

WASHINGTON, D.C. February 13, 2009

TO: NCSJ Leadership and Interested Parties

**FROM: Richard Stone, NCSJ Chairman;
Alexander Smukler, NCSJ President;
Mark B. Levin, NCSJ Executive Director;
Lesley Weiss, NCSJ Director of Community Services and Cultural Affairs**



In Brief: Violence in Russia; "Resetting" relations

Dear Friend,

In recent years in Russia, the number of assaults and murders by skinheads and extremists – largely attacks on those with a non-ethnic Slavic appearance, including foreign students and guest workers from Central Asia and the Caucasus – has increased steadily. According to Moscow's Sova Center, 95 people were murdered and 428 were injured in bias-motivated attacks in Russia in 2008; and shockingly, since the start of 2009, at least 14 people have been killed in racist attacks.

The Russian government seems to be taking some notice. President Dmitry Medvedev told the Russian Interior Ministry last week to intensify its monitoring of what he called "the sharpening of social activity" and "the growth of extremist attitudes" in Russia's regions.

However, less than a week later, NCSJ learned that on the eve of the press conference where Sova released its annual report, a Sova professional received a message from the extremist "Combat Terror Group" threatening her life directly, and promising violence and the murder of journalists, lawyers, and human rights defenders.

While the increased frequency and visibility of hate crimes in Russia have begun to produce more consistent official responses against the perpetrators, many lower level and regional Russian law enforcement officials continue to dismiss hate crimes as "hooliganism", reduce penalties to fines, and suspend sentences.

NCSJ continues to urge the government to use the law on extremism – intended to fight hate crimes and violent xenophobia – to bring charges against the perpetrators of hate violence and to actively engage in the prevention, investigation, and prosecution of hate crimes.

This week, Vice President Biden delivered foreign policy remarks at a security conference in Munich. His statement on Russia, in which he called for "push[ing] the 'Reset' button and return[ing] to the various areas where we can and must cooperate," were positively received by Deputy Prime Minister Sergei Ivanov. (See attached articles.) As the U.S. and Russia move forward in resetting their relationship, we hope that combating anti-Semitism, extremism and xenophobia will be high on the list of areas of cooperation.

Sincerely,

A handwritten signature in black ink that reads 'Lesley Weiss'.

Lesley Weiss

NCSJ Director of Community Services and Cultural Affairs



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

NCSJ WEEKLY NEWS BRIEF
Washington, D.C. February 13, 2009

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JTA, February 12, 2009

#1a

Moldovan NGOs Warn Of Pre-Election Rights Violations

RFE/FL, February 6, 2009

A group of Moldovan NGOs said today that police are becoming increasingly active in "curtailing or helping curtail basic civil rights" ahead of the April 5 parliamentary elections.

Coalition 2009, which was formed to monitor election campaigning, strongly condemned an incident outside the Prosecutor-General's Office in Chisinau on February 3 when masked men attacked a peaceful human rights rally.

The NGOs said the police failed to protect the protesters and are directly responsible for the incident.

Coalition 2009 said this incident and others are clear examples of the increasing "regime brutality" ahead of the general elections.

On February 4, the U.S. Embassy in Chisinau asked Moldova's government to ensure fair election campaigning, free of intimidation, and with equal access to the media for all candidates.

#1b

U.S. Can Ship Afghan Aid Through Russia, Kremlin Says

By Ellen Barry

New York Times, February 7, 2009

Russia's foreign minister, Sergey V. Lavrov, said Friday that Russia had fast-tracked approval of a plan to allow the United States military to ship nonlethal equipment across Russian territory to Afghanistan.

"We gave our consent, literally, in 24 hours," he said. "We expect our American partners to provide a concrete request with the quantity and description of cargo. We shall grant the relevant permission as soon as it happens."

Russia has emphasized its desire to cooperate with the United States and NATO in Afghanistan since the announcement on Tuesday that Kyrgyzstan, a close Russian ally, will close the Manas air base, a critical link in supplying the war effort in Afghanistan. Losing access to the base is a serious setback to President Obama, who hopes to increase the number of troops in Afghanistan.

Both Russian and Kyrgyz officials have said Russia played no role in the decision to close the base. But it was announced in Moscow, just as Russia promised Kyrgyzstan \$2.15 billion in aid, and American officials concluded that Russia had encouraged the move.

Though Washington scrambled to dissuade Kyrgyz officials, the national security chief, Adakhan Madumarov, said Friday, "The fate of the air base is sealed."

Competing interests shape Russian policy on Afghanistan. The Kremlin is eager to ensure stability in the region out of fear that the heroin trade and Islamic extremism could spread across its borders. But many Russians also feel deep frustration at the presence of the United States military in former Soviet republics.

Mr. Putin said Russia was willing to discuss human rights abuses, but wanted Europe to admit its own shortcomings. He said Russia was “not satisfied” with the treatment of Russian-speaking minorities in new member states of the European Union. He added: “We know about the rights of migrants in Europe, and how they are violated. So please, Mr. Barroso, here is the answering hockey puck from the government of the Russian Federation.”

#1c

Jewish news site to cover Ukraine JTA, February 9, 2009

A new Jewish Web site based in Kiev will cover issues affecting Jews in Ukraine.

The Jewish Forum of Ukraine, concerned by the lack of definitive information concerning Jewish life and activities in Ukraine, announced plans to launch the site with the Jewish Foundation of Ukraine. Called Jewish Review, the site will provide analytical coverage of political, social and cultural developments.

“We are planning to provide a new definitive and analytical analysis and features on current events and issues of interest to Jewish people,” Arkady Monastyrsky, the leader of the two groups, told JTA. “The site will be live for the public and all ordinary Jews.”

#1d

Jews in Odessa, Vancouver connect JTA, February 9, 2009

Members of the Vancouver and Odessa Jewish communities connected via a live Web cast.

The Jewish Business Network in Vancouver, Wash., and Odessa Jews met via the World Wide Web on Sunday evening, the eve of Tu B'Shevat.

Vancouver participants learned about life in and the development of Odessa's Jewish community.

Children from the Ohr Avner Chabad Day School and the Good Family orphanage were among the Odessa Jews on hand at the hall of the Central Synagogue of the Chabad Shomrey Shabbos JCC of Odessa.

The initiative stemmed from Rabbi Shmulik Greenberg of Chabad of Clark County, who once lived and studied in Odessa.

Each year, the Jewish Business Network does something special for the children of the Good Family Orphanage. This year, the proceeds of its fund-raising efforts will help with expensive medical procedures for the children there.

Ukraine's economic crisis has given rise to a concomitant increase in the number of homeless children. Estimates of homeless children in Ukraine range from 100,000 to more than 3 million.

#1e

Kyrgyzstan: Vote to Close U.S. Base Is Delayed AP, February 10, 2009

Parliament will delay a vote on expelling American troops from an important air base until it receives a \$450 million down payment in aid and loans promised by Russia, a Kyrgyz lawmaker said Monday. The president of

Kyrgyzstan announced last week that he would close the base at Manas, which the United States military uses to send troops and cargo to Afghanistan. Kyrgyz and Russian officials have denied that the decision was related to a \$2.15 billion Russian aid package announced the same day. "We have decided to wait until the Russians send the money," the lawmaker, Absamat Masaliyev, a Communist member of Parliament, said Monday. The delay could allow the United States time to make a counteroffer.

#1f

Russia: Record Arms Sales in 2008

By Clifford J. Levy

New York Times, February 11, 2009

Russia exported \$8.35 billion in arms in 2008, a 10 percent increase over last year and a post-Soviet record, President Dmitri A. Medvedev announced Tuesday. Russia has typically sold more arms abroad than any country other than the United States. Mr. Medvedev praised the country's arms manufacturers, but warned that economic conditions would hurt future sales. "Obviously this year will be difficult because of the fact that the entire world is experiencing a financial crisis that will affect the volume of procurement," he said.

#1g

Jews attacked in Azerbaijan robberies

JTA, February 10, 2009

Twelve residents of a Jewish apartment block in Azerbaijan were hospitalized with injuries, including knife wounds, after a spate of robberies.

Azerbaijani officials are calling Monday night's robberies an "attack on the Jewish people" in the predominantly Muslim country.

The attacks occurred in the town of Sumqayit on the coast of the Caspian Sea, according to the AzerTopNews Web site.

There have been tensions between the country's small Jewish population and the Muslim majority at times when conflicts erupted between Israelis and Palestinians.

Ilgar Ibrahimoglu, the head of a prominent mosque in the region, denounced the attacks.

"Between our two peoples [Jewish and Azerbaijani], there has not and there will not be any misunderstanding, that we don't dream of acts of violence against the Jewish population of our country," he said.

Local officials convened an emergency meeting to address the violence and seek ways to find and punish the assailants.

#1h

Jewish attack rumors anger Azerbaijan rabbi

JTA, February 12, 2009

The head Chabad rabbi of Azerbaijan denounced reports of orchestrated attacks on Jews.

Rabbi Meir Bruk called the reports by the PanArmenian news agency a concerted campaign to drive a wedge between Israel and Azerbaijan.

On Tuesday, the news agency reported that several apartments where Jewish families live in the coastal town of Sumgait had been robbed and their residents attacked.

The article, the most viewed on the agency's site, quoted the city's head imam denouncing the attacks and attributed the quote to AzerTopNews, a news portal that has since ceased to function. JTA also reported Tuesday that the attacks had occurred and cited the imam's comments, which are now being called into question.

The imam could not be reached for comment on Thursday.

In subsequent statements, the Interior Ministry of Azerbaijan and the local police in Sumgait denied reports by the Armenian news agency, saying there were no organized efforts to attack Jews in the country. A spokesman for the Jewish community in Baku, Azerbaijan's capital, confirmed their assertions.

The original report on the PanArmenian Web site carried the provocative title, "Are the Jewish pogroms beginning again in Sumgait?"

Azerbaijan and Armenia have a history of tense relations, which are most evident in the tumultuous Nagorno-Karabakh region where both countries still maintain an armed presence. A predominantly Muslim country, Azerbaijan is home to thousands of Jews, mostly in Baku. Armenia, a majority Christian country, is home to some 200 Jews.

Bruk said that Iran and Armenia had tried to stoke conflict between Azerbaijan and Israel by playing up Azerbaijani sympathies for the Palestinian cause.

"For the Jews in Azerbaijan, there is no problem. We are loved and respected," Bruk said. "The spread of such information is intended to damage our relationship. No one should yield to provocations of their enemies."

Marina Ananykyan, the head editor of PanArmenian, told JTA that political provocation was not the agency's intention, though she said they had not been able to confirm any more details of the Sumgait attacks.

Ananykyan said her agency had never used AzerTopNews as a source for stories and did not know why the site closed down the day after the attacks.

#1i Protester in racist march cleared in Vilnius JTA, February 10, 2009

A participant in a racist march was cleared of incitement charges in Lithuania, a Jewish watchdog group said.

Arturas Pazarskis was caught on video marching through the streets of Vilnius, the capital, and chanting racist slogans on March 11, 2008, according to a monitor for the Union of Councils for Soviet Jews.

The marchers wore military uniforms, carried flags with swastikas, and chanted nationalistic, anti-Russian and anti-Semitic slogans.

The court ruled that the slogan "Lithuania for Lithuanians" was not racist since it could be construed to mean that the country belongs to all its people.

Witnesses at the march said that participants also shouted "Juden Raus" and "Hang the Jews," slogans that would have led to a conviction.

At the time, Lithuanian President Valdas Adamkus apologized for allowing the march, saying it had brought shame on his country.

#1j

Russian Police Readies To Fight Crisis-triggered Crime Rise

Itar-Tass, February 6, 2009

Russian police and security brass will meet on Friday to discuss measures that would prevent crime rise caused by the economic crisis and a wave of dismissals.

Police leadership has numerously voiced concern in this connection, as research shows that a one-percent unemployment growth triggers a five-percent crime rise, according to the interior ministry.

"So far there are no grounds for concern and no outburst of crime has been reported in the country," the ministry said.

Deputy Interior Minister Yevgeny Shkolov told Tass hate or extremist crimes continue to grow.

"Forecasts confirm that the negative trend in extremist manifestations will continue," he said.

The number of hate crimes upped by a third last year. "Extremism is becoming a major social phenomenon and its destructive potential is equal and sometimes exceeds the terrorist threat. Youth is radicalizing, movements of sport fans and various Nazi groups are getting strength, attacks on people of non-Slavic appearance continue," Shkolov said.

The Friday meeting will also discuss a new anti-corruption strategy. "Corruption is a very diehard phenomenon and it is vitally important to decrease the number of cases of corruption. We have to create around corrupted officials such an atmosphere when taking bribes will be unprofitable," he said.

#1k

U.S. Under Secretary of State Burns: Ukraine and Georgia are not ready for membership in NATO

Interfax, February 12, 2009

The new U.S. administration thinks that Ukraine and Georgia are not ready for membership in NATO.

