

**WASHINGTON, D.C. June 12, 2009**

**TO: NCSJ Leadership and Interested Parties**

**FROM: Richard Stone, NCSJ Chairman;  
Alexander Smukler, NCSJ President;  
Mark B. Levin, NCSJ Executive Director**



In Brief: WTO Developments; Ukraine Politics; NCSJ Board Meeting

Dear Friend,

There is much news coming from the former Soviet Union this week. Russian Prime Minister Vladimir Putin announced a new joint trade union with Belarus and Kazakhstan, effectively ending the three countries' efforts to join the World Trade Organization individually; instead, they will apply for membership under one umbrella. After years of negotiations to join WTO, the new entity must begin a new round of talks. Speculation abounds as to why the Prime Minister went public now with this bombshell news. Some believe the Russians did not see an easy or near end to their WTO membership process, and view this as an easier route to membership for all three countries.

The political drama continues in Ukraine, where Prime Minister Yulia Tymoshenko's attempt at forming a new government coalition with former Prime Minister Viktor Yanukovich collapsed amid charges and countercharges. To make matters worse, the Defense Minister was fired by the Parliament, leaving a worrying number of Cabinet vacancies. There are several articles about both of these events in this week's update.

I want to share some positive news with you about Ukraine. The new Chairman of the State Committee of Nationalities and Religions held a news conference where he announced a new campaign to combat xenophobia, extremism, and anti-Semitism. Youth education, he said, would be a key element of his strategy.

Earlier this week, NCSJ held its Board of Governors meeting in Washington, D.C. The agenda covered many significant areas, including the upcoming U.S.-Russia Summit in Moscow, the current situation in Ukraine, an overview of the Russian Jewish community, a profile on our newest member agency, Project Keshet, and a powerful presentation on the problems of elderly WWII Jewish partisans in Lithuania. [A brief summary and pictures of the speakers are posted now at NCSJ.org](#); more in-depth information on the meeting's presentations will be made available next week.

Sincerely,

A handwritten signature in black ink that reads 'Mark B. Levin'.

Mark B. Levin  
Executive Director



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

NCSJ WEEKLY NEWS BRIEF  
Washington, D.C. June 12, 2009

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#### **#1a**

#### **Skinheads Convicted In Two Russian Cities RFE/RL, June 5, 2009**

ORENBURG, Russia – A court in the Russian city of Orenburg has sentenced two skinheads to jail terms of five and six years, RFE/RL's Russian Service reports.

The convicts were found guilty of vandalizing a synagogue last year, where they spray-painted Nazi symbols and wrote anti-Semitic graffiti.

Also on June 4, a court in Novosibirsk found Mikhail Rodoshkevich guilty of founding an ultra-nationalist group called "Skinhead Brotherhood" in 2002. However, Rodoshkevich was found mentally incompetent and sent to a psychiatric clinic rather than prison.

The group's members have brutally beaten Tajik and Uzbek nationals on many occasions. Five members were tried earlier this year and sentenced to different prison terms between six and 10 years.

#### **#1b**

#### **Ukrainian Jewish charity vandalized**

**JTA, June 7, 2009**

KIEV, Ukraine -- A Jewish charity center was vandalized in Ukraine.

Unidentified attackers painted swastikas and anti-Jewish slurs on the walls of Hesed Yahva in the Crimean city of Feodosia. The vandalism occurred May 25 but was reported for the first time Friday.

Elena Kriulko, director of the charity, told JTA that in 2008 a local memorial to Holocaust victims was vandalized twice. She urged law enforcement agencies to conduct a thorough investigation of the Hesed Yahva vandalism.

Local Jewish activists told JTA that the most recent vandalism illustrates the lax attitude of local law enforcement agencies, as well as their attitude toward previous acts and anti-Semitic manifestations.

**#1c**

**Three of Ukraine's four billionaires are Jewish**

**JTA, June 11, 2009**

KIEV, Ukraine -- Three of Ukraine's four billionaires are Jewish, according to the Ukrainian Korrespondent magazine's annual list.

Igor Kolomoysky, 47, a co-owner of the Privat business group and president of the United Jewish Community of Ukraine, leads the Jewish billionaires on the list with \$2.3 billion, down from \$6.6 billion in 2008.

Victor Pinchuk, 48, is next at \$2.2 billion, down from \$8.8 billion, followed by Gennady Bogolyubov, 47, with \$1.7 billion, down from \$6.2 billion.

Heading the list is Rinat Akhmetov, who owns FC Shahtar Donetsk, with \$9.6 billion -- a more than threefold drop from \$31.1 billion in 2008.

Eduard Dolinsky, executive director of the Ukrainian Jewish Committee, said the large number of Jews on the Korrespondent list creates a mixture of pride and anxiety within the country's Jewish community. He said it could strengthen anti-Semitic stereotypes during financial crises in Ukraine, where Jews comprise approximately one half of 1 percent of the population of 46 million.

**#1d**

**Anti-Semitic vandalism hits progressive congregation in Crimea**

**World Union for Progressive Judaism, June 11, 2009**

Congregation Or Chadash in Feodosia, Ukraine, reports that the building it shares with the local Hesed social welfare organization was spray painted by vandals overnight between May 24 and 25. The graffiti included a swastika and the slogans "Jews out" and "God is with us," written in German (see photo).

The incident is being investigated by local police and Ukrainian national authorities. Elena Kriulko, who chairs the congregation, says Or Chadash received calls of support and solidarity from the local German and Tatar communities, from an assistant to Feodosia's mayor, and from the local director of interfaith relations. The incident received wide coverage by the local media.

"I am indeed pained to learn of this despicable act of anti-Semitism," wrote Rabbi Joel Oseran, the World Union's vice president for international development, in a letter to Anatoly Gendin, a Progressive movement leader who chairs the Association of Jewish Organizations and Communities of Crimea. "All of us at the World Union send you and our friends in Feodosia our heart-felt wishes of support."

Oseran asked to be kept apprised of the progress being made in the investigation.

## **#1e**

### **St. Petersburg Congregation Begins Series of Family Shabbatonim World Union for Progressive Judaism, June 11, 2009**

Congregation Shaarei Shalom, the Progressive community in St. Petersburg, Russia, has launched a series of family-oriented shabbatonim, or weekend retreats, aimed at strengthening members' involvement in congregational life, but also at reaching out to potential members, especially those in mixed families.

The first shabbaton, one of six that will take place, was held May 1-3 at a retreat center in Repino, on the Gulf of Finland outside St. Petersburg. Twenty people attended, including six children ranging in age from five months to 12 years. Many were potential members of the congregation. The themes of the weekend centered on the Jewish family and Israel's 61st Independence Day. The activities consisted of lessons led by the congregation's spiritual leader, Rabbi Stas Wojciechowicz, as well as services, children's and sporting activities, Israeli-style group singing, and worship services.

The idea was to spend Shabbat in warm, comfortable surroundings that promoted the idea of a traditional, home-style Shabbat, but also enabled newcomers to get to know Shaarei Shalom members and one another better. And while this was not the first such retreat in the congregation's history, it was the first at which participants paid all the costs of food and lodging, part of a policy now taking hold at Shaarei Shalom and other Progressive congregations in the former Soviet Union aimed at increased self-sufficiency.

Some of the additional costs involved in holding the shabbaton were provided by the World Union and the Dutch Jewish Humanitarian Fund.

## **#1f**

### **Ukrainian minister vows to protect Jews' rights JTA, June 11, 2009**

KIEV, Ukraine -- A newly appointed Ukrainian minister vowed to stop xenophobia and interethnic hatred in his country, and to protect the rights of Jews there.

Dr. Yuriy Reshetnikov, the new chairman of the Ukrainian State Committee for Nationalities and Religions, told a news conference Wednesday in Kiev that his committee will use all possible instruments to combat or prevent xenophobia and interethnic hatred.

Reshetnikov talked about intensifying the activities of an interdepartmental council of experts, including scientists, as well as political and other public figures, in the effort.

He spoke about the importance of improving relations with international organizations to protect the rights and cultures of ethnic minorities in Ukraine. Reshetnikov promised to do his best to protect the rights of ethnic minorities, especially Jews.

