

WASHINGTON, D.C. July 2, 2009

TO: NCSJ Leadership and Interested Parties

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



In Brief: Moscow Summit

Dear Friend,

The highly anticipated Summit between U.S. President Barack Obama and Russian President Dmitry Medvedev is only a few days away. President Obama arrives in Moscow next Monday for two days of meetings and public events. There continues to be much speculation as to the specific agenda items for the Summit. While it is expected that arms control and non-proliferation issues will dominate the discussions, Iran, Afghanistan, the Middle East, regional concerns, energy, trade and economic issues will also be prominent areas of concern for the two presidents.

As I mentioned in previous updates, NCSJ has been in regular contact with officials from the National Security Council and the Department of State to discuss our concerns as they relate to the Russian Jewish community and the State of Israel, in particular, and human rights/democratization in general. Given all of the attention to the issues I listed above, it would not be difficult for human rights concerns to be pushed aside. I do not believe this will be the case, especially from the American side. As we prepare to celebrate our nation's founding, it would be ironic if the very principles of freedom that our country is built on are not highlighted at this meeting -- particularly given some of the recent events in Russia.

I have also written in previous updates about the need for a strong bi-lateral relationship between the United States and Russia. Our two countries are not going to agree on every issue, but at the very least, there should be more areas of cooperation. In addition, a positive relationship with Russia does not have to come at the expense of our relationships with other countries in the former Soviet Union. The Summit will provide another opportunity for the United States to allay the concerns of Ukraine, Georgia and other countries in the region.

One of the most important issues on the agenda will be Iran and its drive to obtain nuclear weapons. The oppressive reaction of Iranian authorities to the recent protests of the presidential election result, and its ongoing support of terrorists, should be clear signals about the dangers of a nuclear - armed Iran. Russia plays a key role on this issue, and the United States must get greater cooperation from them in preventing Iran's goal before it is too late.

In order to better understand the implications and importance of next week's Summit, there are a number of articles and background pieces in the update.

I want to wish everyone a happy Fourth of July holiday, and ask that we remember our armed forces overseas who defend our country so that we may continue to live in freedom and security.

Sincerely,

A handwritten signature in black ink that reads "Mark B. Levin". The signature is written in a cursive, flowing style.

Mark B. Levin  
Executive Director



NCSJ WEEKLY NEWS BRIEF  
Washington, D.C. July 2, 2009

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#### **#1a**

#### **Belarus to start paying gas arrears to Russia** **Reuters, June 26, 2009**

MINSK - Belarus is to start paying arrears for Russian gas shipments next month and complete the process by the end of the year, First Deputy Prime Minister Vladimir Semashko said on Friday.

Semashko, addressing parliament as part of a government report on its activities, said debts for gas shipments totalled \$230 million as of July 1. Russian giant Gazprom (GAZP.MM: Quote, Profile, Research, Stock Buzz) cited the same figure this month when demanding payment of arrears.

"We are saying that from July 1 we will start paying off debts that have accumulated," Semashko told the chamber. He also said Belarus was proposing moving to European-level prices from 2014, not from 2011 as previously proposed by Russia.

#### **#1b**

#### **EU to give Latvia next loan tranche within weeks** **Reuters, June 26, 2009**

BRUSSELS, - The European Commission will pay out the second tranche of its balance-of-payments aid for Latvia within weeks, the European Union executive said on Friday.

The Economic and Financial Committee of junior EU finance ministers and central bankers backed the disbursement of the 1.2 billion euro (\$1.7 billion) tranche from the Commission and the International Monetary Fund after budget cuts by the Baltic state.

Article Controls

'The Commission ... will now proceed with the finalisation of the revised memorandum of understanding for signature by the Latvian government and (Monetary Affairs) Commissioner (Joaquin) Almunia, as well as the technical preparation of the second loan installment which will be disbursed in the next weeks,' Commission spokeswoman Amelia Torres said.

#### **#1c**

#### **Despite Iran pressure, Peres to visit Azerbaijan and Kazakhstan** **By Barak Ravid** **Haaretz, June 28, 2009**

President Shimon Peres will visit Azerbaijan and Kazakhstan on Sunday, despite heavy pressure from nearby Iran for the trip to be canceled.

The trip will be the first by an Israeli president to either of the Muslim countries.

Peres will be joined by Industry, Trade and Labor Minister Benjamin Ben-Eliezer and National Infrastructure Minister Uzi Landau. Also on hand will be the director-general of the Defense Ministry, top executives of Israel Military Industries and 60 Israeli businessmen.

Peres' visit to Azerbaijan is also going ahead despite Hezbollah's attempted bombing of the Israeli embassy in the capital last year.

Azerbaijan and Iran are both Shi'ite Muslim countries, and the cultures of the two countries are closely intertwined. Azeris are also the largest minority in Iran, making up nearly a quarter of the population.

In Kazakhstan, Peres will meet with his counterpart, Nursultan Nazarbayev. He is expected to sign an agreement allowing Israel to use a local military base to launch satellites. Peres is also set to participate in an interreligious conference alongside the Emir of Qatar.

## **#1d**

### **Survey: Russian Jews prefer life in Israel JTA, July 2, 2009**

JERUSALEM -- A new survey finds that a majority of immigrants from the former Soviet Union prefer life in Israel.

The independent survey, commissioned by the Limmud Institute for the FSU, was released as hundreds of Russian-Israeli young adults convened in Jerusalem for a major Limmud conference. The three-day conference began Wednesday.

Some 64 percent of the 300 Russian speakers living in Israel polled said they prefer living in Israel, though another 28 percent said they would like to live in the United States, Western Europe or Russia.

The respondents retain strong ties to the culture of their native country, with 62 percent saying that the standard of Russian culture is higher than Israel compared to 6 percent who prefer Israeli culture.

Some 57 percent of the immigrants complained about discrimination.

The Limmud FSU 2009, marking the 150th anniversary of the birth of famed Jewish and Yiddish author Sholem Aleichem, features more than 200 sessions and workshops on issues relating to Judaism, Russian-Jewish heritage, leadership development, current affairs, culture, community building and continuity.

Natan Sharansky, new chairman of The Jewish Agency for Israel, will be a featured speaker at the event.

## **#2**

### **Holocaust assets conference opens in Prague By Karel Janicek AP, June 27, 2009**

PRAGUE — Holocaust survivors, Jewish groups and experts gathered in Prague on Friday to assess efforts to return property and possessions stolen by the Nazis to their rightful owners or heirs.

The five-day conference, which brings together delegates from 49 countries, is a follow-up to a 1998 meeting in Washington that led to agreements on recovering art looted by the Nazis.

Stuart Eizenstat, head of the U.S. delegation, called it the most ambitious international meeting ever on the recovery of such stolen possessions or compensation for their loss.

One goal is to produce international guidelines on this, but they would not be compulsory for the governments involved.

"There's no political will to have a binding treaty," Eizenstat acknowledged.

But he said the voluntary principles that were approved in Washington are having an impact. "We have hundreds of pieces of art that have been returned," he said.

During the Holocaust, Adolf Hitler and his followers killed 6 million Jews and seized billions of dollars of gold, art and private and communal property across Europe. But while countries such as Austria have stepped up restitution in recent years, critics claim some Central and Eastern European states still have a long way to go.

"Many governments in Central and Eastern Europe have not found a way to implement a process to resolve outstanding real property issues that is both consistent with national law and incorporates basic principles such as nondiscriminatory treatment of non-citizens and a simple, expeditious claims and restitution process," said conference delegate Christian Kennedy, the U.S. Special Envoy for Holocaust Issues.

Kennedy said the U.S. wants the meeting "to provide an impetus for an expansion in social welfare benefits to survivors and lay the framework for further real property compensation."

The Czech Republic, host of this week's meeting, and other countries, have come under fire for legal hurdles and a lack of political will that critics claim make property restitution in some cases practically impossible.

For example, attempts by Maria Altmann of California to reclaim a castle north of Prague that once belonged to her uncle, Ferdinand Bloch-Bauer, proved futile since she is not a Czech citizen.

"As far as I know, there is no legal method for obtaining any recovery there at this time," Altmann's lawyer, Randol Schoenberg, said in an e-mail. Altmann had waged — and won — a seven-year legal battle in neighboring Austria for the return of five paintings by Gustav Klimt.

Efforts by the daughter of wealthy Jewish banker Jiri Popper to recover a building he once owned in Prague also have stalled.

Czechoslovak President Edvard Benes gave the building, which currently houses the Russian Embassy, to the Soviet Union in 1945. Last year, Popper's daughter filed lawsuits against both the Czech Republic and Russia demanding restitution, but no trial date has been set because Czech authorities said they have failed so far to formally inform Moscow about it, said Irena Benesova, the family's lawyer.

While the Justice Ministry declined to comment on the matter, Russian Embassy spokesman Alexandr Pismenny said Moscow was the "honest owner."

Both Schoenberg and Benesova wanted to make their case at the conference but were turned away by organizers who said they did not want discussion of individual cases. The Holocaust Survivors' Foundation claims that others also have not been allowed to have their say in setting the agenda for the conference.

In a letter to U.S. Secretary of State Hillary Clinton dated June 19, the group expressed concern about "the lack of survivor involvement on the planning, priority setting and policy making roles in the conference."

Still, the Czech Republic does appear to be taking some steps in the right direction.

A government fund created nine years ago with 300 million koruna (US\$15.9 million) has paid out 100 million koruna (US\$5.3 million) to 516 out of 1,256 requests from 27 countries. The requests came from people whose restitution claims did not meet the criteria set by law.

The country also has set up the Documentation Center of Property Transfers of Cultural Assets of WWII Victims, an institution that identifies artwork and other items in Czech collections and museums that were seized from Jews during the Nazi occupation.

According to Director Helena Krejcova, some 7,000 paintings and other works of art that originally belonged to Czech Jews have been found, and another more than 1,000 stolen pieces are believed to be abroad.

"There's still a lot of work ahead of us," Krejcova said, adding that sometimes efforts to retribute items are stymied by a lack of cooperation from other states and a change to that is nowhere in sight.

Case in point: Czech authorities have been waiting five years for a reply from Russia after Krejcova's team traced a valuable collection of 500 porcelain pieces once owned by Holocaust victim Hans Meyer to St. Petersburg.

### **#3**

#### **Russia won't participate in Jewish documents suit**

**By Nedra Pickler**

**AP, June 27, 2009**

WASHINGTON — Russia told a U.S. court on Friday that judges have no authority to tell the country how to handle sacred Jewish documents held in its state library that were seized by the Nazi and Soviet armies.

The documents are at the center of a lawsuit brought by members of Chabad-Lubavitch, which follows the teachings of Eastern European rabbis and emphasizes the study of the Torah. The group is suing Russia in U.S. court to recover thousands of manuscripts, prayers, lectures and philosophical discourses by leading rabbis dating back to the 18th century.

The case is being handled by the chief judge of the U.S. District Court in Washington, Royce Lamberth, who in January ordered Russia to preserve the documents over Chabad's fears they are not being properly cared for and could be sold on the black market.

But Russia said in its filing Friday that even though it respects the U.S. court, it would not participate in the litigation to protect its sovereignty. Russia said the United States should use diplomatic channels to address any concerns it has about the collection and that Chabad can pursue claims in Russian courts.

"This court has no authority to enter orders with respect to the property owned by the Russian Federation and in its possession, and the Russian Federation will not consider any such orders to be binding on it," said the Russian filing.

Lamberth agreed to take the case in U.S. court because he said both the Nazi seizure and the Russian government's appropriation of the collection, which Chabad says totals 12,000 books and 50,000 rare documents, violated international law.

The collection was formerly held by Rabbi Joseph Isaac Schneersohn, a leader of Chabad-Lubavitch who was born in Russia but forced by the Soviets to leave in 1927. He took the documents to Latvia and later Poland, but left them behind when the Nazis invaded and he fled to the U.S. The collection was seized and taken to Germany, then recovered by the Soviet Army in 1945.

#### **#4**

### **Russia and NATO Work to Repair Frayed Ties**

**By Clifford J. Levy**

**New York Times, June 28, 2009**

MOSCOW — NATO and Russia on Saturday took another step toward rebuilding ties that were damaged by the war in Georgia last year, holding a high-level meeting of foreign ministers and pledging to resume full military cooperation.

The ministers gathered on the Greek island of Corfu and, under the auspices of the NATO-Russia Council, discussed potential areas of cooperation, including the war in Afghanistan, nuclear proliferation, piracy, terrorism and drug trafficking.

The sides did not appear to make any progress on the issue of Georgia, and Russia's foreign minister, Sergey V. Lavrov, reiterated Russia's objections to NATO activities there, officials said.

Still, the relatively conciliatory outcome of the meeting may signal improving relations between Russia and the West, a little more than a week before President Obama is scheduled to visit Moscow for a summit meeting.

"I could qualify the spirit of the meeting as open and constructive, which means that no one tried to paper over our differences in the meeting, on Georgia, for example," NATO's secretary general, Jaap de Hoop Scheffer, said at a news conference. "But we agreed — that is the very positive conclusion of the meeting — not to let those disagreements bring the whole NATO-Russia Council train to a halt."

NATO severed most ties with Russia after the war with Georgia last August, which broke out over two separatist Georgian enclaves, South Ossetia and Abkhazia. The conflict, which Russia easily won, caused the worst rift between Russia and the West since the Soviet Union's fall in 1991.

Mr. Lavrov cautioned after the meeting that NATO had to accept the "new realities" in Georgia. Russia has recognized the independence of the enclaves and has bolstered its military presence there.

