

**WASHINGTON, D.C. July 17, 2009**

**TO: NCSJ Leadership and Interested Parties**

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



In Brief: Support for FSU Jewry; Post-Moscow Summit Reaction

Dear Friend,

I want to bring to your attention one article in particular in this week's update. In a JTA story, Rabbi Yechiel Eckstein calls on Israel and the Diaspora to fulfill its commitment to the Jewish populations of the former Soviet Union. While Rabbi Eckstein is focusing on funding for educational institutions, he is also reminding all of us that a significant number of Jews – the third-largest Jewish population in world – are in the former Soviet Union, and they still need not just our financial support, but political and moral support as well. Regular readers know that I have been trying to make the same point for some time. Yes, American Jewry has our own challenges, but after investing so much time and energy in trying to help the Jews of the former Soviet Union create new communities, how can we not continue to support them in a time of great need? Although time and shrinking resources have caused some American Jewish communities to disengage with the former Soviet Union, others remain actively engaged. Whether supporting educational and/or social welfare programs or speaking out against anti-Semitism and xenophobia, there are many ways to be part of one of the great success stories of modern Jewish life.

More than a week after President Obama's visit to Moscow, pundits and academics continue to debate whether the trip was a success. Some of the most important parts of the trip did not receive much attention, including the substantial amount of time the President spent on civil society concerns. The President also created a series of government working groups that will allow further discussions on the most important issues between the two countries, including arms control, Iran and human rights.

Vice President Biden is making final preparations for his trip to Ukraine and Georgia. His visit will reinforce the Administration's message that a positive relationship with Russia doesn't have to come at the expense of the other countries in the region. His trip will emphasize that the U.S. commitment to Ukraine and Georgia is as strong as ever.

On the eve of the Vice President's trip, Russian President Dmitry Medvedev made a surprise visit to South Ossetia. He pledged continued political and financial support for the breakaway republic, and much to the Georgian government's consternation, he reiterated Moscow's support for South Ossetia. Expect the verbal sparring to continue between Georgia and Russia over this disputed territory. Hopefully, we will not see a repeat of the last summer's violent conflict, which inflicted great suffering in both Georgia and the disputed territories.

The Lithuanian government's latest attempt to resolve the issue of restitution of Jewish property is a dismal failure. The World Jewish Restitution Organization and Lithuanian Jewish leaders rejected the most recent proposal as inadequate and called upon the government to improve and correct the legislation. It is difficult to believe that Lithuanian authorities would go ahead with a plan already knowing what the reaction would be from the Jewish community, but that's exactly what has occurred.

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



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

NCSJ WEEKLY NEWS BRIEF  
Washington, D.C. July 17, 2009

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## #1a

### **Ukrainian religious leaders meet premier**

**JTA, July 14, 2009**

KIEV, Ukraine -- Ukrainian Jewish leaders and representatives of other religious organizations praised progress in the state's communication with them.

The remarks came at a meeting Monday with Prime Minister Yulia Tymoshenko in Kiev, during which the leaders asked the government to resolve a number of their problems.

"This is the first time that we actually see the results of our meetings with a prime minister of Ukraine and actually have gotten results from a meeting," said Rabbi Yaakov Dov Bleich, chief rabbi of Kiev and Ukraine and the chairman of the Ukrainian Council of Churches and Religious Organizations, who headed the meeting with Tymoshenko. "For example, we praise the Ukrainian government for signing into law a measure providing permanent land use for religious organizations."

The council proposed that religious organizations be given the right to lease land without holding auctions and that the government open a visa-free regime for 180 days for religious leaders from other countries.

Religious leaders also asked the government to grant their organizations the right to establish educational institutions that could issue state diplomas. The council also called for the adoption of a law banning the privatization, sale and ownership transfer of religious buildings and their complexes that are now owned by the state.

Dr. Yuriy Reshetnikov, chairman of the State Committee of Ukraine for Nationalities and Religions, told JTA that the Ukrainian government will work to resolve the issues and support religious organizations' activities in Ukraine.

"The process of the restitution of religious property is in progress," Reshetnikov said.

## #1b

### **Holocaust victims remembered in Sevastopol**

**JTA, July 14, 2009**

KIEV, Ukraine -- Holocaust victims in Sevastopol were remembered in a ceremony in the Ukrainian city.

Holocaust survivors and Crimean Jews joined local politicians and leaders of Armenian and Belarusian national and cultural organizations in Sunday's ceremony marking the 67th anniversary of a Nazi massacre of Jews in the Black Sea port city.

More than 4,200 citizens of Sevastopol, mainly Jews, were killed in 1942 by the Nazis.

Boris Gelman, leader of the Sevastopol Jewish community, said that "During World War II, many Jews were not only victims but active participants in the Red Army as well. Over 500,000 Jews fought in the ranks of the Soviet army and 260,000 of them were killed during the war."

The Holocaust monument where the ceremony was held has been vandalized several times in recent years.

#### **#1c**

#### **Recent Ukrainian oleh wins Maccabiah gold**

**JTA, July 15, 2009**

JERUSALEM -- A new immigrant from Ukraine currently living in an Israeli absorption center won Maccabiah gold in the 100-meter race.

Dimitri Gluschenko, who made aliyah in May, won the event Tuesday after capturing gold medals in the men's 100-meter and 200-meter events earlier this month at the Israeli National Championships.

Since Ukraine has not yet released him from his Ukrainian citizenship, it is uncertain if Gluschenko will be able to represent Israel in other international events, the Jerusalem Post reported.

Meanwhile, Israeli Olympic pole vaulter Alex Averbukh made what he said would be the final jumps of his career Tuesday night, but he did not take home a medal. He waved an Israeli flag during a jog around the track to the applause of his fans.

#### **#1d**

#### **Lithuanian restitution plan angers Jewish groups**

**JTA, July 16, 2009**

WASHINGTON -- Several Jewish groups expressed outrage at the Lithuanian government's compensation plan for seized Jewish communal property.

Two of the groups, the World Jewish Restitution Organization and the Jewish Community of Lithuania, released a joint statement calling the restitution package "wholly inadequate and unacceptable."

The Lithuanian government and the local Jewish community had previously agreed upon a plan that would have returned actual properties or paid full-value compensation on property taken by the Nazis and then the communists. However, the government has since backed out of negotiations and now proposes to pay a fraction of the estimated worth.

The letter urged the Lithuanian government to "correct and improve the current unacceptable bill as quickly as possible."

#### **#1e**

#### **Israel's Peres to visit Russia in mid-August**

**AFP, July 17, 2009**

JERUSALEM — Israel President Shimon Peres will visit Russia in mid-August at the invitation of Russian counterpart Dmitry Medvedev, the president's office in Jerusalem announced on Friday.

"President Peres will meet President (Dmitry) Medvedev on August 18 at his summer residence on the Black Sea as part of a working visit," a presidential spokeswoman said.

With the visit in mind, Foreign Minister Avigdor Lieberman on Thursday briefed Peres on talks he had held with Medvedev in Moscow in June, foreign ministry spokesman Tzahi Moshe told AFP.

Lieberman had reiterated at that meeting that he was "not opposed" to Israel's participation in a Middle East conference which Russia wants to stage in Moscow, "on condition that (Palestinian group) Hamas and (Lebanon's) Hezbollah are kept out," Moshe said.

"Israel will not agree to take part in such a conference if Hamas or Hezbollah are represented in a direct or indirect way," he added.

Hamas, which rules the Gaza enclave, and Hezbollah both advocate armed struggle against Israel.

## #2

### **Evangelicals' rabbi wants to know why the Jews aren't saving FSU Jewry**

**By Jacob Berkman**

**JTA, July 14, 2009**

Rabbi Yechiel Eckstein, the president of the International Fellowship of Christians and Jews, which raises about \$100 million per year in small donations from evangelical Christians and gives the money to Jewish and Zionist causes, is miffed that the Jewish people are not coming up with more money to help Jews in the former Soviet Union.

He is miffed that the government of Israel is seemingly Welsching on several million dollars that it pledged to help the Heftsiba school system in the FSU.

Heftsiba, which was started as a covert operation run out of the office of Israel's prime minister during the 1960s as a way to sneak Zionist education, Hebrew education and Jewish religious supplies to Soviet Jews, became its own school system after the fall of communism. It was run out of the Israeli Education Ministry for nearly 20 years before being handed off to the Jewish Agency for Israel about two years ago, according to Eckstein.

Last year the 26-school Heftsiba system looked like it was going to be a casualty of the economic downturn, the Madoff scandal and the Jewish Agency facing an \$80 million budget cut. But then in February Eckstein's IFCJ stepped in with emergency funding.

Eckstein said that he would match up to \$5 million in funding over the course of this year to keep the schools afloat, so long as other Jewish donors matched the funds. The Israeli government pledged to pitch in \$1 million. Based on that pledge, the fellowship cut a \$1 million check to Heftsiba.

