, says Sergei Tsyplakov of Greenpeace Russia. Some NGOs are even considering going commercial. "They at least declare some degree of freedom for businesses," says Tsyplakov.

Translated by A. Ignatkin

#8

Amid rivalries and haggling, stunted Moscow JCC gets boost

By Lev Krichevsky

JTA, June 27, 2006

A long-planned Jewish community center slated for Moscow has received a boost.

On Monday, Arkady Gaydamak signed an agreement with the religious Jewish community of Moscow, which has long sought partners to help build a multimillion-dollar community center across the street from the city's Choral Synagogue.

The JCC, Moscow's second, would be an attempt to attract the large number of Moscow Jews who are secular.

Gaydamak, a business tycoon and philanthropist who made a name for himself in Israel and Russia by buying sports teams and media outlets, told JTA that construction of the 130,000 square-foot center, to be completed by the end of 2008, may top \$30 million.

This week's signing, attended by philanthropist Ronald Lauder, may jump-start the project, which for years remained mired in negotiations among international Jewish groups, leading Russian Jewish philanthropists and the Moscow Jewish community.

Almost six years ago, the city of Moscow gave the Moscow Jewish Religious Community, the group that operates the synagogue, a free lease of a nearby plot. The community group, which at the time had strong ties to the Russian Jewish Congress umbrella organization, intended to rely on the RJC's financing in order to build the center.

Community leaders received the land -- a prized spot a short distance away from the Kremlin -- but the plot is untouched. It still contains a dilapidated Soviet-era red-brick school later turned into a hospital, which has not been in use for more than a decade.

The project was originally designed to bring together the Moscow community, the RJC, the American Jewish Joint Distribution Committee and private donors, and at some point the coalition also included the Jewish Agency for Israel. But constant upheaval within the RJC and rising building costs have delayed construction.

Some six months ago, the JDC and some other donors withdrew from the project, mainly due to disagreement about the ownership rights to the new center.

A senior JDC official told JTA that the group is looking for a space to build its own community center in Moscow.

Then Gaydamak, 53, stepped in.

Since last year, he has served as president of the Congress of Jewish Religious Communities and Organizations of Russia, an umbrella for Jewish religious groups.

Until last year, he was among the leading donors of the Chabad-led Federation of Jewish Communities, the region's largest Jewish group.

Observers said Gaydamak joined the Congress of Jewish Religious Communities, which includes Orthodox and Reform congregations, because he no longer was satisfied with his secondary role in the federation.

Gaydamak denies this assessment, saying he joined the congress because he saw great potential in the organization.

In 2001, his funds were used to build the federation's Marina Roscha JCC, also in Moscow.

"I'm not new to this," he told JTA of his decision to build a new center. "Why am I doing this alone? Because no one else wants to do it," he said.

For his contribution, Gaydamak will receive one-third of the new building for commercial purposes.

Leopold Kaimovsky, the executive director of Moscow's religious community, said the center will include facilities for educational, social, welfare, cultural and athletic programs and a kosher restaurant.

The eagerness of the synagogue to have its own community center -- that will inevitably compete with the Chabad-run center -- stems not only from the groups' rivalry.

Many Jewish leaders agree that without a modern community center separate from the synagogue, the community has little chance to attract secular Jews.

"To our Jews, a synagogue is associated only with religion, and many Jews could not find a place for themselves here," said Adolph Shayevich, the synagogue leader and one of Russia's two chief rabbis. "In the new center, I hope, all Jews of Moscow will find a place for themselves."

Arkady Gaydamak's daughter Katya agreed.

"Such a stunning synagogue should have a place like that," Katya Gaydamak said.

Like all three of Gaydamak's children, she was born and raised in Paris after Gaydamak left the Soviet Union in the early 1970s.

Katya, a jewelry designer who divides her time between Paris and London, said the new center has special meaning to Moscow Jews who grew up here, such as her father.

Gaydamak would tell his children what the neighborhood of the Choral Synagogue meant to local Jews during Soviet times, she recalled. "Dad told us how it was to be Jewish in Moscow back then. Now younger Jews here are taking too much for granted."

In the 1970s and 1980s, the street next to the synagogue was the site of mass gatherings of Jews.

Defying the ever-present KGB agents, members of the community celebrated Jewish holidays, sang, danced and exchanged news about the emigration status of their friends.

Back then, the street and synagogue were referred to by some Moscow Jews as Gorka, or the Hill, a reference to the street's steepness.

Katya Gaydamak said the new center should revive some of the old-time memories associated with the site.

At least, those involved in the project say, those memories will be preserved in the center's name, Na Gorke, or On the Hill.

#9

Putin Orders Death for Killers of Russians in Iraq

By Steven Lee Myers

New York Times, June 29, 2006

President Vladimir V. Putin on Wednesday ordered Russia's secret services to find and kill those who kidnapped and killed four Russian Embassy employees in Iraq, the Kremlin announced in a statement.

Wide-ranging coverage of Russia and the former Soviet republics, updated by The Times's Moscow bureau. The bluntness of the statement reflected the deep shock and anger — much directed at the United States — that have unfolded in Russia after the kidnapping on June 3 in an attack that killed a fifth Russian.

The Foreign Ministry confirmed Monday that the kidnapped employees had been killed. The confirmation was made after the release of a short video on an Islamic Web site that showed the beheading of one man, the shooting of another and the body of a third.

"The president gave instructions to the Russian special services to take all measures for finding and destroying the criminals who committed this atrocity," the Kremlin said, the official Russian Information Agency reported.