It has also continued to rebuff NATO protests that Georgia's territorial sovereignty was being violated.

Relations had been gradually warming this year but suffered a setback in April after Russia complained about NATO military exercises in Georgia, which wants to join the alliance. When NATO would not cancel the exercises, Russia responded by withdrawing its generals from a meeting with NATO military commanders.

Soon after, NATO expelled two Russian diplomats from its headquarters in Brussels, saying that it had to punish Russia for spying against the alliance's members. Russia retaliated by expelling two NATO diplomats from Moscow.

Throughout this period, though, Russia has continued to provide logistical assistance to NATO's military mission in Afghanistan.

#### **#5**

### **Chabad house in Kazakhstan 'navigating a spiritual desert'**

**By Yaakov Lappin**

**Jerusalem Post, June 27, 2009**

Filled with the chatter of young children and the smells and tastes of a Jewish home, Chabad Rabbi Yehuda Kubalkin's household presents a welcoming scene.

It is easy to forget that I am in Astana, the capital of Kazakhstan, home to one of the world's most remote Jewish communities. Kubalkin is quick to invite me for a meal. His home is upstairs from the only synagogue in town.

Astana is a city of grand and meticulously planned modern buildings, part of the new face of energy-driven economic prosperity the central Asian republic would like to show the world.

Like much of the city, the synagogue is only a few years old - built through the donation of Eurasia Jewish Congress President and wealthy businessman Alexander Machkevich.

The nature of Kazakhstan's Jewish community begins to become apparent when Kubalkin tackles what seems to be a simple question. How many Jews live in in the country?

"It's hard to pin down a number," he says.

While he believes that somewhere between 30,000 and 40,000 Jews live in Kazakhstan, the decades of Soviet-enforced atheism, anti-Semitism, assimilation and intermarriage mean that few of Astana's Jews are connected to their roots, he says.

Many Jews who have been disconnected from their identity experience a reawakening when they enter the synagogue, Kubalkin says, like the elderly Polish Holocaust survivor who fled to Kazakhstan and assumed a non-Jewish identity for decades.

"Suddenly, he came to the synagogue and began to pray," Kubalkin recounts.

A woman who had a Jewish father and a non-Jewish mother reacted in shock after she learned she was not halachically Jewish, Kubalkin says.

"Her father was exiled by the communist authorities for being Jewish, and her non-Jewish mother was also sent away for good measure. She suffered because of anti-Semitism her whole life," he says.

After coming to Astana's synagogue and contacting Kubalkin, the woman was shaken to the core when she learned that she was not considered Jewish.

"What could I tell her? Should I have lied?" Kubalkin asks.

Seeking to alleviate her distress, Kubalkin dispatched a woman from the community to "calm her down." Kubalkin welcomes non-Jews into the synagogue to take part in certain activities like Purim celebrations, but does not involve them as full members of the community.

"I don't have enough children to start a school," he says. Instead, online courses, in which teachers in Israel communicate with children from tiny Jewish communities around the world over the Internet, have been set up to get around the problem.

Four of Kubalkin's children sit in front of the computer screen, taking part in such a lesson.

"Kazakhstan's Jewish community is made up of exiles from Russia, refugees, and former prisoners and communists. The refugees already left. Many who remain are very alienated and ignorant of Judaism. This is a spiritual desert," Kubalkin says.

While the government of Kazakhstan is highly tolerant of minority religions, the lack of Jewish spirituality in this land presents "highs and lows," Kublakin concedes.

"We see ourselves as soldiers, working under all conditions. We're very happy to be delegates of the [Lubavitcher] Rebbe [Rabbi Menachem M. Schneerson]," he adds.

Kubalkin says many people with no Jewish background have requested to convert to Judaism.

"We test them, to see how serious they are. If they are serious, we send them to [Chabad centers] in Moscow or the Ukraine," he said.

On our way out of the synagogue, we pass a large white rock perched on a round table, taken from the vicinity of the Western Wall.

For Kubalkin, the rock represents his mission in Kazakhstan - to create a small Jewish spiritual outpost in a faraway land.

## **#6**

### **Kazakhstan still trying to recover from 'Borat'**

**By Kevin Bogardus**

**The Hill, June 28, 2009**

Kazakhstan refuses to let Borat have the last word on its image.

The Central Asian republic's foreign affairs ministry inked a \$1.5 million deal with a Washington lobbying firm, according to records recently filed with the Justice Department, with a partial goal of combating the image presented in the blockbuster film "Borat: Cultural Learnings of America for Make Benefit Glorious Nation of Kazakhstan."

"People look at Borat and think this country is a backwater, that it's unsophisticated," said William Nixon, chairman and CEO of Policy Impact Communications.

His firm signed the yearlong agreement with Kazakhstan's U.S. ambassador on April 30. A team of a dozen lobbyists registered for the account and is working on the country's ascension to the World Trade Organization, removing a number of trade restrictions put in place by the United States and improving its image.

Nixon said that the impression of Kazakhstan created by British comedian Sacha Baron Cohen, who exploited ignorance of the little-known nation, was false. "Part of our job will be to change that perception," he said.

"It has a rich history, a deep culture and is a key economic ally of the United States," Nixon said.

The lobbying effort comes just as Baron Cohen is set to release "Bruno," playing the title character of a gay Austrian fashionista in a performance said to be peppered with so many Adolf Hitler references that Austria is similarly cringing.

Nixon's firm has put together an elaborate lobbying and public relations campaign for Kazakhstan that will target players not only on Capitol Hill but in the media world as well, according to the contract filed with the Justice Department's Foreign Agents Registration Unit.

"From our perspective, our relationship with Kazakhstan has been years in the making. During that process, we have put together a pretty comprehensive strategy on how to best represent them," Nixon, a former chief speechwriter for President Ronald Reagan, said. "We are giving them an awful lot of attention and we will continue to do so."

According to the contract, Policy Impact lobbyists hope to achieve several objectives for Kazakhstan in Washington over the next year.

For example, they will advocate for legislation that will repeal trade restrictions and will extend normal trade relations treatment to Kazakh products. In addition, lobbyists will work to form a Central Asia Caucus on Capitol Hill. And they will "build a positive image of Kazakhstan" through "an aggressive earned media campaign," according to the contract.

That last objective will include placing at least four op-eds in “prestige media,” reaching out to think tanks and arranging trips to Kazakhstan for high-level U.S. government officials. The firm also plans to monitor coverage by a list of “writers known to be critical of the nation,” which includes Fred Hiatt, The Washington Post’s editorial page editor, and David Stern of The New York Times, according to the contract.

Kazakhstan will have a tough image to correct in Washington. The most recent State Department human rights report says the country has had incidents of prisoner abuse, restrictions on freedom of speech and the press as well as evidence of government corruption.

Nixon is well aware of the nation’s struggles and plans to emphasize the changes the former Soviet republic has made, including its initiative to extend religious freedoms to all of its citizens.

“There is a lot of good going on. It is part of our objective to make sure people understand it is a work in progress,” Nixon said.

## **#7**

### **Exiled by Russia: Casinos and Jobs**

**By Clifford J. Levy**

**New York Times, June 29, 2009**

MOSCOW — One of the largest mass layoffs in recent Russian history is to occur on Wednesday, and the Kremlin itself is decreeing it, economic crisis or not.

The government is shutting down every last legal casino and slot-machine parlor across the land, under an antivice plan promoted by Vladimir V. Putin that just a few months ago was widely perceived as far-fetched. But the result will be hundreds of thousands of people thrown out of work.

And in a move that at times seems to have taken on almost farcical overtones, the Kremlin has offered the gambling industry only one option for survival: relocate to four regions in remote areas of Russia, as many as 4,000 miles from the capital. The potential marketing slogans — Come to the Las Vegas of Siberia! Have a Ball near the North Korean Border! — may not sound inviting, but that is in part what the government envisions.

All the same, none of the four regions are prepared for the transfer, and no casino is expected to reopen for several years. As of July 1, not even two decades after casinos began proliferating here in the free-for-all post-Soviet era, the industry’s workers will be out on the street.

“This is shaking my life to the core — such a blow for me and my family,” said Irina Mysachka, 32, a single mother who is a supervisor at the Shangri-La Casino in Moscow, which appears as orderly and preened (if your tastes run to fire-breathing neon dragons and other Oriental kitsch) as any similar luxury attraction in the United States.

“The authorities are taking this step without thinking at all,” she said. “They have not considered what this decision means for the workers. With the crisis, it is going to be very difficult for us.”

Unable to find a job in Moscow, she said she was going to leave her 5-year-old son, Yegor, with her mother and venture abroad.

Aleksandr Osin, 24, who has been at Shangri-La for five years, said he would try his luck in the insurance business, but was not hopeful. “We all thought that this was some kind of government thing that would not happen,” he said. “But now we know.”

The law that started the whole process was introduced in 2006 by Mr. Putin, then the president and now the prime minister, who spoke of the perils of the blackjack tables and the one-armed bandits, of shady characters having a grip on the industry.

The casinos have repeatedly asked for a reprieve, proposing a regulatory body to cut down on abuses, and lately pointing out that the ban would create hardships for workers during the crisis. The industry has also said it pays more than \$1 billion a year in taxes. But Mr. Putin and his protege, President Dmitri A. Medvedev, have not yielded. "The rules will not be revised in any way," Mr. Medvedev said last month, "and there will be no backsliding, although various business organizations have been lobbying for precisely this."

The gambling industry here does not have the loftiest of reputations, and many Russians will not grieve for it. Still, many of the 40 or so casinos in Moscow sought in recent years to behave more respectably, even as hundreds of slot-machine parlors retained a seedy, enter-at-your-own-risk feel.

The gambling industry says the ban will leave more than 400,000 people without work in Russia, at a time when it has been hard hit by the economic downturn: the World Bank predicts the economy will contract by 7.9 percent this year. The government has put the figure at 60,000 people, though industry analysts say that is absurdly low.

Storm International, a gambling conglomerate controlled by a British expatriate, Michael Boettcher, said that until recently, it alone employed 6,000 people at Shangri-La and several other casinos in Moscow.

Casinos in Russia are now to be confined to the Altai region of Siberia; the coastal area of the Far East, near the border with North Korea and China; Kaliningrad, a Russian enclave between Poland and Lithuania; and the Azov Sea region in the south. Until casinos open there, Russia will be one of the few countries in Europe without them, though underground ones are likely to be established.

After the law passed, federal officials and casino executives seemed certain that it would be watered down, which is apparently why neither the casinos nor the four regions did anything to prepare. "You know, in our country, the decisions are made by only one person," said Samuil Binder, deputy executive director of the Russian Association for Gaming Business Development. He was referring to Mr. Putin.

After the Soviet Union's fall in 1991, gambling sprang up everywhere in Russia, from first-class locations in Moscow to side-alley hangouts in the provinces. The crazy-quilt growth was something of a metaphor for capitalism here, full of possibilities and schemes and corruption.

The industry has been largely unregulated, and especially in recent years, almost anyone could get a license, for as little as \$50. Russia is not a strait-laced place — rates of smoking and drinking are high — but an outcry about gambling ensued. "It is not only young people, but also retirees who lose their last kopecks and pensions through gambling," Mr. Putin said in 2006.

His plan was announced during a spy scandal between Russia and its neighbor Georgia, and the timing suggested that Mr. Putin was in part seeking to wound the Georgian diaspora here, which is said to have an influential role in the industry.

As with the workers, it seems to have dawned on the gamblers themselves only recently that the casinos are closing.

"It is going to be strange, and even now, it's hard to believe," said Aleksei Ustinenko, 29, a construction executive who was playing at Shangri-La.

"Here we are, in one of the biggest, most beautiful, most expensive cities in the world," he said. "And yet other people can decide that I cannot gamble if I want to."

Some casinos said they might try to devote some space to private poker clubs, which they believe will be allowed under the law. But executives say such clubs are far less lucrative, and will employ very few workers.

And so laborers have been pulling down gambling signs and carting slot machines from sites all over Moscow.

"There was a time when all these clubs and casinos grew like a cancer tumor," said Moscow's mayor, Yuri M. Luzhkov. "We will close them all. By July 1, Moscow will be clean."

## #8

### **Russian, U.S. MPs discuss bilateral ties ahead of July summit** **RIA Novosti, June 29, 2009**

MOSCOW - Members of the U.S. House of Representatives are in Russia on June 29-30 to discuss urgent issues of bilateral relations ahead of U.S. President Barack Obama's visit to Moscow on July 6-8.

Opening an extended meeting of the members of foreign affairs committees to address bilateral trade, regional stability and U.S. missile defense plans in Europe, the speaker of the Russian lower house, Boris Gryzlov said: "Bilateral ties currently enjoy new possibilities and are being driven forward with increasing pace."

According to Leonid Slutsky, a deputy chairman of the State Duma committee on foreign affairs, the participants of the meeting will discuss plans for a U.S. missile shield in central Europe, and other issues related to NATO.

A discussion of the Jackson-Vanik amendment is also expected.

The Jackson-Vanik amendment was passed in 1974 and restricted trade with the Soviet Union over human rights violations. The amendment, which still applies to Russia, puts restrictions on Russian-American trade relations, but Russia's accession to the World Trade Organization would require the amendment be lifted.

"We will also discuss topics that have emerged recently in the light of the move to 'press the reset button' in bilateral relations and 're-launch' the START treaty," Slutsky said.

Russia and the U.S. have been involved in comprehensive talks over a new nuclear arms reduction deal to replace the START 1 treaty, which expires in December.