"We do not see systematic manifestations of anti-Semitism," he said, "but we'll do all the best to prevent xenophobia, racism and anti-Semitism. We shall teach children tolerance through educational programs and mass media."

## **#2**

### **Ukrainian Parliament Ousts Defense Minister By Clifford J. Levy New York Times, June 6, 2009**

MOSCOW — Ukraine, which has been as hard hit by the financial crisis as any major country in Europe, slid further into political disarray on Friday when Parliament voted overwhelmingly to dismiss the defense minister.

The move underscored the bitter rift between two former allies, President Viktor A. Yushchenko and Prime Minister Yulia V. Tymoshenko, who were leaders of the Orange Revolution, which brought to power a pro-Western government in 2005.

Ms. Tymoshenko orchestrated the parliamentary vote to oust the defense minister, Yuri Yekhanurov, who had been nominated by the president and had served in that role since December 2007. She accused Mr. Yekhanurov of allowing corruption to flourish in the military, saying money had been stolen from programs that bought food for soldiers and fuel.

President Yushchenko and Mr. Yekhanurov called the accusations false and politically motivated, and denounced the vote.

With Mr. Yekhanurov's ouster, the posts of defense and foreign minister, both of which are controlled by the president, are vacant. Parliament ousted the foreign minister in March.

Ukraine has suffered constant political instability since the Orange Revolution, with feuding among Mr. Yushchenko, Ms. Tymoshenko and the leader of the pro-Russian faction in Parliament, Viktor F. Yanukovich, a former prime minister.

The disputes have made it more difficult for Ukraine to grapple with the financial crisis. At the same time, tensions between Ukraine and Russia have grown over the export of Russian natural gas through Ukraine. On Friday, after complaints by Russia that Ukraine was reneging on its contracts to pay for gas, President Yushchenko announced that the bill would be paid in full.

Meanwhile, there were reports this week that Ms. Tymoshenko and Mr. Yanukovich were negotiating a proposal to share power and require the president to be elected by Parliament. Currently, the president is popularly chosen; the next election is likely to be held in January, and all three leaders are expected to run.

President Yushchenko was considered a hero of the Orange Revolution, but polls suggest that he is now widely disliked. On Friday, he met with foreign ambassadors and asked for their support, while criticizing a possible alliance between Ms. Tymoshenko and Mr. Yanukovich.

"All these initiatives are illegal," the president said, calling the proposal to change the way the president is selected "a constitutional coup."

### **#3**

#### **Moscow Does Not Have 'Excessive' Expectations For Obama's Visit Interfax, June 5, 2009**

MOSCOW - Moscow does not expect that the visit of U.S. President Barack Obama to Russia will result in a breakthrough and is tuned to thorough work on the improvement of Russian-U.S. relations, an article on international security posted on the Russian presidential website reads.

"We have pragmatic attitudes. We do not have excessive expectations as to results of the visit. The process of improving bilateral relations requires time and decent effort of both parties," the article reads.

"Thing probably will not be smooth (in Russia-U.S. dialog), but at the same time Washington, at least at the current stage, thinks over this and over how Russian-U.S. relations could be improved and over how problems and irritants which have occurred in them in recent years can be dealt with," the article reads.

"This is a good signal, and we contribute to such development in every possible manner," the document reads.

Preparations for Obama's visit are actively underway: Russian officials "are in close contact with their U.S. colleagues on the whole range of issues which are expected to be touched upon at the Moscow summit," it reads.

"In the arms control area, the priority is to reach a new legally binding agreement that will replace the Strategic Arms Reduction Treaty which expires this December. The dialog on missile defense will inevitably be continued," it reads.

"Non-proliferation, energy security, the search for adequate responses to such global challenges as terrorism, organized crime, corruption, drug trafficking, and piracy will be discussed in detail at the meeting," the article reads.

Much attention will also be paid to regional conflicts, interaction on Afghanistan, as well as continuing negotiations on the North Korean and Iranian nuclear problems and improving Euro-Atlantic security, the document reads.

"Of course, we will aspire to add new dynamics to economic ties and to expand public contacts," the article reads.

Moscow thinks that "the general understanding that security can be ensured only on solidarity basis through involving all players is crucial for the building of true partnership."

#### **#4**

#### **Belarus leader rejects conditions on Russian loan Reuters, June 5, 2009**

MINSK - Russia has made a \$500 million loan to Belarus contingent on its recognition of two separatist Georgian regions as independent states, President Alexander Lukashenko was quoted as saying on Friday.

But Lukashenko, interviewed by Russian media, said Belarus's support was not for sale.

Relations between the two former Soviet republics and traditional allies have deteriorated in recent months.

Russian officials last week said they would not provide the loan on grounds that Belarus could be insolvent by the end of the year.

Moscow is alarmed by Belarus's rapprochement with Europe after years of isolation and accusations of human rights abuses.

"It has come to this -- they came and said: if there's South Ossetia and Abkhazia, there will also be \$500 million," Lukashenko said in the interview, reprinted by the official BelTA news agency.

"You know, we don't want to sell issues and positions ... We will decide on this issue by ourselves."

Russian forces expelled the Georgian army after it tried to retake the rebel region of South Ossetia last August.

Russia subsequently recognised both South Ossetia and a second separatist region, Abkhazia, as independent states, though so far only Nicaragua has extended similar recognition.

Moscow has been unofficially putting pressure on Belarus, its longstanding ally, to recognise the two regions. But Lukashenko has resisted the pressure, saying this is a matter for the Belarussian parliament to decide.

"Maybe we'll recognise, maybe we won't recognise. Today, tomorrow, the day after. In comparison to what is happening around Belarus, this is not the most important issue. But we understand that yes, for Russia, recognition would be useful."

The European Union has made it clear to Lukashenko that recognition of the regions would jeopardise the improvements Belarus has made in its ties with the 27-member bloc in the past year.

The West had long accused Lukashenko, in power since 1994, of jailing opponents, muzzling the media and rigging his re-election to a third term in 2006.

But he has made steps towards the EU after a row over gas supplies with Russia in 2007. Last August, authorities released the last of what the West called political prisoners and allowed the sale of independent newspapers.

The EU suspended a travel ban on Lukashenko, who travelled to Italy in April and met Pope Benedict, his first visit to Western Europe in years.

## **#5**

### **Russian Warns Against Relying on Dollar**

**By Andrew E. Kramer**

**New York Times, June 6, 2009**

ST. PETERSBURG, Russia — President Dmitri A. Medvedev, who rarely misses a chance to accuse the United States of causing the global financial crisis, told an economic forum on Friday that wobbly American financial policy had made the dollar an undesirable currency for reserves held by central banks.

Russia, along with China and other nations, has floated the idea of forming a supernational currency to supplant the dollar, perhaps using the so-called special drawing rights units of the International Monetary Fund as a basis.

Given the weaknesses in the American economy, Mr. Medvedev said, relying on the dollar as extensively as is the case today could mean building a postcrisis financial system on legs of clay. Banks should look also at regional currencies, like the ruble, he said.

Wresting some control of the world's financial architecture from the United States is a theme often raised by Russia, and even more so during the global recession. Russian authorities' comments on the issue have at times helped depress dollar exchange rates with other currencies because of concerns that central banks would dump the currency. But independent economists generally dismiss Moscow's position — and the offering of the ruble as a reserve currency — as highly unrealistic, particularly given the wobbly recent history of the ruble.

“The artificial and monopolar support of a monopoly on key segments of the world economy became the fundamental cause of the crisis,” Mr. Medvedev said in a keynote address to the St. Petersburg Economic Forum, an annual opportunity for Russian authorities to lay out their economic policy thinking and court foreign investors.

With the recent upswing in oil prices and Russian stock markets, investor interest has returned to the country, and dozens of chief executives and more than 200 portfolio investors attended the gathering here this week.

As Russian officials have before, Mr. Medvedev laid blame for the global recession on what he characterized as “one center of consumption, which is financed by deficit, and correspondingly, an accumulation of debt, one reserve currency that is powerful as never before, and one predominating system of evaluating risks and assets.”