Neither news agencies nor state television quoted Mr. Putin making the remark. Interfax quoted only remarks he had made appealing for help in finding those involved during a meeting Wednesday with Prince Salman bin Abdul Aziz of Saudi Arabia.

Mr. Putin has made similarly pointed threats against Chechnya's separatist fighters and those who have carried out terrorist attacks in Russia. Early in the second war in Chechnya, Mr. Putin vowed to destroy the separatists in their outhouses. Four Chechen separatist leaders have been killed in strikes or raids since the second war began in 1999, most recently on June 17, when Russian forces killed Abdul Khalim Saidullayev, then the Chechen leader. How Russian agents might carry out Mr. Putin's order in Iraq remains unclear, given how little is known about the group that claimed responsibility for the kidnapping and killings: the Mujahedeen Shura, or Council of Holy Warriors, which says it represents Al Qaeda in Mesopotamia and other insurgent groups in Iraq.

The only known instance of Russian special forces carrying out an attack abroad occurred in February 2003, when a bomb destroyed a car being driven in Qatar by Zelimkhan Yandarbiev, another Chechen leader. Although Russia denied involvement, a court in Qatar convicted two Russian secret agents that year and said there was evidence that Mr. Yandarbiev's assassination had been ordered by "the Russian leadership."

Nikolai P. Patrushev, the director of the Federal Security Service, said later on Wednesday that no effort would be spared in carrying out Mr. Putin's order "no matter how much time and effort will be needed."

"We should be working so that not a single terrorist responsible for the crime would escape responsibility," Mr. Patrushev said in remarks cited by Russian agencies that stopped short of a direct threat to kill those responsible.

The United States, with many other countries, has denounced the killings of the five embassy workers — a member of the diplomatic corps whose title was third secretary, a maintenance worker, a driver, a guard and a cook — as acts of terrorism. American military commanders in Iraq had pledged to help find the hostages and, after their deaths, to help find those who killed them. But far from finding common cause over the killings, many Russian officials, clerics, politicians and commentators have placed blame for the killings on the United States and the failure of the American-led forces to provide security.

On Wednesday, the lower house of Parliament voted to adopt a statement that referred only to the "occupying countries" in Iraq, but blamed them for the deaths. "We believe they could have prevented the tragedy," the statement said.

At the United Nations, the Security Council postponed consideration of a statement condemning the killings after the United States asked for the removal of language that appeared to fault lax security by Baghdad and the coalition forces.

The statement, which said the council was "appalled by the horrific death" of the embassy employees, called upon the government of Iraq and "multinational forces" to undertake measures to enhance the security of foreign diplomatic missions.

#10

We Cannot Remain Silent While Russia Sells Arms to Iran and Syria

By Sergey Strokan

Kommersant, June 30, 2006

David Harris, executive director of the American NGO The American Jewish Committee, completed his visit to Moscow yesterday. Russian officials on the highest level met with Harris, who represents the oldest and most influential Jewish organization in the United States. He speaks with Kommersant correspondent Sergey Strokan about the goals of his visit and its results. During your visit to Moscow, you met with Russian Foreign Minister Sergey Lavrov, Secretary of the Security Council Igor Lavrov and the head of the Atomic Energy Agency. What caused this huge display of interest in Russia and its policies by American Jews?

It's not surprising. Jews, like everybody else in the world, have their own interests. Our interests are the defense of democracy, human rights peace and security on a global scale and on the regional level. Russia is an important player on which the solution of many problems depends and we, American Jews, consider it a priority. That is the fight against international terrorism, strengthening nonproliferation and guaranteeing energy security. In addition, Russia plays a key role in settling the Iranian problem. All of that explains our steady attention to Russian policy. When Russia sells arms to Iran and Syria, states in which we see a threat, we cannot remain silent and not discuss it with Russian representatives. I have met with Minister Lavrov three times in recent months. We are not naive. We understand that we cannot change anything immediately. But we come as friends. And we have strong convictions. The main value of our meetings in Moscow for us is that they allow us to express our convictions to the Russian side.

Russia is the first and so far only country of the Middle Eastern Quartet that has invited the leaders of the Palestinian group Hamas to visit. Does it seem to you, half a year later, that the Kremlin made the right decision?

We discussed Hamas during our last visit to Moscow and did not reach any agreement. I have no doubt about the conception of the two states, the European and Palestinian, but I want to mention that Hamas has not met three key demands of international intermediaries. Those are the acknowledgment of the state of Israel, refutation of violence and observation of all previous agreements reached between Israeli and Palestinian leaders. The positions of Palestinian leaders did not change in principle after their visit to Russia. There are two opinions about how the Palestinian leaders' invitation to Moscow could have changed the Middle East peace process. It can be said that the invitation encouraged the peace process and it can be said that it harmed it. We hold the second point of view and say that the Hamas leaders' trip to Moscow gave them legitimacy.

Besides Hamas, Iran is a stumbling block. Jews think that Iran is a global threat, but Russia does not think so and does not make serious accusations against Tehran. What is the cause of such a serious difference of opinions?

First, I want to say that Iran is not only a problem for Jews. Iran is a global threat, a problem for all. How can that not be seen, if the Iranian leadership denies the Holocaust? Therefore, we are trying to explain that the radical Islamic regime set up in Iran will be a threat on the global and regional levels if it gets nuclear arms. Why Russia looks on Iran differently from, say, Israel, may have a lot to do with the different scales of the countries and their different geopolitical situations. In little Israel, which is permanently threatened from radical Islamists, there is a much sharper feeling of danger from Islamist Iran than in big Russia, which does not see its objective danger.