The START 1 treaty obliges Russia and the United States to reduce nuclear warheads to 6,000 and their delivery vehicles to 1,600 each. In 2002, a follow-up agreement on strategic offensive arms reduction was concluded in Moscow. The agreement, known as the Moscow Treaty, envisioned cuts to 1,700-2,200 warheads by December 2012.

Russian President Dmitry Medvedev and Obama agreed to launch the discussions during their first meeting, in London in early April.

Russia, which proposed a new arms reduction agreement in 2005, expects Washington to agree on a deal that would restrict not only the numbers of nuclear warheads, but also place limits on all existing kinds of delivery vehicles.

Medvedev has also said that any strategic arms cuts would only be possible if the United States alleviated Russia's concerns over Washington's plans for a missile shield in the Czech Republic and Poland.

The U.S. military has recently reiterated its commitment to missile defense, citing a growing threat from North Korea and Iran, but suggested plans for a European site may change.

U.S. Defense Secretary Robert Gates has suggested that Russian facilities could be part of the missile defense system, but Moscow has rejected this idea, saying there could be no partnership "in building facilities that are essentially designed to counter Russia's strategic deterrence forces."

**#9**

## **Israeli President's Azerbaijan Trip Breaks New Ground**

**By Breffni O'Rourke**

**RFE/RL, June 27, 2009**

As part of a strategy by Israel to improve relations with moderate, secular countries of the Islamic world, President Shimon Peres is visiting Azerbaijan on June 28.

In the first trip by an Israeli head of state to Azerbaijan, Peres will hold talks with Azerbaijani President Ilham Aliyev and other officials.

Azerbaijan is of key importance to Israel, in that the Jewish state gets 20 percent of its oil from the former Soviet republic. And possibilities are being investigated for Israel to also buy big quantities of Azerbaijani natural gas.

### **Oil And Gas**

It's not surprising, therefore, that Azerbaijan's \$3.5-billion energy trade is likely to feature largely in Peres's talks in Baku.

For the Azerbaijanis, interest centers on the possibility of cooperation in medical research and various high-tech fields, and of importing Israeli agricultural products.

Baku may also be interested in buying more Israeli arms, after its initial purchase of hundreds of millions of dollars' worth of ammunition, mortars, and radio equipment.

Azerbaijan, which remains locked in a dispute with neighboring Armenia over Nagorno-Karabakh, has dramatically stepped up its military spending in the past five years; this year's budget alone is \$2.5 billion.

Israel's ambassador to Baku, Arthur Lenk, told RFE/RL's Azerbaijani Service that the two countries have good relations.

"We are two small countries living -- I'm not sure how a diplomat would say it -- living in 'complicated' regions, and we have a lot in common," Lenk said.

"We are looking to build up our countries to be more safe, we are trying to live reasonably with our neighbors, we are trying to find ways to develop our countries, we are trying to find ways to live in a complicated area in peace and security."

But beyond the economic value of the visit there is the symbolic value of Israel being able to add another name to its roster of Muslim-majority nations with whom it has "warm and friendly" relations.

Envoy Lenk points out that Turkey, Egypt, and Kazakhstan also fall into this category. But he sees a special human bond between his country and Azerbaijan because of the long-standing Jewish community in Azerbaijan, and conversely the presence of many Azerbaijan-born people in Israel.

### **Wary Of Iran**

The two countries have another common bond -- namely, their wariness toward regional giant Iran.

In May, Azerbaijani media carried comments by Iranian military chief of staff Hasan Firudabadi warning Baku that a visit by the Israeli head of state would be an "incorrect step." Firudabadi was also quoted as saying that the visit seems not to be a friendly gesture toward Tehran.

Azerbaijani Foreign Minister Elmar Mammadyarov subsequently criticized the Iranian reaction, saying Baku would not accept any interference in its affairs.

In a June 1 editorial, the leading Israeli daily "Jerusalem Post" said that Baku's invitation to Peres at this time "reaffirms the strategic relationship between the two countries," and that it is a political gesture demonstrating Azerbaijan's "commitment to its Western orientation and independence from Moscow and Tehran."

Ambassador Lenk said that while the Peres visit is not Iran's business, it is not in any way directed against Iran.

"Iran doesn't like anything Israel does. Their president has called for the destruction of my country. Where does such a thing happen? No other leader calls for the destruction of another member of the United Nations," Lenk said.

In an interview carried on June 25 by Azerbaijan's Trend news agency, Peres is quoted as saying that Israel stands for the territorial integrity of Azerbaijan. This appears to be a clear reference to the Nagorno-Karabakh dispute, in which ethnic Armenians continue to occupy territory within Azerbaijani borders.

Not everything in the Azeri-Israeli connection is plain sailing, however. Four Azerbaijanis and two Lebanese are currently on trial in Azerbaijan, facing charges that they were plotting to blow up the Israeli Embassy in Baku.

And the pro-Iranian Azerbaijani Islamic Party staged a protest rally in the village of Nardaran outside Baku ahead of Peres's arrival.

## **#10**

### **Declaration aims to ease Holocaust property restitution**

**JTA, June 29, 2009**

PRAGUE -- Forty-six countries ratified a document aimed at easing the restitution process for Jewish property taken during the Holocaust.

The Terezin Declaration, a nonbinding set of guiding principles aimed at faster, more open and transparent restitution of art, private and communal property taken by force or under duress during the Holocaust, was approved Monday at the Prague Holocaust Era Assets Conference.

It is set to be signed Tuesday, the last day of the four-day gathering organized by the Czech Republic under the auspices of the rotating European Union Presidency, which the Central European country now holds.

The document, whose signatories will include the 27 countries of the European Union, Canada, Israel and the United States, also calls for greater commitment to the care of Holocaust survivors, Holocaust education and Jewish cemetery preservation. Hundreds of representatives of government and Jewish organizations, along with historians, art experts and lawyers, participated in its drafting.

The first comprehensive, multi-country document of its kind covering the issue of land confiscation together with survivor care, the declaration states: "Noting the importance of restituting communal and individual immovable property that belonged to the victims of the Holocaust (Shoah) and other victims of Nazi persecution, the Participating States urge that every effort be made to rectify the consequences of wrongful property seizures, such as confiscations, forced sales and sales under duress of property, which were part of the persecution of these innocent people and groups, the vast majority of whom died heirless."

The document also commits countries to better monitoring of anti-Semitism, improved access to archives that facilitate looted art research, implementation of existing laws or creation of new systems to allow for the easier return of looted art and the opening of a new center in the former Terezin concentration camp to collect information on countries' implementation of the declaration.

Christian Kennedy, the U.S. government special envoy for Holocaust issues, told JTA that "The really hard work comes over the next year, when countries are to agree on more exact principles over exactly how the declaration should be best implemented."

Some countries were singled out at the conference as particularly problematic. Among those cited were Poland, the only country in the former Eastern bloc not to have enacted private restitution or compensation; Lithuania, which has no communal property restitution program; Germany, which has only begun researching its stolen art; and Russia, which closes most archives to researchers and has made it impossible for claimants to obtain looted art.

**#11**

## **Talks Held Over Ukraine's Gas Payments to Russia**

**By James Kanter**

**New York Times, June 30, 2009**

BRUSSELS — Russian and Ukrainian officials met Monday with international lending institutions to seek ways to pay for Russian natural gas and avert a repeat of energy shortages that left some European Union citizens without heat during a cold snap last winter.

Ukraine has been hit hard by the global economic crisis, and talks are under way as concerns grow that Ukraine will not be able to pay a bill to the Russian gas monopoly, Gazprom, that falls due on July 7.

Underlining the gravity of the situation, Nobuo Tanaka, the executive director of the International Energy Agency, said Monday that he was "seriously concerned that the flow of Russian gas through Ukraine may be subject to disruption at almost any time."

Naftogaz, the parent company of the Ukrainian transit company Ukrtransgaz, has said it needs \$4.2 billion to fill national gas storage sites to ensure no repetition of the previous crisis, when Russia cut supplies to Ukraine for 10 days. That crisis was caused by a dispute ostensibly over payments and terms of shipping natural gas to the European Union.

On Monday, a European Commission official said that the \$4.2 billion cited by Ukraine would probably be revised downward because the discussions Monday had shown that Ukraine would not need as much natural gas as it had claimed to supply Europe this coming winter. The commission official asked not to be identified by name to preserve the confidentiality of the meeting.

The amount of money required by Ukraine was instead about \$2 billion, rather than \$4.2 billion, according to other people familiar with the discussions who asked not to be identified because of the delicate nature of the negotiations.

The talks Monday included representatives of Gazprom and Naftogaz along with officials from the International Monetary Fund, World Bank, European Investment Bank and European Bank for Reconstruction and Development.

The parties made "good progress" in the talks, according to an official statement from the European Commission and the financial institutions. But they emphasized that any financial support would be "conditional upon continuing reform of the gas sector."

Additional meetings would be held "in the coming weeks," they said, in a sign that Ukraine probably would need to reach a solution with Russia, independent of the international financial institutions, to avoid a default on July 7.

On Friday, the chief executive of Gazprom, Aleksei B. Miller, said Ukraine probably would meet a payment for natural gas in June but that the outlook for a timely payment in July was still doubtful.

The European Union is concerned about topping up the storage sites in Ukraine because one quarter of its gas consumption is met with Russian supplies, 80 percent of which cross Ukraine.

The storage sites in western Ukraine must be filled during the summer to operate the pipelines smoothly during peak winter demand. Naftogaz, the Ukrainian natural gas monopoly that owns the critical pipelines, has suggested that international lenders lend the country the funds, or that European companies themselves buy natural gas for storage in Ukrainian gas sites, or some combination of those approaches.

According to Ukrainian analysts, the source of the current problems is the contract Ukrainian Prime Minister Yulia Timoshenko signed with Vladimir V. Putin, her Russian counterpart, ending the earlier natural gas crisis in January. That contract locked Ukraine into buying 40 billion cubic meters of gas from Gazprom — an amount far more than Ukraine needs and that is set to increase next year.

But the European Union is reluctant to bail out the Ukrainians, largely because Europeans fear that the money may never be repaid and that handing over funds could set a precedent.

## **#12**

### **Baltic states assailed for 'Holocaust obfuscation'**

**By Etgar Lefkovits**

**Jerusalem Post, June 29, 2009**

The Baltic nations have embarked on a state-financed international initiative which seeks to cover up their role in the Holocaust by falsely equating Nazism with Communism, the founder of the Yiddish program at Vilnius University said this week.

"There is a state-sponsored genocide industry at work which seeks to mitigate the Holocaust and replace it with a model of two equal genocides," said Professor Dovid Katz in an interview with The Jerusalem Post.

The remarks came amid a recent strain in relations between Israel and Lithuania over the latter's investigations of Jewish Holocaust survivors, including a former Yad Vashem chairman, over their wartime activities as partisans.

The New York-born Katz, who has been based in Lithuania for the past decade, said this "bogus distortion of history," which had anti-Semitic roots, needed to be fought before it gained strength.

"We are overwhelmed by a state-financed genocide industry which seeks both locally and internationally to mitigate and trivialize the local Baltic involvement in the Holocaust in order to rewrite their history without the stain of the Holocaust," he said. To this end, the Baltic states have been spearheading an international effort, dubbed the "Prague Declaration," to have Nazi and Soviet crimes declared equal by the EU, Katz said.

"They think that they are fixing their country's Holocaust problem not by coming clean and moving onward but by obfuscating the actual history with this bogus new model of two equal genocides," he said.

He noted that state-sponsored bodies such as the International Commission for the Evaluation of the Crimes of the Nazi and Soviet Occupation Regimes in Lithuania were actively promoting this "historical rewrite," though without denying the mass murder of the Jews. "The catchword is equal," he said.

During the Holocaust, most of the Jews of Lithuania were murdered by local citizens. The "Order Police" began to massacre Jews as soon as the Soviets left in 1941 - before the German occupation. Out of a prewar population of 220,000, only a few thousand Jews survived the war in Lithuania, representing the largest percentage of Jews murdered in one country during the Holocaust.

The Lithuanian capital - a one-time preeminent center for rabbinical studies dating back to the 16th century - is today home to about 5,000 Jews.

"There is no question that the greatest threat to the Holocaust narrative today is not Holocaust denial but rather Holocaust distortion, which is currently rampant in post-Communist eastern Europe, especially the Baltics," said Efraim Zuroff, chief Nazi hunter of the Los Angeles-based Simon Wiesenthal Center.

"This is a major focus of the Baltic states' foreign policy objectives," he said.

Zuroff noted that the problem was largely under the radar and little known to people in the field of Holocaust education.

Yad Vashem spokeswoman Estee Yaari said Monday that the Holocaust distortion in a number of countries was a "worrying trend" that had to be combated.

She added that Israel's Holocaust Memorial had in 2007 suspended its participation in the state-sponsored Lithuanian commission on the Holocaust, although it continued to work with Holocaust educators from Lithuania to counter this phenomenon.

Earlier this year, Yad Vashem said it was increasingly concerned over growing Holocaust revisionism and anti-Semitism in Lithuania.

## **#13**

### **Russia's Maneuvers in Caucasus Highlight Volatility of Region**

**By Sarah Marcus**

**Washington Post, June 28, 2009**

TBILISI, Georgia -- Military helicopters circled once again over Georgia's mountainous terrain. Amid the crackle of gunfire, soldiers ran across battlefields carrying comrades on stretchers. But this was no repeat of last summer's brief war with Russia. It was a training exercise -- and this time, NATO sent help.

The month-long exercises, which concluded June 3 and involved more than 1,000 soldiers from 14 countries, took place near Georgia's border with the breakaway territory of South Ossetia and were condemned by the Russian government as a "provocation."