"Any country that wishes to be a member of NATO, including those two (Ukraine and Georgia), has to meet the requirements for membership. Today, Ukraine and Georgia are not ready for NATO membership," U.S. Under Secretary of State William Burns told Interfax on Thursday.

He said that as any sovereign nations "Ukraine and Georgia have the right to membership in NATO" but added that "membership is a complicated and time-consuming process that deserves to be handled carefully".

"In the meantime, the United States is committed to close ties between NATO and those two countries through bilateral commissions that have recently been created," Burns said.

#2

Medvedev Directs Interior Ministry to Monitor 'Growth of Extremism' in Russia's Regions

By Paul Goble

Window on Eurasia, February 6, 2009

President Dmitry Medvedev told the Russian interior ministry today to intensify its monitoring of what he called "the sharpening of social activity" and "the growth of extremist attitudes" in Russia's regions because such extremism can under certain conditions play an even more "destructive role" than terrorism.

In remarks to the leadership of that ministry, Medvedev went on to say that because of the global crisis in which Russia finds itself, unemployment and other social problems inside the country are intensifying, and in

this situation, there is the risk that "there will appear [individuals and groups] who want to speculate or exploit the situation" (www.nr2.ru/society/219252.html).

Lest that danger happen or the situation deteriorate on its own, it is critical, Medvedev said, that the ministry "carry out continuous monitoring," especially with regard to youth movements where he suggested extremism is "gathering force" – especially among various "fascist-type groups [who] continue to attack persons who have a non-Slavic appearance."

On the one hand, this directive is not only reasonable given the rising level of tensions in Russia's regions and the greater activism of some radical groups but also welcome, especially if monitoring by the interior ministry provides the basis for giving greater protections to non-Russians who have been subject to ever more attacks in recent days.

But on the other, there are at least three reasons why Medvedev's order to the interior ministry may have some extremely negative consequences. First, the president's words not only reflect but all too obviously reinforce the failure of many Russian officials to make a clear distinction between legitimate public protest and extremist threats.

By continuing to conflate the two or at least appearing to do so, Medvedev whether he intended this or not encourages those Russian officials and the Russian people more generally to view all public protest as extremist and thus deserving of the same kind of crushing response that the government has always sought to visit on those it classifies as terrorists.

That in turn means that in many part of the country, the Russian leader's words will send a chill through Russia's still fragile civil society even as they encourage those interior ministry officials who, history suggests, in many cases believe that repressive action is the government's best response to any demonstration.

Second, there is a precedent for concluding that this call for monitoring will soon lead to more active measures: In November, Medvedev called for greater efforts by the force and finance structures, including representatives of the interior ministry, the FSB and the Central Bank, and very soon these structures viewed that as a mandate to act.

And third, interior ministry officials are more than eager to go along with both what Medvedev ordered and what they believe his words mean. As one ministry official told the New Region news agency today, the evidence the ministry has gathered so far "confirms that the negative dynamic of extremist manifestations [in Russian society] is continuing.

Those words suggest at the very least that the interior ministry is already doing the kind of monitoring that Medvedev said he wants to see begun, and that in turn means that Medvedev almost certainly was asking for rather more interventionist tactics, albeit in a way that will allow him a certain plausible deniability if things go wrong.

Beyond any doubt, the Kremlin and the Russian White House are worried about what is going on in the regions, and it is thus extremely interesting that Medvedev's remarks came on the heels of the publication of maps showing the assessment of the expert communities on just where the danger of popular explosions is greatest.

Those maps, which are available online at www.nr2.ru/fareast/218898.html, suggest that in the opinion of some of Moscow's top experts, the most "explosive" regions are those in the Urals, Siberia, the Far East and the North Caucasus. Significantly, while the first and last of these primarily involve non-Russians, the others are almost exclusively "Russian" problems.

But if Moscow is forced to try to suppress all such protests, at least one Moscow observer said today, it may face real problems. According to Sobkorr.ru commentator Sergey Petrunin, there are indications that the Russian government in examining the situation may soon decide to shift from sticks to carrots (www.sobkorr.ru/news/49893A9ED5E1E.html).

The reason? According to Petrunin, as a result of the economic crisis and budgetary shortfalls, "there is no money to support to the extent necessary the repressive machinery – the militia, the judges and the jails...And protest activity is increasing." Thus, the same forces leading to public protests could prompt officials to refrain from taking tough against them.

At the very least, Petrunin said, it may already help explain some government proposals such as one that would allow the accused in criminal trials to negotiate with prosecutors for lesser sentences in return for cooperation. Many, especially outside of Russia, would view that as a liberalizing move.

But in fact, such steps likely represent less a desire to move toward a law-based state than the lack of resources the regime has at its disposal even for its guardians and, although Petrunin does not mention it, the possibility that some officials there may fear that they might give an order that would not be obeyed, the worst nightmare they and the regime could face.

#3

Criticized, Putin Says Europe Has Rights Abuses of Its Own

By Andrew E. Kramer

New York Times, February 7, 2009

Prime Minister Vladimir V. Putin responded Friday to a European official's criticism of what appeared to be several contract killings here by saying rights abuses occurred in Western Europe, too, citing the ill treatment of migrant workers.

With that, Mr. Putin told the official, the president of the European Commission, Jose Manuel Barroso, that the "hockey puck" was back in Europe's zone on the issue of human rights abuses.

Even as Russia and Europe work toward better understandings on trade and energy, European Union officials say lapses in the rule of law and democratic norms remain major stumbling blocks to improving relations.

At a joint news conference with Mr. Putin late on Friday, Mr. Barroso said he had raised the issue of contract murders during a meeting that day with the Russian president, Dmitri A. Medvedev. At that point, Mr. Putin interjected his comments about Europe's human rights problems.

Two recent deaths have drawn wide attention. Stanislav Y. Markelov, 34, a human rights lawyer, and Anastasia Baburova, 25, a reporter, were shot dead by a man with a silencer-equipped pistol on a busy Moscow street last month. The gunman escaped.

Ms. Baburova, a freelance journalist for the newspaper Novaya Gazeta, was its fourth reporter to be killed in a contract-style attack or under mysterious circumstances in recent years.

In November, Mikhail Beketov, a journalist for a suburban Moscow newspaper who was campaigning against what he called local corruption, was beaten into a coma and has yet to recover. In recent months, two former Chechen officials have been killed in Moscow, and last month in Vienna, a former bodyguard of the Chechen president was killed after filing a complaint against him with the European Court of Human Rights.

Mr. Putin's response to Mr. Barroso stood in sharp contrast to a gesture last week by Mr. Medvedev, who met with the editor of Novaya Gazeta and expressed his "deepest sorrow" over the reporter's death.

At the news conference on Friday, Mr. Barroso said: "In public opinion there is some concern regarding some recent events that happened in Russia. Namely, the murder of some journalists and some rights activists."

#4

Activists: Russian reporters under neo-Nazi threat AP, February 12, 2009

Journalists, activists and others who have lost colleagues in high-profile slayings may face even more danger as Russia's neo-Nazis seek new targets, a hate-crimes expert said Thursday.

Hate attacks have risen steadily in Russia in recent years, with skinheads mostly targeting non-Slavs from Central Asia and the Caucasus. They have become so commonplace that neo-Nazis are looking for new quarry, said Galina Kozhevnikova, deputy director of Sova, a group that monitors hate crimes.

"As people begin to get used to such things, as horrible as that sounds, they will come up with new ways" to attract attention, Kozhevnikova said. Efforts by officials to keep racist attacks under wraps with the help of loyal media is also pushing skinheads to seek new kinds of victims, she said.

Stanislav Markelov, a human-rights lawyer who fought the release of a military officer convicted of killing a Chechen woman, was gunned down in Moscow last month along with a journalist, Anastasia Baburova. Racist groups cheered Markelov's killing in Internet chatter, though it is unclear whether they were behind it.

Kozhevnikova said she received an e-mailed threat Sunday warning her to "get ready" to join Markelov. The message also claimed neo-Nazis would target journalists, lawyers and others in the coming months because such killings get more attention than slayings of non-Slavs, Kozhevnikova said.

Attacks on the groups singled out could be "the next step in the development of this terror," she said.

#5

Medvedev revives rights council after criticism AFP, February 11, 2009

Russian President Dmitry Medvedev has revived a council of human rights advisors, the Kremlin said, following a series of prominent murders and sharp criticism from the West.

Activists applauded his decision to reconstitute the council but asked why the body had been allowed to lay dormant since Medvedev took over the presidency from Vladimir Putin in May.

The President's Council for the Promotion of the Institutes of Civil Society and Human Rights was created Putin in 2004 to improve the often-strained ties between the government and civil society.

"There is nowhere where receiving the advice of such a council does not -- for the development of the government and the formation of civil society -- help to unite people with different positions," Medvedev said.

"For us these processes (of creating a civil society) have proceeded in a very difficult manner," he added in comments published late Tuesday on the Kremlin website.

Several of the members of the 36-member council complained in the press Wednesday that Medvedev had allowed it to languish by refusing to confirm its members.

"Why was he vacillating on this all year?" asked council member Svetlana Ganushkina in the Kommersant newspaper. "All year there was no council, or more precisely, the council was in a state of dormancy."

But council leader Ella Pamfilova told Kommersant that it was important for civil society to work with the authorities during the current financial crisis and "divide the responsibilities between us and solve problems together."

Last month prominent Russian rights lawyer Stanislav Markelov, 34, and 25-year-old reporter Anastasiya Baburova were gunned down in central Moscow in broad daylight after leaving a news conference.

EU Commission President Jose Manuel Barroso expressed concern about the murders during a meeting with Medvedev last week, prompting a sharp response from Prime Minister Putin, who criticized the EU on its human rights record.

The reformation of the council comes after Medvedev held an unexpected meeting last month with ex-Soviet leader Mikhail Gorbachev and the editor of the Novaya Gazeta newspaper over the murders of Baburova and Markelov.

#6

Crisis May Spawn Attacks

Moscow Times, February 12, 2009

Fascist and skinhead groups will use the economic crisis as an excuse for xenophobia and racist violence, even though no increase in attacks has been detected, according to a report released Wednesday.

The Sova Center, which tracks racist violence, said in the report that at least 14 people have been killed in racist attacks since the start of 2009, a figure in line with violence over the same period last year.

But skinheads and other groups espousing xenophobia have gained clout, evolving from a backwater subculture to an influential movement, said Galina Kozhevnikova, the author of the report.

Young people have started joining nationalist groups seeking employment, and the groups appear to be well-funded, she said.

The report says pro-Kremlin youth groups are of concern because of their use of anti-migrant slogans, noting that one of them, Young Guard, held a rally under the banner "Our Money for Our People" last October. It says rallies like these may legitimize racism in society.

Young Guard denied promoting xenophobia and called the Sova report "a political provocation." "We just want to say that it is necessary to take care of Russian citizens, not migrant workers, during the financial crisis," said a senior official with the group, Andrei Tatarinov.

Sova said racist attacks killed 97 people and injured 428 others last year, compared to 85 killed and 605 injured in 2007.

#7

Rights group sees slight rise in Russia hate crime

AP, February 11, 2009

The number of hate crimes rose in Russia last year as the global economic crisis fueled xenophobic feelings but higher conviction rates kept the number from going higher, a human rights group said Wednesday.

Galina Kozhevnikova, deputy head of the Sova group, which monitors hate crimes in Russia, said 97 people were killed and 525 wounded in apparent hate crimes.

The rise in xenophobic attacks seems to have slowed in recent years thanks in part to more convictions but the problem threatens to become more deeply entrenched because of Internet organizing, she said.

Neo-Nazi groups are growing and co-ordinating their often fatal attacks with the help of the Internet, she said. Ultrationalist thugs enlist thousands of supporters in cyberspace via Internet

forums and chat rooms, she said.

"Neo-Nazis and skinheads are a subculture that has turned into a movement," Kozhevnikova said at a news conference Wednesday.

Most victims in 2008 were dark-skinned, non-Slavic migrant laborers from Central Asia and the Caucasus. The previous year saw 86 killed and 599 wounded in a spike from years past, according to the report. Most attacks involve multiple stabbings.

Nationalist and neo-Nazi groups mushroomed after the 1991 Soviet collapse as a dramatic economic decline spread social frustration, particularly among youths.

Kozhevnikova praised police for a crackdown on nationalist groups that resulted in 114 convictions for hate crimes last year.

In the past, Russian police have been criticized for downplaying the issue and classifying many race-related attacks as simple acts of hooliganism.

Russian Interior Minister Rashid Nurgaliyev said Tuesday that some 200,000 members of "extremist youth groups" in Russia are increasingly involved in committing violent crimes and organizing terrorist attacks, Russian news agencies reported.