According to Eckstein, Israel has yet to pay up, even though it said it would do so immediately.

"The bottom line is that the government said it would take care of Heftsiba, but it hasn't even sent the money it owes from six months ago, and yesterday I get a letter from the school in Kharkov, Ukraine, that they are closing their doors," Eckstein told The Fundamentalist on Tuesday. "They never got the money from the government of Israel and have no reassurance they will be able to get funding in September, so there goes 125 Jewish kids in Harkov, who don't have a Jewish future."

Eckstein said that he has been pushing the government to come up with the money. But the responsibility for paying the \$1 million is being passed from ministry to ministry, with no one wanting the money to come out of their own budget, Eckstein said.

He had a meeting with Knesset members on June 2 to press for the money. He was unable to get an answer, but was told that the Education Ministry will take over the Heftsiba system from the Jewish Agency next fall.

The Israeli government pledged to "give \$1 million, and it hasn't even done that yet, and they are going ahead and accepting commitments for next year before they have even honored their commitment from past six months," Eckstein said, chiding the Israeli government. "Who is to believe them? I certainly don't."

The money to Heftsiba was part of an \$12 million pledge that the fellowship made to save three Jewish school systems in the FSU, including \$6 million to keep the Chabad school system running. The Chabad system was heavily financed by Lev Leviev, the diamond mogul who saw his stock plummet by 90 percent, losing him a half a billion dollars over the past year.

The fellowship also gave \$1 million to the Shma Yisrael school system, which had been heavily financed by the Reichmann family of Canada.

While most charities are floundering, the fellowship is on pace to raise more money this year than it ever has. Last year the organization took in roughly \$90 million; this year, Eckstein said, it is already 20 percent above pace. He projects that the fellowship will end up raising between \$110 million and \$120 million in 2009.

But Eckstein wants to know why the Jewish community is not stepping up to offer more assistance to Jews in the former Soviet Union, after spending 20 years of helping to build a community there.

“The Jewish community can’t come up with \$2 million for future of Jewish children?” he said.

Even taking into account the Madoff scam and the economic crisis, Eckstein said it was a “shonda” -- or shame -- “that world Jewry, can’t pay for the \$2 million and it has to have Christians from California or from Florida pay.”

### **#3**

#### **Orthodox Church Gets a Say on Duma Bills**

**By Alexandra Odynova**

**Moscow Times, July 10, 2009**

Russian Orthodox Patriarch Kirill invited the United Russia deputies to his office to voice his angst over EU-backed plans to introduce sex education in Russian schools.

He left the meeting with a promise from the pro-Kremlin party that he would be allowed to preview all legislation considered in the State Duma.

The extraordinary agreement grants the Russian Orthodox Church a privilege not shared by any other religious community in Russia and not even afforded to the Public Chamber, the civil society advisory body that is supposed to have the right to examine pending legislation and influence its outcome.

It raises questions about separation between church and state, which is enshrined in the Constitution, and promises to raise new concerns about the growing clout of the Russian Orthodox Church, which has seen a revival since Vladimir Putin rose to power in 2000. Putin, now prime minister after eight years as president, heads United Russia.

Patriarch Kirill invited two senior United Russia deputies to his office near the Christ the Savior Cathedral on Wednesday to express his worries about the Duma’s ratification of the European Social Charter on May 20.

The charter, which Russia was obliged to approve as part of its membership in the Council of Europe, guarantees people’s right to housing, health, education, employment and other issues.

It also requires public schools to offer sex education and member states to establish juvenile justice systems aimed at deterring minors from committing crimes — two matters that the patriarch told Deputies Andrei Isayev and Vyacheslav Volodin that he opposes strongly.

Kirill said parents should be responsible for both sex education and disciplining their children, not the government.

“We told the patriarch ... that the ratification of the charter won’t require any changes in Russian legislature and won’t lead to circumstances that will frighten the public,” Isayev said in a statement.

At the meeting, Kirill also asked whether he could preview upcoming legislation to prevent any misunderstandings in the future, and the deputies agreed.

“We agreed that we would show the patriarchate the State Duma’s plan for legislative work and hold preliminary consultations on all questions that may raise doubts to avoid mutual misunderstanding,” Isayev told Interfax.

Opposition politicians criticized the arrangement and called it a ploy for United Russia to boost its ratings amid the economic crisis.

“They can hold discussions with whoever they want, but there is the Constitution, which says the church and government are separate,” said Boris Nemtsov, a former deputy prime minister and leader of the Solidarity opposition group.

He warned that the agreement could lead to closer ties between the government and church, which already work together in many areas. For example, the Federal Court Marshals Service reached a deal with the church late last month for priests to denounce unpaid debts as a sin in their sermons.

Nemtsov said the church would now be able to shape the country's laws.

"Of course it will influence the party's politics, although they are doing it for PR purposes at the moment," he said.

Communist Deputy Sergei Obukhov said he had no problem with the Orthodox church weighing in on legislation, but other faiths should be allowed to participate as well.

"The problem with the State Duma is that it is not enough open to the public," Obukhov said. "We think that all confessions should participate."

Putin's spokesman Dmitry Peskov declined to comment on the issue Thursday.

Putin incidentally met with Kirill on Thursday in one of the churches of the Valaam Monastery on an island in Karelia. Putin was in the northwestern republic for a meeting with customs officials.

Supporters of sex education say the lessons are desperately needed to fight HIV in Russia, where the rates are among the highest in the world.

"Our government is separate from the clergy. Schools should do what they think is necessary," said Olga Romanova of Project Hope, which writes books and trains teachers on sex education.

But Romanova said the church probably would not have a great influence on legislature regarding sex education. "It will just lead to nothing," she said. "Everyone wants the children to live, and most of the clergy consist of intelligent people."

Alexander Brod, a human rights activist and member of the Public Chamber, said he believed the church would not have "considerable influence" on legislation.

He said the Public Chamber deserved at least the same privilege as the church to preview legislation.

Calls to church representatives went unanswered Thursday. United Russia officials also were unavailable for additional comment.

While the Russian Orthodox Church opposes sex education, it has taken a much milder stance on legislature concerning alcoholism and tobacco — two issues blamed for Russia's demographic crisis and a host of social ills.

The church had a booming tobacco and alcohol business that led to a scandal in the 1990s. Kirill, then the metropolitan of Smolensk and Kaliningrad, was nicknamed the "tobacco metropolitan" in the media for allegedly profiteering from the church's privilege to import cigarettes duty-free. The church's department for external relations, which Kirill formerly headed, was at one time believed to be the biggest supplier of foreign cigarettes in Russia. The church stopped the duty-free cigarette imports in 2007.

#### **#4**

#### **Kiev names street after mass-murderer of Jews**

**By Ofri Ilani**

**Haaretz, July 13, 2009**

KIEV - On May 25, 1926, Symon Petliura was shot to death while walking down a street in Paris. He was then president-in-exile of the Ukrainian republic that had briefly existed as an independent state before the Soviet Union overran it in 1919. His assassin was Sholom Schwartzbard, a Jewish poet and revolutionary.

"I killed a mass murderer," Schwartzbard told the police after his arrest, noting that over 400 brutal pogroms had killed thousands of Ukrainian Jews during just a few months of Petliura's brief reign.

But if Petliura still holds a special place in Jewish history as one of the modern era's greatest persecutors of Jews, many Ukrainians view him as a hero, the man who raised the battle of Ukrainian nationalism against the Communists. Many also claim that he opposed the pogroms. Last month, therefore, the Kiev city council voted to rename one of the Ukrainian capital's main streets, Comintern St., for Petliura.

#### Advertisement

The move is only one of many aimed at honoring Petliura on the 130th anniversary of his birth. Hagiographic biographies are on sale at booths throughout Kiev; youth groups are holding rallies and marches in his memory; several cities are erecting statues in his honor.

Nor is the Petliura craze unique: Ever since Ukrainian President Viktor Yushchenko took office, he has spearheaded a controversial campaign to deepen his countrymen's national identity, including by glorifying Ukrainian heroes. It is just too bad that most of these heroes were also murderous anti-Semites - among them Bogdan Chmielnicki, hero of the 17th-century Cossack revolt, whose followers slaughtered tens of thousands of Jews.

Another is the anti-Bolshevik officer Roman Shukhevych, whom Yushchenko declared a "hero of Ukraine" two years ago. Shukhevych collaborated with the Nazis and was responsible for multiple mass murders of Ukrainian Jews.

The Israeli embassy has not commented on the Petliura celebrations, and the Ukrainian Jewish community is already inured to such events. "Instead of dealing with the country's serious situation, Yushchenko focuses on the past," said one senior community official, who asked not to be named. "He sees himself as a savior, the reviver of the Ukrainian nation, and grants hero status to murderers of Jews. What arouses consternation is that this is happening under a pro-Western president, whose election generated such great hopes."