Now the Kremlin is preparing to stage its own military maneuvers in the Caucasus region. Russia's top commander, Gen. Nikolai Makarov, has said the "large-scale exercises" will involve "all the brigades of the North Caucasus Military District, the Black Sea Fleet and Caspian Flotilla marine brigades."

Makarov will personally oversee the operation, dubbed Kavkaz-2009, according to Russian state media. The exercises are set to begin Monday and end July 6, just as President Obama is scheduled to arrive in Moscow on his first state visit.

The two sets of war games are a reminder of the volatility of the region more than 10 months after Russian troops routed the Georgian army in a five-day war. The Russian exercises will go forward as two international monitoring missions are withdrawing from the area and as Russian forces continue to occupy territory that a year ago was uncontested Georgian soil.

A team of observers from the Organization for Security and Cooperation in Europe is scheduled to leave Georgia at the end of the month at Russia's insistence, and Moscow used its veto in the U.N. Security Council last week to terminate the U.N. mission in the other breakaway Georgian territory, Abkhazia.

A third group of monitors from the European Union remains in Georgia but has been denied access to the two territories, which Russia recognized as independent countries after last year's war.

Pavel Felgengauer, a Moscow-based military analyst who writes for the opposition Novaya Gazeta newspaper, warned that Russia may be preparing for another war, in part to establish a corridor through Georgia to an important Russian base in Armenia.

He noted that similar Russian exercises in the North Caucasus preceded last year's war. "Such exercises are traditionally used as a cover under which to prepare troops for war," he said. "They could easily lead to deployment of troops."

The Georgian government's response to the Russian exercises has been muted. But Defense Minister Vasil Sikharulidze traveled to Washington this month to urge the Obama administration to strengthen military cooperation with Georgia. Speaking to the Associated Press, he warned that Russian troops were "better prepared for war than they were last year."

In a recent interview, Sikharulidze added that Georgia was working with the United States to upgrade its armed forces. "If you compare Russian and Georgian military organization, there is a huge disbalance," he said. "But the Georgian army is trained, and being trained, to deter and delay Russian aggression."

Sikharulidze said the army began a new training cycle, focused on defense, in January. But he said the United States has not supplied antitank and anti-aircraft weapons that Georgia has sought.

Russian officials, meanwhile, insist that Georgia is already better armed than it was before the war. They have accused E.U. monitors of ignoring the buildup and Georgia of preparing to seize the territories by force.

About 8,500 troops will participate in the upcoming exercises, according to the Russian Defense Ministry, though statements by Makarov and others suggest much larger maneuvers. Officials have said the exercises will incorporate lessons from the Georgian war but focus on counterterrorism operations.

NATO officials said the alliance's peacekeeping and crisis-response exercises in Georgia were scheduled long before last year's war and were not targeted at Russia. But the decision to proceed despite Russian objections was seen as an achievement by the Georgian government.

"It was very important to have a message that the principle of sovereignty is an important thing for NATO and [that] no country can just veto a decision from outside," said Deputy Foreign Minister Giga Bokeria.

NATO support appears more important than ever to this former Soviet republic, yet Georgia's prospects for joining the alliance have faded amid U.S. efforts to improve relations with Russia and lingering concerns about the judgment of President Mikheil Saakashvili, whom some blame for provoking last year's war.

NATO has pledged to bring Georgia into the alliance, but it rejected Georgia's request for a clear timetable for membership and instead set up an annual process for reviewing the country's progress toward alliance requirements.

The decision, and the departure of the Bush administration, have heightened anxiety in Georgia about whether Washington will continue to back it against its powerful neighbor.

The U.S. assistant secretary of state for the region, Philip H. Gordon, traveled to Tbilisi this month and reaffirmed a partnership agreement signed by the Bush administration. And in April, Obama stood firm on Georgia in a London meeting with Russian President Dmitry Medvedev, referring to the war as "the Russian invasion of Georgia" in a news conference.

Saakashvili, a favorite of the Bush administration, said Obama's use of the phrase amounted to an endorsement of Georgia's view of the war.

Russia maintains that it invaded Georgia only after Georgian forces attacked South Ossetia, killing Russian peacekeepers and civilians. Saakashvili says he ordered the assault in response to shelling by South Ossetian rebels and an imminent Russian invasion.

Richard Giragosian, director of the Armenian Center for National and International Studies, said U.S. policy toward Georgia has shifted, official statements of support notwithstanding.

While the Pentagon is continuing to work with the Georgian army, he said, the emphasis now is on "assistance and training limited to a defense nature only."

Lincoln Mitchell, a scholar at Columbia University who studies Georgia, said the Obama administration may be reluctant to provide arms to Georgia because of Saakashvili's domestic policies. A fractured opposition has portrayed him as an autocrat and staged weeks of protests demanding he resign.

But Bokeria, the deputy foreign minister, defended Georgia's democratic credentials, calling them "an important factor" in U.S. support for the country. "This factor is not hampering the assistance," he said.

**#14**

**Obama must shore up Medvedev vs Putin: opposition**

**By Claudia Parsons**

**Reuters, June 25, 2009**

NEW YORK - U.S. President Barack Obama should focus on shoring up Russian President Dmitry Medvedev's power in relation to his former mentor Vladimir Putin when he visits Moscow in July, opposition leader Boris Nemtsov said on Wednesday.

Nemtsov said Putin, now Russia's prime minister, retained the real power in Russia despite standing down as president last year when he engineered the election of Medvedev.

"Russia is a country of secrets and mysteries," Nemtsov, a former deputy prime minister and staunch opponent of Putin, told the Council on Foreign Relations, a New York-based think tank. "This is the biggest mystery -- who is really the president, who is really the boss."

Russia and the United States are seeking to narrow differences before Obama and Medvedev meet in Moscow on July 6-8. Both countries have stated their desire to "reset" relations, which had deteriorated to near Cold War levels.

The two sides have been holding talks on finding a replacement for the 1991 Strategic Arms Reduction Treaty (START I) before it expires on December 5, which would mark a thaw in relations between the world's two biggest nuclear powers.

Nemtsov said the real problem in relations was not the START treaty, or differences over U.S. plans for an anti-missile shield in Europe, or policy toward Iran and North Korea, but rather a fundamental difference in values.

"The problem is absence of confidence," said Nemtsov, one of the founders of the liberal opposition group Solidarity.

"That's why to ignore problem of human rights and democracy means to fail ... strategically," he said, urging Obama to meet with opposition groups and human rights activists in Moscow.

"If the White House agree with Putin's proposal to talk just with pro-Putin organizations ... it will be a victory of Putin, but not only that -- Putin will be sure that Obama is weak."

Nemtsov said both Medvedev and Obama were "new persons" with an opportunity to make progress, but Medvedev was weak.

"The main problem of Medvedev is how to be the president. That's why if Obama will show that yes, Russia has a president and his name is Medvedev, it will be very, very nice for everybody," Nemtsov said.

"I believe if (Medvedev) will finally take power we have a chance to come back to liberalization, to democratization."

Nemtsov said Putin's popularity depended on an "invisible contract" with the Russian people -- that he would make them rich in return for giving up their political and social rights, but that the current crisis was undermining that contract.

He said the fact that oil-rich Russia's economy was in crisis despite oil prices of around \$70 a barrel showed that Putin's "corrupt" policies were ripe for change.

"This is a real opportunity for coming back to rules of law and to Russian constitution," he said. "Of course a lot depends on how the opposition will be energetic... that's why we are responsible for our future, not Obama."

**#15**  
**Obama Will Speak At School Graduation**  
**By Anna Malpas**  
**Moscow Times, June 29, 2009**

U.S. President Barack Obama will make a commencement speech to 1,000 guests at the New Economic School and hold talks with Prime Minister Vladimir Putin, officials said, as details emerged of Obama's much-anticipated visit to Moscow on July 6 to 8.

Obama will discuss the economic crisis and security issues during the graduation ceremony at the school on July 7, White House spokesman Robert Gibbs told reporters.

"The speech will be an opportunity for President Obama to discuss areas of mutual interest between the United States and Russia such as nonproliferation, global security and economic growth," Gibbs said Thursday, according to a transcript published on the White House web site.

The graduation ceremony will run from 10 a.m. to 1 p.m. and be attended by about 1,000 people, said the New Economic School, a privately funded graduate school founded in 1992. "We are honored that President Obama will participate in our graduation ceremonies," school rector Sergei Guriyev said in a statement. "Our graduates, their families and the NES faculty, staff and alumni are looking forward to President Obama's address, particularly at a time when both the U.S. and Russian economies face such great challenges."

Gibbs said Obama would also attend a "civil society event" and a business forum during his visit. The forum of U.S. and Russian business leaders is scheduled for July 7 and is being organized by the Russian Union of Industrialists and Entrepreneurs and the American Chamber of Commerce.

Gibbs said he did not know which U.S. business executives might accompany Obama on the trip.

He said the centerpiece of Obama's visit would be talks on securing a follow-up arms control treaty to START I, which expires in December. The global economy will also be on the agenda.

Obama and President Dmitry Medvedev also will sign an agreement on military cooperation, General Nikolai Makarov, head of the General Staff, said Friday, in an announcement that caught the U.S. military off guard. The Pentagon said the deal would amount to a sign of goodwill and declined further comment. (Story, Page 3.)

Meanwhile, a White House spokeswoman confirmed Friday that Obama would hold talks with Prime Minister Vladimir Putin.

In May, Putin told reporters that he would be pleased to meet Obama if their schedules matched but that "the president of the United States is the partner of the president of the Russian Federation." Putin's spokesman Dmitry Peskov later said Putin would meet Obama after he met with Medvedev.

The White House spokeswoman could not say whether Obama would meet with Putin one-on-one or on which day it would take place.

Separately, gay activists applied to Moscow City Hall on Friday to hold a 25-person rally outside the U.S. Embassy at 1 p.m. on July 7 asking Obama to legalize same-sex marriage in the United States. The activists, who plan to hold a banner reading "Yes You Can," said they would hold a protest at another location on July 7 if city authorities refused to sanction their rally.

**#16**

**New Russians**

**By Peter Savodnik**

**Foreignpolicy.com, June 26, 2009**

It's not immediately clear why Presidents Barack Obama and Dmitry Medvedev are meeting next month in Moscow. In Cold War times, Washington and Moscow were locked, boxerlike, in a sweaty, awkward embrace, and the whole point of any U.S.-Russia summit was to make sure that the fight didn't spill out of the ring. Meetings between heads of state were brakes, or institutional curbs, meant to ensure that the system persisted. Sustaining the status quo, however costly it may have been, was assumed to be preferable to its violent breakdown.

But now there is no system to sustain. And though both countries have overlapping interests, and though both have things to talk about (Iran, North Korea, Afghanistan, missile defense in central Europe), it's not apparent why they need to talk about them now, with no wars or arms agreements on the table. Granted, there's the pact that's meant to replace the Strategic Arms Reduction Treaty, but replacing an antiquated treaty feels stilted, as if the purpose of the talks is to talk rather than make the world a safer place. So why is this meeting taking place?

The basic answer is that Moscow, after years of trying unsuccessfully to reclaim its superpower status, has concluded that a new system is needed. Of course, a greatly weakened Russia is in no position to coauthor, with the United States, a new geopolitics. But it can initiate a conversation meant to transcend the asymmetries and tensions of the past two decades -- tensions that were manageable until recently but no longer appear so.

The shift, which no Russian leader has publicly articulated, is really a change in disposition that has yet to be felt concretely. But given various internal developments -- including the financial crisis, which has ignited anti-Kremlin demonstrations in Moscow, Vladivostok, and elsewhere; military reform, which is transforming how military and civilian leaders view the West; and the ascension of Medvedev himself, who shows few signs of being a force for change but seems uncomfortable with the status quo -- there is clearly something happening in Russia.

The krizis, more than any other turn of events, has had a devastating impact on the country's sense of self. The nationalistic, anti-American harrumphing of former President Vladimir Putin's reign has subsided, replaced by a deep skepticism and a fear that Russia is on the verge of a 1998-style disaster that will destroy the ruble and wipe out personal savings. Moscow's nightclubs reflect these fluctuations nicely. A decade ago, American men were in great demand. Sometime about five years ago, there was a palpable shift, and expatriates acquired a reputation for being leeches preying on the city's oversupply of beautiful women. Now, Americans are popular again, and where it was once considered imprudent to speak English, it is thought to be chic.

The idea of "managed democracy," as Kremlin ideologists call it, is now open to question. Although there have been repeated attempts to blame the crisis on the United States -- to hear it from state-controlled television, you'd think the Lehman Brothers collapse single-handedly derailed the Russian economy -- there is a new understanding that Russia is now very much woven into the international, commercial fabric (the Kremlin's withdrawal from World Trade Organization talks notwithstanding).

"Russia cannot afford anymore to have bad relations with the United States in the middle of a financial crisis," Nikolai Zlobin of the Washington-based World Security Institute told me. "The Russian situation is not as good

as the government expected. Russia is going to have a hard time in the next year or two." And there have been renewed calls, particularly by the oligarchs, for Russia to diversify its economy away from oil and gas. This diversification can only be achieved, as Medvedev has noted, by enforcing the rule of law and protecting private property.

But it is the quest to revamp the military -- led by Medvedev, chair of Russia's Security Council -- into a highly mobile, Donald Rumsfeld-style, fighting force that focuses less on massive tank battles in Western Europe and more on Islamic fundamentalists in the Caucasus, arms traffickers on the Silk Road, and pirates off the Somali coast that is likely to have the longer-term impact. Economic figures wax and wane. The strategic goals of a country, reflected in its military planning, show how that country imagines itself vis-a-vis the rest of the world. This is particularly true in Russia, where military culture and the Great Patriotic War, i.e., World War II, remain at the center of the national discourse, on television, in newspapers, in movies, and in the way Russians talk about Russia.