The Moscow Bureau for Human Rights estimated there were 70,000 neo-Nazis in Russia today, compared with a few thousand in the early 1990s.

Kozhevnikova said the ongoing economic crisis stokes latent xenophobia and nationalist sentiments among average Russians. The nationalist groups will "use the crisis as an excuse to justify their crimes," she said.

She also expressed concern about pro-Kremlin youth groups that use openly racist and nationalist messages in their government-sponsored campaigns.

Hundreds of members of Young Guard, a youth wing of the dominant Kremlin party United Russia, rallied in Moscow in recent months to demand expulsion of millions of non-Russian labor migrants and called on authorities to ban them from entering Russia in 2009.

"They legalize racist slogans and practices," Kozhevnikova said.

#8

Biden Signals U.S. Is Open to Russia Missile Deal By Helene Cooper and Nicholas Kulish New York Times, February 8, 2009

Vice President Joseph R. Biden Jr. said Saturday that the United States will pursue a missile defense plan that has angered the Kremlin, but he also left open the possibility of compromise on the issue and struck a more conciliatory tone than the Bush administration on relations with Russia.

"It is time to press the reset button and to revisit the many areas where we can and should be working together with Russia," Mr. Biden said in a speech at a security conference here attended by global leaders and diplomats.

Deputy Prime Minister Sergei B. Ivanov of Russia on Sunday said that Mr. Biden's remarks were "very positive," Reuters reported.

The highly anticipated speech, seen as the first major outline of the new administration's relations with the world, came just days after Kyrgyzstan's president announced a decision to close a United States base there

that is crucial to the war in Afghanistan, which President Obama has made his top foreign policy priority. That announcement was made in Moscow, and many American officials concluded that the Russians had pressured Kyrgyzstan as part of their campaign to reassert control over former Soviet republics.

Some Western diplomats had expected Mr. Biden to announce a strategic review of the planned missile defense system as a way to defuse tensions between Washington and Moscow. Although Mr. Biden did not go that far, he did leave room in both the speech — and an interview afterward — for unspecified changes in the plan put forward by the Bush administration.

“We will continue to develop missile defenses to counter a growing Iranian capability, provided the technology is proven and it is cost-effective,” Mr. Biden said during the speech.

Foreign policy experts said that the Obama administration was most likely averse to making any outright concessions on the antimissile system just days after the Kyrgyz announcement, fearing it could be interpreted as a sign of weakness. Mr. Biden, they said, seemed to be balancing the need to appear firm with the administration’s hopes to reverse the several-year slide in American-Russian relations. Russian cooperation is considered important to American attempts to keep Iran and North Korea from continuing with their nuclear programs.

The missile defense plan as it had been envisioned by the Bush administration would place missile interceptors in Poland and a radar system in the Czech Republic. The Russians balked at the placement so close to their border, saying it was proof that the system was meant to combat their nuclear arsenal, rather than a missile threat from Iran as President Bush had said. Mr. Biden did not say in his speech where he expected the system to be based.

In an interview after the speech, Mr. Biden declined to say what changes might be considered. “What I did say in the speech is that we would consult with our European allies as well as consult with the Russians,” he said.

A top Obama administration official who spoke on condition of anonymity because of the delicacy of the issue said that the administration had not yet reached the point of discussing whether it could, or would, move the missile defense sites to other countries.

The Russian reaction to Saturday’s speech was quick, and favorable. Konstantin Kosachev, chairman of the international affairs committee in the Duma, the lower house of Parliament, said in an interview that he welcomed Mr. Biden’s comments about “a need to listen to partners,” which Mr. Kosachev contrasted with Mr. Bush’s approach “that everything is already predecided, everything is clear and should be done the way the American administration thinks about it.”

Mr. Kosachev said the new stance would make it easier to reach agreement on many issues, including the antimissile dispute.

Mr. Biden also indicated that the United States would take a nuanced approach toward Iran. He suggested that the administration was willing to be more conciliatory than Mr. Bush had been, but also to continue his tough policies if necessary.

“We are willing to talk to Iran,” Mr. Biden said, in a departure from the Bush administration. But the vice president quickly tacked back to a refrain common during the last years of the Bush presidency and spoke of offering Iran’s leader a choice: “Continue down your current course and there will be pressure and isolation; abandon the illicit nuclear program and your support for terrorism, and there will be meaningful incentives.”

Iran contends its nuclear program is for generating energy; many Western countries see it as a screen for a nuclear weapons program.

It was unclear if Mr. Biden’s refusal to take a clear step back on missile defense Saturday was part of a bargaining strategy in the elaborate chess game being played between the former cold war enemies.

In recent weeks, Russia's leaders have sent mixed messages: offering kind words about Mr. Obama, then suggesting that the United States would need to do more to win Russia's support — including addressing complaints about American plans to expand NATO and ending plans for the antimissile defense system as it was conceived by Mr. Bush.

The Kremlin's relationship with Washington became increasingly frosty in the last several years as Russia began to try to reclaim some of its old power and chafed at what it saw as Bush administration attempts to stymie its efforts. The relations hit a low point during the brief war last summer between Russia and Georgia, an American ally, over the breakaway regions of Abkhazia and South Ossetia. The Russian president, Dmitri A. Medvedev, later recognized the independence of the two enclaves.

On Saturday, Mr. Biden rejected the notion of a Russian regional sphere of influence and said that Mr. Obama would continue to press NATO to seek "deeper cooperation" with like-minded countries.

Although his language was tempered, Mr. Biden said, "We will not agree with Russia on everything.

"For example," he said, "the United States will not recognize Abkhazia and South Ossetia as independent states. We will not — will not — recognize any nation having a sphere of influence. It will remain our view that sovereign states have the right to make their own decisions and choose their own alliances."

Mr. Biden's remarks came a day after Mr. Ivanov told the same group that Moscow would not deploy missiles on the Polish border if the United States reviewed its missile defense plan. Just after Mr. Obama won the presidency last year, Mr. Medvedev promised to place short-range missiles on Russia's western border if Washington proceeded with its planned missile defense system in Eastern Europe.

But chances for a clear reconciliation between the United States and Russia at this conference dissipated, foreign policy experts said, after the announcement on the Kyrgyz base. Mr. Obama plans to send as many as 30,000 additional troops to Afghanistan over the next two years; shaky overland supply routes through Pakistan would make it difficult for the United States to adjust to the loss of the base.

During the interview Saturday, Mr. Biden said that the United States would find an alternative to the air base. "We have other options," he said, but he did not elaborate.

Mr. Biden's speech was the highlight of the security conference. Most of the dignitaries who were gathered seemed primed to hear how the United States and its new leadership viewed the world. They erupted into applause when Mr. Biden walked onto the stage.

It was at this security conference two years ago when the new tension between the United States and Russia leapt to the fore as Vladimir V. Putin, then Russia's president, lashed out against the United States over its use of force in Iraq.

#9

Moscow Welcomes 'Reset' of U.S. Ties

By Nikolaus von Twickel

Moscow Times, February 9, 2009

The administration of U.S. President Barack Obama has made a first crucial step toward breaking the ice between Washington and Moscow, winning carefully worded approval from the Russian government.

Vice President Joe Biden told an annual security conference in Munich this weekend that relations with Russia would be given a new start, signaling a break with the presidency of George W. Bush, which saw ties spiraling to post-Cold War lows.

"It is time to press the reset button and to revisit the many areas where we can and should be working together with Russia," Biden said Saturday, according to a transcript published on the U.S. State Department's web site.

Biden was speaking at the same conference where two years ago then-President Vladimir Putin harshly attacked Washington's foreign policy. Putin's "Munich speech" later became synonymous with the Kremlin's growing assertiveness and troubled ties with the United States.

Deputy Prime Minister Sergei Ivanov said Sunday that Biden's speech was very positive and that he most liked the comments about "restarting the button."

But, asked at the conference whether Russia would also take a step toward breaking the ice, Ivanov said, "This is not an oriental bazaar, and we do not trade the way people do in a bazaar," news agencies reported. He spoke after meeting Biden earlier in the day.

A Kremlin spokesman said Sunday that President Dmitry Medvedev would not comment on Biden's speech.

While Biden reached out to Moscow in his highly anticipated speech, which provided the first outline of the new administration's foreign policy, he did not offer any major concessions.

"We will not agree with Russia on everything. For example, the United States will not recognize Abkhazia and South Ossetia as independent states," he said in reference to Georgia's breakaway republics that Moscow recognized as independent after a five-day war last August.

"But the United States and Russia can disagree and still work together where our interests coincide," Biden said.

The vice president also did not back down on the most bitter dispute with Moscow: U.S. plans to deploy elements of a missile defense shield in Central Europe. Washington "will continue to develop missile defense to counter growing Iranian capability, provided that the technology is proven and that it is cost-effective," he said.

He did, however, say the United States would consult with its allies and Russia.

Obama has questioned the feasibility of the missile shield, which would be partially based in Poland and the Czech Republic.

Moscow has described the plans as a threat to its own security. The day after Obama was elected president, Medvedev announced that Russia would place Iskander missiles in Kaliningrad, near the Polish border.

Ivanov took a more conciliatory tone in his conference speech Friday, reiterating that Russia would not deploy its Iskanders if the United States rethought its missile plans.

The election of a new U.S. president has led to a "window of opportunity," Ivanov said.

Speaking to reporters later, he said, "It is obvious that the new U.S. administration has a very strong desire to change, and that inspires optimism."

His comments were echoed by Konstantin Kosachyov, chairman of the State Duma's International Relations Committee. Biden's speech "was really a serious call to restart U.S. foreign policy including, clearly, Russian-American relations," he said in televised comments.

Despite widespread expectations of Washington moving toward a softer path, Moscow continued to send mixed signals to the Obama administration as late as last week.

Washington expressed concern about new reports that Russia was stepping up preparations to open military bases in Abkhazia. And Kyrgyzstan announced that it would close a key U.S. air base, which Washington said was the result of pressure from Moscow.

Speaking in Munich, Ivanov reiterated earlier Russian denials that Moscow had anything to do with the base closure, calling it "the decision of a sovereign state."

The Manas air base serves as a supply hub for U.S. military operations in Afghanistan.

Biden also struck a friendlier tone on Iran, stressing that Washington was willing to talk directly with Teheran over its nuclear program.

Ivanov said this would be welcomed by Moscow.

Alexei Malashenko, an analyst with the Carnegie Moscow Center, said that while Biden's speech was a clear attempt to create a new atmosphere, not everyone in Moscow might be ready for this.

"There are hard-liners among the security services and the military who will continue to push a confrontational agenda and to lobby for higher budget spending in their sectors," Malashenko said.

He said Prime Minister Putin and his team would probably continue to follow a hawkish course toward the West — especially during the economic crisis. "They have blamed the United States for [the crisis], so they need that course," he said.

#10

A Russia Reality Check

By Fred Hiatt

Washington Post, February 8, 2009

As European leaders listened joyfully here to the Obama administration's first expressions of foreign policy, nothing pleased them more than Vice President Biden's vow "to press the reset button" in relations with Russia.

When it came to Russia, the mood among the premiers, foreign ministers and other pooh-bahs gathered for the annual Munich Conference on Security Policy was: Why can't we be friends?

Over the past year, Russia has invaded the sovereign state of Georgia, parts of which it continues to occupy; cut off natural gas to parts of Europe during the depth of winter; sold weapons to Iran and Venezuela; and otherwise made itself disagreeable. As with issues involving Iran, the Middle East, Afghanistan and elsewhere, many Europeans, and some American participants, too, seemed to hope that, with George W. Bush gone, maybe the thorniest problems involving Vladimir Putin would melt away, too.

Biden, to his credit, did not indulge any naive hopes, with regard to Russia or foreign policy in general. He cheered everyone with promises of "a new day" but warned U.S. allies that President Obama would be asking "for more from our partners, as well." The new administration would have its differences with Russia, he said, most notably by opposing "any nation having a sphere of influence."

But his overall tone on Russia was hopeful, as he promised that the administration would "revisit the many areas where we can and should be working together with Russia." That left many of his listeners hoping for a "grand bargain" that would mollify the Russian bear.

It's certainly worth trying for improved relations -- British Foreign Secretary David Miliband noted after Biden's speech that Russia's "incentive to be a partner" may be greater now that oil prices have fallen so precipitously -- but also worth asking what such a bargain might entail.

The West's wish list is long: for starters, Russian help in fighting terrorists, defeating the insurgency in Afghanistan, corralling loose nukes, and restraining the nuclear ambitions of North Korea and Iran.

Almost since the Soviet Union collapsed more than 17 years ago, U.S. officials have been telling themselves that cooperation in such areas is graspable because their goals should be Russia's goals, too: Russia, they say, can't want fundamentalist insurgency to its south or new nuclear powers along its borders. For just as long, the Russians have not acted as though they are so sure their interests coincide: Sometimes they have helped, sometimes sabotaged, often promised just enough to keep the Americans begging for more. The past few days offered a typical performance: expressing sympathy for U.S. goals in Afghanistan while persuading Kyrgyzstan to boot U.S. forces out of an air base crucial to the Afghan war effort.