To Yushchenko's right are several nationalist parties that are even more extreme. Their leaders make blatantly anti-Semitic statements without fear, and vie with each other over who can sound the more nationalist and populist. A few weeks ago, for instance, the Svoboda party sued Kiev's Jewish deputy mayor, Yevgeny Chervonenko, for humiliating the Ukrainian nation because he said in a television interview that he "enjoys riding Ukraine" - the reference being to his horse, which he named Ukraine.

All this is occurring at a time of economic crisis - international observers consider Ukraine the country most likely to collapse due to the current global crisis - and governmental paralysis: Over the past half year, Ukraine's finance, defense, foreign and transportation ministers have all resigned, and have yet to be replaced. Though many Ukrainians sympathize with Yushchenko's national identity campaign, the twin crises have brought his popularity to an all-time low, and he is considered to have no chance of winning another term.

As for Schwartzbard, who died in 1938 after being acquitted of murder in France, his remains were transferred to Israel in 1967, at his request, and he was reburied with a state funeral. And a few years ago, Be'er Sheva named a street in his honor.

## #5

### **Moldova's Upcoming Election**

**By Sen. Benjamin L. Cardin (D-MD)**

**Congressional Record, July 10, 2009**

Mr. CARDIN. Mr. President, the Republic of Moldova holds repeated parliamentary elections on July 29, after previous elections on April 5 this year were followed by youth protests to display their lack of trust in the electoral process. These protests turned violent and led to arrests of hundreds of protesters, their severe beatings, and inhumane treatment while in police custody. Even an independent member of Parliament, Valentina Cusnir, was abused and beaten by police, suffering injuries. Three young men have died, and the cause of death is reported to be injuries from the beatings they received. Foreign journalists were expelled and local reporters were arrested and intimidated, their equipment was confiscated. The parliamentary opposition parties, which accused the Communist Party in power of election fraud, have boycotted elections of the new President that, ultimately, triggered repeated elections. The Organization for Security and Cooperation in Europe stated that Moldova's recent elections had "shortcomings that challenged some OSCE commitments, in particular the disregard for due process

in adjudicating complaints of alleged irregularities and deficiencies in the compilation of voter lists lodged by opposition political parties.”

On July 29, the Government of Moldova has another chance to show her citizens and the international community that it remains committed to democratic principles and international standards. Moldovan authorities must provide access for all electoral participants and civil society experts to public media outlets, as well as ensure the ability of voters abroad to participate in this important poll. The United States should condition good relations with the new government of Moldova based on its respect for the rule of law and human rights. The U.S. Helsinki Commission, which I chair, will continue to monitor the conduct of the electoral process in Moldova and will hold a public briefing following the elections.

## **#6**

### **Missile Pact Based on Old Plan**

**By Walter Pincus**

**Washington Post, July 13, 2009**

President Obama and Russian President Dmitry Medvedev last week agreed to a joint missile-launch monitoring facility, but their new agreement is based on an old plan.

The original proposal dates to President Bill Clinton, who first discussed it with Russian leader Boris Yeltsin and later settled on a plan with Yeltsin's successor, Vladimir Putin.

The new proposal is more ambitious, though. Originally conceived a decade ago as a facility that would monitor launches by the United States and Russia and any missiles aimed at the two countries by others nations, the new facility would attempt to monitor missile launches around the globe.

But first, it has to be finalized. And last time, the proposal -- for a facility to be known as the Joint Data Exchange Center -- lost momentum and fizzled.

Still, the plans got fairly detailed, right down to a potential location: the site of an old Russian school in Moscow. Sitting side-by-side, U.S. and Russian technicians would receive data from their own country's early-warning systems. They would notify each other within minutes when they detected ballistic missile launches -- whether from land or water -- or space-launch vehicles headed toward either country.

Data were also to be exchanged on third-country launches, but only those that appeared to pose a direct threat to either Russia or the United States and thus could lead to misinterpretation as to who launched them. One interesting element was that while the information would be exchanged between the two countries, "the sources of the data shall not be specified," according to the agreement.

There were to be 16 Americans and 17 Russians working in crews to provide round-the-clock coverage, with an additional 60 people assigned for security and maintenance. Russian and American supervisors would share management of the operations. No "country symbols" would be displayed on the exterior walls of the facility, and although only Russian would be used outside the building, English and Russian signs would be displayed within the facility. The plan was to begin operations in 2001, but time and events overtook the project. Initially, with the arrival of a new president, George W. Bush, it was red tape. Later, it was shelved as the Bush administration lost interest and Moscow became concerned about the proposal to station U.S. missile defense elements in Poland and the Czech Republic. In 2007, Putin suggested to Bush that there be two facilities: one in Moscow, the other in Brussels. But it all came to naught.

During the campaign, President Obama talked favorably about resurrecting the joint center.

At the same time, Rose Gottemoeller, then an Obama adviser, co-authored a July 2008 article in *Arms Control Today*, saying the Clinton-Putin agreement "remains intact . . . and the center could be rapidly established as a venue for confidence building on missile defenses."

Today, Gottemoeller, now Obama's chief negotiator with the Russians, may be the one to make it a reality.

## #7

### Medvedev Under Obama's Charm

By Oleg Reut and Peter Rutland

Moscow Times, July 13, 2009

U.S. President Barack Obama's trip to Moscow was an impressive diplomatic performance. Obama was able to establish what he called a "tone of mutual respect" without yielding any ground on matters of principle. Even though the visit was short on concrete deliverables, it may well prove to be a pivotal event that will define the character of U.S.-Russian relations for the next four to eight years. Especially in the modern media environment, it is often images and impressions more than anything else that fix a particular historical event.

The commencement speech on Tuesday at the New Economic School was the centerpiece of the visit. Hope is a hard sell in Moscow - as it was in Cairo - but Obama seemed to pull it off. Obama's goal was to shift the orientation of U.S.-Russia relations from the past to the future and focus on what kind of society - and world - we want to live in. It is unfortunate that the speech was not shown on any major Russian television channels or reported by the U.S. networks. While CNN did carry a clip from an interview with Obama in Moscow on Tuesday morning, it asked him how he felt about Michael Jackson.

Obama won one important concession from President Dmitry Medvedev: agreement to allow up to 4,500 flights a year across Russian territory carrying military supplies and personnel to Afghanistan. The Kremlin even agreed to drop the usual airspace transit fees. But what Medvedev gained most of all was recognition as an equal partner. Obama referred to Russia as a "great country" and a "great power" - something that never goes unappreciated among Russia's leaders and people. Moreover, Obama described Medvedev as "professional" and said, "President Medvedev and I are committed to leaving behind the suspicion and the rivalry of the past."

Obama was a gracious guest and showed that he was not interested in scoring points off Russia's democratic deficiencies, thus avoiding a topic that has always irritated the Kremlin. In his pre-summit interview with Novaya Gazeta, Obama carefully worded his answer to the touchy issue of former Yukos CEO Mikhail Khodorkovsky's new trial, clarifying that "although the new charges ... appear to be a repackaging of the old charges ... I think it is improper for outsiders to interfere in the legal processes of Russia."

It is true that Obama made an uncharacteristic misstep, describing Prime Minister Vladimir Putin in an interview with The Associated Press as someone with "one foot in the old ways of doing business." But Obama appeared to have made amends for the comment in his friendly breakfast meeting with Putin on Tuesday.

The summit was interesting more for what was not said. Obama made no direct public reference to the Georgia war, and Medvedev did not raise the issue of U.S. military bases in Central Asia. The problem, though, is that reality has a habit of creeping back in. In the months to come, those troublesome topics will surely be making the headlines. Russia continues to believe that foreign military bases in neighboring countries is a threat to its national security, while the United States continues to see Central Asia as a region of "vital interest" for them. (This phrase comes from the 2006 U.S. National Security Strategy.) Important topics such as climate change, energy policy or the global financial system were not part of the public pronouncements.

The most substantive agreement was the pledge to come up with an arms control treaty by the end of this year to replace the expiring START I. Although commentators welcomed the proposal to cut the respective arsenals by one third, the proposed ceiling for warheads (from 1,500 to 1,675) is only slightly below the range that the two sides agreed to in the Strategic Offensive Reductions Treaty of 2002 (from 1,700 to 2,200). Moreover, Washington did not budge on its intention to keep the warheads from dismantled weapons in storage, while it Moscow's position was that they should be destroyed.