Reforming the military, says Dmitri Trenin, director of the Carnegie Moscow Center, "is founded on the idea that there is not going to be a wide-scale war with the United States or China. That could be a major change. It's not just the armed forces. It's the entire country that, until today, has lived under the assumption that there's going to be a major war just like the Second World War."

"That is now being carted away into the archives," Trenin says. "If that's done then you're going to have a totally different military organization in this country, one that's focused on small-scale engagement, one that will look progressively more to the south where there will be more military engagements."

Finally, there's Medvedev. Widely thought to be a marionette Putin (Putin's puppet), the Russian president is actually a complex figure. Since taking office in May 2008, Medvedev has portrayed himself as an ally of his mentor Putin, now prime minister. But there have been comments that suggest a growing tension between the two men. Medvedev, for instance, has complained about the pace of economic reform, and he has signaled a desire to replace the Putin-era apparatchiks who run the bureaucracy with his allies.

In remarks that were widely discussed in Russia, Medvedev noted earlier this year, "We can't move forward because the personnel reshuffle, the emergence of new people, has been very slow. We keep shuffling the same deck of cards." Many have noted that Medvedev, at 43, is 13 years Putin's junior and does not descend from the siloviki, the KGB-niks, defense officials, and other security personnel who comprise Russia's intelligence agencies and have resisted Western-style liberalism. Medvedev is an attorney and a former university lecturer, a man who, one imagines, has given some thought to the importance of the law, and he has made it clear that he appreciates the need for change.

Speaking at the World Economic Forum in January 2007, nearly a year and a half before he became president, Medvedev acknowledged the need to curb corruption and diversify the economy -- this at a time when few, if any, Russian leaders felt compelled to acknowledge anything that conflicted with the prevailing bullishness. It would be wrong to portray Medvedev as a reformer. Above all, he's a technocrat. But it would also be wrong to view him as the gray-faced executor of someone else's five-year plan. He is a man -- in some sense, like his counterpart in Washington -- who cares a great deal about what works.

Granted, there are many reasons to doubt that Russia is poised to forge a more constructive relationship with the United States: Putin remains (presumably) the most powerful man in the country, and the underlying systemic problems that have inhibited U.S.-Russian cooperation persist. No matter how many niceties Obama and Medvedev manage at their joint press conference, the United States and Russia will continue to butt heads about the future of Ukraine and Georgia. "The Obama administration has made clear that 'resetting' relations with Moscow does not mean accepting a Russian sphere of influence in the post-Soviet space," says Steven Pifer, a former deputy assistant secretary of state and former U.S. ambassador to Ukraine.

But there is a sense that something must change. This sense is reflected in the everyday behaviors of ordinary people worried about their pensions and their jobs; it is felt in the increasingly combative press; it is evident at the highest levels. (Putin's recent very public spanking of oligarch Oleg Deripaska, in which the prime minister called the metals tycoon a greedy cockroach to his face, contrasts sharply with the chumminess of just a year

or two ago, when optimism and consensus were the norm.) This development is not simply emotional, as if after eight years of worsening relations a sudden weariness has set in.

What is happening is historical, almost dialectic, a function of the sways and perturbations of global plate tectonics. For centuries, Russia has swung, with a metronome-like consistency, between a westernizing, outward-looking pole and an Oriental, inward-looking one. These swings have been demarcated by varying periods and intensities, but they are a constant; they are the constant. The signs of this most recent swing, or thaw, are there. The question for U.S. foreign policymakers is whether they take advantage of it.

**#17**

### **Looking Beyond Georgia's Political Crisis**

**By Nino Burjanadze**

**RFE/RL, June 30, 2009**

Last August, the world watched in horror as Georgia was invaded. But this year, far fewer people are paying attention to what may prove to be an even more tragic situation -- the very real risk that Georgia may disappear from the map of the democratic world as a result of the actions of a man who cloaks his authoritarian approach with democratic verbiage.

Mikheil Saakashvili's attempts to blur the distinction between himself and the country of which he is president have led Georgia down a dead end for democracy. We are fighting for our freedom and for the western orientation to which we as a nation have been faithful for the last 20 years.

It is all the more frustrating that all the misdeeds of this government have been perpetrated in the name of meeting Western standards for democratic reform. That approach has undermined the Georgian population's faith in the West.

It should be up to the Georgian people to choose its preferred leaders at the ballot box, however, when the possibility of bringing about democratic change through free and fair elections is ruled out and Georgia is disqualified from the list of "electoral democracies," our only remaining alternative is street demonstrations.

#### **Dual Threats**

Today, many friends of Georgia believe that the danger from outside the country is greater than that from the inside. There is indeed a very real threat from the north, and we Georgians, at least those of us in opposition, are fully aware of that threat. We were alarmed at this danger even prior to August 2008, unlike the present government, which still claims to have won last year's war.

In addition, it is the Russian factor that President Saakashvili prefers to use for the purpose of undermining his political opponents, trying to demonstrate that everyone who dares to raise his voice against his misdeeds has covert links with, and receives funding and assistance from, Russia. I would like to assure all friends of Georgia that the threat from Russia would be incomparably smaller were it not for Saakashvili's unhealthy ambitions to defeat the Russian army.

It is common knowledge that the chances of revising geography to give us more congenial neighbors are nil. It is equally clear that few observers expect that Russia will abandon in the near future its ambitions to impose its influence over the South Caucasus.

For that reason, our Western friends are wrong to argue that domestic politics should be put on hold until relations with Russia improve, as this moment will never come.

History shows that the Russian threat increases in proportion to Georgia's weakness.

And the present leadership has done everything in its power to weaken Georgia in every respect: geopolitically, economically, and socially. The contradiction between accusing the opposition of maintaining close

ties with Russian financial circles and at the same time selling most of Georgia's economic assets to Moscow in the most non-transparent and unclear circumstances demands international attention.

'Serving Russian Interests'?

At present, despite his empty pledges of loyalty to Western values, President Saakashvili, whether deliberately or inadvertently, is serving Russian interests better than anyone.

Or take our leaders' latest decision. Two weeks ago, the Georgian Interior Ministry ordered the Georgian border guards deployed in the Mamisoni Pass on the border with the Russian Federation to pull back 20 kilometers, thereby effectively "ceding" that swathe of Georgian territory to the Russian army without any valid reason. Even though dozens of eyewitnesses and local residents have confirmed the withdrawal, the ministry continues to deny it shamelessly.

It is unfortunate that the ongoing political crisis is compounded by a profound economic crisis that impacts the vital interests of every Georgian citizen. In addition to the global financial crisis, we have to contend with a total absence of accountability, the nonexistence of democratic checks and balances, and extravagant budget spending, all of which severely undermine the prospects for steady economic growth in the next few years.

It is of vital importance that the international community, committed as it is to democratic principles and values, should listen to the voice of hundreds of thousands of Georgians who are resolutely defending their rights and freedoms in the streets of Tbilisi.

We are fighting to change realities where there are prospects neither for democracy nor stability. We are fighting for freedom and democracy, for control over the fate of our country and our lives.

We have already lost 20 percent of our territory; three new Russian military bases have been established on our soil; our defense and economic infrastructure has been seriously damaged; last year's war resulted in hundreds of thousands of new displaced persons; the prospects for Euro-Atlantic integrations have been put back for decades; our economic assets are being sold off to Russia. We simply cannot wait for another, even worse disaster to happen.

It is not our politicians who deserve international attention, but the Georgian people. All true friends of Georgia should take a closer look at the disastrous situation in my country and the devastating rule of President Saakashvili.

Georgia and the Georgian people need their help.

*Nino Burjanadze served as Georgian parliament speaker from November 2001 to 2008. Last fall she founded the opposition Democratic Movement-United Georgia.*

**#18**

**For restitution seekers, 10 European countries that have obstacles**

**By Dinah Spritzer**

**JTA, June 30, 2009**

PRAGUE -- Ten European Union countries where claimants of looted art, communal property or private property face serious obstacles:

\* Poland: Has not enacted any form of private restitution or compensation for an estimated \$30.5 billion worth of property confiscated by Nazis or Communists. The Jewish share of claims on those properties is estimated at 20 percent to 27 percent. Poland has a very slow and burdensome process for restitution of Jewish communal property. Since 1997, 5,500 claims were filed but only 1,625 were adjudicated.

\* Lithuania: Has not enacted communal property restitution. The government had offered to pay \$46 million over 10 years to a Jewish fund -- about one-third of the value of the claimed properties -- starting in 2011 before shifting recently and suggesting that such a fund might contravene Lithuanian law. A number of cultural institutions in Lithuania hold looted Jewish artifacts, and little to no provenance research has been done on holdings. Lithuania's claims process for private property bars non-citizens from making claims.

\* Germany: Has supported the return of looted art, but in May it acknowledged that museums and galleries still have thousands of looted works. Provenance research, documentation of ownership and sales history are underfunded. The government commission that handles art claims is viewed as ineffective because it requires the permission of the current art owners to mediate cases. Researchers claim museums and archives are frequently uncooperative. On property restitution, Germany is the leading European Union member to return Jewish properties.

\* Ireland: Never signed the 1998 Washington Principles on Looted Art, which would require provenance research and facilitation of the claims process. The Simon Wiesenthal Center has accused the Hunt Museum, one of Ireland's greatest private collections, of housing looted art, but an Irish investigatory commission cleared the museum of wrongdoing.

\* Greece: Little to no provenance research has been conducted at its numerous state museums.

\* Hungary: Blocks nearly all attempts to retrieve looted art. The National Gallery and Museum of Fine Arts hold looted art.

\* Romania. Has excessively slow and burdensome Jewish communal property restitution. Three hundred of 1,980 claims have been adjudicated since 1997.

\* Slovenia: Private property is returned only to current citizens, and only if it was confiscated in 1945 or after.

\* Bulgaria: Does not conduct provenance research at its museums.

\* Spain: Has looted art in its cultural institutions, but Spain does not conduct provenance research on art.

Sources: JTA analysis of information provided by Claims Conference, American Jewish Joint Distribution Committee, American Jewish Committee, community leaders in Europe, U.S. government reports and nongovernmental organizations.

## **#19**

### **Q&A with Eizenstat on Holocaust-era restitution**

**By Dinah Spritzer**

**JTA, June 30, 2009**

PRAGUE -- Stuart Eizenstat, who led the U.S. government delegation to the June 26-29 Holocaust Era Assets Conference in Prague, sat down with JTA for an interview on the eve of the conference.

The conference, organized by the Czech government, which held the six-month rotating European Union presidency for the first half of 2009, brought together representatives of 49 countries for what participants said was likely to be the last major attempt to compensate Holocaust victims and their heirs for art and property confiscated or sold under duress during the Nazi era.

Eizenstat, a lawyer who served as under secretary of state under President Clinton and recently was appointed chairman of the Jewish People Policy Planning Institute, is largely credited with getting Jewish property restitution started in the former Eastern bloc after the end of the Communist era. He also was the lead negotiator in the \$1.25 billion settlement with Swiss banks in 1999.

In the interview, Eizenstat talks about the delays in property restitution in Eastern and Central Europe and criticizes the European Union for failing to follow through on restitution. He also takes Israel to task for not doing enough over the years for Holocaust survivors and their heirs.

A condensed version of the interview follows.

JTA: Critics say conferences like these on looted art and restitution are just so much talk and that they yield little action. Is this accurate?

Eizenstat: So what happened as a result of the 1998 Washington conference on looted art? Philippe de Montebello, then president of the Metropolitan Museum of Art, said that as a result of the conference the art world would never be the same again. Museums all over the world -- over 120 in the United States alone -- now research the provenance of their acquisitions to see if they might have been looted. Hundreds of pieces of art have been returned in Austria, and dozens in the United States and other countries.

JTA: Nonetheless, of the 21,000 pre-World War II communal properties confiscated from Jewish communities in Eastern Europe and the former Soviet Union, only 16 percent have been returned or compensated, according to the American Jewish Joint Distribution Committee. Less than 20 percent of privately Jewish-owned real estate has been returned or compensated. Is that success?

Eizenstat: It's success only in comparison to what would have otherwise happened, which is nothing. We are trying to address issues we have never addressed before at previous conferences. There are very few countries that have developed adequate private property restitution laws. One of the priorities of the Prague conference is just that.

JTA: Lithuania has stalled restitution of Jewish communal property since the community asked for its return eight years ago. Lithuania has offered to pay \$46 million, one-third of the properties' value. What is taking so long to get this property back?

Eizenstat: Some of the momentum behind restitution of Jewish assets has been lost over the last eight or 10 years. What we are trying to do at these conferences -- and with a good measure of success -- is to bring moral suasion on these countries. There is no international mechanism to force action, nor would that be effective if one tried to do it. There is one innovation, perhaps the most important: a follow-up mechanism. The Czech government, to its enormous credit, has suggested creating a European Shoah Institute in Terezin to follow up the declarations, serve as a central database for all Holocaust issues and develop best practices in dealing with private property, art restitution and archival openness. The full support of the European Union is now behind the Terezin Institute.

JTA: There is about \$30.5 billion of confiscated private property in Poland, about a quarter of which is thought to have been Jewish-owned.