Mr. Harris, the incident last year in which Jews praying in a Moscow synagogue were attacked by a criminal armed with a knife was taken by many as a sign that a new wave of anti-Semitism had broken out in Russia. Do you share that view?

First let me say that what happened in the synagogue in Moscow is a terrible incident. As for a wave of anti-Semitism, it is arising today in many countries of the world and concern over it is reflected on UN and the OSCE documents that Russia has supported. When speaking about extremism with our Russian friends, we present our point of view on the best way to fight it. In our opinion, three things should be done. First, the country's top leaders should clearly and unambiguously condemn anti-Semitism. Second, law enforcement agencies should be especially careful to prevent crimes based on religious intolerance (which are called "hate crimes" in America) and, third, if a crime is committed, the prosecutors and judges should be especially harsh in their punishment.

Can you say in respect to the reaction of Russian authorities to the incident in the Moscow Synagogue that your measures were fully carried out?

Completely openly speaking, no. I think that everything that had to be done could have been done better.

Mr. Harris, there are many people in Russia who think that a powerful Jewish lobby determines American policy. What can you say about that?

The word "lobby" has a certain negative aura around it in the world, whether it's the Jewish lobby or any other. But everything is different in America. Do you know how many lobbies there are in our country? There are thousands of them! That is considered completely normal. And there are no grounds for saying that the Jewish lobby in the U.S. is the most influential. For example, many say that America, which depends on Middle Eastern oil, is "in the pocket" of Saudi Arabia. Therefore, the most influential lobby is the Saudi. The Jewish lobby is far from the most powerful. Sometimes we succeed, sometimes not. We Jews cannot agree among ourselves on many things. Such are things both in Israel and in America.

#11

Russians Bet Ruble Will Rise To Status of Dollar, Euro, Yen

By Peter Finn

Washington Post, June 29, 2006

MOSCOW, June 28 -- Long shunned by Russians who preferred dollars in their mattresses, the ruble is suddenly cock of the walk.

The Central Bank is planning to create a universal symbol for the ruble akin to the "\$" denoting the dollar. A new 5,000-ruble note (\$188) is about to enter circulation to reduce the bulge in the wallets of the country's growing class of tycoons. And parliament, in a fit of patriotic fervor, is mandating some ruble respect by banning public officials from counting in dollars.

The country's leaders are even eyeing the day -- still a long way off -- when the ruble will be traded around the world and earn the ultimate moniker: hard currency. At a economic forum in St. Petersburg this month, Deputy Prime Minister Dmitry Medvedev said he foresaw the time when the ruble would become an international reserve currency equal in prestige to the dollar, euro, yen and pound.

"The ruble is on the move," said Vladimir Zhirinovsky, the flamboyant ultranationalist legislator, invoking World War II to capture the country's newfound pride in the 800-year-old currency. "The next stop is Berlin."

For now, the value of the ruble is managed by Russia's Central Bank. As the dollar has slumped on world markets, the ruble has strengthened, rising to its highest level since early 2000. One dollar now buys about 27 rubles, a 5 percent slide this year.

The ruble's standing also has been helped by rising oil prices and Russia's position as the world's second-largest exporter of oil after Saudi Arabia.

A flood of cash is swelling state coffers; foreign reserves now stand at about \$230 billion and the government is wiping clean its foreign debt. Russia announced this month that it will pay off its entire \$22 billion debt to the Paris Club of creditor nations by August and agreed to an early repayment fee of \$1 billion.

The Russian public's old view of the ruble was reinforced by the financial crisis of 1998, when the country defaulted on foreign debt and devalued the currency.

Now people are showing new respect for the home currency. Nina Segalova, a 50-year-old accountant in Moscow, used to convert part of her salary into dollars, but has stopped and now saves exclusively in rubles. "I think people like me have new confidence in the ruble because it's getting stronger and it's safe," she said.

In the past three years, the foreign cash held by Russians has fallen by \$10 billion, according to Anton Struchenevsky, an economist at Troika Dialog, a Moscow investment company. Savings held in rubles in banks has jumped more than five times to \$50 billion since the 1998 default, according to official statistics. Russian banks offer customers both ruble and dollar accounts.

In his state of the nation address this year, President Vladimir Putin said he wanted to lift currency restrictions on international capital transactions by July 1. He also proposed creating a ruble-denominated international oil exchange in Moscow to stimulate demand for the currency.

As the ruble edges its way onto the international stage, the Central Bank is deciding on a symbol for the currency. A state-run polling agency recently held four focus groups in Moscow to test 13 symbols, including one that received preliminary approval from the Central Bank -- PP, the Cyrillic letters for RR, for Russian Ruble.

Muscovites, however, preferred a simple roman R with two strokes across the upper part of the R, according to Valery Fedorov, director general of the All-Russian Public Opinion Research Center. "PP may arouse different associations," Fedorov said, "and the focus groups thought the symbol should be easily understandable for foreigners as well as Russians."

He said that the focus group participants thought that "a ruble symbol is as important as the national anthem." The newest part of the ruble family, the 5,000 note, will be released in July -- bills for billionaires, some Russians are joking. .

Nikolai Fedotov, head of quality control at the state's printing facility, told the Moscow News that "U.S. dollars with their uneven edges and other defects would never make it past our quality-control section."

What Russians have not been able to control is their penchant to price things in dollars or euros, whether restaurant meals or new apartments or government spending.

In May, the State Duma, or lower house of parliament, gave initial approval to a bill that would require all commercial establishments to express their prices in rubles. It promised to fine officials who dare use the word dollar.