Medvedev was not able to persuade Obama to disown the plan to deploy elements of a missile defense system in Poland and the Czech Republic - something the Foreign Ministry had repeatedly said was a firm condition that had to met before Russia would agree to reductions in nuclear weapons. Instead, Medvedev had to accept a milquetoast offer from Obama that both sides would to "continue to discuss the issue." The one reason behind the spat is something neither side wants to publicly acknowledge. The Poles want the interceptors because they feel a U.S. military presence on their territory would serve as a tripwire against any future Russian aggression. Russian-Polish animosity, which has a 400-year history, is much deeper than the 44 years than Moscow dominated Warsaw during the Cold War.

Russian critics may well criticize Medvedev for caving in to Obama's charm and not fighting hard enough to secure the demands Moscow placed on Washington before the summit. But as a Gazeta.ru editorial put it, the summit was "a visit of symbols and gestures." And while in diplomacy, it's always hard to separate the facade from the substance, sometimes the style is the substance.

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**#8**

## **Ruble Drops to 5-Month Low as Russia Predicts Deeper Recession**

**By Denis Maternovsky**

**Bloomberg, July 13, 2009**

The ruble fell to the weakest level in almost five months against the euro and dropped versus the dollar as Russia said the economy may shrink more this year than previously estimated.

Russia's currency depreciated 0.7 percent to 45.8804 against the euro as of 4:03 p.m. in Moscow, heading for its weakest close since Feb. 24. The ruble retreated 0.3 percent to 32.8556 per dollar, poised for the weakest close since May 4.

The ruble last week posted its steepest slide against the euro and dollar since January as oil sank, the budget deficit widened and the central bank reduced interest rates for the fourth time in less than three months. The currency's drop after the rate cut shows a "very fragile trend" and "downside potential is high," Alfa Bank's Chief Economist Natalia Orlova wrote in a note today.

"The ruble is likely to suffer a little bit more while we enter a new wave of stress," said Luis Costa, an emerging markets debt strategist at Commerzbank AG in London. "Add to this the prospects of further rate cuts and it's difficult to be extremely bullish on the ruble now."

Russia's economy may shrink between 8 percent and 8.5 percent this year after companies depleted stockpiles and exports plummeted during the global slowdown, the Economy Ministry said.

### **Rate Cuts**

Gross domestic product probably contracted 10.2 percent in the first six months and may slump 6.8 percent in the second half, the Moscow-based ministry said in its draft economic forecast for the next three years, which will be discussed at a government's meeting today. Economy Minister Elvira Nabiullina had predicted a 2009 contraction of as much as 8 percent in May.

Russia's central bank announced a cut in its refinancing rate on July 10 to 11 percent from 11.5 percent, the fourth reduction since April, as policy makers seek to stimulate bank lending amid the country's first economic contraction in a decade.

"We suspect that one of the reasons behind the ruble's depreciation was the market's expectation that very poor economic growth will lead to deflation," Orlova wrote. "In that case, the central bank would continue to cut rates, reducing the attractiveness of ruble assets."

Orlova said she expected the refinancing rate would be lowered by as much as 1 percentage point in the coming months. Inflation in June slowed to an 18-month low of 11.9 percent, from 12.3 percent in May.

Investors increased bets on a weaker ruble, with non-deliverable forwards showing the currency at 33.91 per dollar in three months, from 33.66 on July 10. The contracts are a guide to expectations about currency movements as they allow foreign investors and companies to fix the exchange rate at a particular level in the future.

**#9**

## **A Russian Economy In Reverse Gear**

**By David Ignatius**

**Washington Post, July 12, 2009**

MOSCOW -- The un-modern face of Russia's economic "modernization" was evident in Prime Minister Vladimir Putin's response to the nation's credit crunch. Last month he ordered state-controlled banks to lend \$13 billion -- and said that the banks' CEOs couldn't take their summer vacations until they had done his bidding.

Russia today often seems to combine the worst aspects of a free market and a command economy. It has the dealmaking and corruption of the new capitalism, and the top-heavy bureaucratic inefficiency of the old communism. The result is an economy that seems stuck in second gear, even as those of the nations Russia sees as its peers -- Brazil, India and China -- continue to accelerate.

Konstantin Remchukov, a former industrialist who is now publisher and editor in chief of the newspaper *Nezavisimaya Gazeta*, says that the economic mess reminds him of the lyrics of a rock song by the Russian band DDT, which was popular in the last days of the Soviet Union: "We fight to the death Tuesday for Wednesday, without understanding Thursday."

Russia's basic economic problem is that it is a developing economy trying to pretend that it is a developed one. "Nobody in the West really understands how deep is the abyss we have to overcome," says a top Kremlin adviser who also runs one of the country's biggest companies. Communism turned people into "aliens," he explains, and the economy won't really be modern until it's run by a generation that has no memory of the old system. That's more than a decade away.

A stark view of the Russian economy comes from Vladislav Inozemtsev, a professor at the Higher School of Economics and director of the Center for Post-Industrial Studies. In a paper prepared for a conference sponsored by the Russian Institute, he described the process of deindustrialization that has enfeebled Russia since the fall of the Soviet Union. Russia's industrial production actually declined from 1994 to 2008, while China's grew more than fourfold and India's more than doubled.

Russia's industrial workforce today is nearly seven times less productive than its American counterpart, Inozemtsev calculates. Its industrial exports totaled just \$32 billion last year, compared to \$1.4 trillion from its "BRIC" colleagues, Brazil, India and China.

This economic disaster is obscured by Russia's success as an energy exporter, which fuels an unrealistic dream that it can prosper as a "petro-superpower." But even this crucial sector is backward and badly managed. "In spite of Russia's immense reserves and smart people, its oil and gas production is stagnating because of corruption, underinvestment and mismanagement," says J. Robinson West, the chief executive of PFC Energy, a Washington consulting firm.

"Why has this happened?" asks Inozemtsev. "I have one and only answer: The ruling Russian bureaucracy is simply incapable of managing anything more sophisticated than an oil well. In the last 10 years, the government has made nothing that would be able to contribute to the industrial growth in this country."

The Russian strategy has been "authoritarian modernization," argues Olga Kryshtanovskaya, director of the Institute of Applied Politics, in another paper prepared for the Russian Institute's conference. "As if running the clock backward," she says, Putin decided that "modernization should be started only when he held tight all the controls."

Putin and Russian President Dmitry Medvedev both speak frequently about the need for economic modernization. Indeed, it has become the "elevator music" of the new elite. But Inozemtsev says that it's mostly just talk. The energy giant Gazprom, for example, spends three times less on research and development than any other major energy company in the world.

State-run monopolies add to inefficiency. Inozemtsev estimates that raw material and energy costs are three to four times greater in Russia than in China; a kilometer of paved road costs three times more here than in Western Europe, and new retail space is four times more expensive.

High oil prices convinced Russians that they live in a rich country. Their best economic hope is to admit that they don't -- and to adopt the tough modernization policies that have brought real prosperity to countries such as South Korea and Malaysia. Otherwise, says Inozemtsev, oil-rich Russia will "end up in a mess like Venezuela, Nigeria or Angola."

In last week's summit with President Obama, Russia's leaders asked to be taken seriously as a global player. But until they fix their economy, this will remain an empty demand. The numbers show that today's Russia is a declining power, not a rising one.

## **#10**

### **Russian Jews Face Continual Challenges As Country Seeks To Be A Global Player**

**By Karina Iofee**

**Huffington Post, July 14, 2009**

During the Gaza war this winter, 26-year-old Olga Dukor made a couple of posters, put on her Star of David necklace and organized a group of friends on the streets of Moscow. This kind of display of Jewish pride would have been unimaginable under Communism, but nearly 20 years later, it's thriving.

At the Jewish Community Center in central Moscow, both preschoolers and pensioners learn Hebrew, and there are lectures, book readings and classes that fill the entire spectrum of Jewish life. Interest is so high, there's even a waiting list for the center's services, says director Regina Yoffe.

"Before, we would celebrate a holiday and then close the door," said Yoffe, whose center opened in 2001 and today has about 10,000 members. "Now, we're trying to create daily activities that give a Jewish identity. The American JCCs have been doing that for a long time, but it was something we had to learn."

More than three million Jews left the Soviet Union starting in the late '70s. But another 400,000 stayed (some say the number is as high as 2 million because of intermarriage) and many threw themselves into the Jewish community, especially after the collapse of the USSR.

Like many Russian Jews, Zhenya Mikhaleva suffered a fair share of anti-Semitism growing up. A star pupil at the Moscow Pedagogical University studying Russian folk culture, she was passed up for a position because her teacher did not think "a Jew could entirely love Russia."

The rejection stung, but set Mikhaleva on a path of self-discovery. She began taking Hebrew classes and then studied in Israel. Today she works for Federal Jewish National and Cultural Autonomy of Russia, one of the many Jewish organizations that have sprung up in the past 20 years. She also heads a Jewish volunteer club, where 700 members pitch in to help needy children and families.

"A while ago a group of us met and we realized that we didn't have anything that united us with a common purpose," says Mikhaleva, 44. "The club is our self-identification as Jews and something that fills us spiritually and emotionally."