Eizenstat: For 10 years the U.S. government has been urging the government of Poland to develop a private property restitution program based on compensation, and for 10 years they have pledged to do so. It is unacceptable that it has taken so long and we hope the Prague conference will be a spur for what they have committed to do. We know this is a difficult financial time, and we have suggested that it does not have to be 100 percent of market value and that it could be paid over time.

JTA: Does being part of the European Union bring more attention to a country's wrongdoing?

Eizenstat: The European Union and the European Commission have not followed through on resolutions by the European Parliament supporting restitution. It has not been high on their agenda, and it should be.

JTA: Israel argues that heirless property from the Holocaust should be returned to the Jewish people, with the money used to help survivors. But some U.S. Jewish organizational leaders think that might be too much to demand from countries in the former Eastern bloc [except for the former East Germany, which has given the Claims Conference money from the sale of heirless properties]. Are the Israelis wrong?

Eizenstat: Let's talk about Israel. When I started my effort in the 1990s in the Clinton administration and I went to Israeli ambassadors in Belarus and Ukraine and other places where I was trying to get communal property restitution -- synagogues, schools, community centers -- there was no interest. They were just reviving relations with Central European governments that had been frozen since the '67 war, and that was a priority. I am proud to say, then, that then-Prime Minister Netanyahu and Prime Minister Barak, at my urging, did begin to put more attention on it. But it took a lot of urging. Even today the Israeli government has not, and the Israeli museums have not, done thorough art restitution research. They have not done thorough return of bank accounts and of other property belonging to Holocaust victims. So the Israeli government needs to show more leadership.

JTA: You have said this restitution conference is the first to address the social needs of Holocaust survivors. How is it possible that they keep getting left out?

Eizenstat: What has now come to people's attention is that in our own U.S., upwards of 30 to 35 percent of survivors live in poverty. Why has this taken so long [to focus on]? In part because people do not like to bring attention to their own deprivations, but in part because there are a lot of other issues going on in the restitution world. Social needs were not going to be on the agenda of this conference, but they are now front and center.

JTA: There are survivors who feel too much money goes to speakers, plane tickets and fancy conference buffets and not on their health-care bills.

Eizenstat: I take personal responsibility for the fact that at four previous conferences, the social needs were not brought to the attention of the international community. We are here to reignite momentum before it is too late, not to eat fancy food. There has been tremendous amount of money put out there [for survivors], \$60 billion from Germany, but it is not enough.

## **#20**

### **Russia Begins War Games Near Georgia**

**By Michael Schwartz**

**New York Times, June 30, 2009**

MOSCOW — Russian military forces began large-scale war games on Monday in the Caucasus region, not far from the Georgian border, raising tensions between the countries less than a year after they went to war.

In a series of news conferences on Monday, military officials said that about 8,500 troops from all branches of the armed services would take part in a week of exercises, the largest such war games since the fall of the Soviet Union.

The officials noted that the exercises were intended in part to incorporate lessons learned from the war last August. Russia easily won, but the military officials said the war exposed deficiencies in training and equipment.

Military exercises in the Caucasus have been held before, and similar maneuvers there last year ended days before the war broke out on Aug. 7. The war games this year are scheduled to end next Monday, the day that President Obama arrives in Moscow for a summit meeting.

The event is also occurring a few weeks after NATO concluded its own exercises in Georgia.

"The Russian exercises, given the timing, are a definitive response," said Dmitri O. Rogozin, Russia's envoy to NATO, the Interfax news agency reported. "We are conducting them to ensure the defensive capabilities of Russia in those areas where we see threats."

Georgia expressed worry on Monday about the exercises.

“These exercises are a source of concern because they involve an unprecedented number of servicemen and the newest military hardware of Russia,” said Alexander Nalbandov, Georgia’s deputy foreign minister, Interfax reported.

Despite intense international objections, Russia has established a military presence in South Ossetia and Abkhazia, two breakaway Georgian enclaves at the heart of last year’s war.

The commander of Russia’s ground forces, Gen. Vladimir Boldyrev, told the newspaper Izvestia this month that Russian troops based in both enclaves would participate in the exercises. The governments of Abkhazia and South Ossetia said no military exercises would take place on their territory.

## **#21**

### **President Shimon Peres in Azerbaijan and Kazakhstan for historic first visit Israel Ministry of Foreign Affairs, June 28, 2009**

The President of the State of Israel, Shimon Peres, will visit Azerbaijan and Kazakhstan on 28 June - 1 July 2009 for the first state visit by an Israeli president since the establishment of diplomatic relations between Israel and the two Muslim states.

President Peres will be accompanied by a delegation of government officials - the Minister of Industry, Trade and Labor, Benjamin Ben-Eliezer; the Minister of National Infrastructures, Uzi Landau; the Minister of Science and Technology, Daniel Hershkowitz; and the Director General of the Ministry of Defense, Pinchas Buchris - as personal guests of Presidents Nursultan Nazarbayev (Kazakhstan) and Ilham Aliev (Azerbaijan). Joining the government delegation are 60 senior officials of leading companies in the Israeli economy in the fields of water technology, agriculture, communications and medical technology, and CEOs of defense industries.

The President's Bureau, together with the Export Institute and the Manufacturers' Association, put together a delegation of senior businesspeople from a broad spectrum of the Israeli economy. Some of the companies represented are Ness Technologies, Housing & Construction Holding Company Ltd., ECI Telecom Ltd., Elbit Systems, Elisra Electronic Systems Ltd., Magal Security Systems Ltd., Vertex Venture Capital, and others.

President Peres' visit is intended to strengthen and expand the strategic, political and economic ties between Israel and the two Muslim countries situated between Russia, China and Iran. Both states have high strategic importance in the regional as well as the international arenas and are major suppliers of oil and natural gas to Israel and to the world.

During his visits, President Peres will hold political meetings with Azerbaijan's President Ilham Aliev and with Prime Minister Artur Rasizade. In Kazakhstan he will meet with the upper political echelon, first and foremost with the president, Nursultan Nazarbayev, and with Prime Minister Karim Masimov and Senate Speaker Kasym-Zhomart Tokayev. President Peres will bring up for discussion various diplomatic and security issues as well as the potential for economic-technological cooperation between the two states.

In addition, the hosting presidents will each hold a press conference together with President Peres. The Israeli president is also expected to participate in several major events. The president of Kazakhstan has invited him to be the keynote speaker at an inter-religious conference with hundreds of Muslim leaders and religious figures from the Middle East and around the world - including the Qatar Emir, the chief rabbis of Israel and the Minister of Religion Affairs - in attendance.

\* \* \*

President of Israel Shimon Peres arrived in Azerbaijan on Sunday, 28 June for an historic state visit. He arrived in the capital, Baku, at the head of a delegation which includes three government ministers - Minister of Industry, Trade and Labor, Benjamin Ben-Eliezer; Minister of National Infrastructures, Uzi Landau; and Minister of Science and Technology, Daniel Hershkowitz - as well as the Director General of the Ministry of Defense, Pinchas Buchris, together with 60 CEOs and heads of leading Israeli companies in the fields of security, infrastructures, communications, health and agriculture.

Shortly after landing in Azerbaijan, President Peres was received in a full state military ceremony in the courtyard of the presidential official reception palace. President Aliev warmly embraced the Israeli president and told him, "I am happy to host you in my country. This is a most important visit for Azerbaijan and we are interested in expanding and strengthening the cooperation between Azerbaijan and Israel in the areas of security, diplomacy and the economy."

President Peres thanked his host for the warm reception and, at the press conference, said that Israel welcomes deepening the strategic relations between Azerbaijan and Israel. "Israel has been blessed with creativity and one of the highest levels of research and science in the world, and we will gladly invest in Azerbaijan and broaden the cooperation between Israeli and regional companies." President Peres noted, "Israel and Azerbaijan are both countries that must maintain their military strength because we are both under constant threat. At the same time, I am proud that both Israel and Azerbaijan are countries that pursue peace and will do anything to achieve peace with our neighbors."

The Israeli president invited his counterpart to visit Israel and said, "Our door will always be open to you and it would be a great honor to host you in Israel." President Aliev replied, "The diplomatic relations between Azerbaijan and Israel are much stronger than they seem. Azerbaijan is undergoing an accelerated process of development in the areas of finance, technology, nanotechnology, agriculture, health and infrastructures. I know that Israel has had great achievements in these areas, and so we are interested in upgrading our relations with Israel and in promoting cooperation in these areas."

President Peres thanked President Aliev for the warm attitude shown by the president and the people of Azerbaijan towards the Jewish community and said, "Immigrants from Azerbaijan living in Israel serve as faithful ambassadors of your country in Israel." He added that in his view it is a great achievement that in Azerbaijan people of all faiths enjoy freedom of religion and live in quiet and peaceful amity.

After the reception, the two presidents met alone for an hour and a half, during which they discussed sensitive subjects connected to expanding cooperation between Israel and Azerbaijan. Afterwards, a working meeting was held with the participation of the two presidents, the Israeli ministers and their Azeri counterparts, at which each Israeli minister presented a plan for expanding his ministry's cooperation with the Azerbaijan government.

The two presidents were present at a ceremony in which a joint cooperation agreement in the field of communication was signed by Infrastructures Minister Uzi Landau and his Azeri counterpart, as well as an agreement in the fields of education, science and technology signed by Science Minister Daniel Hershkowitz and his Azeri counterpart.

## **#22**

### **Azerbaijan as a Model**

**By Arthur Lenk**

**Haaretz, June 30, 2009**

Today, Israel's President Shimon Peres begins a historic visit to Azerbaijan and will continue to Kazakhstan. While many Muslim countries still insist on avoiding any official interaction with Israelis, the Republic of Azerbaijan, a secular state with a predominantly Muslim population has chosen a different path, a way that has offered benefits for it and for Israel. This visit should send a clear message that challenges those who claim that Jews and Muslims cannot work together or we are doomed to interminable conflict.

Cooperation between Israel and Azerbaijan has vital economic, strategic and symbolic components for both of the countries and needs to be more widely recognized, also by our shared allies. President Peres' visit to the region will shine a light on this success story in Israel's foreign relations.

Azerbaijan prides itself on a history of tolerance, which includes a Jewish community that goes back hundreds of years. Many members of this community came to the Caucasus from other areas to escape persecution or violence. Today, nearly 10,000 Jews remain in Azerbaijan, respected by the country's leadership. Israel is the home of another 40,000 who came to Israel soon after the collapse of the Soviet Union. Over the years, a

number of immigrant organizations were founded that keep regular ties with Azerbaijan and are even seen by Baku as positive activists within the “Azerbaijani diaspora”. Thus, a human bridge, on the two sides, offers a connection that might, at first be surprising, but is actually a natural basis for cooperation and respect between the two countries and societies.

Israel and Azerbaijan are small states, living in “complicated regions”. We share an existential need to provide security, stability and development for our citizens despite the prevalence of both overt and hidden dangers in our, too often, violent neighborhoods. Azerbaijan shares borders with Russia, Iran, Georgia, Turkey and Armenia – and has had a festering conflict regarding Nagorno Karabakh and seven surrounding regions which have been occupied for over 15 years. Relations with Iran are sensitive as well, in part because of some 20 million ethnic Azerbaijanis live mostly in the northern regions of Iran. The United Nations has noted that these people, like many minorities in Iran, are victims of human rights abuses, including limits on language and cultural education.

Despite a geographic dependence on Iran - the only real land access to the Azerbaijani region of Nakhchivan is via the Islamic Republic - and many similar historical touchstones, including Shia Islam, Azerbaijan has chosen a decisively different path than that of its neighbor, including a totally secular government and the participation of Azeri forces alongside the NATO efforts in Afghanistan.

Trade between the two countries has grown dramatically in recent years with Israeli exports for 2008 reaching nearly \$129 million including hi-tech systems provided by Ness Technologies and advanced irrigation techniques developed by Netafim. Last year, Azerbaijan sold us over 25 million barrels of oil, nearly one quarter of all crude bought by Israel. Just last month, two senior Azerbaijani trade delegations visited Israel to build more ties with potential business partners.

Israel will continue to look for more ways to share its experiences with Azerbaijan. In March 2009, Israeli experts gave a seminar, cosponsored by the United Nations, on water management. Magen David Adom has been assisting the local Red Crescent Society in emergency response capability. Students and instructors from key Azerbaijani universities have received scholarships to study in Israel. Azerbaijan’s leading hematologists recently visited Israeli medical centers to learn about our achievements in fighting blood diseases.

Can this be a model? Can other Muslim states: Morocco, Malaysia or Bangladesh be Israel’s next partners? The recent decision of Minister of Foreign Affairs Avigdor Liberman to open an Embassy in Turkmenistan, just across the Caspian from Azerbaijan, is one more step in this effort. It might be easy to be cynical and say that our differences are too great and the complications in the Middle East are too vast. Israel and Azerbaijan are showing that cooperation, development and mutual respect offer our citizens benefits that should not be ignored.

*The author is Israel’s Ambassador to Azerbaijan.*

## **#23**

### **A Cultural Awakening in Russia**

**By SOPHIA KISHKOVSKY**

**New York Times, July 1, 2009**

MOSCOW — A year after Dmitri A. Medvedev succeeded Vladimir V. Putin as president, most liberal Russians have cast aside hopes of a real political thaw from above.

But as activists recall the watershed political event of 20 years ago — the remarkable gathering of the Congress of People’s Deputies, the first democratically elected body in the Soviet Union — there are signs of a growing demand for civic discourse. Meanwhile cultural life, so often a bellwether in Russia, carries unmistakable echoes of the opening enabled by Mikhail S. Gorbachev’s perestroika and glasnost.

The financial crisis has helped stoke these tendencies: the Kremlin can no longer guarantee that Russians, whether ambitious or not, feel the benefits of free-flowing oil wealth. But some manifestations are highly politicized.