In other words, the United States.

Still, in a nod to Russia's role as one of the world's 20 largest economies, whose leaders have met to coordinate a response to the downturn, Mr. Medvedev also struck a constructive note, saying that all governments had reacted well to the crisis.

He praised the ability of governments to “work in concert” to put the brakes on downward trends. Policy makers, he said, are torn between an approach that would largely conserve the current global regulatory regime, and an overhaul that could interfere with recovery but reduce the likelihood of future crises.

Mr. Medvedev suggested that Russia would like to see more substantive change — including an end to such an oversized role for the dollar.

Russia's economic critique of the dollar, continuing for several years, comes alongside increased political tensions with the United States.

Yet Russia's central bank, too, keeps about 50 percent of its reserves in dollars.

To stabilize exchange rates, Mr. Medvedev said, governments should create a new reserve currency. Russia has backed an expanded role for special drawing rights units of the International Monetary Fund.

Authorities in Moscow also took steps to push countries to hold rubles as a reserve by encouraging trade in Russian oil and natural gas to be denominated in rubles, rather than dollars, as is the case now. But trading partners have preferred contracts in dollars.

## **#6**

### **Putin Ousts Head of Company Overseeing Olympic Project**

**New York Times, June 7, 2009**

MOSCOW — Prime Minister Vladimir V. Putin on Saturday replaced the president of Olimpstroy, the state company that oversees construction for the 2014 Winter Games in Sochi, citing cost and construction issues.

The new president is Taimuraz Bolloyev, the founder of the Baltika beer company.

Mr. Bolloyev will be Olimpstroy's third leader since its founding in November 2007. The president ousted Viktor Kolodyazhny, who left his post as mayor of Sochi 14 months ago to take the job. His predecessor served for less than six months.

Officials said Mr. Kolodyazhny stepped down for personal reasons. Mr. Putin urged the new president to closely watch costs and the pace of construction, noting that a vice governor of the Krasnodar region was recently fired after arguing for higher prices.

"When high-ranking officials do not assist in lowering prices, but, on the contrary, demand price retentions and increases, that is totally unacceptable in today's circumstances," Mr. Putin said, according to a transcript posted on his Web site. "Nothing of the kind will be allowed in the future. I ask you to pay attention to that."

Full-fledged construction is just beginning in Sochi, whose sporting facilities are scheduled to open for athletes in 2012. Jean-Claude Killy, the head of the Olympic coordination commission for Sochi, has said Sochi's program of construction is more ambitious than any in Winter Games history.

Vice Prime Minister Dmitri Kozak, who is overseeing the project, said expenditures for sports facilities and infrastructure in Sochi will total about \$16.3 billion, according to the Interfax news agency.

## **#7**

### **Russian speakers' party does well in Latvia votes**

**By Patrick Lannin**  
**Reuters, June 7, 2009**

RIGA - Latvia's main Russian speakers' party and other opposition groups made gains on Sunday in local and EU elections, hurting a government facing an economic crisis and devaluation talk, exit polls and early results showed.

One exit poll indicates a former top Communist official may win a European Parliament seat, a sign of just how much the political landscape looks set to change.

Alfred Rubiks of the Harmony Centre party resisted Latvian independence from the Soviet Union in 1991 and later spent three years in jail for backing a coup to unseat the new government.

In local elections for the capital Riga another opposition party and a new party which is a junior member of the ruling coalition also did well, while two ruling government parties, including the largest, lost all their seats.

"In Riga it is clear that Latvians punished the government parties," said political commentator Karlis Streips.

The elections took place amid voter anger at several of the ruling parties due to soaring unemployment and an economy set to contract by up to 20 percent this year. In January Latvia was hit by a wave of riots, the worst in post-Soviet times.

Fears the crisis could cause Latvia to devalue its currency sparked market jitters last week in eastern Europe and Sweden, although the government denied devaluation plans.

With results in from 119 of 158 polling districts, Harmony Centre had 33 percent of votes in local elections, a sharp backlash against Latvian nationalist parties.

From 1991 Latvia introduced strict citizenship laws, effectively leaving many Russian speakers without citizenship and the vote.

Now Harmony Centre looks to be making ground since many Russians have become naturalised to attain Latvian citizenship others were born after independence and are now at voting age.

Harmony has said it also expected ethnic Latvians, angry at the economic crisis, to vote for it too.

Some pollsters have said the votes could affect the coalition's stability. The prime minister played this down.

Valdis Dombrovskis said the main worry for the government was tough budget cuts needed to win further funds from a 7.5 billion euro rescue package agreed with the International Monetary Fund (IMF) last year.

Of the five parties in the ruling coalition, Dombrovskis' New Era was set for a similar number of seats as now.

But the largest party in the coalition, the People's Party, and the junior coalition party, the nationalist For Fatherland and Freedom, lost their seats in Riga, though People's Party retained some key cities in the regions.

## **#8**

### **Ukraine Premier Fails to Form Alliance to Oppose President**

**By Clifford J. Levy**

**New York Times, June 9, 2009**

KIEV, Ukraine — Prime Minister Yulia V. Tymoshenko of Ukraine acknowledged Sunday night that talks to create an alliance between her party and opposition forces in Parliament had collapsed, putting an end to her plan to undercut her former ally, President Viktor A. Yushchenko.

In a televised address, Ms. Tymoshenko said she had hoped to build a broad coalition to address the economic crisis, which has severely affected Ukraine. But she accused the opposition leader in Parliament, Viktor F. Yanukovich, a former prime minister, of betraying her.

"He unilaterally, without warning anyone, quit the negotiation process, making a loud political statement, killing the merger and the chances for Ukraine," Ms. Tymoshenko said.

She reiterated that she would run for president in the next election, which is likely to be in January.

Her announcement capped several weeks of renewed political intrigue in Ukraine, which has faced instability since the Orange Revolution of 2004 brought to power a pro-Western government led by Ms. Tymoshenko and Mr. Yushchenko.

On Friday, in a move orchestrated by Ms. Tymoshenko, Parliament voted to remove the defense minister, Yuri Yekhanurov, who was appointed by the president, an indication of how strained relations have become between the president and the prime minister.

Ms. Tymoshenko had been privately holding discussions with Mr. Yanukovich over a proposal to alter the structure of the federal government. The plan would have required that the president be elected by Parliament, not popularly elected, as in the current system.

After Ms. Tymoshenko attacked Mr. Yanukovich on Sunday night, he responded that while he saw the merits in a multiparty government, he had severe doubts about doing away with a popularly elected president.

The prime minister's plan had drawn harsh criticism from Mr. Yushchenko, who referred to it as a constitutional coup.

Mr. Yanukovich, who has good relations with the Kremlin, was the loser in the Orange Revolution, but he has maintained a power base in the Russian-speaking eastern part of the country. All three political leaders are expected to vie in the next presidential election; Mr. Yanukovich and Ms. Tymoshenko lead in the polls.

Mr. Yushchenko's popularity has plunged in recent years, and it appears that he has little chance of winning re-election.

## **#9**

### **Gazprom receives Ukraine gas payment for May AFP, June 8, 2009**

MOSCOW -- Russian energy giant Gazprom said on Monday it had received Ukraine's May gas payment in full, after warnings that a missed payment by Kiev could lead to a new gas crisis.

"Yes, we got it," Gazprom spokesman Sergei Kupriyanov told AFP. When asked how much had been received, he said: "As much as we needed, we received."

Ukrainian state gas firm Naftogaz said on Friday its gas bill for May was 647 million dollars (464 million euros) and that it had sent the payment in full.

Russia had warned repeatedly that crisis-battered Ukraine would have trouble paying its bills and that missed payments could lead to a repeat of the January gas crisis, which disrupted gas supplies to Europe amid a cold winter spell.

Kupriyanov said the current payment did not avert but merely postponed a new energy crisis, as Ukraine would "unlikely" be in a position to afford the next payment for June.

European officials expressed a similar opinion, with a source close to the the European Commission saying the payment was not "the end of the problem at all."

The EU commission is expected this week to send a fact-finding mission to Moscow and Kiev to shed light on their gas payment dispute.