So what might Russia want, as distinct from what Americans think it should want? Deputy Prime Minister Sergei Ivanov, speaking to the conference the day before Biden, talked mostly about arms control, including the START treaty that the Bush administration had no interest in and that will expire in December. Faced with an American president committed to the treaty process and to the goal of reducing nuclear arms, the Russians may lose some of their enthusiasm. But it is certainly worth finding out.

Many of the Europeans here talked in oddly psychological terms, as if what Russia wants most is respect, understanding for its fall from empire, indulgence of its irrational fear of encirclement. If so, all the better; of course Russia should be treated with respect.

It seems more likely, though, that Russia is acting more on what it perceives as its interests than out of accumulated hurt feelings. And unfortunately, it seems to view its interests as exerting or maintaining control over neighboring states. That's why leaders here from Poland, Estonia and other Russian neighbors seemed more skeptical than Western Europeans of the possibility of warming relations.

Russia wants to derail a NATO missile-defense project directed at Iran, not because the deployment would threaten Russia or its nuclear arsenal -- it would not -- but because the system would be deployed in Poland and the Czech Republic, two former Warsaw Pact nations.

It wants to keep Georgia and Ukraine out of the European Union or NATO, because both countries used to be part of the Soviet Union. It does not want Europe building a natural-gas pipeline toward Azerbaijan and the Caspian Sea, because that would threaten Russia's monopoly position, with which it enhances its political influence.

If such goals are at the top of Russia's wish list, then a grand bargain may prove more elusive than many people, on both sides of the Atlantic, hope. Though a serious diversification policy remains a distant goal, this winter's gas cutoff, the second such episode, seems to have convinced a good number of European officials that remaining at Russia's energy mercy is not the wisest idea.

And if some Western Europeans hoped that Obama might be more willing than his predecessor to sacrifice the interests of Russia's small neighbors to the West's larger strategic interests in Iran or elsewhere, Biden seemed to close that door yesterday.

"It will remain our view," the vice president said, "that sovereign states have the right to make their own decisions and choose their own alliances."

#11

U.S.-Russia Relations after Manas: Do Not Push the Reset Button Yet

By Ariel Cohen

Heritage Foundation, February 10, 2009

Vice President Joe Biden suggested at the Munich international security conference that America push "the reset button" on relations with Russia. The Obama Administration, however, needs to proceed with caution and not allow Moscow to pocket gains it has recently made in Eurasia. An improvement in U.S.-Russian relations is desirable, but a "carrots and flowers" approach to the Kremlin will not work.

Since the war with Georgia last August, Russia has been on the offensive across Eurasia. The Kremlin is so concerned with expansion of its sphere of influence that even today's severe economic crisis--which has seen the ruble plunge 50 percent against the dollar and the Moscow stock market capitalization drop 80 percent--has not slowed its push into the "near abroad."

Eviction Notice

Washington's wake-up call should have been the eviction notice served by Kurmanbek Bakiyev, president of Kyrgyzstan, to the U.S. military. With Russian President Dmitry Medvedev at his side, Bakiyev announced in Moscow that he wants the U.S. to leave Manas Air Base, a key military cargo hub at the airport of the Kyrgyz capital Bishkek. The U.S. and NATO have used Manas since the fall of 2001 to ferry troops and materiel in and out of Afghanistan. Yet judging by Joe Biden's reaction, the Obama Administration does not want to tease the bear or, worse, is not concerned about Bakiyev's demand, instigated by Russia.

It should be. With the shorter supply route through Pakistan under increasing attacks by the Taliban (a key bridge through the Khyber Pass was blown up last week), the longer but safer Central Asian supply route is taking on growing importance as a way to keep U.S. and NATO forces in Afghanistan re-supplied. The Kremlin understands the situation quite well--the Soviet debacle in Afghanistan (1979-1989) is fresh in its collective memory.

For years, both Russia and China pressured Kyrgyzstan and Uzbekistan to kick out the U.S. bases. In 2005, Uzbekistan gave in, evicting the U.S. from the Karshi Khanabad air base and leaving Manas in Kyrgyzstan as the only remaining American hub.

This year, Moscow offered the cash-strapped Kyrgyz government at least \$2 billion in credit package at below market rates, with most of the money going toward building a hydropower station while another portion went to debt forgiveness, and \$150 million in grants. This package trumped the \$17 million-a-year lease fees for Manas and \$150 million a year in assistance Kyrgyzstan was receiving from the U.S. Russia also used covert action and influence operations to instigate anti-American street demonstrations and a media campaign, thereby placing pressure on the Kyrgyz regime.

Paratroopers and Bases

Simultaneously, the Russia-dominated Collective Security Treaty Organization (CSTO) of the Commonwealth of Independence States announced the creation of a Rapid Reaction Force (RRF). President Medvedev specified that the capabilities of this force were to match those of NATO's RRF. The backbone of the new 15,000-strong RRF will be a Russian paratroop division and a paratroop brigade, strengthened by units from Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan. Uzbekistan will participate on an ad hoc basis. The RRF not only can be used to fight external enemies but is likely to be available to put down "velvet revolutions" and quell popular unrest, which the authoritarian regimes comprising the CSTO unanimously abhor.

The Russian military also announced the establishment of three military bases in secessionist Abkhazia: a naval base in Ochamchire, the Bombora air base near Gudauta, and an alpine special forces base in the Kodori Gorge. Not only do these deployments violate the terms of the cease-fire negotiated by French President Nicolas Sarkozy after the 2008 Russo-Georgian war, but they extend Russia's power projection capabilities into the Southern Caucasus, threatening the already precarious position of Georgia and the major oil and gas pipelines from the Caspian Sea to Turkey and Europe.

Russia has taken additional steps to secure its clout from Poland to the Pacific. It initiated a joint air-and-missile defense system with Belarus, which may cost billions. It also announced the creation of a \$10 billion stabilization fund for the CIS countries, most of which (\$7.5 billion) Moscow will front. The reason for the spending spree is simple: money and weapons consolidate control over allies.

President Medvedev has announced that the U.S. needs to come to Moscow--not to the capitals of Eurasian independent states--to ask for transit to Afghanistan. Thus, Russia can first create a problem and then provide a solution. However, this is only the best-case scenario. In the worst case, as some analysts in Moscow

suggest, Russia would benefit from a U.S. defeat in Afghanistan: first, because it would be a payback for the Soviet fiasco in the 1980s, but second, and more importantly, because such a defeat would highlight the collapse of NATO power and, with it, America's global dominance.

Russia may mistakenly believe that, together with China and Iran, it would be able to pick up the pieces in Afghanistan and prevent the Taliban from extending their influence over allies in Central Asia and the Caucasus. However, radical Islamists--not America--are the long-term systemic threat toward the "soft underbelly" of Russia's south--a threat for which Moscow lacks answers.

Empire Above All?

It comes as no surprise that Russia is moving to secure what President Medvedev called "the zone of privileged interests" in his August 31, 2008, speech. This action is consistent with policies formulated almost two decades ago by Yevgeny M. Primakov, leader of the Eurasianist school of foreign policy. Many Eurasianists tend to view America as a strategic adversary.

Primakov was Boris Yeltsin's spy chief and later became a foreign minister and then prime minister. In 1994, under Primakov's direction, the Russian Foreign Intelligence Service published a report calling for Russian domination of the "near abroad"--the newly independent states that emerged from the rubble of the collapsed Soviet empire.

Later, Primakov championed the notion of a multi-polar world, in which U.S. influence would be crowded out by Russia, China, and India. Today, Vladimir Putin and Medvedev are echoing Primakov, calling for a new geopolitical and economic architecture--not only in Europe but throughout entire world--based on massive spheres of influence.

Russia wants to be a regional leader, capitalizing on its military power (and willingness to use it), its unique geopolitical position from the Atlantic to the Pacific, its massive energy resources, and its gas and oil pipelines as a force multiplier. Moscow views China and India as the other regional leaders, thereby pushing the U.S. out of the Eastern Hemisphere. While this scenario is unlikely to succeed, it could still prove highly destabilizing.

Haste Is the Enemy of Wisdom

The Obama Administration's desire to "push the reset button" in relations with Russia is understandable. Were Moscow on board, nuclear disarmament, counter-proliferation, the stabilization of Afghanistan, and sanctions to deter Iran from going nuclear might be easier to achieve. However, this is a big "if," and haste is the enemy of wisdom when it comes to the 200-year relationship between Russia and America.

The U.S. should look for alternatives to Manas, specifically in Turkmenistan, Uzbekistan, and Tajikistan. It should not allow Moscow to pocket its gains in Eurasia, especially in the Caucasus, nor should it abandon the newly independent states to the vagaries of the Russian "sphere of influence"--privileged or otherwise.

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#12

Mr. Obama and Russia

Editorial

New York Times, February 12, 2009

Vice President Joseph Biden told a European security conference on Saturday that it was "time to press the reset button" and revisit the many areas where the United States and Russia can work together. On Sunday, Russia's almost never conciliatory deputy prime minister, Sergei Ivanov, embraced the overture.

We are relieved that Washington and Moscow are talking about cooperation. There is certainly a lot in the relationship that needs resetting, starting with reviving negotiations to do away with thousands of nuclear weapons. But pressing the reset button cannot mean absolving Vladimir Putin's Kremlin of its authoritarian ways.

President George W. Bush spent years looking the other way while Mr. Putin harassed opponents, stifled a free press and bullied Russia's neighbors. While he was busy looking into Mr. Putin's eyes, Mr. Bush also ignored Russia's list of grievances -- many illegitimate, but not all.

President Obama must not repeat either mistake. The Russians gave him fair warning last week of how difficult this relationship could be. Just days before Mr. Biden spoke, the Kremlin "encouraged" the former Soviet republic of Kyrgyzstan -- with a \$2.15 billion pledge of loans and aid -- to give notice that it is closing an American base that supplies United States forces in Afghanistan.

Arms control may be the most promising area for early progress. The 2002 Moscow treaty, Mr. Bush's one and only agreement, allows each country to deploy between 1,700 and 2,200 long-range nuclear weapons. They could easily go to 1,000 weapons each. A swift agreement also would send an important signal to North Korea, Iran and other potential nuclear scofflaws.

The administration also has begun hinting that it may be open to some compromise on Mr. Bush's missile defense system planned for Poland and the Czech Republic. We are skeptical that the technology is anywhere near ready for prime time. We are also skeptical about the Russians' insistence that the system poses any threat to their security. A healthy dialogue on the subject is clearly in order.

The Kremlin has offered to assist NATO with Afghanistan, President Obama's top security challenge. Moscow has no love for the Taliban. And that is certainly worth testing. But if Washington has learned any lesson, it is that it must have multiple options for wartime supply routes -- and Russia cannot have a chokehold.

The administration also will have to test whether Moscow will do more to help end Iran's nuclear program. That, too, is in Russia's clear strategic interest, even though the Kremlin has yet to see it.

So far Mr. Obama has been quiet about Russia's latest efforts to bully its neighbors. He will have to find his voice. After its war with Georgia last year, Russia defied international law by recognizing the independence of Abkhazia and South Ossetia. It recently went further and announced plans to establish bases there -- instead of withdrawing forces to prewar numbers as promised. While the Georgia dispute may not lend itself to quick solution, Moscow must not be allowed to think the world has acquiesced to its indefinite presence in Abkhazia and South Ossetia.

We're not sure how Mr. Obama is going to find the right balance between cooperating with the Kremlin and avoiding enabling its bullying ways. But that can be the only basis for a sound relationship.

#13

Why Nurture Russia's Illusions? Excessive deference only strengthens Putin's hand.

By Matthew Kaminski

Wall Street Journal, February 13, 2009

Barack Obama wants to make friends with Russia, "press the reset button" as his Veep proposed the other day.

Sounds familiar. Bill Clinton bear hugged Boris Yeltsin and George W. Bush peered into successor Vladimir Putin's soul. Yet relations haven't been this bad since Konstantin Chernenko's days at the Kremlin.

So what? America is on a roll in Eurasia. Democracy, open markets and stability spread across the region in the Clinton and Bush eras. From Estonia to Georgia to Macedonia, free people want to join the West.

At every step of the way, Russia sought to undermine this great post-Cold War project. Grant that the Kremlin acts in defense of its perceived interests but so should the U.S., and continue down this same path.

Here Foggy Bottom's finest chime in: Yes, but imagine a world with a friendly Russia, able to help us, say, stop Iran's atomic bomb program. So let's not push so hard to deploy anti-Iran missile defense sites in Poland and the Czech Republic that Russia hates -- use, if necessary, the excuse that costs and feasibility require further study. Back off on closer NATO ties for Ukraine and Georgia. Make Russia feel important and consulted. Joe Biden sketched out this sort of bargain at last weekend's Munich security conference.