Putin may not have gotten the word yet. Speaking last week about Russia's decision to pay off its foreign debt, he said that "the total amount of saving on these interest payments will exceed \$7 billion."

#12

Forward Forum Born of America's Indifference, Eurasian Alliance Comes of Age

By M. K. Bhadrakumar

Forward, June 30, 2006

The Shanghai Cooperation Organization is the only major international organization from which the United States is excluded.

The organization rebuffed an American attempt last year to gain observer status, while granting such status to Mongolia, Pakistan, India and, perhaps most irritatingly to Washington, Iran. The alliance's summit last year, held in the Kazakh capital of Astana, pushed for a withdrawal of American troops from Central Asia and sought to debunk the dogma of democratization that led to the region's so-called color revolutions. And the Shanghai Cooperation Organization is gaining a name as a regional alliance that could frustrate NATO's drive to expand further eastward into the former Soviet republics.

To all appearances, perhaps, anti-Americanism in action — a Chinese-Russian alliance built to rival NATO and working for the elimination of American influence in Central Asia. Washington, in this view, must somehow render the Shanghai Cooperation Organization ineffectual, and the sooner the better.

Curiously, there is hardly any effort to assess the alliance's *raison d'etre* outside of an American prism — even though the "Shanghai spirit" was in the air before the current chill in Washington's relations with Moscow and Beijing, before the September 11 terrorist attacks, before the establishment of an American military presence in Central Asia, before the American intervention in Afghanistan and before the American-backed color revolutions in Moscow's backyard.

The "Shanghai spirit" dates back to the second half of the 1990s. At the time, Boris Yeltsin's Russia was becoming increasingly disenchanted with Euro-Atlanticism. Moscow believed that even though the Cold War had ended, the United States was not only determined to expand NATO eastward, but was also

working hard diplomatically to rollback residual Russian influence in Eurasia. In 1996, Yeltsin began looking up Russia's "Eurasianist" heritage.

By the second half of the 1990s, as the Clinton presidency was drawing to a close, American influence in Central Asia reached an all-time high, though admittedly there was always a sense of disquiet among Central Asians about American intentions in the region. The Central Asians could sense that American policy lacked transparency. They could perceive, for example, that the United States was only paying lip service to the Tajik peace settlement signed in the mid-1990s — though the centrality of the settlement to regional security was unquestionable — because it emanated out of Russian- and Iranian-led talks.

Nonetheless, expectations were high that Washington could produce the panacea for the aches and ailments faced by the post-Soviet economies. Thus, American companies were given privileged access to oil deposits, gold mines and cotton fields. American diplomats were encouraged to behave like little viceroys — and at times they did.

Then came the Taliban's capture of power in Kabul in 1996, after which the first incipient signs of discord began appearing. American diplomacy in 1996 and 1997 was actively aimed at convincing Central Asian states that the Taliban had no political agenda of exporting militant Islam to their region, that the Taliban was a purely indigenous Afghan movement and that the Taliban's radicalism would wear off once it was ensconced in power in Afghanistan. American diplomacy encouraged Central Asian states to have dealings with the Taliban regime in Afghanistan.

By 1998, however, the Taliban were gate-crashing into the Amu Darya region on Afghanistan's northern border, and Islamist elements in Central Asia, particularly Uzbekistan, began linking up with the Taliban. With neighboring Afghanistan having become a revolving door for militancy and international terrorism, Central Asians began turning to Moscow and Beijing for help and understanding.

China and Russia completely shared the perception prevalent in Central Asian capitals. Governments in the region saw interlocking links between the Taliban and Al Qaeda and local threats from Chechen rebels, Uyghur militants in China's Xinjiang province and Islamists in eastern Uzbekistan.

It was a colossal failure of American policy to have dismissed these threat perceptions as nothing more than propaganda. Washington was much too quick to believe that authoritarian regimes in the region were simply aiming to squash political dissent by raising the specter of political Islam, and that Russia was exaggerating the threat in order to regain geostrategic control over Central Asia.

Arguably, the ambivalence in America's attitude toward the Taliban was the root problem of American diplomacy in the latter part of the 1990s. Washington kept hoping that the Taliban could serve as an instrument of American policy in the region. Nonetheless, when the United States sought to establish regional military bases in the wake of the September 11 terrorist attacks, neither Russia, China nor any of the Central Asian states made much of an issue of Washington's previously soft stance on the Taliban.

Central Asia took America's war on terror seriously, and as a result American credibility was somewhat revived in the region between 2001 and 2003. But that, and much more, was lost with the overthrow of Eduard Shevardnadze in Georgia, which was nothing less than a seminal event in the region.

Washington underestimated the shock waves that Shevardnadze's ouster produced. If, despite all that the wily Georgian had done for nearly two decades in the service of America's geopolitical goals, Washington could rubbish "Shevvy" just like that, then how could any Central Asian take America's friendship at face value? The so-called rose revolution reawakened doubts many had about American intentions in the region.

Within weeks, Uzbekistan — Central Asia's strategic hub — sought membership in the Shanghai Cooperation Organization. Furthermore, it asked to host an organizational summit in June 2004 in Tashkent, and requested that the Uzbek capital be picked as the home of the alliance's anti-terrorism

center. That same month, Uzbekistan signed a strategic partnership treaty with Russia — which Vladimir Putin is on the record as saying was brought forward on the personal initiative of Uzbek President Islam Karimov.

Since the June 2004 summit in Tashkent, the Shanghai Cooperation Organization has gone from strength to strength. It simply stepped into the geopolitical vacuum resulting from the collapse of American policy in the region — but it is important to note that the Shanghai Cooperation Organization did not engineer the collapse.