Under pressure from Moscow, Ukrainian President Viktor Yushchenko said on Friday that he had no other choice but to pay the bill by ordering the printing of Ukrainian hryvnia.

"I would like everyone to know the price of these decisions," Yushchenko said in comments posted on his website.

The decision has raised fears that it will cause a further devaluation of the hryvnia, the country's currency, adding to the woes of Ukraine's already battered economy.

The International Monetary Fund has forecast that Ukraine's economy will contract eight percent overall this year, while the World Bank puts the downturn at nine percent.

Moscow has said it is not willing to bail out Ukraine on its own, urging the European Union to come up with a syndicated loan for Kiev.

The EU -- which receives one-quarter of its gas from Russia, most of it piped across Ukraine -- said it did not immediately have the money for the struggling ex-Soviet nation.

## **#10**

### **False Choices For Russia**

**By Lev Gudkov, Igor Klyamkin, Georgy Satarov and Lilia Shevtsova**

**Washington Post, June 9, 2009**

MOSCOW -- As intellectuals and liberal Russians, we have read with great interest many recommendations American experts have compiled for President Obama regarding the U.S.-Russian relationship. While there are several constructive ideas, many of these reports reflect a serious misunderstanding of the situation in Russia and the course it is following.

We object, for example, to the basic proposition of calling for a return to realpolitik because some believe that the worsening of Russian-American relations was mainly caused by Washington's insistence on "tying policies to values." The result, some American "realists" argue, is that the United States needs to build a new relationship with Russia based on "common interests and common threats." Yet in blaming the Bush administration for trying to "teach" Russia about democracy, these realists appear to accept the official Russian position. In our view, America has ignored the problems of democracy and civil society in Russia, but even turning a blind eye did not prevent the breakdown in the U.S.-Russian relationship -- and now Obama is essentially being asked to treat Russia as though it is incapable of democratic transformation.

While there is anti-democratic sentiment here, such feelings are not ubiquitous. In fact, nearly two-thirds of Russians would like to see the establishment of democracy and the rule of law, according to a 2008 Levada Center poll. The ruling elite oppose the development of democratic institutions, but the key is that members of the elite are more than ready to integrate into the Western world on an individually beneficial basis; they will do everything in their power to "protect" the rest of Russian society from the perils of such integration.

To be clear, we are not calling on our American democratic colleagues to "promote" democracy in Russia. Such efforts are counterproductive and ultimately serve only to discredit Russian democrats by helping the propaganda machine color them as agents of the West. But we do not understand how one can hope for cooperation while ignoring Russia's internal development and the principles on which the state functions.

In the Century Foundation report "Resurgent Russia and U.S. Purposes," Thomas Graham writes that Russia's national interests include being "a great power . . . maintaining itself as the dominant influence in the former-Soviet space . . . and constraining the United States." That is true about the Kremlin's interests. But Graham goes on to argue that "nothing in Russia's understanding of its interests precludes close cooperation with the United States on a wide range of issues critical to American security and prosperity." How can we build a relationship based on "common interests" if Russia's leaders see NATO expansion as a primary threat or if, as Graham wrote, their national interest is in "constraining" U.S. influence in the region?

Russian society views its national interests differently than does Russia's leadership. Polling has found that Russians are interested in making their country more open to the world and that they want to limit governmental abuse and corruption and create an independent judiciary. So we think that Americans ought to be clear, when referring to "Russian national interests," whether they mean those of the country at large or the current political regime.

Consider that in language strikingly similar to Kremlin rhetoric, the Commission on U.S. Policy Toward Russia, chaired by former senators Gary Hart and Chuck Hagel, recommends that Obama respect "Russian sovereignty,

history and traditions and [recognize] that Russian society will evolve at its own pace." We hope that Americans understand Russian "traditions" differently than does the Kremlin propaganda machine. Implicit in many recent reports are the suggestions that the administration avoid discussing human rights and the obligations that Russia undertook when it joined the Group of Eight. The Hart-Hagel report also says that America should "establish a government-to-government dialogue on Russia's neighborhood, with a view to developing confidence-building measures." So Russia and the United States should decide the fate of Russia's neighbors? That sounds eerily like a return to the days of Yalta. When we read Thomas Graham's statement that Ukraine "occupies a special place in Russian thought: It is the cradle of Russian civilization and an essential element of Russia's own national identity," or that we should "Finlandize" Ukraine, we see the realists parroting Russian nationalist rhetoric.

We believe that cooperation on issues such as nonproliferation, Iran or trade will be successful only if our relationship is based on trust. If the Obama administration follows the suggestions of these "realists," rather than improving relations with Moscow its efforts will lead to more mutual disappointment at best. And sour relations with the United States always limit the space for liberalism in Russia. We believe Russia dearly needs to expand all sorts of ties with the United States and the West, but such cooperation must not come at the price of U.S. refusal to understand what is happening in Russia, or allowing Washington to ignore the fundamental nature of the Russian political system and to "repackage" old concepts of tactical maneuvering as a new foreign policy strategy.

Brookings Institution President Strobe Talbott helpfully proposed in February that the West "should create conditions that will, over time, convince the Russians that their post-Marxist, post-Soviet, Hobbesian experiment is, in fact, unrealistic. It simply won't work." We don't know why many American realists would make it easier for the Russian elite to remain ensconced in their Hobbesian microcosm. We recognize that transforming Russia is a job for Russians and that this is a task at which Russia's liberal forces are failing. But the task will be that much more difficult if American experts serve as the "conservators" of Russian authoritarian traditionalism.

Relations with Russia cannot be reduced to the false dichotomy of isolation or cooperation with an authoritarian regime. Such a choice is doomed either way. We hope that in his dealings with Russia, President Obama will show us the fresh thinking for which he is admired as well as his understanding of Russia's people, not just its leaders.

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**#11**  
**A Bottom-Up Democracy**  
**By Boris Kagarlitsky**  
**Moscow Times, June 9, 2009**

It had to happen sooner or later. The first bill on nationalization has been submitted to the State Duma. That such a bill would appear in Russia only after similar legislation was introduced in Britain and the United States might seem paradoxical, at least at first glance. After all, Moscow officials would rather die than be accused of an attempt to revive communism. This is especially true of senior government officials in the "economic bloc" whose job is to please investors. In recent years, the less liberal Moscow's political regime has become, the more effort officials have had to make to demonstrate Russia's supposed adherence to economic liberalism.

Yet the crisis has a way of dictating its own laws, turning the commonly held understanding of what is economically right and wrong on its head. The former liberal belief in the supremacy of the free market and the sacredness of private ownership has given way to the hope that the state can step in to save struggling businesses.

The nationalization of failing businesses has become an unavoidable necessity. But these decisions are dictated by pragmatism and politics, not ideology. Governments all over the world have been forced to shift major companies and even entire economic sectors onto government balance sheets.

The story of Pikalyovo, a town of 22,000 people outside of St. Petersburg, provides a vivid illustration of this theory. When the city's BaselCement factory suddenly became unprofitable, it was shut down, forcing 4,000 people out of

work. Because local residents stopped paying their utility bills, authorities shut off the hot water. Two other factories also closed or suspended operations.

The people were desperate. They stormed the local government building and blocked the main road between St. Petersburg and Vologda. Moscow's answer came only one day later: United Russia introduced a bill in the Duma calling for the nationalization of Pikalyovo's companies.

In the end, however, the government decided not to nationalize the companies in Pikalyovo for now but to scare their owners with the threat of nationalization. After hearing Prime Minister Vladimir Putin's threats, the company owners promised to allocate funding.

Although these fist-pounding methods make for great television drama, they won't solve the fundamental problems that led to the plant closures in the first place. And Putin won't make a personal visit to every factory that shuts down because of the crisis. Russia is full of factories, but it has only one prime minister.

Pikalyovo has established a precedent. The residents of dozens of similarly depressed one-factory towns will demand the same kind of aid. But what will the government do with the property that has been nationalized?