The conceit is we can win the Kremlin over by modifying our behavior. Before Mr. Obama tries, he should be aware of recent history. On missile defense, American diplomats spent as much time negotiating with Russia as with the Central Europeans, offering Moscow the chance to join in. Nothing came of it. On Kosovo independence and Iran sanctions, Russia blocked the West at the U.N.

Last spring, NATO snubbed Georgia and Ukraine in a signal of good will to Mr. Putin. The day after, Mr. Putin privately told Mr. Bush that Ukraine wasn't "a real country" and belonged in the Russian fold. Five months later, Russia invaded Georgia and de facto annexed its breakaway provinces of Abkhazia and South Ossetia.

Mr. Obama may be tempted to think Russia can be won over. After all, they would seem to need America (short for the West) far more than America needs Russia. We're not the enemy. Russia's real strategic challenges are in the East: China looks ravenously at the vast, mineral-rich, lightly populated Siberian steppe cut off from Moscow (to this day, you can't drive across Russia). And to the South: The arc of Islamic extremism, starting with a possibly nuclear Iran, a competitor for Caspian energy and influence.

And as Mr. Putin discovers each day his economy sinks further, Russia failed to take advantage of sky-high oil prices to diversify away from energy. It sells nothing of value to the world aside from gas, oil and second-rate weapons. Its infrastructure is decaying and its population in decline.

A Kremlin leader with a long-term view would see these grave threats to Russia's future and rush to build a close partnership with the West. But the interests of Mr. Putin and his small, thuggish, authoritarian clique don't necessarily coincide with that of Russia.

The Obama magic dust doesn't seem to work on a regime defined and legitimized by its deep dislike for America. Dmitry Medvedev, the Putin underling in the president's office, moved the state of the nation address to the day after the American election to spin the outcome for the domestic audience. The U.S., he said into the winds of pro-American sentiment sweeping across the world in the wake of the Obama win, was "selfish . . . mistaken, egotistical and sometime simply dangerous."

The Kremlin then welcomed Mr. Obama into the White House with the administration's first serious foreign policy headache. Taking \$2 billion from its fast-depleting reserves, Russia bullied and bribed Kyrgyzstan to close a U.S. military airfield, the main transport hub for supplies going into Afghanistan. Russia's desire for a "sphere of influence" trumps the threat of resurgent extreme Islamism in its southern underbelly.

The thinking here is Cold War porridge. But the Russians were never offered a new narrative. Mikhail Gorbachev's idea of a "European family" and Yeltsin's reforms foundered. Mr. Putin went back to a familiar recipe: Russia, empire-builder and scourge of the West.

A Cold War mentality lingers in America, too. A foreign policy caste rich in Sovietologists by habit overstates Russia's importance. The embassy in Moscow is huge; bilateral meetings inevitably become "summits," like in the old days.

Mr. Obama's fresh start is a good time for a reality check. The U.S. can work with Russia, seen in its proper place. To even suggest that the Russians have a special say over the fate of a Ukraine or our alliance with the Czechs lets Mr. Putin nurture the illusion of supposed greatness, and helps him hang on to power.

Ultimately it's up to the Russians to decide to be friends. One day, someone in the Kremlin will have to confront a hard choice: Does an isolated and dysfunctional Russia want to modernize and join up with the West, look toward China, or continue its slow decline? Until then, Mr. Obama better stock up on aspirin and dampen his and our expectations about Russia.

#14

Lithuania eyes better Russia ties

By Nerijus Adomaitis

Reuters, February 6, 2009

Lithuania's foreign minister says he is ready to warm up ties with huge neighbour Russia, a marked change in tone for a nation which last year was the only EU state against restarting cooperation talks with Moscow.

Ties between all the Baltic states and Russia have been edgy since the fall of the Soviet Union as the three small nations left their former ruler behind with a drive to join Western institutions like the European Union and NATO.

But with economic crisis making good trade ties even more vital, signs of a thaw have emerged from the Baltic region.

"The signals towards warming up relations have come from both sides, from Vilnius and Moscow," said Lithuanian Foreign Minister Vyaudas Usackas, member of a four-party centre-right coalition which took office late last year.

"It was mutual expectations that after zero Fahrenheit in our relations we needed to turn a new page," he told Reuters in an interview late on Wednesday.

"I see the willingness (of Russia) to reengage with Lithuania on a constructive basis ...," he added.

Signs of a slight thaw have come too for smallest Baltic state Estonia, which last month hosted its highest level Russian official, Deputy Foreign Minister Vladimir Titov, since relations took a sharp dive in April 2007.

That was when Estonia moved a Red Army monument from the centre of its capital city, infuriating Moscow. Latvia's ties with Russia have been steady since a border treaty deal in 2007.

Despite traditional wariness, a more multipolar world means Baltic countries, along with many of their European neighbours, are anxious to secure more friendly ties with Russia, both as a political ally and supplier of trade and resources.

Usackas said one sign of better relations was Russia's willingness to work more on judicial issues, including the case of a Lithuanian businessman missing in the neighbouring Russian enclave, Kaliningrad.

In turn, Lithuania has tried to float the idea in the EU of a special visa-free regime for people in Kaliningrad.

"We cannot open borders for the whole of Russia ... but if there is something we can do in concrete terms to facilitate Russia's Europeanization, it is to start from the most natural spot on the map, which is the Kaliningrad region," Usackas said.

He said other EU states would have to accept a special provision in the Schengen agreement on passport-free travel. Moscow would also have to accept such an agreement.

"At the moment, I must state, there is no clear cut agreement on this, and we are still far from in-depth considerations, but provided there is goodwill, we can do it."

Not all is smooth running, though, as Lithuania continued to support Ukrainian and Georgian efforts for closer ties with NATO and the EU, he said, efforts which anger Moscow.

After Russia's war with Georgia last year, Lithuania was the only country to disagree with the resumption of stalled EU talks with Russia on a new cooperation pact.

Lithuania is also still keen for NATO to draft a separate plan for defence of the Baltic states.

At the same time, Lithuania's rhetoric has changed.

"My believe is that Russia shares a joint history with Europe, it stems from Christianity and its destination is going to be in Europe," Usackas added.

#15

Stepping Out From Putin's Shadow

With Recent Moves, Medvedev Edges Away From Prime Minister and His Economic Policies

By Philip P. Pan

Washington Post, February 9, 2009

With a series of careful moves and subtle statements, Russian President Dmitry Medvedev has begun to shed his image as the obedient sidekick of his powerful predecessor, Prime Minister Vladimir Putin, fueling speculation that their partnership could be strained by the nation's worsening economic crisis.

Putin remains the dominant figure, and there has been no sign of serious differences between the two men. But Medvedev's efforts to establish an independent profile have injected a new element of uncertainty at the top of the authoritarian system built by Putin at a time when it is being tested for the first time by a severe recession.

Since taking office eight months ago, Medvedev has generally been regarded as a political lightweight beholden to Putin, who installed him in the presidency after being forced to step down by constitutional term limits. A longtime aide without his own power base, Medvedev presented himself as more interested than Putin in legal reforms, but he pledged continuity and appointed his patron to lead the government as prime minister.

In recent weeks, however, Medvedev has surprised many observers with actions that appear intended to distance himself from Putin and his management of the economy. He has openly criticized the government's response to the crisis, met with the editor of an opposition newspaper, and ordered changes to a bill backed by the security services that would have made it easier to prosecute critics for treason.

An adviser to Medvedev, speaking on the condition of anonymity because of the sensitivity of the subject, said that the president is loyal to Putin and that the two leaders continue to work closely together. But he added that rival teams around them have clashed on various issues, including economic policy. Medvedev's influence remains limited, the adviser acknowledged, but it is growing as he finds ways to assert himself without offending Putin and the old guard.

In a sign of tensions in the relationship, one Russian official, also speaking on the condition of anonymity, said Putin and Medvedev recently decided that a note-taker should keep minutes of their discussions because "misunderstandings" had arisen following past meetings. "It's a very bad sign," the official said, arguing that a rift in the leadership could destabilize the government.

Confusion at the highest levels of the Kremlin may be a factor in the mixed signals that Moscow has been sending about its desire for improved relations with the United States. Both Putin and Medvedev have expressed optimism about the Obama administration, but Russian pressure appears to have been behind Kyrgyzstan's move last week to close a key U.S. air base.

In keeping with protocol, President Obama has spoken by phone only with Medvedev thus far, and the two are expected to hold bilateral talks in April on the sidelines of an economic summit in London, a move that some analysts say could boost Medvedev's profile further.

Kremlin-controlled media outlets have presented an image of unity in the leadership. Last month, for example, state television showed Putin and Medvedev drinking tea together during a ski trip in the Black Sea resort of Sochi.

But two publications, the New Times and the Russian edition of Newsweek, have described a split in the Kremlin over the government's suppression of protests in the far eastern city of Vladivostok against new taxes on imported cars. The New Times reported that Putin wanted to fire an official for losing control of the situation but that Medvedev objected and the official kept his job.

Riot police from Moscow were flown across the country to suppress the Dec. 21 demonstration because of concern that local officials who also opposed the new taxes would refuse to do so, officials said.

About a week later, Medvedev expressed mild dissatisfaction with how Putin's cabinet was handling the economic crisis, describing its response as "not ideal." On Jan. 11, he said the government had been too sluggish in tackling the crisis, which has resulted in hundreds of thousands of layoffs and soaring prices.

"Many things have been implemented unjustifiably slowly," he said at a meeting with business leaders, complaining that only 30 percent of the measures announced by the government in October had been implemented. A Putin spokesman responded that the government was "paying much attention" to the criticism.

"We maintain good and friendly relations, but this does not mean that the president should turn a blind eye to the existing problems," Medvedev said in a televised interview last week of his relationship with Putin. "Therefore, during my meetings with the government, with ministers, I draw their attention to the existing deficiencies, which is absolutely normal."

Medvedev's remarks had the effect of highlighting the prime minister's traditional responsibility for the economy even as the Kremlin braces for a surge in public anger caused by the nation's worst recession in a decade and the end of the long oil boom that has sustained Putin's rule.

Some analysts said Medvedev has signaled to the Russian elite that the government's response to the crisis is now fair game for criticism and positioned Putin as a potential scapegoat while presenting himself as a possible alternative leader.

"He's trying to preserve his own image because he feels Putin's will suffer in the coming months," said Dmitry Oreshkin, a political analyst with the Moscow-based Mercator research group. "And this won't be the last step. No one knows how far it will go."

In late January, Medvedev ordered that a treason bill submitted by Putin's cabinet be withdrawn and reworked. Human rights activists had denounced the bill as a throwback to Stalinist times, saying it was so loosely worded that it would have allowed police to charge any government critic as a traitor and anyone who worked with a foreign organization as a spy.

The decision to redraft the bill was disclosed by Vladislav Surkov, an influential political aide who had served Putin but, at least on paper, now reports to Medvedev. Surkov, who has long argued that Russia is building what he calls a "sovereign democracy," recently persuaded one of the country's main democratic opposition parties to transform itself into a pro-Kremlin party representing those who favor liberalization.

Leonid Gozman, one of the leaders of the new party, Right Cause, said he considered the effort an attempt by Medvedev to build a base of support. But he said he saw no serious differences between Medvedev's and Putin's policies.

"They do the same things, they say the same words," he said.

Two days after ordering the treason bill withdrawn, though, Medvedev set himself apart again by meeting with former Soviet leader Mikhail Gorbachev and the editor of his independent newspaper, Novaya Gazeta, to express condolences over the brazen killings of a student reporter and a prominent human rights lawyer.

The gesture stood in sharp contrast to the Kremlin's dismissive response to the 2006 slaying of another Novaya Gazeta journalist, the investigative reporter Anna Politkovskaya, whose work Putin disparaged at the time as "extremely insignificant."

In the hour-long session with Gorbachev and the editor, Medvedev emphasized the value of dissenting voices in the media, endorsed the establishment of a research center to remember the victims of Stalin's purges, and suggested that economic crimes be punished with fines instead of prison terms.

By comparison, Putin has derided opposition journalists as enemies of the state, approved a teaching guide describing Stalin as an "effective manager," and used financial crimes to jail wealthy tycoons who cross him.

"I felt his words were sincere," Dmitry Muratov, the Novaya Gazeta editor, said after the session with Medvedev, adding that the president told him he was free to describe their conversation in any forum and in any way he wished.

Yet the circumstances of the meeting also illustrated Medvedev's limits. It was scheduled at the last minute and took place while Putin was out of the country, a full 10 days after the killings.

State-controlled television made no mention of it, and even the president's own Web site refrained from saying what it was about.