In May, for instance, the Union of Solidarity with Political Prisoners organized a concert to raise funds for dozens of prisoners and other people under investigation, including journalists, scholars, Chechen terrorism suspects and former executives of Yukos, the oil company that was dismantled by the state.

The concert, at a 1,300-seat rock music venue, was almost sold out. Its slogan, "For Your Freedom and Ours," was a motto made famous by eight daring protesters who unfurled banners on Red Square against the Soviet invasion of Czechoslovakia in 1968.

The show was headlined by Yuli Kim, a bard singer famous in the Soviet dissident era, and Viktor Shenderovich, a satirist who was a fixture on post-Soviet television in the 1990s but was relegated to radio after angering the Kremlin.

Mr. Shenderovich, master of ceremonies, said from the stage that there had been no difficulty in attracting performers.

"We hope such concerts will become a tradition," he said. "We have a long line of people calling us who said they would be honored to join us next time."

Mr. Kim sang old songs, saying they had new resonance. "'Lawyer's Waltz' is over 40 years old," he said, introducing a song he wrote then about the Soviet dissidents of 1968 and the lawyer who tried to defend them against preordained court rulings.

"Now it could easily be sung in the middle of the Basmany Court," he said, referring to the court hearing many of the cases involving Yukos and its imprisoned founder, Mikhail Khodorkovsky. Those cases have become shorthand for what human rights activists say is a justice system manipulated by the Kremlin. Mr. Kim also sang a song of the Soviet youth movement, which he recast last year as a ditty about newly resurgent spy mania.

If in the 1990s Russians struggled to survive, or scrambled to make money, and in the Putin era raced to outdo one another in consumerism, as oil dollars and shopping centers swept the country, people now seem to have rediscovered the need to gather and talk, in updated versions of the Soviet kitchen.

Kvartirniki, or "apartment concerts," a staple of the Soviet underground, are undergoing a revival, and invitation-only salons are competing with nightclubs. Glossy magazines talk of the "new sincerity" and "new spirituality," reporting that well-to-do Russians, licking wounds from the crisis, would rather sit at the kitchen table than patronize another fancy restaurant.

Lectures on subjects from art and architecture to the environment to spirituality are drawing large crowds, another throwback to the late 1980s.

Aleksandr Shatalov, a literary and social critic, said during an interview that this reflects a pent-up need for both creativity and political discourse.

"In the absence of politics and a real opposition, art is once again taking up the function of expressing an alternative opinion," he said, noting that such artistic events and lectures tend to be sponsored by rich Russians who want to "make up for lost time."

But they are not the only sponsors. Some such events have distinct roots in the Kremlin, according to Vadim Belov, editor of *Socialist*, a magazine published by *Spravedlivy Mir*, or Just World, an institute created by Sergei Mironov, chairman of the Russian Senate. Mr. Belov organizes roundtable debates for the magazine.

United Russia, the party created and headed by Mr. Putin, dominates Parliament. It also plays host to roundtables at glamorous sites near the Kremlin for famous actors, business executives and political scientists who voice ideas for Russia's future.

"The authorities, with the help of these people, are trying to create the semblance of public opinion," Mr. Belov said. That has also meant opening discourse to a wider circle. Mr. Medvedev teased liberals in April, Mr. Belov said, when he invited harsh critics like Irina Yasina and Dmitry Oreshkin, who has called Putin "baby Hitler," to join a presidential commission on human rights.

"The authorities have opened a Pandora's box that has coincided with society's demand for civic activity," said Mr. Belov, an eclectic figure who cites the theory of civil society of the Italian Marxist Antonio Gramsci and says the Kremlin fears a loss of control and a replay of perestroika, which was also originated from above and "ended tragically."

"It had one set of goals, but the result ended up being completely opposite to the desired goals," Mr. Belov said of perestroika under Mr. Gorbachev. "I think the fear that history will repeat itself is once again preventing this mechanism from being set off to the maximum."

Perestroika was also associated with large public demonstrations, the likes of which have not been seen since. But virtual demonstrations have become a staple of Russian-language blogs, which seem to unite around a new cause each week.

Among recent subjects that have driven bloggers to question the entire Russian system: an off-duty police chief who went on a shooting rampage in a supermarket; a police officer who killed a pregnant pedestrian in a hit-and-run; and a little girl whose return from foster parents in Portugal with her apparently alcoholic mother to an impoverished Russian village was touted by most of the state-run media as a diplomatic triumph.

Veterans of perestroika are skeptical that any of this has meaning beyond a still unfocused, random group on the Internet.

"Sometimes it seems that something is happening, but sometimes it seems that things are going in the wrong direction," said Aleksandr Daniel, a historian who was an ally of Andrei D. Sakharov and one of the founders of Memorial, the human rights organization. "Often it turns out that organizations such as the D.P.N.E. are at the center of public life," he said, referring to a nationalist group against illegal migration.

During perestroika, liberals also had their counterpoint in such nationalist groups as Pamyat.

Anna Sevortian, a young activist, moderates a new debate series at the Sakharov Museum, called "Echo of 1989," about the seminal Congress of People's Deputies and its meaning today. She describes the newfound interest in lectures as the result of discovering "infotainment." Perestroika, in her memory, was different.

"There's a suspense in society again, but it's not the cheerful one of the first perestroika years," she said.

## **#24**

### **FACTBOX: Issues and disputes that define US-Russia ties Reuters, July 1, 2009**

U.S. President Barack Obama will hold a summit with Russian leaders in Moscow next week seeking to "reset" relations that hit a post-Cold War low under his predecessor, George W. Bush. Following are the main issues and disputes affecting ties between Moscow and Washington:

#### **STRATEGIC ARMS CONTROL**

The Obama administration has made reaching a new nuclear arms control pact with Russia the cornerstone of its effort to improve relations between the two largest atomic powers.

Obama and Russian President Dmitry Medvedev agreed in April to move quickly on negotiations to replace the 1991 Strategic Arms Reduction Treaty (START-I), which expires in December.

The leaders are expected during their July 6-8 summit to announce progress and perhaps a framework for a new accord. It is expected to go beyond current arrangements that commit both sides to cutting their arsenals to between 1,700 and 2,200 warheads apiece by 2012. U.S. arms control experts predict the new target could be as low as 1,500 warheads.

A final deal could be hampered by Russia's bid to link the nuclear talks to its demands that Washington drop plans to develop an anti-missile shield in Europe. Russia sees the system as undermining its security. Washington says it aimed at intercepting missiles from hostile states such as Iran. GEORGIA

Russia's war against Georgia last year caused the worst rift with the West since the fall of the Soviet Union in 1991. Though strains have eased somewhat, Russia remains at odds with the United States and its allies over Moscow's recognition of independence for Georgia's two breakaway regions.

Russia, which has kept troops in the area after crushing Georgia's bid to retake separatist South Ossetia, was angered by recent NATO war games in Georgia proper and has blocked renewal of an OSCE peace monitoring mission.

Washington insists the West will not accept a return to a Soviet-style "sphere of influence" on Russia's borders.

Still, the United States and Russia have an interest in keeping lingering tensions over Georgia from spilling over into other areas of potential cooperation.

#### NATO EXPANSION

Russia fiercely opposed proposals -- spearheaded by the former Bush administration -- to bring ex-Soviet republics Georgia and Ukraine into the NATO military alliance.

Both states are in a region where the Kremlin says it has "privileged interests" and wants to prevent further encroachment by Western powers.

NATO has said Georgia and Ukraine will join eventually but has declined to put them on an immediate path to membership.

Mindful that some other NATO allies are reluctant to see the issue antagonize Moscow, Obama has taken a more cautious approach than Bush to any future eastward expansion by NATO. IRAN

The Obama administration wants Russia's help in curbing Iran's nuclear ambitions. But Moscow, a key trading partner with Tehran, has often been reluctant to go along with sanctions pushed by the West, seeing them as counterproductive. Obama can be expected to assure Russian leaders about his efforts to engage Tehran diplomatically while urging a united front to pressure Iran, especially in the aftermath of a disputed presidential election there.

Moscow has expressed doubts about Western accusations, denied by Tehran, that Iran is actively seeking to develop nuclear weapons. So analysts hold out little hope for a meeting of the minds on this issue in Moscow.

#### AFGHANISTAN

Expectations are high in Moscow that Russian leaders could announce that they will allow transit of more U.S. military cargo, including lethal supplies, via Russian territory to U.S.-led forces fighting a resurgent Taliban in Afghanistan.

Russia, still haunted by the Soviet Union's failed invasion of Afghanistan, shares the United States' interest in seeing stability there -- if for no other reason than preventing the spread of Islamist insurgency along its own borders.

Moscow recently relented in its opposition to a U.S. deal with neighboring Kyrgyzstan for continued use of a Central Asian air base as a crucial refueling point for U.S. aircraft in NATO operations in Afghanistan.

Increased Russian cooperation would give a boost to Obama's new strategy of shifting the U.S. military focus from the Iraq war to Afghanistan.

## RUSSIA'S WTO BID

There could also be unease at the summit over the latest twist in Russia's 16-year-old bid to join the World Trade Organization.

Moscow recently accused the United States and European Union of making unreasonable demands for its entry and insisted it would now join only in partnership with Belarus and Kazakhstan.

The move, which caught Washington by surprise, was seen not only as a reflection of Russian frustration with the slow pace of WTO accession talks but as a sign that Moscow may not view it as important a priority as it once did.

## #25

### **U.S.-Russia trade has grown, despite strains**

**Reuters, July 1, 2009**

President Barack Obama travels to Russia next week for talks with Russian President Dimitry Medvedev on nuclear disarmament and a range of other issues.

Here are some facts on trade between the United States and Russia, which has grown rapidly in recent years despite strains in the relationship:

\* U.S. imports from Russia have increased sharply over the past decade, growing from \$5.75 billion in 1998 to \$26.78 billion in 2008. More than half of the imports last year were petroleum goods. Russia is the United States' 28th largest export market, buying \$9.33 billion of U.S. goods last year.

\* The top U.S. exports to Russia are meat and poultry. Sales totaled nearly \$1.4 billion in 2008, more than double five years ago. The rapid growth has been a reoccurring source of tension in U.S.-Russia trade relations.

\* Russia banned imports of meat from several U.S. states in May on concerns related to the H1N1 virus, commonly known as swine flu. The United States said the move was unjustified and has pressed to restore the meat trade.

\* Russia is the world's largest economy still outside of the World Trade Organization. Moscow has blamed both the United States and the European Union for its failure to join after 16 years of accession talks.

\* The United States and Russia struck a deal in 2006 on the terms of Moscow's entry in the WTO. But Washington says Russia still has not met all the obligations of the agreement, particularly in areas involving meat trade and combating piracy and counterfeiting of American goods.

\* U.S. software, music and movie industry groups estimate they lost at least \$2.6 billion in sales in Russia in 2008 because of high piracy rates.

\* Russian Prime Minister Vladimir Putin recently threw Moscow's WTO accession bid into confusion by announcing Russia would only join as part of a customs union with two former Soviet republics, Kazakhstan and Belarus.

\* Many U.S. lawmakers still oppose lifting a Cold War-era restriction on trade with Russia, known as the Jackson-Vanik amendment. This tied normal trade relations with the Soviet Union and other centrally planned economies to the rights of Jews and other religious minorities to emigrate freely.

\* The White House has found Russia in compliance with Jackson-Vanik since 1994. But U.S. lawmakers have resisted lifting the measure until Russia completes its WTO accession negotiations.

\* U.S. Vice President Joe Biden, whose home state of Delaware is a major poultry producer, went from supporting a repeal of the Jackson-Vanik amendment to opposing it in 2002 after Russia imposed a cap on U.S. poultry imports. Biden was chairman of the Senate Foreign Relations Committee at the time.

**#26**  
**Kremlin may tighten up internet use in Russia**  
**Iron grip on media does not extend to internet, but authorities' attitude to censorship could be changing**  
**By Luke Harding**  
**The Guardian, June 30, 2009**

Russia is not China. And so far there has been no attempt by the Kremlin to crack down on the web, which is the last remaining source of free information for ordinary Russians in an otherwise controlled media landscape.

The authorities keep an iron grip on television, ensure that most newspapers toe a pro-government line, and keep critics off the airwaves.

Recently, however, there are signs that the Russian government is reconsidering its laissez-faire attitude towards the internet, especially in the wake of Iran's web-driven "green revolution".

Several Russian bloggers who have posted critical articles have found themselves charged with extremism. One is in jail. Another was arrested after comparing Russia's prime minister Vladimir Putin to a penis.

The Kremlin also uses other darker strategies for getting its PR message out, employing dozens of young, patriotic bloggers to flood chatrooms with a pro-Kremlin message, and to attack its enemies.

Writing in last week's Moscow Times, the economist Yevgeny Gontmakher revealed how he came under "massive attack" from government bloggers after criticising Vladislav Surkov, the Kremlin's chief ideologue.

He concluded: "The modern Russian propaganda machine permeates nearly every major media outlet and even extends to the blogosphere." As well as the Russian language blogosphere, bloggers are also active in the western press, including the Guardian.

Overall the picture is fairly dismal. "Today's Russia is an authoritarian state where a corrupt and illiberal ruling elite maintains its power through media manipulation and the subversion of the democratic process," the US-funded watchdog Freedom House said in a report this month.

Still, the situation in Russia is better than in former Soviet central Asia. According to Oleg Panfilov, director of Moscow's Centre for Journalism in Extreme Situations, former Soviet countries can be divided into three categories.