In the years after the collapse of the Soviet Union, being Jewish became trendy, as Russians looked back into the family tree for any Jewish relatives. Some were motivated by the chance to emigrate, but for others it meant being a part of a community that suddenly had massive support of wealthy overseas organizations.

"People didn't have any stability and were looking for a place to belong in the early '90s," recalls Vladimir Paley, director of the Russian Hillel, the international Jewish college student organization. "It was a time of anarchy with elements of freedom and a lot of people were asking 'Who am I?'"

Today, the excitement has subsided and anti-Semitism is on the rise. In late June, a rabbi in Chisinau, Moldavia was attacked and robbed while camping with students by a group of young men. In 2006, nine people were injured during an attack on a synagogue in Moscow, believed to have been the work of a neo-Nazi group. A year before that, 19 members of the Russian parliament signed an open letter urging the closure of all Jewish organizations in the country because they allegedly promoted an anti-Russian agenda.

"Russia is still a country for Russians," says Masha Murashova, a 25-year-old Moscow PR director who wants to emigrate to Israel. "Right now the economy is in a bad shape and many people are blaming the immigrants. As soon as they get rid of them, they'll turn on the Jews. It's only a matter of time."

Although no longer an ideological policy of the government, anti-Semitism is still prevalent in everyday interactions and highly accepted.

The Protocols of the Elders of Zion are on sale in many outdoor book kiosks and Live Journal, a popular social networking site in Russia, is rife with comments blaming Jews on everything from the high unemployment to instability of the country. A circus that opened this spring with a theme of cultures of Russia includes an act in which two chimpanzees dressed as Orthodox Jews stand under a huppah, the Jewish wedding canopy. Several journalists have criticized the act, but for the most part, audiences were enthralled.

"For a vast majority of Russians, especially out in the provinces, Jews are a phantom based on some book," says Paley. "To be a Jew in Russia is still to be a stranger, to be 'not like me.'"

Still, Jewish leaders says authorities crack down on anti-Semitism with a vigor not seen before. When Rabbi Berel Lazar, the head of the Lubavitcher community, approached then-president Boris Yeltsin about hate crimes against Jews, Yeltsin told him to "just leave the word out of the dictionary," Rabbi Lazar recalls. "He didn't even want to talk about it."

Today Lazar has close relations with the Kremlin, for which he is sometimes criticized. He says the friendship is an advantage.

"I don't agree with everything they do, but when I don't, it's good to have the leadership's ear," Rabbi Lazar says. For example, when the country's school exit exam fell on the Jewish holiday of Shavuot, the government allowed Orthodox students to take it separately. And during last year's Israeli Independence Day celebration in Ostankino Park in Moscow that drew 7,000 people, Moscow police officers worked side by side with hired security to make sure the event went smoothly.

There are also signs that the Russian government is cozying up to Israel, after years of seeking allies among Arab countries. Israeli Foreign Minister Igador Lieberman recently visited Russia to discuss ways the two countries could collaborate. Russians also no longer need visas to travel to Israel.

Russia, a country of 140 million, is trying to reinvent itself to become a global player. But it's also an Orthodox Christian country (90 percent of Russians consider themselves Orthodox) where the influence of the church is growing, both in the classroom and in the cultural sphere. That makes carving out a space for Jewish life a continual challenge.

"Today people aren't really thinking beyond how to make a lot of money and start a family," says Anna Pivovarova, the director of education at Hillel Russia. "Most of the people for whom Jewish life was really important moved to Israel."

Still Jewish leaders remain optimistic that by investing in future generations, the Jewish community can again thrive in Russia. The JCC of Moscow recently began offering after-school classes for teens and the Lubavitcher community just celebrated the graduation of six young rabbis who were educated entirely in Russia.

"We've had to teach people a whole new set of values and are only now beginning to see the fruits of our labors," says Rabbi Lazar. But "in a country where for 80 years you could end up in prison for anything having to do with religion...to take away that fear and bring out the pride of being Jewish is not easy."

## **#11**

**Russia says no Iran sanctions for START deal: report  
Reuters, July 14, 2009**

MOSCOW - Russia will not agree to tougher sanctions against Iran over its nuclear program in exchange for a new nuclear arms cuts deal with Washington, Interfax news agency quoted a foreign ministry source as saying Tuesday.

Last week, U.S. President Barack Obama's nuclear adviser suggested that progress on a U.S.-Russian nuclear arms pact could help persuade Moscow to be more cooperative on Iran.

"There are no reasons to link these issues or count on Russia being more cooperative in toughening sanctions against Iran if there is progress in talks with the United States on further cuts in strategic offensive weapons," the source said.

Russia is negotiating a new nuclear arms cuts deal with the United States to replace the 1991 START-1 pact, which expires in December. It is also involved in international efforts to persuade Iran to give up its uranium enrichment program.

The sharp tone of the Russian comments contrasted with the positive mood that dominated last week during Obama's visit to Moscow aimed at "resetting" thorny bilateral ties.

Obama and Russian President Dmitry Medvedev committed themselves during the talks to working on the new START pact despite outstanding disagreements over U.S. plans to deploy elements of an anti-missile system in Europe.

Obama has said that the European elements of the missile shield will not be needed if Iran halts what the West argues is a military program to create its own nuclear bomb.

Russia, a veto-wielding permanent member of the U.N. Security Council, has been reluctant to allow strong sanctions against Iran and has praised Obama for promising to pursue direct dialogue with Iranian leaders.

Obama's special assistant for arms control, Gary Samore, made his comments about the potential for a change in Russia's stance at London's International Institute for Strategic Studies last week.

"If we make concessions on strategic nuclear issues the Russians are much more willing to be cooperative when it comes to Iran," Samore told experts.

A Kremlin source told Reuters that the exchange of remarks over START and Iran did not indicate any change in the overall atmosphere of Russia-U.S. contacts.

"It was nothing more than an exchange of remarks over a specific suggestion," the source said.

## **#12**

### **Russia Aims to Lift Economy With Spending Boost as Growth Slows**

**By Lidia Kelly and Andrew Langley**

**Wall Street Journal, July 14, 2009**

MOSCOW -- Russia will allow a bigger budget deficit next year in an attempt to revive its economy, according to a proposal approved Monday by the government.

The Ministry for Economic Development proposed that next year's budget assume a deficit of 6.5% of gross domestic product, up from a previous estimate of 5%. Widening the deficit will allow the government to spend more to jolt demand, continue investing in the country's largest companies and expand bank lending, the ministry said.

The ministry sees the Russian economy potentially expanding 1% next year, a reversal from the 8.5% decline in GDP expected this year. The ministry proposed that an oil price of \$55 a barrel of Ural crude oil -- Russia's main export, which often is used as a predictor of economic growth -- be used for drafting the proposal. Ural crude was trading at about \$59 a barrel on Monday.

The moves come as Russian bank lending will at best stagnate in 2009, despite government attempts to stimulate credit growth and revive the economy, analysts and economists said.

Russia has lowered borrowing rates, revamped a state loan-guarantee program and pledged billions of dollars in capital to banks facing a rising tide of defaults.

But many question the potential effectiveness of those moves, saying borrowing costs for businesses still are too high, while the increase in delinquent loans and generous deposit rates at the central bank offer little incentive for many banks to channel funds into new lending.

Gross domestic product contracted 10.2% in the first six months of the year, compared with a year earlier. Banking-sector assets have been shrinking since February, with nationwide credit portfolios contracting 2% in May, according to the latest central bank data.

While state-run lenders like OAO Sberbank and OAO Bank VTB are following government orders to increase lending, privately held banks, which control about half of the lending market, have cut back on lending amid reduced access to funding and worries about defaults.

The central bank has cut rates, but these reductions haven't been passed on by most lenders.

"Despite successive cuts in lending rates carried out by the Bank of Russia between April and June, rates on loans to end borrowers remain high," the central bank said Friday as it trimmed its refinancing rate by another half a percentage point, to 11%.

The approved budget proposal came Monday as the central bank let the ruble slide to a nearly four-month low on the retreat in global crude prices.

The currency fell as low as 39 rubles (\$1.19) in early trade Monday against a targeted basket of currencies before the central bank stepped in and halted the decline, traders said. The ruble closed the day at 38.63 rubles, 13 kopecks weaker than Friday's close.

The moderately optimistic scenario is one of three drafted by the ministry and falls in line with directives from Prime Minister Vladimir Putin, who has been calling on the government to revive the economy.

The finance ministry, however, under the helm of fiscal hawk Alexei Kudrin, has been advocating stringent fiscal discipline and the need to cut the budget deficit.

## **#13**

### **Europe gas pipe deal a setback for Russia: media AFP, July 14, 2009**

MOSCOW - A landmark deal between Turkey and four EU countries to pipe gas from the Caspian region is a setback for Moscow's own pipeline project to Western Europe, Russian newspapers said Tuesday.