#16

Opposition says Russia's main economic problem is Putin

By James Kilner

Reuters, February 6, 2009

Russian opposition leaders accused Prime Minister Vladimir Putin on Friday of wasting billions of dollars in public funds and said he was Russia's main obstacle to coping with the global financial crisis.

At a news briefing largely ignored by state media, two former deputy ministers and former world chess champion Garry Kasparov said the government had lied about the country's economic problems and laid out their alternative strategy.

"To begin with we need the resignation of Vladimir Putin's government which in this crisis has already demonstrated its complete helplessness and ridiculous incompetence," the opposition movement Solidarity said in a statement.

Solidarity, an umbrella movement supported by anti-government liberals, includes former deputy prime minister Boris Nemtsov, former deputy energy minister Vladimir Milov and Kasparov, who hosted the briefing.

Last weekend Russia's opposition held a series of anti-government marches across Russia, which attracted a few thousand people -- mainly old communists and young radicals.

But the opposition expects a weakening economy to generate more support and undermine the government.

Since last summer Russia's stock market has dived by 80 percent, the rouble has dropped by around 35 percent and reserves have shrunk by 40 percent to about \$385 billion (260.8 billion pound) due to currency support and the low price of oil.

"This is wrong," said Milov. "We don't want to waste the money on defending the rouble which will devalue anyway. We want to give the money directly to the people to compensate for the negative consequences of rouble depreciation."

The financial downturn has halted a decade-long, commodity-driven economic boom in Russia.

But the boom also created a huge wealth divide. Most Russians earn only a few hundred dollars a month and the opposition said they wanted to direct the oil wealth to the poorest Russians -- a section of society they need to woo.

"We want to use the reserves to help with the social consequences and not burn them at this stage (on the defence of the rouble)," Milov said.

Putin and President Dmitry Medvedev remain popular in Russia despite the economic downturn, while support for opposition groups is low.

But Kasparov said it was just a matter of time until support for anti-government opposition gathered momentum.

"We debate among ourselves when the support will come, but there is no doubt it will happen," he said.

#17

Biden, Saakashvili Meet in Munich Civil Georgia, February 8, 2009

President Saakashvili said the U.S. Vice President, Joe Bides, had assured him of Washington's continued political and economic support to Georgia.

Saakashvili and Biden met in Munich on February 8 on the sideline of the Security Conference.

Saakashvili said after the meeting that in his address to the Conference on February 7, Vice President Biden underlined three key principles, which were very important for Georgia.

"He said that the U.S. will never recognize Abkhazia and South Ossetia... He said that the U.S. will not recognize spheres of influence, which means that Georgia will not return back to its old sphere of influence -- contrary to desire of our ill-wisher. our ill-wisher desires; also the United States will not allow anyone to ban others to join alliances and here obviously NATO is concerned."

Biden said while addressing the Security Conference in Munich: "The United States will not recognize Abkhazia and South Ossetia as independent states. We will not recognize a sphere of influence. It will remain our view that sovereign states have the right to make their own decisions and choose their own alliances,"

Saakashvili told a group of Georgian TV journalists in Munich after meeting with Biden that "all these points have been confirmed during our conversation today."

Asked after meeting with President Saakashvili whether he was in favor of Georgia joining NATO, Biden said as quoted by Reuters: "I'm in favor of Georgia's continued independence and autonomy. That is a decision for Georgia to make."

Reuters suggested that Biden's these comments "appeared to suggest the new administration of President Barack Obama might be less aggressive in its backing for Georgia's NATO bid."

President Saakashvili also told journalists in Munich that he and the U.S. Vice President had "a very concrete" conversation.

"The United States will continue financial support for us, which is very important in the light of the global financial crisis; we have received firm guarantees on this issue. And also it is obvious that during all types of negotiations between the United States and Russia, Georgia will be high on the agenda as a very important issue."

"Russia is telling rest of the world – let's negotiate on some issues, but leave my bite in my mouth; my bite is former Soviet republics and let's divide spheres of influence; that will be mine and let's talk about all the rest. But I think that the U.S. position on the matter is fully clear – this is absolutely unacceptable."

"Despite various trends in Europe – and Europe in general is weaker than the United States, especially in the light of the economic crisis – but although there are different opinions in Europe, in overall the position of Europe, EU, NATO is also clear – there will never be a compromise at the expense of the territorial integrity; no one will return Georgia back to the old sphere of influence and no one will ever allow restoration of the Soviet Union; and it will cost a lot to anyone who will even try to do that [restore the Soviet Union]," Saakashvili said.

#18
Kremlin Think Tank Paints a Dark Picture
By Ira Iosebashvili
Moscow Times, February 10, 2009

An influential government think tank criticized key aspects of the state's response to the crisis Monday and said small business could lead the way to reviving the economy.

The Institute of Modern Development, which advises the Kremlin on economic policy, issued a report underlining the seriousness of the economic downturn and rejecting the government's assertions that the crisis has been brought about largely by Western financial mismanagement.

"The economic crisis cannot be dismissed as an infection contracted from the West," said Igor Yurgens, the report's lead editor and the head of the think tank, at a news conference.

The report names "fundamental flaws in the structure of the country's economy and its underdeveloped financial system" as the cause of the "full-scale market crisis."

The report calls for the state to boost its support of private enterprises and take a long-term view on crisis-relief measures. "No matter what path is taken, there is no alternative to private business taking center stage in overcoming the recession," the report says. "The country is running out of time to retune the economy to take a new quality of post-crisis growth."

Social fallout from the crisis should be a top priority of the state, and "resources allocated for professional retraining should be put to radically more efficient use," the report says.

Last month, the government announced a series of measures to stimulate private business, among them giving 60,000 rubles (\$1,700) to unemployed Russians as startup capital to open small businesses, as well as subsidies to companies to put employees facing imminent layoffs through re-education and training programs.

The report's authors said at the news conference that the middle class would not face serious consequences from recession if inflation were kept in check. Other segments, however, like the small percentage of the country's population who had invested in the stock market, have not been so lucky.

"Those who have been playing the stock markets, the 'button pushers,' they lost big," said report co-author Leonid Grigoriyev, the president of the Energy and Finance Institute Foundation. "Now they're back to playing Tetris."

The study gives high marks to some government tactics to date but says many measures "lacked long-term vision" and a commitment to the competitiveness and balance of the economy.

"Ballooning state involvement in the economy, the propping up of ineffective businesses and the atrophy of market institutions present major risks, both now and in the future," Yurgens said.

The state has spent hundreds of billions of rubles in recent months to bail out struggling companies and inject money into the economy. Billions more have been earmarked for the state owners of a wide variety of companies, including floundering carmaker GAZ.

Anna Belova, director for strategy and corporate development at SUEK and one of the authors of the report, said at the news conference that the crisis was more serious than initially thought and that an end was not yet in sight.

"This appears to be a structural crisis, one that could go on for as long as three years and bring about fundamental changes," Belova said.

Grigoriyev said economic numbers would likely continue getting worse until the summer. "We are not near the end," he said. "This is only the acute phase. By summer, the sharp drop in production should stabilize.

"The financial system has not been reconstructed since 1998, and we're paying the price for that."

Measures to stem the impact of the crisis in the Russian regions were also criticized.

"Communication between the federal center and the regions is developing into a key problem," the report said. "The central government is better prepared for the crisis than local governments, and this is becoming ever more apparent in the hardest-hit regions."

#19

Political Aide Says Kremlin May Need to Ease Control

By Andrew E. Kramer

New York Times, February 10, 2009

Vladimir V. Putin's Russia has become so controlling that political and economic liberalization may be an essential part of engineering an economic recovery here, a close aide to President Dmitri A. Medvedev said Monday.

In one of the baldest admissions to date of Russia's deepening economic woes, Igor Y. Yurgens, the director of the Institute of Contemporary Development and a close aide to Mr. Medvedev, said Russia could no longer blame Western bank failures for the economic crisis here, as authorities had done last fall.

Instead, he said the unspoken bargain of recent Russian politics — economic stability at the price of a rollback in political freedoms — might be unwinding.

"The social contract consisted of limiting of civil rights in exchange for economic well-being," Mr. Yurgens said Monday as he presented a report on Russia's response to the global economic downturn. "At the current moment, economic well-being is shrinking. Correspondingly, civil rights should expand. It's just simple logic."

Last week, Fitch Ratings downgraded Russia's sovereign rating to just two notches above junk status, citing low commodity prices, capital flight and the quick depletion of reserves.

Vladimir V. Putin, Russia's prime minister, apparently in response to the Fitch decision, told a cabinet meeting Monday that rating agencies working in Russia should be required to obtain a license.

He lamented "a total dependence by Russian businesses on international rating agencies" and said Russia should create its own such agencies "better equipped to study the specifics of the Russian markets."

It was unclear whether Mr. Yurgens's comments reflected the thinking of Mr. Putin or Mr. Medvedev, or a divergence between the two. By his position, Mr. Medvedev ostensibly has more power, but he and Mr. Putin are seen as ruling the country together, and it is not clear who has more power.

Mr. Yurgens is known as an economic liberal.

Mr. Yurgens's sobering report about Russia's outlook said it would be compelled to grant greater private property rights, decrease its reliance on natural resource exports and overhaul its ailing banking system.

The surprising remarks demonstrated how much Russia's deteriorating economic situation — including its dwindling reserves — has forced a re-examination of the current leadership's policies.

Russia's economy has been marked by ever-tighter government controls, particularly in the energy sector, as profits soared during the boom years of oil and natural gas. But the global downturn and the burden of the government's response on its resources appear to have compelled at least some policy makers to reconsider.

This is because Russia must largely help itself. With an abrasive foreign policy and checkered credit history, Russia has little chance of borrowing the money it would need from foreign banks to run a budget deficit to coast through the downturn. That deprives it of money for classic pump-priming activities like infrastructure development, or helping corporations roll over debt. It could simply print more, but that would drive the ruble even lower and spur inflation. So it must rely on its reserves, which are already one-third depleted.

Export revenue is expected to fall by nearly half compared to last year, the stock market has tumbled nearly 80 percent from its peak and unemployment has risen 3 percent since last summer. The ruble has fallen to 36.1 to the dollar, from 23.4 last summer. It is at its trading barrier and the central bank is holding it there.

The government's twin policies of trying to support the ruble as well as Russia's embattled private companies may have fed a vicious cycle that actually drove the currency lower.

Economists and policy makers say there is a growing awareness that Russian banks and businesses used much of last fall's billions of dollars in government bailout money to speculate against the ruble — making the cost of the bailout even more expensive to the government. As a result, Russia's reserves have been run down far faster than anyone expected.

Initially, as the financial crisis mounted last fall, Russian authorities responded with something like a shrug. After all, the country was awash in oil profits and it had the world's third-largest gold and foreign currency reserves, behind Japan and China. Confident it had the resources to weather any downturn, the government pumped cash into a long list of businesses and banks and into a losing battle to prop up the ruble.

Russian authorities "were still of the mindset that they had more money than God," Rory MacFarquhar, an economist with Goldman Sachs in Moscow, said in a telephone interview.

Now there are growing indications that the Kremlin understands it cannot afford to both bail out companies and support the ruble; and conflict inside the leadership seems to have emerged on the issue.

After supporting the ruble furiously, and losing more than a third of its \$597.5 billion in reserves, the central bank backed away from a policy of controlled, gradual devaluation and said on Jan. 22 that it would allow the ruble to fall freely up to 10 percent. But the bank then pledged to defend it indefinitely at that level.

Last week the government's point man on the economic crisis, the deputy prime minister Igor I. Shuvalov, seemed to underline that policy. He told an economic forum in Moscow that the government would withhold support from industry and cut the budget, allowing Russia to husband reserves to support the ruble.

But whether Mr. Putin's government would really cut off loyal oligarchs and politically important but failing industries seemed uncertain.

For instance, on Thursday, just a day after Mr. Shuvalov spoke, a Kremlin aide, Arkady V. Dvorkovich, told the same conference that the budget would not be cut, and that the government would continue to play an “active role” in stimulating the economy.

On Monday, Mr. Yurgens again said the government would scale back the loans for oligarchs backed by shares in their companies that had initially characterized Russia’s response to the economic crisis.

“Ballooning state involvement in the economy, the propping up of ineffective businesses and the atrophy of market institutions,” he said, “present major risks both now and in the future.”

#20
Crimes Rocketing Among Russians Enjoying Immunity
Interfax-AVN, February 9, 2009

More than 11,000 Russians whom the law grants immunity from prosecution, such as judges, prosecutors and legislative branch members, ended up being prosecuted in 2008, a number three times as large as the year before, an official Russian newspaper said on Friday, citing a top criminal investigation agency.

"The Investigation Committee increasingly often prosecutes judges, prosecutors, investigators, defense lawyers and deputies at various levels (of the legislative branch). The law gives them a special status in order to enable them to make decisions without fearing 'telephone law' (commands from superiors) or vengeance from those who feel wronged. But there is a great temptation to use this special status for mercenary ends.