There is a strong need to reorganize the state sector, put its affairs in order and create new management structures and strategies that would allow it to revive companies suffering from the effects of the crisis and bungling management and transform them into engines of growth to help pull the economy out of the crisis. Developing the country involves not only national projects and large-scale investment in cutting-edge technologies, but also the resuscitation of the country's 700 one-factory or single-industry towns such as Pikalyovo.

If the people of Pikalyovo were smart enough to attract the attention of the authorities, isn't it time to give them the chance to become involved in solving their own problems? An opportunity is being created at the local level for democratic participation, for bringing ordinary citizens into the process of managing their own affairs. Once this happens, we will discover that numerous questions can be resolved without top-heavy, wasteful national projects. We may see that grass-roots initiative, common sense and familiarity with local circumstances could take the place of Duma commissions and federal ministries.

In short, it would become clear that two-thirds of the people presently employed by the country's bloated bureaucracy could be put to better use and doing something less harmful to society's health. Then we will say "thank you very much" to the people of Pikalyovo.

## **#12**

### **Putin's grand gesture cannot hide Russia's woes**

**By Tony Halpin**

**The Times (UK), June 10, 2009**

It was a captivating snapshot of Russia's deepening economic woes: Oleg Deripaska, once the country's richest man, stood bowed and cowed before the furious stare of Vladimir Putin, the Prime Minister.

Both men had gone to Pikalyovo, a town near St Petersburg, in response to a revolt by impoverished residents over unpaid wages. Two days earlier, angry crowds had blocked a major highway causing a 250-mile traffic jam.

Pikalyovo's three cement plants, including one owned by Mr Deripaska, have shut down in the economic crisis, making most of the town unemployed. Mr Putin criticised the owners of the plants for their failure to resume production, casting himself as the defender of ordinary Russians.

"You have made thousands of people hostage to your ambitions, your lack of professionalism or maybe simply your trivial greed," he said in his televised speech last week. "Why was everyone running around like cockroaches before my arrival? Why was no one capable of making decisions?"

Mr Putin has agreed to pay the unemployed cement workers 40 million roubles (£790,000) out of government funds. While the people of Pikalyovo are pleased by his intervention, those in thousands of other towns all over Russia are in equally dire straits and growing increasingly frustrated.

Days later, workers went on hunger strike over unpaid wages at another of Mr Deripaska's businesses, a paper mill near Lake Baikal in Russia's far east. The billionaire needed no visit from Mr Putin this time before announcing that 2,000 workers would get what they were owed.

There have been protests in Vladivostok and a dozen other cities in the far east over new import tariffs on foreign cars imposed by Mr Putin to protect domestic manufacturers. Many depend on the import business for their livelihoods and took to the streets brandishing posters calling for Mr Putin to be sacked.

Pensioners protest over soaring inflation, students struggle to find loans for their studies, and wage arrears are rising in many industries. Even the Putin middle classes, which got used to a comfortable lifestyle in the oil-fuelled boom years, are discovering the terror of unemployment and an inability to repay mortgages and personal loans.

It is a potent cocktail that has the Kremlin fearful that discontent in an anonymous town such as Pikalyovo could spark a wider revolt.

Hence Mr Putin's furious denunciation of Mr Deripaska long seen as the Kremlin's favourite oligarch. The broader message he sent to business leaders was that they would be held responsible if neglected workers in towns dominated by single industries or companies took to the streets in anger.

Most discontent has been isolated and focused principally on economic rather than political grievances. But Mr Putin may have inadvertently fanned the flames of wider unrest.

As the financial crisis continues, with little sign of an upturn, more and more people will be desperately looking for help as their personal resources run out. Hunger and winter are a potentially lethal combination, particularly if the economy is hit by a much-discussed "second wave" of the crisis triggered by rising defaults on bank loans.

Unhappy workers across the country are drawing the lesson from Pikalyovo that protest works. With his dramatic helicopter dash to the town Mr Putin has also set a standard for government action to resolve people's problems. He can not throw money at every town and factory in trouble, but those who do not get the help they demand now have an additional reason to take to the streets.

**#13**  
**Russia's commodities strategy; While the West talks, Medvedev and Putin lock up resources for the future**  
**By Ariel Cohen**  
**Washington Times, June 9, 2009**

ST. PETERSBURG -- The economic glitterati have descended on Russia's "second capital." President Dmitry Medvedev, vice premiers and ministers, CEOs of Intel, Nissan, Coca-Cola and other Forbes 500 companies, and oligarchs are rubbing shoulders with superstar pundits such as Thomas L. Friedman and Nuriel Rubini. All have flocked to the St. Petersburg International Economic Forum.

Russians are all smiles after the purchase of 2 percent of Facebook, and state-owned Sberbank's participation in acquisition of the General Motors Corp.'s German subsidiary Opel. The public discourse is all about diversification, innovation and coping with the global crisis. Mr. Medvedev says he wants innovation-based growth. But privately, many sotto voce discussions turn to the question: What is Russia's global strategy?

Over the last few months, Moscow has pushed hard to consolidate its positions in commodities and energy resources in both European and Asian markets. Using carrots and sticks, Russia is redrawing the natural resources map around its borders.

At the forum, Mr. Medvedev, and Presidents Ilham Aliyev of Azerbaijan, and Serzh Sarkisian of Armenia met to discuss a peaceful resolution of the lengthy conflict between the two countries over Nagorno-Karabakh.

In April, Moscow invited Mr. Aliyev to sign a memorandum of understanding on gas exports. According to the proposed agreement, Azerbaijan will sell all its gas to Russia. Moreover, it will use the Russian pipeline system, controlled by the state-owned monopoly Gazprom, to export gas to Europe.

The agreement, if implemented, will mark a massive shift in Azerbaijan's export policy. That nation has long favored exporting via the proposed Nabucco pipeline, which would run through Turkey to Europe. Azerbaijani diplomatic sources say that, in exchange for the gas exports, Russia promised to help Azerbaijan resolve its conflict with Armenia over Nagorno-Karabakh.

The White House hopes to short-circuit the proposed gas exports agreement. Veteran "energy diplomat" Richard L. Morningstar has been dispatched to Baku, Azerbaijan, bearing a personal letter from President Obama to Mr. Aliyev. It remains to be seen whether this visit will be enough to keep this key Caspian player from reorienting its energy exports.

Azerbaijan is not the only object of interest for Russia. Gazprom recently decided to play rough with a major gas supplier, Turkmenistan. Last April, the sole pipeline carrying Turkmen gas to Europe suffered an unexplained explosion. It paralyzed exports. Once the Russian pipeline was repaired, Gazprom demanded that Turkmenistan either decrease its gas exports or cut the price. That's hard-nosed negotiating.

These days Russian Prime Minister Vladimir Putin seems content to let Mr. Medvedev do the talking about high-tech development. Meanwhile, he focuses on the "core business" of Russia Inc.: multi-billion dollar projects in commodities and energy control.

The true Russian agenda is most transparent in faraway Mongolia. Strategically squeezed between China and Russia, it has been dominated by both nations in the past. Today, the pro-American, democratic republic finds itself deluged by visits from senior Russian officials, including Mr. Putin himself.

Mr. Putin jetted into Mongolia on May 13. He spent six hours pressing officials for a number of deals in uranium, copper, gold and coal. All these commodities are expected to be in high demand in the neighboring Asian markets.

The government-owned Rosatom hopes to grab Mongolia's massive uranium reserves. The key is the railroads, controlled by Moscow since the times of Soviet hegemony there.

Russian Railroads (RZhD), a state-owned mega-company, dominates Mongolian rail through a joint venture. It is offering Mongolia a railway modernization project. Part of the project includes building a new line that would ensure access to natural resources in the Gobi desert and the uranium-rich northeast, boosting Russia's grip on nuclear fuel supplies.

The railroad deal would also give Russia development licenses for two of Mongolia's largest mineral fields: the Tavan Tolgoi coal deposit and the Oyu Tolgoi gold and copper field. The latter is problematic, however. The Mongolian government has already signed a contract promising Oyu Tolgoi to Canadian company Ivanhoe and Rio Tinto, the London-based natural resources giant.