Today, the "Shanghai spirit" gives Central Asian states a newfound strength in facing up to challenges posed by color revolutions, terrorism, separatism and religious extremism. All this is thanks to the Shanghai Cooperation Organization, which, unlike Washington, has yet to make demands on their national sovereignty.

It is a pragmatic arrangement. Kyrgyzstan, for instance, can stand up to the United States and insist that an annual fee of \$2 million is a measly amount for the American military's use of the Manas air base. Without the alliance's call for a withdrawal of American troops from the region, the Kyrgyz government in Bishkek might not have mustered the political courage to stand up to Washington.

It is perhaps a sign of the alliance's maturity that at its summit earlier this month in Shanghai, there was no mention of American military bases in region. Last year it issued its demand for withdrawal against a crisis-ridden regional backdrop, including the so-called tulip revolution in Kyrgyzstan and the uprising in Uzbekistan's eastern Andizhan province. The alliance has since moved on, and now simply signals to Washington that it should not interfere in internal Central Asian affairs.

Beijing, too, reaps real strategic benefits from the Shanghai Cooperation Organization. By bringing in China's neighbors, the alliance helps Beijing keep a strict check on Uyghur activists in the restive Xinjiang region. Furthermore, China has successfully tapped the organization for stimuli to bilateral cooperation with Central Asian countries. Considering that until recently China loomed large in the Central Asian consciousness as a hostile power, the soft power that China wields today is extraordinary.

In general, for both China and Russia the alliance is a handy diplomatic lubricant, serving both as a clearinghouse of Chinese-Russian cooperation in Central Asia and as a reality check on their vaulting regional ambitions. But it is in the economic sphere that the Shanghai Cooperation Organization poses perhaps the toughest challenge to American interests.

Iranian President Mahmoud Ahmadinejad's presence at the alliance's summit this month likely heralds closer cooperation on energy issues between Tehran, Moscow and Beijing. This development could have a serious impact on the East-West balance of power. And whereas the United States failed to capitalize on its early entry into business activities in Central Asia — American companies stuck to select areas like oil, gas, minerals and cotton — the Shanghai Cooperation Organization is spearheading infrastructure and manufacturing projects that hold out the promise of both job creation and revenue generation.

Yet for all the economic and strategic potential the alliance holds for its members, it cannot easily transform into military alliance. The Shanghai Cooperation Organization is highly unlikely to become Eurasia's regional security umbrella — and as such, the only rationale for trying to label it an anti-American alliance is to deflect attention away from the flaws in Washington's Central Asia policy.

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#13

Discord at G8 Diplomats' Meeting

By Nabi Abdullaev

Moscow Times, June 30, 2006

For diplomats accustomed to papering over differences, the G8's foreign ministers sounded rather undiplomatic at the news conference following their meeting Thursday. Minutes before Foreign Minister Sergei Lavrov told reporters the meeting had avoided internal politics, U.S. Secretary of State Condoleezza Rice said the Kremlin's handling of the media and private groups had, in fact, been discussed. It was, perhaps, a prelude to the G8 summit in St. Petersburg, where U.S. President George W. Bush and other Western leaders may -- or may not -- rebuke Russia for abandoning democracy. Major outstanding questions are when and where that conversation will come up, and how Westerners, particularly Bush, will balance their criticism with cajoling Russia into supporting UN sanctions against Iran and other issues.

Rice said the meeting had included talk about "transition" problems, such as the Russian state's attempt to sideline independent news organizations and strict regulation of nongovernmental organizations. German Foreign Minister Frank-Walter Steinmeier backed up Rice. Both Steinmeier and Rice promised that their governments would be raising similar concerns in the near future, possibly referring to the upcoming summit. Canadian Foreign Minister Peter MacKay added that participants had "an honest discussion" about Belarus, Moldova and Georgia. Western leaders have sought to isolate authoritarian Belarussian President Alexander Lukashenko, whose main beneficiary remains Russia. And they have had concerns about separatist movements in the breakaway regions of Transdnestr in Moldova and Abkhazia and South Ossetia in Georgia.

MacKay, with other Western diplomats, sought to downplay tensions that might have surfaced during the meeting, saying the discussion of Russia's internal politics "was not a provocation." Also on Thursday's agenda was violence in the Palestinian territories and Iran's uranium-enrichment program. The foreign ministers called on Israel and the Palestinians to do everything possible to bring "calm" to the region. The current flare-up was ignited by the kidnapping of an Israeli soldier by a Palestinian extremist group tied to the Hamas-controlled government. (See story, page 9.) "We called on the countries to create conditions for providing security and returning to the negotiation process on the basis of the road map," Lavrov said, referring to the peace process.

Lavrov added that the foreign ministers were united in demanding the soldier's release. Iran, meanwhile, remains a multifaceted problem. Western leaders have said Iran wants a nuclear arsenal, an aim they say is unacceptable and must be stopped via the United Nations. Russia and China oppose sanctions. European leaders recently made Tehran a deal: In exchange for stopping uranium enrichment, Iran would receive economic aid and nonmilitary nuclear reactors. Iran, which has voiced tentative interest in the proposal, has yet to give a clear reply. After Thursday's meeting, the foreign ministers issued a joint statement.