Various charges have been brought against 1,442 judges, prosecutors, defense lawyers and people's representatives, and 575 people have been convicted already," an article in government daily Rossiiskaya Gazeta said, citing the Prosecution Service Investigation Committee.

"Criminal investigators have not been able to stand up to temptation either. Nearly 200 of them were put on trial over the year. Most of them were given standard charges - falsification of evidence, extortion, bribes, and even appropriation of physical evidence," Rossiiskaya Gazeta said.

"Furthermore, 136 defense lawyers moved from their normal defenders' seats to the dock. Their most common transgressions against their duties are fraud, conspiracy, and bribing of witnesses," it said.

"But local deputies outdid everyone else in plowing the field of crime. More than 4,000 people's representatives ended up under prosecution, with charges such as appropriation of state property, underground business enterprises, and illegal loans," the paper said.

As for judges, those committed nearly twice as many offenses in 2008 as in 2007, the article said.

#21
Anti-Semitism decreases in Ukraine
JTA, February 11, 2009

Anti-Semitism decreased in Ukraine in 2008 compared to previous years, according to state authorities.

“According to our statistics, the level of anti-Semitism in Ukraine in 2008 in general decreased compared with 2006-2007, and we try to do our best to counteract xenophobia and anti-Semitism in Ukraine,” Aleksandr Sagan, chairman of the Ukrainian State Committee on Nationalities and Religions, said Wednesday at Ukrinform, Ukrainian's main state news agency, during a news conference devoted to the results of the analyses of reports on religious freedom in Ukraine in 2008.

The reports were focused on legal aspects of religious freedom and interfaith dialogue, and on religious extremism, terrorism and fundamentalism.

"The Ukrainian State Committee has very good contacts with different Jewish leaders in Ukraine," Sagan said.

At the same time, he mentioned some problems with the restitution of Jewish property and xenophobia. Jewish leaders say the issue of restitution of Jewish property confiscated by the Soviet regime is the gravest problem in the religious life of the community.

"It is necessary to transfer Torah scrolls [confiscated by the Soviets] to the possession of Jewish communities as quick as possible," Sagan told JTA following the news conference.

Josef Zissels, a longtime leader of the Va'ad of Ukraine, told JTA that the level of anti-Semitic publications "considerably decreased, as did anti-Semitic manifestations in Ukraine compared with the previous period." Rabbi Yakov Dov Bleich, one of Ukraine's chief rabbis, agreed.

Ukrainian Jewish leaders praised President Viktor Yushchenko for signing into law a measure providing permanent land use for religious organizations.

Some other Jewish leaders adhere to more conservative estimates, and call the situation in Ukraine concerning anti-Semitism "flexible or "stable."

"The situation with anti-Semitism is changeable in Ukraine and in general stable," Eduard Dolinsky, director general of the Ukrainian Jewish Committee, told JTA. This, he said, is in part due to the recent granting of a request from the Jewish community that anti-Semitic books and other literature be removed from many Kiev markets and kiosks.

In addition, according to Jewish organization reports, anti-Semitic graffiti and drawings were quickly removed by the Kiev city administration after the Jewish Forum provided a list of the locations of the drawings and graffiti.

The statistics, however, do point to cases of anti-Semitic manifestations in Ukraine, including vandalism in synagogues, Jewish cemeteries and Holocaust memorials. Anti-Semitic incidents do not appear to have risen in Ukraine as a result of the Gaza operation and pro-Israel demonstrations.

#22

Russia Agrees to Four-Month Extension of UN Mission in Georgia

By Bill Varner

Bloomberg, February 10, 2009

Russia agreed to a four-month extension of the United Nations peacekeeping mission in Georgia, Ambassador Vitaly Churkin said.

The UN Security Council will vote by Feb. 13 to adopt a draft resolution submitted today, the Russian envoy said.

Russia accepted the continued presence of UN troops on condition their mandate will be expanded in June and new security arrangements negotiated, Churkin said. "We are satisfied that our requirements are there," he added.

The UN mission was created in 1993 to monitor a cease-fire agreement between Georgia and the separatist territory of Abkhazia. Secretary-General Ban Ki-moon said earlier this month the force of 156 peacekeepers was in a position that could "rapidly become unsustainable."

Russia routed Georgia's army in a five-day war over the breakaway region of South Ossetia in August. The government in Moscow later recognized the independence of South Ossetia and Abkhazia.

Russia also sought a provision of the draft resolution that calls for the cease-fire agreement along the Georgia-Abkhaz border to be “respected” and for all the parties to “refrain from the use of force and from any act of ethnic discrimination.” Georgia withdrew from the agreement in August.

In a Feb. 3 report to the Security Council, Ban called for the creation of a new “security zone” separating Russian, Georgian and Abkhaz troops. No soldiers, military or unmanned drone flights would be allowed in the zone, Ban said in the report. The UN peacekeepers are in a “precarious” position and working in a “fragile security context,” according to the report.

#23

Belarus Imprisonment

Senator Ben Cardin (D-MD)

Congressional Record, February 11, 2009

Mr. President, as chairman of the Helsinki Commission, I would like to bring to the attention of the Senate a situation which is literally a matter of life and death for an American citizen, Emanuel Zeltser, who has been imprisoned in Belarus since March 12, 2008. Mr. Zeltser is in desperate and immediate need of serious medical treatment—including a coronary bypass operation.

The poor human rights record of President Lukashenka’s regime is well known. No American—indeed no human being—should be subjected to the kind of treatment Mr. Zeltser has been forced to endure during his incarceration. Despite Mr. Zeltser’s grave health condition—he suffers from heart disease, type 2 diabetes, severe arthritis, gout, and dangerously elevated blood pressure—Belarusian authorities have repeatedly refused to provide Mr. Zeltser with his prescribed medications.

He was initially denied two independent medical evaluations and he has reported being physically assaulted and abused while incarcerated. Amnesty International has urged that Belarusian authorities no longer subject Mr. Zeltser to “further torture and other ill-treatment.”

Mr. Zeltser was convicted of “using false official documents” and “attempted economic espionage” in a closed judicial proceeding. The U.S. Embassy in Minsk criticized the proceedings, noting that it was denied the opportunity to observe the trial. The State Department has repeatedly called for Mr. Zeltser’s release on humanitarian grounds. So have others in Congress, especially my colleague on the Helsinki Commission, cochairman Representative Alcee Hastings.

But now the situation appears dire. Earlier this month, Mr. Zeltser was examined by an American doctor. It was only the second time an American physician has been permitted to see Mr. Zeltser. The doctor concluded that “there is a clear and high risk of sudden death from heart attack unless the patient is immediately transferred to a U.S. hospital with the proper equipment and facilities....Refusal to transfer Mr. Zeltser to a U.S. hospital is equivalent to a death sentence.” Specifically, Mr. Zeltser is in dire need of a coronary bypass procedure. The doctor also determined that because he had been denied prescribed diabetes medication, Mr. Zeltser’s left foot may need to be amputated.

In response to a press inquiry in December, the State Department called for “the Belarusian authorities to release Mr. Zeltser on humanitarian grounds before this situation takes an irrevocable turn.” Based on the recent doctor’s report it is apparent that such an irrevocable turn is imminent unless this American citizen can be brought home promptly for the medical treatment necessary to save his life.

Belarus has taken some tentative steps to improve its notably poor human rights record, in particular the release of several political prisoners last August. However, Mr. Zeltser’s continued, and potentially terminal, imprisonment threatens to override those initially encouraging signs. As such, I strongly urge the Belarusian authorities to release Emanuel Zeltser on humanitarian grounds so that he may obtain the immediate medical treatment his doctor has concluded is required if he is to live.

#24

Court Says U.S. Rabbi Must Be Deported

By Natalya Krainova

Moscow Times, February 12, 2009

A Vladivostok court Wednesday ordered a senior rabbi, a U.S. citizen, to be deported after it ruled that he misrepresented his activities in the country on his visa application.

The city's Pervorechensky District Court ruled to deport Israel Silberstein, 26, the chief rabbi of the Primorye region, said Daniil Yakovlev, a spokesman for the Federation of Jewish Communities of Russia.

Silberstein plans to appeal the ruling and by law has 10 days to file a motion, Yakovlev told The Moscow Times.

"We believe the violation was not serious enough to deport him," Yakovlev said. "We hope that the outcome of the case will be positive."

On his visa application, Silberstein indicated cultural ties were the purpose of his visit, which only partially covered his activities as a rabbi, Yakovlev said.

A Federal Migration Service spokesman told The Moscow Times that the rabbi should have indicated religious activities as the purpose of his visit.

Numerous foreigners have been deported or had Russian visa applications rejected on the grounds that they falsely indicated their reasons for visiting the country. In one high-profile case, Kenneth Roth, head of the New York-based rights group Human Rights Watch, said he was denied a Russian visa after his visa agency erroneously indicated that he was coming to Russia as a tourist rather than on business. Roth, who was to present a report accusing authorities of shackling nongovernmental organizations with burdensome regulations, said he immediately reapplied for a business visa but was again denied.

Silberstein received his most recent visa 10 weeks ago, his third during his 2 1/2-year stay in Russia, Yakovlev said. He said he did not know what the rabbi had indicated as the purpose of his visit on previous visa applications.

Attempts to reach the court and Silberstein in Vladivostok, seven time zones east of Moscow, were unsuccessful Wednesday. The Jewish community in Vladivostok numbers several thousand people, Yakovlev said.

In November, an unidentified assailant robbed Silberstein in central Vladivostok, hitting the rabbi in the head and fleeing with his bag and laptop computer, Yakovlev said. Silberstein was hospitalized with a concussion after the attack, and local police opened an investigation into the incident, which Yakovlev said was a random attack that was not motivated by anti-Semitism.

The U.S. Embassy in Moscow said it was aware of the case but could not immediately comment.

#25

Ruble Has Biggest Gain Since 1998 as Bank's Defense Deters Bets

By Emma O'Brien

Bloomberg, February 13, 2009

Russia's ruble, the world's best-performing currency against the dollar this week, strengthened the most in more than 10 years as the central bank's defense spurred traders to reduce bets on its depreciation.

The ruble added 0.5 percent to 34.4885 per dollar by 2:09 p.m. in Moscow, bringing this week's advance to 4.6 percent, the most since December 1998 and the steepest gain among the 177 currencies tracked by

Bloomberg. It was 0.4 percent stronger at 39.9571 against the central bank's dollar-euro basket, 5 percent above the 41 level policy makers have vowed to defend.

Bank Rossii raised the interest rate on overnight and seven- day loans secured with bonds or other collateral through repurchase auctions twice in the past two weeks and increased the rate on Lombard loans Feb. 10 as it seeks to force banks and companies to convert foreign-currency stockpiles into rubles. Banks fled to dollars and euros during the past six months as the managed ruble dropped 30 percent against the U.S. currency amid sliding oil prices.

"People are unwinding their short positions as they realize the central bank is not going to let the 41 level break," said Shahin Vallee, an emerging markets currency strategist in London at BNP Paribas SA, referring to bets traders make when they think a currency or asset is going to depreciate. "The central bank's resolve is helping it higher."

Sergey Ignatiev, Bank Rossii's chairman, said Jan. 22 the ruble will stay within a 26 to 41 trading range against the basket unless oil slides to and remains at \$30 a barrel. He pledged to raise rates, curb refinancing to lenders and buy and sell foreign-currency reserves to stabilize the currency after its "gradual devaluation." Urals crude, Russia's chief oil blend, dropped 1.1 percent to \$44.39 a barrel this week.

Prosecutor's Warning

As well as boosting borrowing costs and reducing the amount of cash available in central bank auctions, Russia is paying closer attention to what lenders do with their state-provided funds, with prosecutors warning 70 banks against converting state money into foreign currency, Kommersant reported Feb. 11.

The ruble gained 0.3 percent to 44.4139 per euro today, headed for a 5.1 percent advance since Feb. 6, a record weekly gain. It strengthened 4.9 percent this week against the basket, which is made up of about 55 percent dollars and the rest euros and is used to limit currency swings that disadvantage Russian exporters. It has been in place since 2005.

While Bank Rossii may be able to maintain the trading band throughout the first quarter, it may fail to keep the currency from breaking the 41 level in the second with the currency sliding to 41.09 by the end of June, Vallee said. "Nothing has changed fundamentally in Russia."

Recession Watch

The world's largest energy exporter is headed for its first recession since defaulting on \$40 billion of debt in 1998, as demand for oil and natural gas abates amid the worst global financial crisis since the Great Depression. The nation reduced its reserves by 36 percent since August, striving to control the ruble's decline. Holdings decreased \$4.6 billion last week, the central bank said yesterday.