Monday's accord signed between Austria, Bulgaria, Hungary, Romania and Turkey -- a milestone in the Nabucco pipeline project much delayed by lack of commitment from gas-exporting nations -- is aimed at cutting Russia's gas monopoly in Europe.

About a quarter of the gas consumed in Europe is sourced from Russia.

"A gas alliance against Moscow has been concluded," the mass-circulation Komsomolskaya Pravda said, terming the deal "a blow" to Russia.

The 3,300-kilometre (2,000-mile) conduit is due to become operational in 2014 at an estimated cost of 7.9 billion euros (10.9 billion dollars), but there is still lingering uncertainty over who will supply the gas.

It is due to pump billions of cubic metres from the Caspian Sea to Austria via Turkey and the Balkans, bypassing Russia which has been accused of using gas as a weapon by cutting it off in disputes with its neighbours.

Nabucco competes directly with Russia's South Stream project, launched in 2007, which will carry Russian gas through Bulgaria to Western Europe under the Black Sea.

"The EU team is now leading in the game between Nabucco and South Stream," the financial daily Vedomosti said in an editorial.

The Kommersant said: "It is evident that Nabucco will lead ahead of South Stream considerably as it has the backing of almost all of Europe ... South Stream cannot boast of such backing."

The official Rossiiskaya Gazeta said: "Experts have for long considered Nabucco as a stillborn project ... but now the situation has changed."

**#14**  
**Will Nabucco pipeline deal free Europe from Russian gas?**  
**The EU and Turkey signed a \$11 billion gas pipeline deal that should give Europe more supply options.**  
**By Robert Marquand**  
**Christian Science Monitor, July 13, 2009**

Paris - It's being called a milestone for energy-hungry Europe.

Today's European Union-Turkey deal to begin building the 2,000-mile Nabucco gas pipeline from the Caspian Sea to Austria - reducing Europe's dependency on Russia - means investors can legally move on a project that has been much more talked about than acted on since 2002.

But many milestones remain in the great geopolitical game over energy from the Caucasus and Central Asia - many involving the Russian bear.

"We are determined to make the Nabucco pipeline a reality as quickly as possible," said Jose Manuel Barroso, head of the European Commission, staking out a tough position. Last week, Russian national energy security fund chief Konstantin Simonov pooh-poohed the deal, calling it "only a piece of paper."

After a brutally cold winter in which much of the Balkans and southern Europe faced freezing cities and homes due to a Russia-Ukraine gas and politics dispute, the EU has been under pressure to act on its members' behalf.

The pipeline is named after a Verdi opera whose subject is liberation from bondage.

Along with EU representatives, officials from Bulgaria, Romania, Hungary, and Austria - all states the pipeline will transit - were in Ankara for Monday's signing.

The €8 billion (\$11 billion) project will now compete with a €10 billion (\$13.9 billion) Russian South Stream project, which will also be laid under the Caspian, bypassing Ukraine, and that may come on line in 2015, the same year Nabucco proposes to.

"Barroso wants to show to European countries that he is very active in this project of so-called energy security of Europe," Mr. Simonov told New Europe magazine last week. "Barroso only wants to show to [Russian Prime Minister Vladimir] Putin that 'You see now we have this project.' And Europe is involving Russia in this dangerous game."

Yet energy experts say a competitive pipeline may be as much a useful strategic political tool as an energy source - in dealing with Moscow, and in forcing Ukraine and Russia to settle disputes.

If they build it, will gas come?

Nabucco's commercial success is considered a frail reed, and it may be reliant on EU and US government backing. The EU has already designated €200 million (\$278 million) in start-up funding, with more to come as part of a stimulus package distributed in 2009 and 2010.

"Nabucco is turning pipeline economics on its head," says Paul Stevens, senior research fellow on energy at Chatham House in London. "Normally you find gas and build a pipeline. Nabucco is building a pipeline, and then looking for gas."

A main unanswered question is whether governments and energy fields in the supply states of Azerbaijan, Turkmenistan, Kazakhstan, and Uzbekistan - can or will reliably divvy up and deliver gas over time. There's an expected intense bidding war, in some cases over gas fields whose yields are not yet concretely confirmed.

In recent weeks, Azerbaijan signed a deal with Russia, but also says it will sell to Nabucco. Turkmenistan had said it would not sell gas for the Nabucco pipeline in a meeting in Prague, Czech Republic, in May, but last week said it would.

US says 'no' to Iran gas

Reuters reported that US special energy envoy Richard Morningstar said Sunday that Russia is free to supply gas to the Nabucco pipeline, if countries participating in the project accept it as a partner. But he reiterated Washington's opposition to the use of Iranian gas.

Energy from Egypt, Iraq, and Iran would make Nabucco more likely to be a commercial success, experts say. Mr. Stevens at Chatham House says an Iranian deal alone could put it close to the black.

He says that this looked viable prior to the Iranian elections, with President Obama looking to open relations with Iran. But the "de facto coup in Iran makes the immediate commercial goals dimmer for Nabucco."

Today's signing was made possible by an agreement from Turkey to back off a whopping bid to take 15 percent of the pipeline's flow, for use as it wishes. However, Ankara agreed to a substantial cash transit fee instead.

Giles Merritt, director of the Security & Defence Agenda, a think tank in Brussels, warns that this deal is "triumphalism" designed to "cock a snoot" at Moscow. He says that all parties in the discussion, starting with Turkey, will be extremely difficult to deal with every step of the way.

But he says that the EU may be moving ahead with the pipeline deal as a way to force "a catalyst for Europe's energy security strategy." This deal forces a change in EU politics. "We've had uplifting rhetoric [on a common energy strategy], but now we will need to define the details.... The solidarity of EU nations will now be tested."

## **#15**

### **Ukrainian Reactions to the Obama-Medvedev Summit**

**By Roman Kupchinsky**

**Jamestown Foundation Eurasia Daily Monitor, July 13, 2009**

U.S. President Barack Obama's first summit meeting in Moscow with Russian leaders did not warrant headlines in the Ukrainian media. The top story, understandably, continued to be the seemingly unending political crisis in the country, as a consequence of which, American-Russian summitry was buried in the middle pages of the printed media and merited 15 second reports on television news broadcasts.

Despite the low level of coverage, Ukrainian political leaders nervously but closely monitored events in Moscow and considered what the discussions meant for their country's future. Would the United States, Ukrainian analysts wondered, abandon its support for Ukrainian aspirations to join the E.U. and NATO or would Obama tell Dmitry Medvedev and Vladimir Putin that Moscow's quest to force Ukraine back into Moscow's sphere of influence was unacceptable?

This apprehension was evident in a comment by Ukrainian President Viktor Yushchenko who stated on July 7: "Ukraine hopes that it will not become the third side, through which other countries will make compromises to reach their interests" (UNIAN Press Agency, July 8).

The Ukrainian ambassador to Russia, Konstantyn Hryshchenko, told the UNIAN press agency: "The principled position of our country...is that matters pertaining to Ukraine will be decided in Ukraine by Ukrainian political leaders who have a mandate from the people." He added, "There is concern that discussions do not take place over matters which could constitute a danger to our interests."

Nonetheless, many in the Ukrainian policy making establishment were heartened by Obama's support for Ukraine's sovereignty during his speech to the graduating class of the New Economic School in Moscow where he stated: "State sovereignty must be a cornerstone of international order...Just as all states should have the right to choose their leaders, states must have the right to borders that are secure, and to their own foreign policies ... That is why we must apply this principle to all nations - and that includes nations like Georgia and Ukraine" (UNIAN Press Agency, July 8).

Volodymyr Fesenko, the chairman of the Kyiv-based Penta Center for Applied Political Studies noted that while Ukraine was not on the agenda in Moscow, "There were soft warnings from the American president to his Russian colleagues that it is better not to create problems on its borders. There were hints that it is essential not to allow anarchy in neighboring countries and additional conflicts. It was a signal that America is not indifferent to this" (Kyiv Post, July 10).

Yuriy Shcherbak, Ukraine's former Ambassador to the United States welcomed Obama's defense of Ukraine's sovereignty. "It is a very essential signal," Shcherbak said. "Obama clearly showed that the United States will not treat positively Russia's attempts to dominate the post-Soviet space and, especially, to impose on Ukraine any of its models or demands. After this visit, if Russia wants to [improve its relationship] with the United States, it must operate more carefully in post-Soviet space," he continued.

Speaking about the upcoming visit of U.S. Vice-President Joe Biden to Kyiv, Shcherbak commented: "Hopefully [Biden] will explain to Ukrainian leaders what was going on in Moscow and clarify the position of the American government" (Kyiv Post, July 10).