"We are disappointed by the absence of an official Iranian response to this positive proposal," the statement said. "We expect to hear a clear and substantive Iranian response to these proposals" at the July 5 meeting between the European Union's foreign minister and Iran's nuclear negotiator. The G8 countries also called on North Korea, which is thought to have developed some nuclear arms, to return to disarmament talks with Russia, the United States, China, Japan and South Korea. And they sounded unanimous support for tracking down and bringing to justice those who kidnapped and murdered four Russian diplomats earlier this month in Iraq.

Rice also noted that Western diplomats had questioned Russia's reliability as an energy supplier and its use of its vast energy reserves as a foreign policy tool. Those concerns stem from Russia's move in January to turn off gas supplies to Ukraine after the two countries failed to hammer out an agreement on gas prices.

Ukrainian leaders have suggested the spat stemmed from Russia's ongoing anger with Ukraine's pro-Western government, which came to power in the 2004 Orange Revolution. Lavrov said he fully agreed with Rice that the oil and gas sector should adhere to market-based rules. But he added that not only reliable

suppliers but also reliable customers were needed. "We want to be confident that our reputation for being a reliable energy supplier that has never breached its obligations for a single cubic gram is appreciated," Lavrov said.

Other issues that came up at the meeting included the dormant conflict in Nagorno-Karabakh, Afghanistan and the need for better relations between Serbia and Kosovo.

#14

U.S. Catholic students clean up a Jewish cemetery in Belarus

By Yulianna Vilkos

JTA, June 29, 2006

KIEV, Ukraine, June 29 (JTA) — They don't see many Americans in the Belarusian village of Vselyub. Certainly not many with weed-whackers in their hands. So one hot afternoon earlier this month, village chairman Vasiliy Korol looked bewildered as he watched a group of American college students, helped by local schoolchildren, work to clean up the town's Jewish cemetery, abandoned since the Nazis killed the entire local Jewish population 65 years ago. Some 160 gravestones with Hebrew writing had been set upright, and now stood in the sunlight, surrounded by a freshly painted aluminum fence featuring a big Jewish star above the entry gate. Just a few days earlier, Korol said, this was an empty field where kids played soccer. And if that wasn't enough, Korol learned that none of these American visitors had relatives buried at the cemetery. They were students at a Catholic university in New York — the only Jew in the group was Michael Lozman, the 68-year-old New York orthodontist who organized the trip. "Why are you doing this?" was all the puzzled Korol could ask.

Lozman has been asked that question many times since he started bringing groups of American students to Belarus five years ago to restore abandoned Jewish cemeteries. "Somebody has to do it," he answers. "Thousands of Jews did not return home from Nazi camps and are not able to take care of their cemeteries anymore. But we want to restore what we can, so our children and grandchildren have a place to come back to, to connect with their past," he says. In 2001, Lozman cleaned up the Jewish cemetery in the Belarusian town of Sapeckin, where his grandparents are buried. Since then, he has arranged the restoration of five other Jewish cemeteries in Belarus as part of his nonprofit, Restoration of Eastern European Jewish Cemeteries Project. The work has been carried out by groups of American college students, Jews and non-Jews together. This year's project, Lozman says, is particularly significant for its interfaith dimensions. It's the first time he's brought an entirely non-Jewish group to the former Soviet republic — 10 students and two professors from Siena College near Albany, N.Y.

Ralph Blasting, Siena College's dean of liberal arts, supported the project but worried about finances. The students on Lozman's previous trips were sponsored by Hillel. The Siena students had to pay their own way and raise \$10,000 to cover the cost of the fence. Most of the donations came from private individuals, Blasting says. The students each paid \$2,300 to come to Belarus.

Senior Christopher Begley says the trip gave him the opportunity "to actually make a change." "When we walked in to what was supposed to be a cemetery, we saw maybe five or six stones, but by the end of the day we uncovered more than a hundred. It was a pretty amazing feeling," he says. Blasting and Diane Strock-Lynskey, a professor of social work at the college, neither of whom are Jewish, volunteered to accompany the group to Belarus at their own expense. "I had doubts whether this community would find it worthwhile for us to spend our time and money restoring an abandoned cemetery, or would they say, no, we want you to rebuild our school instead or fix something else?" Blasting recalls. The students, for their part, feared they wouldn't be welcomed in Belarus because of the country's authoritarian political regime. But the trip surpassed expectations.

Before the trip, a one-night homestay with local families was arranged for the American students. The village school also held a competition for the best essay on the Holocaust. "So it's not just the cemetery and not only interfaith relations that are important in this project, it's the bonds of friendship we make with the Belarusian people," Lozman says. According to Blasting, villagers — both adults and children — came to the cemetery every day during their weeklong stay, helping to fix the stones, clean up the brush and collect the garbage alongside the Americans. "They saw the writings in Hebrew on the stones we uncovered as evidence of a very vibrant Jewish community that once lived here but one day was taken away and never came back," he says. "Now, more than 60 years later, they could at least re-erect the tombstones and preserve the place that says there was once a Jewish community here." Blasting said the only two women in Vselyub who still remembered the Nazi invasion in 1941 shared their memories at the local school on the group's first day in the village. According to these eyewitnesses, there were 40 Jewish families in Vselyub when the war started. None survived. The huge cemetery that must have had several hundred tombstones before the war was used for burying Jews not only from Vselyub, but from neighboring villages as well, the Americans learned.

After the dedication ceremony, during which Lozman recited Kaddish at the restored cemetery, headmistress of the local school, Diana Tsverko, sounded uneasy when asked about her feelings. "To be honest, I feel ashamed we hadn't done this before," she said. "It's a great lesson for us in how to respect the dead, no matter what religion they were. I know that the Jewish community of Vselyub consisted mainly of shopkeepers and was respected by the villagers for its charity work. I now feel moved to build an archive and learn more about them." Lozman plans to continue his cemetery restorations for as long as the funding holds out. He already has three colleges interested in coming to Belarus next summer.