Bank Rossii is buying dollars and euros at about 39 to the basket today, because they don't want the currency to trade too far away from the 41 level they regard as ideal, said Evgeny Nadorshin, senior economist at Trust Investment Bank, citing the bank's currency traders.

The bank may start limiting the ruble's gains at around 38.75 to 39 versus the basket as a way of replenishing foreign- exchange reserves and balancing the current account, Mikhail Galkin, head of fixed-income and credit research at MDM Bank in Moscow said yesterday. A weaker currency boosts the competitiveness of exports, while benefiting local producers by making imports more expensive.

Fewer Loans

In its bid to lower the amount of money on the market available to speculators, Bank Rossii reduced loans offered in so-called repo auctions to an average of 268 billion rubles (\$7.8 billion) in February, compared with as high as 663 billion rubles in January. It continues to limit currency swaps, agreements whereby traders can bet on an exchange rate without selling foreign currency upfront, to 5 billion rubles a day.

The amount offered in unsecured loans, extended to more than 100 banks in November because of the seizure in credit markets, have also been cut, to 127 billion rubles so far in February, compared with the 533 billion rubles borrowed last month and the 1.3 trillion rubles lent in December, central bank data show.

#26

U.S. Ahead of Moscow Treaty Schedule in Reducing Its Nuclear Arsenal

By Walter Pincus

Washington Post, February 13, 2009

The United States is more than two years ahead of the schedule set under the Moscow Treaty in reducing the number of its nuclear warheads operationally deployed on strategic missiles and bombers, according to congressional and administration sources.

There are fewer than 2,200 deployed warheads, the goal originally set to be reached by Dec. 31, 2012.

"The reduction was initially planned to be met in 2012, then 2010, but was achieved a few days ago," said Hans Kristensen, director of the nuclear information project of the Federation of American Scientists, who first disclosed the information on his Web site.

While not giving the exact number of deployed warheads, Rep. Ellen O. Tauscher (D-Calif.), chairman of the House Armed Services subcommittee on strategic forces, said Wednesday, "We are in compliance with the Moscow Treaty." She said reaching that goal early could support an effort by the Obama administration to get the Russians to go to even lower levels.

The total U.S. nuclear stockpile remains above 5,000 warheads, with the majority held in strategic reserve but available for deployment if necessary. There are probably 3,000 to 4,000 more warheads in storage awaiting dismantling, according to Kristensen.

Tauscher noted that the weakness of the 2002 Moscow Treaty was that while it limited the number of operationally deployed warheads, it left out those not connected to delivery systems and in storage. She said she expects the United States to push for improvements in the Moscow agreement. "We need to broaden the definitions and work with the Russians to account for everything," she said.

Kristensen said modest reductions in deployed warheads that began during the Clinton administration were expanded under President George W. Bush. "In the past four years, they have overhauled the strategic war plan," he said. "Strategic Command believes it can adequately meet the White House guidance with far less weapons."

Some experts think the Bush administration does not get enough credit for the reductions it has made in nuclear weapons. Robert S. Norris, a senior research associate at the Natural Resources Defense Fund, said yesterday, "It is little appreciated or known that the two Bush presidencies have gotten rid of three-quarters of the U.S. nuclear stockpile."

According to Norris, the United States had about 22,000 strategic and tactical nuclear warheads at the end of the Cold War. In 1991, President George H.W. Bush ordered the withdrawal of all tactical weapons and signed the Strategic Arms Reduction Treaty (START), cutting the total to approximately 11,000. "His son cut it in half again by the end of his administration," Norris said, "and this will be the baseline for further reductions during the Obama administration."

As the Bush administration was reducing deployed warheads, it was pressing Congress to approve funding for development of a new warhead under the Reliable Replacement Warhead program. The RRW was to be based on an old, tested design with no new testing needed before being deployed. It was to be more secure and reliable over the next decade than today's aging Cold War nuclear warheads, even those that had been

refurbished. Congress, however, eliminated funding for the RRW in fiscal 2009, with members saying they would await results of the Obama administration's nuclear posture review.

Meanwhile, the Obama administration has proposed an aggressive arms-control agenda that includes reductions in nuclear weapons, Senate ratification of the Comprehensive Test Ban Treaty and renewal of the verification procedures of START, which run out at the end of the year.

#27

Ukraine finance minister quits after row with PM

By Natalya Zinets

Reuters, February 12, 2009

Ukrainian Finance Minister Viktor Pynzenyk quit on Thursday in a budget row with the prime minister, and the IMF told authorities it wanted better "crisis management" from the ex-Soviet state.

Pynzenyk described himself as a "hostage to politics", citing differences over a deficit contained in the budget backed by Prime Minister Yulia Tymoshenko. The International Monetary Fund had made a deficit-free budget a condition of a \$16.4 billion loan.

Ukraine sought the loan to help it weather the world financial crisis which has slashed the value of its hryvnia currency and battered the commodity exporters that form the core of its economy.

"In current conditions, the professional job of finance minister has become a hostage to politics," Pynzenyk said in a statement to parliament that appeared on his ministry's website.

"The finance minister cannot change the situation. Nor can he walk away from his professional actions. There is no point in remaining in the job of finance minister in such conditions."

A respected online news service last month published a letter it said was written by Pynzenyk denouncing as unrealistic the government's budget allowing for a deficit equivalent to 3.0 percent of gross domestic product. Pynzenyk criticised publication of the letter, but did not formally deny writing it.

Ukrainian politics has been dominated by a split between Tymoshenko and President Viktor Yushchenko, former allies in the 2004 "Orange Revolution" who are now estranged.

Reflecting the absence of political consensus, Fitch Ratings downgraded Ukraine's credit ratings on Thursday, saying it faced increased risks of a banking and currency crisis, especially if it failed to implement its agreement with the IMF.

"The political consensus needed for Ukraine to adhere to its IMF-backed program is fragile ... " it said.

"CRISIS MANAGEMENT"

An IMF mission left Kiev last week with no decision on disbursing the second instalment of the loan for Ukraine. Fund spokesman David Hawley, speaking in Washington, said talks were proceeding, but concerted action was needed from authorities. He gave no date for a return of the mission.

"Discussions between the authorities and fund staff on outstanding issues will continue in coming weeks and we expect the mission to return to Kiev to continue these discussions," Hawley told reporters.

He said Pynzenyk's resignation "merely serves to underline the importance of strong crisis management being essential to the success of the programme".

Yushchenko issued a new call for the cabinet to review its strategy and come up with a more "realistic" budget.

Tymoshenko, addressing reporters in Kiev, noted that the minister had been on sick leave and in hospital for some time.

"Not all officials are able to deal with the world financial crisis. Not all are able to work and react to the challenges in a proper manner," she said.

"Those who are the weakest give ground on the key positions and end up leaving and dealing with other matters."

Tymoshenko, who had also fallen out with Yushchenko over her approach to Moscow for a \$5 billion credit, said a new minister would soon be appointed.

In a separate action that appeared linked to IMF demands, the central bank said it would no longer sell foreign currency to banks that conduct transactions at exchange rates exceeding the average market value of the U.S. dollar.

The bank suggested it could take other punitive measures against banks conducting such transactions. Dealers said the move was likely to create further dollar shortages.

#28
IMF Urges Strong Crisis Management in Ukraine
AP, February 12, 2009

Ukraine needs to exercise strong crisis management as it wrestles with a budget deficit, a spokesman for the International Monetary Fund said Thursday. David Hawley said discussions between the IMF and authorities in Kiev were continuing "on the need to find agreement on how to contain the general government deficit in 2009."

Other topics under discussion, he said, include monetary policy and restructuring of the banking system "so that confidence in the banking and financial system can be restored." He said he expected an IMF mission to return to Kiev for more talks, but he did not give a date.

Last week, the IMF postponed the second \$1.9 billion tranche of a \$16.4 billion emergency loan after Ukraine fell behind on stabilization measures needed to receive the aid.

Ukraine is among the countries hardest hit by the global financial crisis. The economy is plunging into a deep recession, the national currency has lost 40 percent of its value since late 2008 and the state gas company is struggling to service multibillion-dollar debts for Russian gas imports.

A failure of the banking system could severely damage European banks that have major stakes in Ukrainian financial institutions. Ukraine turned to Russia last week for a \$5 billion loan and is seeking aid from the United States and other major industrialized nations.

"Strong commitment by the authorities to getting the country's economy back on track on the path to sustained growth is the key to success in these economic programs," Hawley said, "so strong crisis management is essential." He said obtaining financial help from other countries would temporarily alleviate financial difficulties.

"A high deficit could then be considered, which could help boost domestic demand and smooth the economic adjustment," Hawley said. The Kiev government's 2009 budget is expected to show a deficit of 3 percent of gross domestic product.

#29
Kantor: European Jewry has bigger problems than Russian Jewry
By Grant Slater
JTA, February 12, 2009

Moshe Kantor, the recently re-elected president of the European Jewish Congress, will resign as president of the Russian Jewish Congress because, he says, the problems of European Jewry are more urgent than those of Russian Jewry.

"The lack of progress in intercultural dialogue in Europe is a major concern," Kantor said in a statement explaining his resignation.

Kantor cited growing concerns among European Jews that anti-Semitism is on the rise in the wake of Israel's recent military operation in the Gaza Strip.

"In the span of four weeks, several Western European countries, including France, Belgium and the U.K., have witnessed an alarming number of anti-Semitic incidents," he said.

Kantor's resignation comes amid growing concerns among Russian Jews about the financial crisis in the country's Jewish organizations. The crisis has not spared the Russian Jewish Congress, which is closely aligned with Russia's Orthodox Jewish movement.

"Because the problems are much more prevalent today in Europe than in Russia, we understand that he wants to focus on his European interests," RJC spokesman Mikhail Savin told JTA.

Kantor, the president of Russia's largest fertilizer company, has led the congress since 2005. He used the position as a springboard to the presidency of the European Jewish Congress in June 2007. Last December, the European organization re-elected Kantor to a four-year term.

The Russian congress has focused heavily on Holocaust remembrance activities over the past three years, a goal that dovetailed with Kantor's work in the European Jewish Congress.

Kantor, who holds Israeli citizenship and splits his time between Israel and Switzerland, said he will stay on at the Russian Jewish Congress for two months while the board seeks a new president. Its choice will reflect the direction of the 13-year-old congress and, to some extent, the aspirations of Orthodox Jewry in Russia.

The congress at times has been at odds with the Russian government and other Jewish umbrella groups in the country.

Two former presidents of the organization fled to Israel after conflicts with the Kremlin in a period that saw the RJC's political clout wane as the Chabad-led Federation of Jewish Communities gained closer ties to the Kremlin.

The longest-serving president of the Congress, Vladimir Gusinsky, clashed repeatedly with the Kremlin both through his media empire and the actions of the congress, rankling then-President Vladimir Putin. Gusinsky fled to Israel via Spain in 2001.

Another former president, Leonid Nevzlin, was a close confidant and partner of Mikhail Khodorkovsky, the jailed CEO of the now-defunct Lukos Oil Co. He fled Russia in the summer of 2003 as pressure on the company increased. Last year he was charged in absentia with murder.

Kantor took over in 2005 at the tail end of the conflict as the Russian congress chose a series of more low-key patrons to lead the group away from its history of political activism.

Unlike his predecessors, Kantor's strong ties to the Russian power structure remain. On Jan. 27, Putin visited the production facility of Kantor's Akron fertilizer company to announce the lifting of export tariffs on the industry -- a crucial boon to the industry squeezed by the Russian financial crisis.

Putin's move was portrayed in the Russian media as a gift to the industry to help combat the financial crisis.

"We are aware of our responsibilities as citizens," Kantor told *Rossiskaya Gazeta* after the ceremony with Putin. "For us this is a heavy burden, not grudgingly accepted."

Pinchas Goldschmidt, the head Conservative rabbi of Moscow, who is currently on teaching sabbatical in Boston, said a period of stabilization for the congress marked Kantor's tenure.

Russia's chief Orthodox rabbi, Adolph Shayevich, said the connection between his umbrella group, the Congress of Jewish Organizations and Associations in Russia, and the congress waned during Kantor's tenure.

During his three-year tenure, Kantor consolidated the group's branches, governance and philanthropic wings while overseeing a \$13 million budget. The budget has seen cuts as the financial crisis deepened over the past six months. The congress has ceased publication of its magazine, leading to the departure of its editor, Nikolai Propirny, who served as the executive vice president of the congress.

Opinions differ as to where the RJC will turn for its next leader, though there is agreement that the leader will be a prominent Jewish businessman who lives in Russia. The presidium and board of the congress already include many of the most prominent names.

The pick will determine whether the RJC will ambitiously pursue new fund-raising objectives or continue to restructure and maintain a smaller role, board members said.

"I think it's going to depend on whom you appoint," Goldschmidt said. "It very much depends on their goals."