Commenting on the forthcoming Biden visit, the Ukrainian internet publication Ukrayinska Pravda wrote on July 8: "The visit [by Biden] will be closely observed in Moscow. Russian experts are convinced that Biden will have to explain to Kyiv and Tbilisi 'who is the master.' Without this there can be no resetting of Russian-American relations." This however, is the typical Russian point of view which has not changed for many years. "Will the Americans be able to formulate in two weeks a clear message to the post-Soviet space? Nonetheless, this message will in a large way determine how events evolve in the region," the report suggested.

The results of the Ukrainian presidential elections scheduled for early January 2010 might resolve the dilemma facing Washington, Moscow and Kyiv. If voters elect Viktor Yanukovich as their next president, the foreign policy agenda of Ukraine might be in for a monumental change. The pro-NATO forces in Ukraine will find themselves more isolated than they are now and a new team of pro-Russian policy makers will aim to steer the country closer to Moscow on such matters as NATO enlargement, energy policy and greater cooperation in CIS security arrangements.

Moscow however, will be very cautious in welcoming a new Ukrainian government into its fold. The Kremlin has learned hard lessons from its turbulent relationship with Alyaksandr Lukashenka, the President of Belarus who, by any yardstick, has been more pro-Russian than Yanukovich. Any precipitate move by the Kremlin to embrace a Yanukovich government might also incur the wrath of Washington and escalate a new Cold War, one which Russia is incapable of winning.

## **#16**

### **On Visit to Breakaway Enclave, Russian President Promises Help in Rebuilding**

**By Ellen Barry**

**New York Times, July 14, 2009**

MOSCOW — The Russian president, Dmitri A. Medvedev, made a surprise visit to breakaway South Ossetia on Monday, inspecting a new Russian military base there and promising citizens that Russia would rebuild neighborhoods destroyed during last year's brief war between Russia and Georgia.

The visit underlined the stark differences that remain between Russia and the United States after last week's presidential meeting. The "reset" of relations has sidestepped the issue of South Ossetia and Abkhazia, breakaway Georgian territories that have been under Russian protection since the war.

During his visit to Moscow last week, President Obama reiterated his "firm belief that Georgia's sovereignty and territorial integrity must be respected," saying he hoped that Russia and the United States "work through our disagreements on Georgia's borders."

But Russia's foothold in the territories is only getting stronger, a fact underscored by Mr. Medvedev's visit to the South Ossetian capital, Tskhinvali. Prime Minister Vladimir V. Putin is planning a visit to Abkhazia later this summer.

“Hang on, everything will be fine, we will rebuild,” Mr. Medvedev told a cheering crowd in Tskhinvali’s main square, where he was greeted with a jug of wine and a stack of hot cheese pies. He also laid a flower at a memorial to Ossetians killed in a previous rebellion against Georgia.

During a televised ceremony, the South Ossetian president, Eduard Kokoity, formally thanked Mr. Medvedev for recognizing South Ossetia as a sovereign nation, and for “the salvation of our tiny people.”

A South Ossetian official said she had been preparing for a visit by “the first people of Russia” for several months. Irina Gagloyeva, the territory’s minister of press and information, said Mr. Medvedev’s trip took on a special meaning because it closely followed Mr. Obama’s visit — reassuring those who feared that Russia would relax its support of South Ossetia in the warming Russian-United States relationship.

“Russia has once more confirmed its decision about the recognition of our independence,” she said.

Georgian politicians reacted angrily, saying Mr. Medvedev’s visit had been planned to challenge Mr. Obama — or as a response to a Monday ceremony initiating Nabucco, a planned natural gas pipeline that would run through Georgia to Europe, circumventing Russian control. Georgia’s president, Mikheil Saakashvili, who was in Ankara, Turkey, for the signing of an intergovernmental agreement for the pipeline, called the visit a “shameful and immoral precedent” for Russian diplomacy.

“When the leader of small Georgia left the country to settle very important issues, the president of big Russia silently stole into one of the smallest regions, and personally met with an unwashed, corrupt criminal and killer of humans,” he said, referring to Mr. Kokoity of South Ossetia.

## **#17**

### **Going to Mars, but Staying Close to Home**

**By Michael Schwartz**

**New York Times, July 15, 2009**

MOSCOW — After months sealed in an isolation chamber, participants in a simulated mission to Mars emerged into a muggy Moscow afternoon on Tuesday, completing what international scientists hope is a small step toward a staffed mission to the red planet.

The six participants — four Russians, a German soldier and a French airline pilot — spent 105 days locked in a series of hermetically sealed tubes as part of the Mars-500 project at the Institute of Biomedical Problems here.

An actual staffed mission, if one occurs, could be decades off, but Russian scientists and officials said the Mars-500 project, which will culminate in a 520-day isolation experiment scheduled to start next year, was an indication of Russia’s revitalized role in space exploration after years of struggling to keep a foothold in orbit.

“At this time we are moving from the era of preserving Russia’s place in space to its advancement,” Vitaly A. Davydov, the deputy chief of the Russian Federal Space Agency, said at a news conference. “This is a promising project that will guarantee the orbital deployment of equipment that will fly to the moon and Mars.”

The Mars-500 crew conducted about 70 experiments, testing psychological and physical reactions to long-term isolation similar to that expected during interplanetary space travel.

A real mission to Mars would last more than 500 cramped, lonely days, most of which would be spent in transit. Adding to the isolation are communication delays with Earth that last up to 20 minutes.

The international team of scientists drawn from Europe and the United States involved with Mars-500 is seeking ways to avoid the mental breakdowns or worse that could result from such prolonged monotony in part simply by locking people into the Soviet-era isolation chamber and observing what happens.

“From day to day, the work did not stop for a second,” Aleksei V. Baranov, the mission physician, said after the crew was let out. “In those minutes when you could relax, you remembered that you were not at home, that you were far from your loved ones, that every day you were supposed to wake up early and work, work, work,” he said. “This is difficult to be psychologically prepared for: unceasing, monotonous work.”

Crew members said that tensions were at times unavoidable, though no major conflicts occurred.

Project organizers, meanwhile, declared the mission an overall success, but said detailed results from the experiment would be available only after several weeks of analysis.

"The results of this experiment show that the basic principles on which we based this experiment were proven correct," said Boris V. Morukov, the experiment's director and a former crew member on the International Space Station.

**#18**

## **Obama Puts Arms Control at Core of New Strategy**

**By Peter Spiegel**

**Wall Street Journal, July 15, 2009**

WASHINGTON -- President Barack Obama has moved nuclear deterrence to the top of the national-security agenda -- and in his dealings in the past month with Iran, North Korea and Russia, revealed the issue to be an organizing principle to his foreign policy.

Mr. Obama has restarted moribund arms talks with Moscow, pushed for sanctions against Pyongyang, and sought nuclear talks with Tehran despite his condemnation of its crackdown on protesters. Those moves, significant shifts from policies of the Bush White House, were designed to put efforts to halt the spread of weapons of mass destruction at the center of policy-making, senior Obama administration officials say.

"His view is: If this is the No. 1 threat that we face, we need to address it with urgency," says Benjamin Rhodes, Mr. Obama's chief national-security speechwriter. "For nonproliferation to work, you have to do everything at once."

Several officials said the White House views President Ronald Reagan as a model, noting that Mr. Reagan engaged with Soviet leaders on arms control even as he condemned their human-rights record. A senior official said White House summit planners examined Mr. Reagan's early meetings with Mikhail Gorbachev for guidance before Mr. Obama met with Russian President Dmitry Medvedev last week.

Some critics say the White House should have been quicker to condemn Tehran's handling of the Iranian election and slower to embrace arms talks with Moscow because of its record of suppressing internal dissent. Elliot Abrams, a top foreign-policy adviser in the George H.W. Bush White House who specializes in democracy issues at the Council on Foreign Relations, says U.S. democratization efforts have been "marginalized."

Senior Obama administration officials dismiss such criticism, saying that working on arms control and promoting democracy and human rights aren't mutually exclusive. They point to Mr. Obama's emphasis on democratic values in his June speech in Cairo and a major address given at the New Economic School in Moscow last week.

"You can walk and chew gum on these issues," Mr. Rhodes says.

Current and former Obama foreign-policy advisers said Mr. Obama's emphasis on nuclear arms sprang from his work in the Senate with Sen. Richard Lugar, the Indiana Republican who spearheaded post-Cold War efforts to secure fissile material in the former Soviet Union.

The advisers say that focus has since broadened into an attempt at rebuilding the entire international arms-control regime, particularly the Cold War-era Nuclear Non-Proliferation Treaty and the U.N.'s International Atomic Energy Agency, out of fear that the decades-old controls are weakening from inattention.