And there's another fly in the ointment. The Mongolian railways are eligible to receive \$300 million for capital improvements from the U.S. government's Millennium Challenge Corp. (MCC). The Russians have ordered the Mongolians to reject MCC funds - lest it comes with strings that might tie up their own plans. The Obama administration faces a difficult choice: to allow the Mongols to redirect the MCC funds to other projects, or cede strategic initiative to Russia.

Russian government-connected companies are preparing other major projects in Mongolia as well. A slew of Russian firms - Alexei Mordashov's Severstal, Oleg Deripaska's Basic Element, Victor Vexelberg's Renova, Alisher Usmanov's Metalloinvest, and state-owned Russian Technologies - a weapons exporter - have their eyes on Oyu Tolgoi and other deposits.

As the rain falls on St. Petersburg's glitzy economic forum and the Obama administration plans its summit meeting with Mr. Putin and Mr. Medvedev in July to negotiate Moscow's accession to the World Trade Organization, Russia is consolidating its geostrategic advantage from the Gobi desert to the Black Sea. The U.S. and Europe had better take notice. While the talk of high-tech diversification appeals to Western businessmen, the real show is happening thousands of miles away from the capital Peter the Great built on these grim Baltic shores.

*Ariel Cohen, a participant in the St. Petersburg Economic Forum, is senior research fellow at the Heritage Foundation's Davis Institute for International Studies.*

#### **#14**

##### **Kremlin official urges local authorities to be 'more open'**

**Interfax, June 10, 2009**

Moscow: The first deputy head of the Presidential Administration, Vladislav Surkov, has said that it is necessary to make the authorities more open.

"The authorities of all levels should be more open," Surkov said speaking at an all-Russia meeting with heads of municipal entities - centres of the federation's constituent parts.

A statement posted on the official website of One Russia on Wednesday (10 June) reads that members of the One Russia party took part in the meeting.

"The first deputy head of the Presidential Administration has described the need to intensify public politics as one of the main tasks," reads the statement.

"Our priorities don't change," the party website quotes Surkov as saying. The first deputy head of the Presidential Administration said that the country is going through a "difficult period of economic crisis", and thanked the heads of municipal entities for supporting the president's policy.

Discussing a recently adopted law concerning the principles of local self-governance in the Russian Federation, Surkov said that "for the authorities of all levels there should be a mechanism of accountability, that is to say, norms of civilized departure (in accordance with the law a mechanism for early removal from post of heads of municipal entities by local parliaments has been approved - Interfax)".

"We however will not allow this law to be used for settling personal scores," the One Russia website quotes Surkov as saying.

#### **#15**

##### **Growing Extremist Showings In Russia Real Threat To National Security**

**Itar-Tass, June 10, 2009**

MOSCOW- An increase in the showings of extremism in Russia poses a real threat to this country's national security, Lieutenant General of the Police, Yuri Kokov says in an interview published by the Rossiyskaya Gazeta daily Wednesday.

"Attempts to produce a split /in the population/ along the ethnic and religious criteria and to destabilize the social and economic situation have been registered in a number of regions," Gen Kokov says.

"This is a dangerous symptom for a country that emerged as a unique national-territorial entity," he says adding that Russia is populated by people of over 160 nationalities.

"While the record of extremist crimes in Russia stood at 130 in 2004, it rose to 460 crimes last year," Gen Kokov says. "This is statistical data but it doesn't reflect the real situation in full."

He admits that a sizable growth of crimes motivated by inter-ethnic or inter-religious tensions has been evidenced in different parts of the world far outside Russia.

"This country has firmly integrated in the world community and has become open for foreigners and, quite naturally, our society has become more receptive of the general tendencies, encouraging and discouraging likewise," Gen Kokov says.

He recalls that the USSR disintegrated at the moment of a sharp deterioration of inter-ethnic tensions in different parts of its territory.

"The communities of Russian-speaking people in the former Soviet republics and in most regions of North Caucasus found themselves at bay," Gen Kokov says. "This triggered an amassed exodus of Russian-speakers from there."

"People were forced to flee their homes under pressure by newly minted national patriots but as they arrived at new places of residence, they ran into numerous new social problems, sometimes with a nationalistic tint," he says.

"All of this has produced a tangle of knotty contradictions," Gen Kokov says.

## **#16**

### **Kyrgyzstan Insists on U.S. Base Closure**

**By Michael Schwartz**

**New York Times, June 12, 2009**

MOSCOW — Kyrgyzstan appeared to rebuff on Thursday an appeal by President Obama for closer cooperation as Washington sought to retain an American air base that provides a key staging area for the war in Afghanistan.

In February, President Kurmanbek Bakiyev gave the United States six months to leave the Manas Air Base , a decision that was seen as influenced in part by Russia, which pledged a \$2 billion loan to the impoverished Central Asian country.

On Thursday, Foreign Minister Kadyrbek Sarbayev said there were no plans to reverse that decision, despite the appeal by Mr. Obama, who, according to the Kyrgyz government, sent a letter to Mr. Bakiyev seeking greater cooperation between the two countries. American officials in the region had no immediate public comment on the Kyrgyzstan government's statement.

"The decision to abolish the agreement on the military air base, Manas, has been made, and there is no turning back from this," Mr. Sarbayev told the Kyrgyz online news agency, [www.24.kg](http://www.24.kg).

Closing the base could hamper the war effort in Afghanistan,. President Obama has authorized an additional 30,000 American troops over the next two years.

The United States has used Manas as a staging point since the war in Afghanistan began in 2001. The base has played an important role for NATO's mission, providing a refueling stop and transit hub for thousands of troops and 500 tons of cargo each month.

The United States currently pays about \$17.4 million annually to rent the base, but also provides \$150 million a year in aid.

Kyrgyzstan's leaders have complained that the United States had failed to adequately compensate the government for use of the base. Relations were also strained when an American serviceman killed a Kyrgyz truck driver on the base in 2006.

Washington has signaled a willingness to negotiate to keep the base open.

Mr. Bakiyev's office announced on Thursday that Mr. Obama had sent a letter to Mr. Bakiyev thanking "the people and the leadership of Kyrgyzstan for their efforts in stabilizing the situation in Afghanistan and the fight against international terrorism and drug trafficking."

"Barack Obama expressed his desire to strengthen various forms of cooperation between the United States and Kyrgyzstan," a statement released by Mr. Bakiyev's office said.

The letter did not mention the Manas base, but said Mr. Obama would soon send high-ranking officials for negotiations.

Ilin M. Karypbekov, a spokesman for Mr. Bakiyev, said the Kyrgyz leader received the letter and ordered his government to draft recommendations for Mr. Obama that "will be formulated on the basis of Kyrgyzstan's national interests." But he reaffirmed that no negotiations would be held with regard to Manas.

The United States military has not begun closing down operations at Manas, an military spokesman at the base said.

## **#17**

**A wake-up call for Georgia, Ukraine and the West; Bickering and divisiveness among democrats within former Soviet states could lead to authoritarian, anti-Western rule.**

**By Denis Corboy, William Courtney and Kenneth Yalowitz  
Christian Science Monitor, June 10, 2009**

London; Washington; and Hanover, N.H - The West has a large security and economic stake in the outcome of a little-known crisis in Georgia and Ukraine right now.

The Rose Revolution in Georgia in 2003 and later the Orange Revolution in Ukraine raised high hopes around the world for democracy in the former Soviet Union.

But since then democratic forces torn by personal animosities and corrupt interests have put the future of both countries at risk. In Russia, it was bickering among democrats that eased the way for Vladimir Putin to return Russia to an authoritarian path.

Moscow is now exploiting this vulnerability in Ukraine and Georgia by demonizing democrats, aiding their opponents, and abetting separatists. The failure for democrats within those countries to work together could lead to authoritarian or anti-Western rule.

If Ukraine and Georgia are going to steer clear of that, they must now make hard choices.

In Georgia, US-educated President Mikheil Saakashvili made reforms but then dismissed opposing views and stifled some media and debate. Former compatriots in the Rose Revolution now lead opposition parties. They have blockaded streets and stopped some trains. Tens of thousands of demonstrators packed a football stadium on Georgia's national day, May 26.