The first includes Ukraine, Georgia, Armenia and probably Azerbaijan, where the internet is absolutely free. The next includes Russia, Kazakhstan, Tajikistan and Kyrgyzstan, where the web is largely or partly free. In the last category are Turkmenistan and Uzbekistan, Central Asia's most repressive, and generally paranoid,

republics. Here, there is severe censorship. In Uzbekistan even the BBC's website is banned, although you can watch BBC World TV in upmarket Tashkent hotels.

The country's secret police maintain a vigilant watch on net use, and have arrested users in internet cafes. There are ominous signs that more countries across the region are beginning to follow the Uzbek example.

Journalists, human rights groups and the Organisation for Security and Co-Operation in Europe (OSCE) have all decried recent proposals by Kazakhstan to introduce a new law on the internet. Under the law the government will be able to regulate forums, chats, blogs, and even online shops. Eight months ago Kazakhstan banned LiveJournal, the most popular social networking website among Russian-speakers, as well as a dozen opposition sites.

The restrictions have spilled over into neighbouring Kyrgyzstan, which uses the same web servers. Enterprising Kazakhs are getting round these restrictions by using proxies, but the overall picture is not an encouraging one.

## **#27**

### **Ukraine's economy plunges 20.3% in first quarter: official data AFP, June 30, 2009**

KIEV --> Ukraine's economy shrank 20.3 percent in the first three months of this year, official data showed on Tuesday, making Ukraine one of the world's worst hit countries in the global economic crisis.

The National Statistics office data, based on a comparison with the first quarter of 2008, showed the construction sector was hardest hit, declining 54 percent over the 12 months while industry went down 36.5 percent.

The energy sector also fell 19 percent but farming and financial services instead showed growth of 1.3 percent and 27 percent respectively.

President Viktor Yushchenko warned earlier that first quarter gross domestic product (GDP) would shrink by more than 20 percent in ex-Soviet Ukraine.

The steep recession comes after a prolonged period of economic growth.

The Ukrainian economy grew at an average of seven percent per year between 2000 and 2007. GDP has since shrunk because of the economy's reliance on metals and chemical exports whose prices have plunged on world markets in the crisis.

The International Monetary Fund has forecast that Ukraine's economy will shrink by 8.0 percent over the whole of 2009, while the World Bank says the fall will be more than 9.0 percent.

Ukrainian analysts are even more pessimistic, forecasting a contraction of between 12.5 percent and 14.0 percent of GDP.

Some analysts have said however that the recession in Ukraine could be bottoming out and growth will resume next year.

Ukraine's precarious financial position has raised the risk on monthly payments to Russian gas giant Gazprom, which cut off supplies to much of Europe in January as part of a dispute with Kiev over payments, debts and prices.

Ukraine is also suffering from a political crisis, with a deep rift between Yushchenko and Prime Minister Yulia Tymoshenko -- two former allies during the pro-Western Orange Revolution of 2004 who have since fallen out.

Ukraine is set to hold a presidential election in January.

The International Monetary Fund has already given 7.3 billion dollars (5.2 billion euros) in loans to Ukraine as part of a 16.5-billion-dollar bailout agreed last year in exchange for budget and economic reforms.

**#28**

**Last chance for Holocaust restitution?**

**By Dinah Spritzer**

**JTA, June 30, 2009**

PRAGUE -- It has the tone of a newspaper from Berlin in 1936, except it's from Vilnius in 2009.

The face of a rabbi is enlarged on the cover of a Lithuanian tabloid with the words "Give it now!" emblazoned across the top. The subject, Rabbi Andrew Baker, director of international affairs for the American Jewish Committee, is cast as the villain, looking down on a miniature Lithuanian Prime Minister Andrius Kubilius, portrayed as defenseless at the hands of some Shylock.

The image, which appeared on the June 26 edition of the popular right-wing daily *Vakaro Zinios* (The Evening News), alludes to Baker's demand that the Lithuanian government return Jewish property after eight years of promises to do so.

In lieu of restitution, Lithuania wants to pay just one-third of the value of Jewish property confiscated by the Nazis and Communists -- \$46 million -- over 10 years and starting in 2011.

Lithuania's Jews and their advocates, including Baker, are not satisfied.

"It is far too little, far too late," Baker says.

The Lithuania case represents the stalling tactics, lack of political will and nationalist-fueled resentment of Jews that have frustrated efforts by Jewish owners, heirs and their advocates to recover property stolen by the Nazis and the Communists in Central and Eastern Europe.

The economic crisis has made it even more difficult to get local politicians to take action on restitution.

In a significant gesture this week, 46 countries signed a declaration at the close of a Holocaust Era Assets Conference in Prague aimed at easing the restitution process for Jewish property taken during the Nazi era. The Terezin Declaration is a nonbinding set of guiding principles aimed at faster, more open and transparent restitution of art and private and communal property taken by force or under duress during the Holocaust.

However, questions linger over what such a document can accomplish with only the power of moral force.

"Back in the late 1990s, NATO membership was a driving motivation for countries in Eastern Europe, who were told by the U.S. government that how they treated their Jews will be a key factor in their admission," Baker said.

This was in stark contrast to the European Union, which did not make any demands for restitution. In fact, the European Union lifted a requirement for restitution that would have blocked Poland's 2004 admission to the 27-country union.

Pressured by the United States and Jewish groups since the fall of the Iron Curtain two decades ago, most countries previously under the sway of the Soviet Union have made some attempts at communal and private restitution or compensation.

There are two major sore spots within the European Union: Poland and Lithuania. Poland, where 3 million Jews lived before World War II -- the largest Jewish prewar population in any country -- has no private restitution law for Jews or non-Jews.

In the area of looted art, progress has been much slower than for compensating the rightful owners of confiscated properties.

The U.S. government estimates that 600,000 paintings were looted by the Nazis, with 100,000 still not accounted for.

Forty-four countries agreed to another set of nonbinding principles on the return of looted art at a 1998 conference in Washington, but only four countries have made "major progress" in implementing the principles, according to the Claims Conference, and 23 have made no significant progress.

The Washington principles were supposed to ease the claims process and called for greater research into collections, the opening of archives and the removal of barriers for claimants, such as statutes of limitations and export laws.

Hungary, a signatory to the Washington agreement, is one of several countries in the no-progress category.

"The Hungarian experience may be described as a total and concerted effort by successive governments to keep the looted art in their museums," Agnes Peresztegi, a lawyer with the Commission for Art Recovery, told attendees of the Prague conference last week, "even if it requires that the museums conceal or destroy archival evidence or deliberately lengthen negotiations -- effectively delaying legal actions that would be filed against the state."

In the Czech Republic, only direct heirs of deceased owners, not nieces or nephews, can make art claims, even though this contravenes Czech inheritance law.

In the United States, claimants often must wage lengthy legal battles against museums because there is no national arbitration commission.

In most countries, museums do not even know if their art was looted because they cannot afford to document the history of their holdings.

"Researching one painting cost us \$800,000," said Graham Beal, director of the Detroit Institute of Art.

To address these obstacles, the declaration in Prague calls for the establishment of a Holocaust institute in Terezin, where the concentration camp was located. The institute would study "best practices" in compensation, restitution, looted art research, Holocaust education, care for Holocaust survivors and combating anti-Semitism.

The institute would not monitor countries because it would have not have that power, according to the Czech government representative at the conference, Denisa Haubertova. It is not clear how the institute would be funded.

Conference participants, including restitution experts and Holocaust survivors, agreed that creating a central body for collecting information is a good start, but that time for effective solutions is running out.

"I fear this will not bring us any closer to the day when elderly survivors will get compensation for property," said Ruth Deech, a Jewish member of Britain's House of Lords who had grandparents on both sides of her family with substantial property in Poland.

Rather than declarations, she said, the European Union should create a fund immediately to deal with claims.

"In Britain we are subject to so many European Union directives," she said, "why can't there be one on this?"

**#29**

**Russia's Grand Inquisitor**

**By David Ignatius**

**Washington Post, July 2, 2009**

MOSCOW-As Barack Obama packs for his trip to Russia next week, he should bring along a copy of "The Brothers Karamazov." For the modern Russia of Vladimir Putin is still struggling with the same political riddles that Fyodor Dostoyevsky described 130 years ago.

Human beings would happily trade their freedom for food and security, Dostoyevsky wrote in the novel's famous chapter, "The Grand Inquisitor." In place of this anarchic freedom, the Inquisitor offered the people "miracle, mystery and authority. And mankind rejoiced that they were once more led like sheep, and that at last such a terrible gift, which had brought them so much suffering, had been taken from their hearts."

There's a palpable sense here that Putin has brought "miracle, mystery and authority" to a Russia that was severely traumatized by the collapse of the Soviet Union in the 1990s. The country is certainly less free than it was under Boris Yeltsin, but Putin is immensely popular -- and nobody wants to return to the crazy, freewheeling time of transition.

The Russia that Obama will encounter is proud and prickly. The country's leaders aren't sure what they want from America, other than to be respected and taken seriously. U.S. analysts talk about a new strategic partnership, but Russian officials are mistrustful of large American designs. They think the United States took advantage of them during their years of weakness, and they're still licking their wounds. Their empire collapsed partly because of a misconceived war in Afghanistan, and they think America's should, too.

These mental snapshots are culled from a conference here this week titled "What Does Russia Think?" It was co-sponsored by the Russian Institute, a Moscow-based think tank, a Bulgarian group called the Centre for Liberal Strategies and several other organizations. (Full disclosure: I am a trustee of the German Marshall Fund, one of the sponsoring groups.) Again and again, Russian speakers described a country that is happy with what one called the "soft authoritarianism" of the Putin era -- where anti-Americanism is part of the political bedrock.

President Dmitry Medvedev was barely mentioned in the first two days of the meeting, while Prime Minister Putin's "consensus" was the subject of an entire session. Obama will meet with both Russian leaders, and some U.S. officials hope he can strike a special bond with Medvedev, who, like Obama, was trained as a lawyer. But it's clearly Putin who matters most.

"Putin is the leader. There is no disagreement about that. Putin came to power and life improved," argued a member of the Russian Duma. He described Putin's political intuition in the way that 19th-century Russians spoke about the czar: "Putin knows what the society needs better than the society does."

Putin is the tough guy who put a wounded country back together after the fall of communism. "Russia emerged from the chaos of 1991 with disproportionately large political and socio-psychological scars," explained Alexey Chesnakov, a former Putin adviser who is director of the Center for Current Policy. When Putin became president in 1999, he brought "authoritarianism by consensus," said the head of another Russian think tank.

Modern Russia is still anxious, even though it's more orderly. Russians worry about the jumble of nationalities within their borders and assertive neighbors such as Georgia and Ukraine. It's an "overheated, overloaded society," said a prominent anthropologist who, like some of his colleagues, was speaking on background. Nervous Russians are "running away from their freedom," offered a leading sociologist. With the loss of its empire, Russia is "like an amputated body," ventured Vyacheslav Glazychev, an urban planning professor who heads several institutes. It has a "horror vacui, a fear of empty spaces," he added.

"We want equality. We want our interests recognized -- to have them considered as significant," said one Russian panelist. But when Americans attending the meeting asked for specifics, another Russian who is a prominent politician suggested: "The real problem is that we don't understand what we want."

A succinct summary of the Putin formula came in a paper presented by a former Kremlin adviser named Modest Kolerov: "Without Russia (i.e., a secure and united government), no freedom could ever be possible."

That had me thinking again about the Grand Inquisitor's paradox. So I was pleased when yet another Putin adviser, a publisher who helped organize the conference, reassured the group that these problems go back more than a century: "This is a Russian conversation you can see since Dostoyevsky's time."

### **#30**

#### **Moscow Summit: Expert Briefing From Moscow Carnegie Endowment for International Peace, July 2, 2009**

Although Russia and the United States approach the July 6 – 8 Moscow summit with significantly different aims that make it unclear, what, if any, groundwork might be established to improve U.S.–Russian relations, both crucially seek constructive dialogue on arms control and nonproliferation.

Dmitri Trenin, director of the Carnegie Moscow Center, Lilia Shevtsova, chair of the Center's domestic politics program, and Ambassador James Collins, director of the Carnegie Russia and Eurasia Program and former U.S. ambassador to Moscow, offered insights and Russian perspectives in a live streamed video briefing from Moscow ahead of President Obama's visit.

Key points:

The Kremlin looks to the summit to help reestablish Russia's image as a great power and legitimize the political elite's status quo. For the United States, the summit is part of a broader attempt to engage more positively with Russia and gain greater cooperation on Iran and Afghanistan.

U.S. missile defense plans remain a sticking point. A joint missile defense system, as proposed by Putin in 2000, could undermine the founding myth of Russia's security establishment: that the United States seeks a first-strike capability to destroy Russia.

The United States should not get caught up in the complex dynamics of Russia's tandem presidency. Obama should make clear that he plans to deal with the Russian government as a whole and not attempt to distinguish between Putin and Medvedev.

Navigating the conflicting interests that divide Russia's political elites from Russian civil society will be a key challenge. Russian liberals hope the president will have a message for both audiences.

Increased cooperation on Afghanistan will likely take the form of expanded transit access for NATO troops and supplies moving through Russian territory.

Trenin noted:

"Moscow is no Cairo. It's a different environment; the expectations are different. President Obama is a celebrity in this country but is not, in my humble opinion, someone who is looked at who will show the way, give guidance, speak the truth, stand up to the domestic leadership. I don't see these sentiments and these expectations in Russia... I don't think that, in principle, his visit could encourage Russian pragmatists or liberals. I think that is something only society at home could do."