#15

Israeli president meets with Russian, European Jewish leaders Interfax, June 30, 2006

MOSCOW. June 30 (Interfax) - Israeli President Moshe Katzav has met with Vyacheslav Kantor, president of the Russian Jewish Congress and the European Jewish Fund, and the leaders of 17 European Jewish communities that are members of the fund, a spokesman for the Russian Jewish Congress told Interfax.

"The foundation will give top priority to making the [Jewish] communities stronger and to countering anti-Semitism. Seventeen Jewish communities in Europe have already joined the fund. Acting along with major philanthropists, they will establish a bi-cameral organization that will include the communities' heads and these philanthropists," the spokesman quoted Kantor as saying at the meeting.

Kantor also briefed Katzav on steps being taken to attract new donors in the fund's activities and to expand cooperation, including contacts with Jews in the United States.

A delegation of the Russian Jewish Congress recently paid a three-day visit to the United States to hold meetings with representatives of the Department of State, congressmen and philanthropists. The participants in the meetings backed the idea of creating a worldwide system to counter anti-Semitism and ethnic intolerance.

The fund will soon launch a project aimed at encouraging young activists to contribute to Jewish communities' life, Kantor said.

#16

Putin aide defends system of democracy in Russia

By Neil Buckley

Financial Times, June 29, 2006

The man considered the chief ideologist to Russia's President Vladimir Putin yesterday launched a robust defence of the country's democratic system and accused foreign critics of double standards.

In the most direct rebuff yet by Moscow of highly critical comments last month by Dick Cheney, US vice-president, and the increasing western criticism of Russia's "backsliding" on democracy, Vladislav Surkov, a deputy Kremlin chief of staff, accused Mr Cheney of "not properly understanding Russia". He also hinted at hypocrisy by the vice-president in disparaging Russia's political record and then visiting Kazakhstan, the former Soviet republic run by the authoritarian Nursultan Nazarbayev.

"When he was in Kazakhstan after criticising our democracy, he gave the highest rating to Kazakhstan's democracy," Mr Surkov told foreign journalists in a rare public appearance. "The Kazakh people are our brothers. But I will never agree that Kazakhstan has gone further in building democracy than we have."

Mr Surkov, an official who usually prefers to operate behind the scenes, is viewed in Russia as the Kremlin's political mastermind, creator of the dominant United Russia party and one of the main string-pullers in the country's system of "managed democracy".

In the 1990s he worked for Mikhail Khodorkovsky, the now-jailed former Yukos chief, and Mikhail Fridman, another "oligarch" who heads the Alfa Group, the financial and industrial concern, before joining the administration of President Boris Yeltsin. But Mr Surkov was scathing in his assessment of the oligarchs, businessmen who used their wealth to achieve political power, saying they damaged the country's development and produced a system by the end of the 1990s that in no way could be considered democratic.

"What are we backsliding from?" he said. "We are moving further and further away from this non-democracy."

Mr Surkov declined to recognise "managed democracy" as a description of Russia's political system - although Mr Putin himself was one of the first to use the term. Instead Mr Surkov suggested managed democracy was something other unnamed global powers were attempting to impose outside their borders.

"By managed democracy we understand political and economic regimes imposed by centres of global influence - and I am not going to mention specific countries - by force and deception," he said. Instead, Mr Surkov said Russia considered itself a "sovereign democracy", a term he has used in recent months as the foundation of an emerging Kremlin ideology.

"That doesn't mean anything special. It means that in building an open society we don't forget that we are a free society and don't want to be ruled from outside."

He added that Russia was tired of being treated as if it had lost the cold war. "We don't consider that we were defeated in the cold war. We believe that we defeated our own totalitarian system," he said. "It's clear to us that Moscow did far more to democratise eastern Europe and central Asia than Washington or London."

#17

Resurgent Russia prepares for convertible rouble

By Neil Buckley

Financial Times, June 29, 2006

Memories of Russia's default on \$40bn of domestic debt eight years ago, when people queued outside banks to withdraw roubles that were plummeting in value, have barely faded from the national psyche.

Yet, remarkably, with coffers swollen by oil selling at \$70 a barrel, Russia will tomorrow lift all currency controls on the rouble and make it fully convertible. Everyone will be able to move roubles freely out of and into the country, foreign and offshore investors will be able to open rouble bank accounts, and restrictions on rouble fixed-income investments will disappear.

It is a highly political and symbolic step. Brought forward by six months from the original deadline, it comes two weeks before Russia hosts the Group of Eight summit in St Petersburg, and days after the country reached agreement to pay off, ahead of time, its remaining \$22bn (¥17.5bn, J12.2bn) debt to the Paris Club of creditor nations.

The move will announce "that Russia is a serious global player," says Al Breach, research director at UBS in Moscow. "It has now graduated to being a normal, if not developed, at least upwardly developing, country."

Russia is saying "it is stable, it is open, and ready for money coming in".

The lifting of currency controls is also part of a campaign to burnish the rouble's once shattered image and challenge the dollar's supremacy - an economic parallel to Moscow's efforts to counterbalance US dominance in foreign policy.

Senior officials including President Vladimir Putin have even called for the rouble to become a reserve currency, to the surprise of international investors.

Russia's lower house of parliament has given preliminary approval to a bill slapping instant fines - their size not yet determined - on ministers and senior officials who quote figures in dollars that could be quoted in roubles. It would also stiffen fines on businesses displaying prices in foreign currencies, as many started to do during the hyperinflation in the 1990s that followed Russia's initial liberal reforms.