Last month the US and the European Union urged the opposition to negotiate reforms. This was largely ignored. Instead, much of the opposition demands the immediate resignation of the Georgian president. Polls show he retains the support of only two-fifths of Georgians. The risk of violence is a serious concern. A Georgian military unit mutinied, and a hand grenade exploded at an antigovernment television station.

Ukraine's current President Viktor Yushchenko and Prime Minister Yulia Tymoshenko catalyzed democratic forces in the Orange Revolution and then led reforms. But corruption sapped much of the benefits of rapid economic growth and the east-west divide within Ukraine persists. The two leaders became bitter foes. Mr. Yushchenko has gone out of his way to irritate Moscow, while Ms. Tymoshenko has flirted with a coalition that would tie Ukraine closer to Russia. And that's just the scratching the surface.

What lessons do these political tales of woe teach?

First, the Stalinist legacy of pervasive fear which fueled political and social distrust still impedes open debate even though it strengthens countries.

In the wake of a disastrous war with Russia last August and an economic downturn, fissures in Georgia have grown. Debate has helped Georgians come to grips with them. Mr. Saakashvili has wisely avoided a repeat of his 2007 crackdown on peaceful protests and the free media.

The need now is for serious negotiations between sides, and democratic solutions. In Ukraine, open discourse is facilitating tough economic decisions enabling International Monetary Fund support and modulating inter-regional tensions.

The second lesson is that disunity and weakness carry risk at a time when both countries' futures hang in the balance. Blood-letting among democrats in Ukraine weakens their ability to resist Russian pressure on energy transport and Crimea's status. Similar acrimony in Georgia inhibits political conciliation and the development of a loyal and apolitical military.

Appeals are being issued, mainly to the United States, to call local leaders to the woodshed to force resolution of political impasses. Just last week, for example, Yushchenko met with G-7 ambassadors in Kiev (Kyiv) and urged their governments to help save democracy in Ukraine.

But this would not be effective. Politics in Ukraine and Georgia are complex and not well understood by foreigners. Besides this, and perhaps because of this, their counsel is rarely heeded.

In August 2008, Saakashvili ignored repeated warnings, even from the US president, to avoid military confrontation with Russia. In Ukraine, Orange Revolution leaders have turned a deaf ear to the counsel of Western countries and Ukrainian diasporas to seek accommodation and fight corruption.

The hard lesson for Georgia and Ukraine is that governments and citizens must summon courage and solve their own problems. Leaders should make reform their main agenda. If they can't or won't do this, they ought to step aside. A new generation of leaders -- young enough never to have been schooled in Soviet ideology -- may be better able to contain retrograde forces and carry the banner of reform. Ukraine and Georgia have promising candidates.

The US and Europe, meanwhile, must do more to improve conditions for reform -- and not disdain prospects for democratic change in troubled areas. The best tool is expanded assistance to foster the rule of law, honest elections, respect for human rights and minorities, and the fight against corruption. Advances in these areas should precede -- and will enable -- closer ties to the European Union and NATO, not the other way around.

Ukraine and Georgia must fashion their own futures and find leaders who can cooperate for democracy. Street demonstrations, economic crises, and Russian pressure should be a powerful wake-up call. Unless democrats unify, backward-looking forces could take hold -- as has happened in Russia, to the detriment of US and European interests.

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**#18**  
**Finished From the START**  
**By Michael Bohm**  
**Moscow Times, June 11, 2009**

Three weeks before the U.S.-Russia summit in Moscow, it appears that the two sides won't be able to agree on vital negotiating positions on a new nuclear arms control agreement to replace the Strategic Arms Reduction Treaty, which expires Dec. 5.

One of the biggest stumbling blocks is Russia's opposition to U.S. plans to place elements of a missile defense system in Poland and the Czech Republic, as well as longer-term U.S. plans to build a global system. Although Moscow fully understands that the project today is pie-in-the-sky from a technological perspective, it also understands that the United States is working on upgrading the technology, while Russia is doing little in this regard. Moscow has taken a strong position on this issue: The new agreement must contain a U.S. commitment to limit -- or even forego -- its missile defense plans.

Russia's position is understandable. Let's say, for example, that both sides agree to limit the number of nuclear warheads to 1,500 each -- from 3,900 on the Russian side and 5,500 from the U.S. side. But if, given a big technological breakthrough, Washington is able to build a missile defense system in five or 10 years that can shield the United States with close to 100 percent accuracy against Russia's 1,500 warheads, it would need to be placed in Greenland or Alaska, not Central Europe.

Moscow is correct about one thing, however. If Washington were to develop an effective missile defense system, it would fundamentally undermine nuclear parity and the concept of mutually assured destruction, both of which have served as the cornerstone of containment and a protector against another world war between the superpowers for more than 60 years.

The only problem is that no U.S. president would ever formally commit to limiting his country's missile defense plans. There is a good reason why former U.S. President George W. Bush withdrew in 2002 from the Anti-Ballistic Missile Treaty of 1972, whose 1974 protocol limited missile defense installments to one for each side. And Bush's treaty withdrawal had little to do with Russia -- a fact that is always a big disappointment for the Kremlin. He was much more concerned about the rapid spread of nuclear weapons beyond the original five members of the nuclear club and the high risk of nuclear terrorism. Perhaps International Atomic Energy Agency head Mohamed ElBaradei best spoke of this danger when he said in mid-May that the number of nuclear powers could easily double in a few years, largely in the Middle East.

The 1968 Nuclear Non-Proliferation Treaty and the IAEA -- once the foundation for controlling the spread of nuclear arms beyond the initial five nuclear powers -- have now proven largely ineffective. Therefore, improving missile defense technology and capabilities is the best, and perhaps only, self-defense option in this dangerous new nuclear age. U.S. President Barack Obama is thus unlikely to back down from missile defense to cater to Kremlin concerns about Russia's loss of nuclear parity. The most he can do politically is to delay making a decision on missile defense, waiting two or three years until the U.S. economy recovers. Even if, in theory, Obama were dead set on meeting Moscow's conditions, the U.S. Senate would never ratify a treaty that ties U.S. hands on missile defense.

During the July summit, Obama could say to President Dmitry Medvedev, "OK, let's agree to reduce warheads to 1,500, and as a sovereign nation you are free to build your own missile defense system if you think U.S.-Russian parity will be destroyed." Or Obama could say, "Let's work on building a missile defense system together." But both proposals would be disingenuous and meaningless. Obama understands that Russia doesn't have the resources to build its own global missile defense. He also knows full well that, despite all the pleasant talk of U.S.-Russian partnership, the two countries are many years away from reaching the level of trust to build a missile defense system together, even if all of the possible "reset" buttons are pushed simultaneously.

A second stumbling block concerns the U.S. desire to preserve its "return potential" -- that is, after reducing the number of warheads to 1,500 each, Washington would want to maintain the ability to store its dismantled 4,000 or so warheads in warehouses, in case they need to be quickly reinstalled on missiles during a time of war. More important, however, the United States would want to retain its current 1,200 delivery vehicles -- mainly ground-based and submarine-launched ballistic missiles and strategic bombers. Even if the replacement treaty to START requires the United States to remove the nuclear warheads from the missiles and bombers, Washington wants to

retain the right to keep them as part of its conventional forces. The Pentagon says these highly sophisticated and accurate conventional weapons are needed, among other things, to fight the Taliban in Afghanistan.

For Moscow, this position is unacceptable. The Russians believe that arms reduction means destroying delivery vehicles above the agreed-upon number. (START, for example, stipulated that each side can maintain no more than 1,600 nuclear delivery vehicles.) If the United States destroys the delivery vehicles capable of carrying warheads, the warheads held in storage are far less important because stored warheads without the corresponding delivery vehicles are largely meaningless. But if Washington retains its return potential, it would gain a huge double advantage over Moscow in terms of warheads and missiles because Russia's return potential is much weaker.