"The rouble is on the move," quipped Vladimir Zhirinovskiy, veteran ultra-nationalist leader in the Russian parliament. "Next stop, Berlin."

But rouble convertibility has strong fiscal underpinnings and big economic consequences. It is backed by \$250bn in foreign exchange reserves and \$70bn in a stabilisation fund stuffed with windfall oil tax revenues.

While the Putin administration's political record is under scrutiny ahead of the G8 summit - and rising oil and gas prices have been a massive stroke of luck - economists say its fiscal management has been exemplary.

The expected mushrooming of rouble bond, credit and debt markets should in turn help Russia move to the next stage of economic regeneration. It is shifting from recovery - improving productivity of existing industrial capacity - to investment-led growth through developing new capacity.

By enabling companies, and state and quasi-state entities, to fund investment in roubles, development of the domestic capital market could help Russia start renewing its decrepit infrastructure.

Convertibility should also enable Moscow to shift in two or three years from a monetary policy based on exchange rate management to an interest-rate managed policy, in line with most developed countries. That

was previously impossible since lack of confidence in the rouble made the dollar the main instrument of Russia's capital markets.

As always there are significant risks. Big inflows of funds could lead to an overheating economy or stoke inflation that, at close to double figures, Russia is still struggling to contain.

Analysts, however, note that the Russian authorities have scope to let the rouble, already up 4 per cent year-on-year against a basket of international currencies, appreciate further to offset the inflationary pressure. But a stronger rouble will make exports more expensive, increasing the pressure on Russian manufacturers already struggling to maintain competitiveness, even if their borrowing costs should be cut by convertibility.

As Deutsche UFG, another Moscow investment bank, points out, the reform also ups the stakes for Russia's economic policy makers: if they make a mess of things, mobile capital could desert the country en masse.

And yet, with the rouble rising and the ability before long to take roubles abroad and change them therefor local currency, convertibility could lead to a final important switch. Russians, many of whom have long favoured salaries in dollars, may start demanding that their employers once again pay them in humble roubles.

#18

Russia agrees to hold gas prices for Ukraine

By Roman Olearchyk

Financial Times, June 30, 2006

Officials in Kiev and Moscow announced on Friday that prices for natural gas supplied to Ukraine would not rise on Saturday, the deadline for reviewing prices set in a January accord that ended a price dispute and gas supply shortages that shook Ukraine and Europe just after the New Year.

The announcement has cooled fears that both countries could be heading towards a new price war that could repeat gas supply shortages seen before the January accord, which nearly doubled the price Ukraine pays for gas at \$95 per 1,000 cubic metres.

Gazprom officials have hinted in recent weeks that Ukraine might have to pay more for gas starting in July, but Alexander Ryazanov, deputy chairman of Russian gas giant Gazprom, told journalists that such a decision had been avoided.

Yury Yekhanurov, acting Ukrainian prime minister, said an agreement had been reached to keep the price steady for the third quarter at \$95 after negotiations were held with Russian colleagues and Swiss-registered RosUkrEnergo, which monopolises the supply of gas to Ukraine from Russia and Central Asia.

But Mr Yekhanurov conceded that his country, which has raised gas prices for domestic consumers this year by more than 80 per cent, might have to pay more for imports in the fourth quarter.

The announcement follows days of heated price talks between Russia and Turkmenistan, a major gas supplier in the region in addition to Russia. Turkmenistan has threatened to cut off supplies to Gazprom in September if the company doesn't concede to an increase in the price from \$65 to \$100 per 1,000 cubic metres.

A delegation of Ukrainian officials was in Turkmenistan on Friday seeking to strike a gas agreement independently of Russia. Ukraine, which consumes more than 80bn cubic meters of gas annually, controls a pipeline network which transports most Russian and Turkmen gas supplies to Europe.

Economists in the country, which is heavily dependent on fuel imports from Russia and Central Asia, fear that additional fuel price rises could prompt inflation to surge this year above an expected 10-12 per cent target. A Ukrainian government adviser said prices were expected to remain stable into autumn, when price bargaining could shift into higher gear ahead of colder winter periods.

These talks come a week after three main political groups in Ukraine agreed to form a coalition government, setting the stage for the return as prime minister of firebrand politician Yulia Tymoshenko, who has pledged to review the January gas accord with Russia, which yielded RosUkrEnergo monopoly control over gas supplies to Ukraine.

Her candidacy for the top government post was originally scheduled to be brought to a vote in parliament this week but was delayed as the country's leading opposition party blocked the podium in the legislature. Coalition members yesterday agreed to hold discussions on July 3 with Mr Yanukovych, who has criticised Ms Tymoshenko's promises to review the January gas accord.

#19

Ukraine: Opposition Blocks Parliament

By Steven Lee Myers

New York Times, June 30, 2006

Ukraine's main opposition party blocked Parliament from convening for a second time this week, raising doubts about last week's delicate compromise to form a governing coalition allied with President Viktor A. Yushchenko. Deputies from the Party of Regions occupied the chamber's rostrum, physically preventing a vote on a new prime minister and parliamentary speaker that has now twice been scheduled and postponed. They vowed to hold out for 30 days, forcing Mr. Yushchenko to call new elections, as required by law if a government cannot be formed. The party, led by Viktor F. Yanukovich, who ran against Mr. Yushchenko in the 2004 elections, is protesting the coalition's failure to offer opposition deputies positions on important legislative committees.