But dwarfing all these issues is Russia's fundamentally negative stance on nuclear arms control, which virtually guarantees that there will be no further reductions in nuclear weapons. Despite public statements to the contrary, Russia has no serious desire to cut its nuclear warheads to 1,500, or by 62 percent. The reason is that nuclear arms reduction would a priori only weaken the Kremlin's position, while at the same time it would strengthen that of the United States. This may explain one reason behind Obama's "I have a dream" speech in Prague on April 5 regarding a nuclear-free world. If it were possible to achieve total global nuclear disarmament, U.S. military predominance – which today is already greater than all other nations – would increase exponentially.

Because its conventional forces are so much weaker than the United States', Russia's nuclear arsenal plays an overly large role in its military strategy. The United States can afford to bring down its number of nuclear warheads to 1,500 because of its superiority in conventional forces and technology, but Russia cannot. Moreover, Russian military hawks are counting the days to Dec. 5, when they can at last deploy MIRV-tipped Topol-M intercontinental ballistic missiles, whose multiple warheads, decoys and re-entry vehicles can outmaneuver U.S. missile interceptors, according to Kremlin claims. (Russia is prohibited from deploying these missiles under START.)

Negotiating a replacement treaty for START is big deal -- particularly for Russia, which is nostalgic for the good old days of superpower summits and parity. Moreover, during the Cold War, U.S. treatment toward the Soviet Union confirmed for the Kremlin the Russian saying, " – " ("If they fear you, it means that they respect you"). This situation, although hair-trigger at times, helped push both sides to reach agreement on landmark arms control treaties.

For the first time in the post-Cold War era, teams of meticulous Russian and U.S. arms control experts are once again negotiating a major arms controls agreement, shuttling back and forth between Moscow, Washington and other cities to work out the painstakingly minute details of bean-counting nuclear warheads and delivery vehicles and clarifying verification procedures and inspection rules.

Just like during the good old days.

The only problem is that these aren't the good old days. Russia is no longer the Soviet Union -- for better or worse - - and can no longer negotiate from the same position of strength. This means that despite all the energy spent on finding a replacement for START, the two sides are likely to walk away from the negotiating table empty handed.

*Michael Bohm is the opinion page editor of The Moscow Times.*

**#19**  
**Russia Rejects the Notion of a Joint Missile System in Europe**  
**By Ellen Barry**  
**New York Times, June 12, 2009**

MOSCOW — Responding to remarks by Defense Secretary Robert M. Gates, a top Russian diplomat said Thursday that Russia would not collaborate with the United States on missile defense unless Washington scrapped plans to deploy elements of the shield in Poland and the Czech Republic.

"We cannot partner in the creation of objects whose goal is to oppose the strategic deterrent forces of the Russian Federation," said the Foreign Ministry spokesman, Andrei A. Nesterenko. "No one will do something that harms himself."

“Only the United States’ rejection of plans to base in Europe the so-called third position area of the missile-defense shield could mark the beginning of a full-fledged dialogue on the question of cooperation and reaction to likely missile risk,” Mr. Nesterenko said. He added that Russia expected “it will be possible to find a common denominator.”

In Senate testimony on Tuesday, Mr. Gates said that Russia might “partner with us and Poland and the Czech Republic in going forward with missile defense.” American policymakers have long sought common ground with Russia on missile defense, but Mr. Gates’s remarks were unusually specific, suggesting that one option might be a jointly operated facility on Russian territory.

The remarks passed without notice in the United States but were picked up by major Russian newspapers like the daily Kommersant, which described the “sensational statement” in a front-page article in Thursday’s edition.

Moscow has long protested American plans to build a radar site in the Czech Republic and to deploy 10 interceptor missiles in Poland, arguing that the system could target Russia. Two years ago, Vladimir V. Putin, then the president, proposed jointly operating a radar station in Azerbaijan, a former Soviet republic, or one on Russian territory, but American military officials did not see them as substitutes for the planned Czech site.

The Obama administration appears to be reconsidering the idea of collaborating on missile defense as part of the “reset” of its relations with Russia.

During testimony before the Senate on Tuesday, Mr. Gates said he believed that Russian leaders now agreed with Washington on the potential nuclear threat posed by Iran.

“When I first met with President Putin and talked about this, he basically dismissed the idea that the Iranians would have a missile” capable of reaching Europe, Mr. Gates said. “And the fact of the matter is, the Russians have come back to us and acknowledged that we were right in terms of the nearness of the Iranian missile threat.”

He said Washington had put forward some options for collaboration, among them “putting radars in Russia, having data-exchange centers in Russia.” He said at the July summit meeting between Mr. Obama and the Russian president, Dmitri A. Medvedev, that the leaders could “make some steps where they will partner with us and Poland and the Czech Republic in going forward with missile defense in this third site.”

A spokesman for Mr. Gates had no comment on Thursday.

Moscow received the remarks coolly, with Mr. Nesterenko commenting that they “reflect the U.S.’s wishful thinking, rather than the way things actually are.”

For Russia, any reconfiguration that preserves sites in Poland and the Czech Republic “is just window dressing,” said Dmitri V. Trenin, a political analyst.

“I’m not sure everyone in the U.S. understands how much is at stake as far as the Russians are concerned,” said Mr. Trenin, director of the Carnegie Moscow Center. “The issue for the Russians is, what are the U.S.’s long-term intentions vis-à-vis Russia? And they are looking at missile defense for the answer to that question.”

An unwillingness to scrap the Eastern European facilities would be seen by hawks in Moscow as evidence that “the hidden agenda is to contain and destroy Russia,” he said.

Some observers saw positive signs in the exchange, noting that missile defense might ultimately matter more to Russia than renegotiating the Strategic Arms Reduction Treaty, the mutually agreed-upon first step in the “reset.” Maj. Gen. Vladimir Dvorkin, a researcher at the Russian Academy of Sciences, said a radar site in Russia was only one in an array of options for reconfiguring missile defense. Others, he said, are the use of Russian radars in Belarus, Russian missile-testing ranges, Russian expertise in antimissile rockets or even Russian S-400 missile complexes as part of the shield.

"What's new," he said, "is a desire and determination for cooperation on many issues."

**#20**

**Russia's WTO bid complicated by entry pact-USTR**

**Reuters, June 12 2009**

WASHINGTON - Russia's accession to the World Trade Organization probably will be complicated by Moscow's announcement that it will only join the trade body in concert with Belarus and Kazakhstan, a spokeswoman for the U.S. Trade Representative said on Friday.

Russian Prime Minister Vladimir Putin said on Tuesday that the three nations would form a customs union with each other and put aside talks to join the WTO individually. [ID:nL91040501]

The decision was a surprise to the USTR, who was in St. Peterburg last week and met with officials about the WTO bid, said Carol Guthrie, a spokeswoman for USTR Ron Kirk.

"We are especially surprised since Ambassador Kirk had just concluded talks with senior Russian officials regarding the Obama Administration's commitment to seeing Russia join the WTO as soon as possible," Guthrie said.

"We still strongly support WTO accession for all three countries but are examining the implications of this unexpected move," Guthrie said.

Russia has been trying to join the WTO for more than a decade, and is the largest economy to remain outside the 153-member trade group.

The United States had raised concerns about Russia's bid, noting Moscow needed to do more to crack down on copyright piracy and lift bans on U.S. meat related to the outbreak of H1N1 flu.

**#21**

**Russia, Belarus, Kazakhstan plan joint WTO bid**

**Reuters, June 9, 2009**

MOSCOW - Russia, Belarus and Kazakhstan will launch joint negotiations for World Trade Organization (WTO) membership, abandoning separate accession talks, Russian Prime Minister Vladimir Putin said on Tuesday.

Russia, the largest country outside the 153-member trade body, had been pushing for membership for well over a decade and the European Union's trade chief said last week the negotiations could finally be completed by the end of this year.

Kazakhstan started WTO talks in 1996 but has continuously put off the accession deadline.

Negotiations will now be started afresh, on the basis of a new customs zone between the three former Soviet states, their leaders said in a joint statement read out by Putin.

The leaders agreed 'to inform WTO about the intention to start WTO accession talks for the customs union of Kazakhstan, Belarus and Russia as a single customs zone'.

The joint customs zone will be created from Jan. 1, 2010, the statement said.

'Our priority remains WTO entry, we confirm this, but already as a united customs union, and not as separate countries,' Putin said.