"I believe we are at a tipping point," says Brent Scowcroft, who was national-security adviser to President George H.W. Bush and has long pushed for nonproliferation issues to return to the top of the agenda. "If we fail in Iran, we're going to have a number of countries go the same route Iran has just in self-defense. Egypt will, Saudi Arabia will, Turkey will. In northeast Asia, if we can't deal with North Korea, the Japanese are going to say: 'We'll have to do it ourselves.' "

Several Obama advisers say Rep. Lee Hamilton, the Indiana Democrat who served as an informal adviser to the Obama campaign, has had particular influence on the president's thinking. "[Obama] has really kind of clicked with that old school, end-of-the-Cold-War wise men generation," says a White House official.

Former Hamilton aides are now in influential posts at the White House, including Mr. Rhodes; Denis McDonough, the deputy national-security adviser; and Daniel Shapiro, who runs Mideast policy at the National Security Council.

Mr. Hamilton plays down his role in Mr. Obama's thinking. "A number of events are coming together that kind of reinforce his own personal instincts with regards to trying to deal with this problem," Mr. Hamilton says.

## **#19**

### **Competing Visions Of The 'Reset Button'**

**By Peter Lavelle**

**RFE/RL, July 14, 2009**

It is fair to say most observers of U.S. President Barack Obama's recent visit to Russia have concluded the summit was a net positive for Russia and the United States.

Both countries acknowledged the deterioration in relations over the past few years must be ended and that a new approach needs to be embraced. This approach has been dubbed "hitting the reset button," but while this is a catchy and memorable phrase, it means very different things to Moscow and Washington.

Making progress on a new nuclear arms agreement to replace the soon-to-lapse Strategic Arms Reduction Treaty (START) was touted as the summit's crowning achievement. While this was expected, it gave both Russia and the United States a public-relations opportunity to demonstrate that this bilateral relationship can produce tangible and mutually beneficial outcomes. Obama is a noted orator, but very soon his inspiring rhetoric needs to be translated into policy achievements: a START II treaty with Russia can be part of that process.

A wide array of other issues was discussed with varying degrees of agreement. Washington complied with Moscow's insistence that the reduction of offensive nuclear weapons needs to be tied to limitations on missile-defense systems. With this linkage accepted, it would seem the way is paved for addressing Russia's objections to U.S. proposals to place missile-defense systems in Central Europe.

There was also agreement on Afghanistan -- Russia will now permit the United States to transit lethal military ordinance via its airspace. There were also outright disagreements. Moscow and Washington found no common ground on the topic of Georgia. This was also expected, and was not allowed to overshadow the summit in any meaningful way.

This description of how the Moscow summit went is conventional and one-dimensional. It underplays or does not recognize the meaning of the summit and the problems -- even dangers -- ahead for both countries if attitudes and behaviors don't change on both sides. The first step to resetting is to accept how the Russians and Americans interpret what "resetting" of relations means.

### **Let Bygones Be Bygones**

Many in Washington see this process as: "Let's turn the page; let's literally start again." This is a typical American approach, something akin to saying mistakes were made in the past by both sides and saying sorry in the present doesn't move the relationship forward. Essentially, many in the new administration take the position that it is not responsible for what Presidents George Bush, Bill Clinton, and George W. Bush did when it comes to Russia. Washington's position is let the past be the past and let's work in the present for a better future.

Fair enough, but that is not how the Russians see things. For the Russians, separating the past from the present is not so simple. The past is what got all of us into this problematic present.

For Russia's political elite and people, the recent past is very much part of today's political reality: NATO expansion, the illegal recognition under international law of Kosovo's independence, the moral and financial support of "colored revolutions" in the post-Soviet space (and the resulting instability in Ukraine, Georgia, and Kyrgyzstan), the unilateral walking away from the Antiballistic Missile (ABM) Treaty in 2002, the backing of oil and gas pipelines

challenging Russia's global energy-security policies, and the coddling of Georgian President Mikheil Saakashvili are on the short list of grievances cited. In sum, the Russians see an unrelenting siege against them from the West -- particularly the United States -- on multiple fronts.

Bridging this gap in approach requires enormous political will on both sides. The post-Cold War environment is just about 20 years old, and both the Russians and Americans must assess their future relationship with historical facts in mind.

Admittedly, Obama has already started this process. During his recent address in Cairo, he recognized that some past U.S. foreign policies have been counterproductive to U.S. security interests in the greater Middle East. He needs to do the same when it comes to Russia (and many other parts for world, I might add).

### Embracing Mutual Interests

However, admitting mistakes should not be seen as being compelled to make concessions. Nonetheless, there is little if any evidence that Obama intends to continue Bush-era policies toward Russia and the post-Soviet space. Moscow should consider this seriously. This is Obama's first step toward clearing the air, as it were.

Russia, too, should clear the air. Damning a past that cannot be undone is a useless endeavor. It is hardly possible that NATO will turn around and "uninvite" its newest members. Nor is it likely the United States and other countries will withdraw their recognition of Kosovo. Obama cannot simply enact an "historic retreat" to please the Kremlin.

Nonetheless, Russia can and should start putting aside its very real sense of built-up resentment toward the United States. Both countries have made it clear they intend to work closely on a number of burning international issues -- Afghanistan, Iran, North Korea, nonproliferation, the Middle East -- and this engagement should serve to bolster a foundation of trust between the two countries. Trust is where every relationship starts.

Now it is left to historians to assess what I call Russia's passage through the post-Soviet purgatory. But this must not become an impediment for Russia when dealing with the United States on crucial global-security issues. Russia and the United States can have a partnership based on mutual interests without really embracing each other as strategic partners.

We can lament the past, but we can create a new and different future. Russia and the Russians want a clear recognition of this from the United States. Obama's Washington appears to be moving in that direction when facing the world. Russia isn't expecting Obama to apologize for the past; it only wants respect and the recognition that Russia too will define its security interests. If this happens, it will be difficult and even nonsensical for the Kremlin to ignore new overtures from Washington.

## #20

### **Craving to Be a Great Power**

**By Richard Pipes**

**Moscow Times, July 15, 2009**

In relations between sovereign nations, nothing is more important than understanding the culture of the countries with which one is dealing. Without this understanding, there can be tragic consequences. If the Japanese in 1941 had understood the American psyche, they would never have attacked Pearl Harbor in the vain hope that once a major part of its Pacific Fleet had been destroyed, the United States would sue for peace. Similarly, the Germans would not have attacked the Soviet Union if they had known how the Russians traditionally reacted to invasions by foreign "infidels."

I have a feeling that Western politicians have made little effort to understand the mentality of the Russian people and leaders. And yet we have a great deal of evidence from public opinion polls and Russian politicians to convey what it is they want and what it is they fear.

For one, Russians crave the status of being a *velikaya derzhava* (great power). They feel that they are entitled to this status since Russia has the largest landmass in the world, one that covers most of Eurasia and stretches from the Baltic to the Pacific. The other component of Russia's great power status is the country's grand

accomplishments, such as breaking the back of the German army in World War II and sending the first man into space.

The astonishing popularity of a monster like Josef Stalin is primarily due to the fact that he had made Russia a power that was universally respected because it was feared. This craving assumes obsessive forms, particularly because Russians suspect deep in their hearts that their claim to this status is dubious - that they are not really a great power in economic, political or military terms. This obsession compensates for the inferiority complex that a majority of Russians feel when they compare themselves with genuine great powers, notably the United States.

Precisely because of this inferiority complex, it is important to treat Russians with deference and to consider their opinions. It is also important to understand what is behind their attempt to be a spoiler in global affairs. When the Kremlin says "no" to Western initiatives, Russians feel that they are indeed a world power. Their uncontrollable fury at the West's behavior in Kosovo, for example, derived from the sense of frustration that their wishes had been ignored.

The other cultural factor to take into consideration when dealing with Russians is their imperial tradition. One prominent peculiarity of Russian historical development was that the growth of its nation state, Muscovy, occurred concurrently with the growth of its empire. When Ivan IV conquered Kazan and Astrakhan in the 16th century, acquiring Muslim subjects and opening the gates to Siberia, the Russian state was just beginning to coalesce. This differed from the situation in Western Europe, where the acquisition of colonies followed rather than accompanied the creation of the state. As a result, Western powers could let go of their empires without suffering a loss of ethnic identity, but the loss of Russia's colonial possessions in 1991 was a far more traumatic experience. To this day, the end of the Russian/Soviet empire is a tragic historical episode for Russians and it has little to do with communism. Many Russians continue to regard Ukraine, the Caucasus and Central Asia as integral parts of the Russian realm.

What this means is that foreign powers have to be extremely careful in encroaching on these regions. U.S. President Barack Obama was correct in stressing during the summit last week that the former Soviet republics are now sovereign states and hence free to conduct their foreign policy as they see fit. Nonetheless, it is equally true that the United States, which is home to the Monroe Doctrine for the American continent, should respect Russia's sensitivities in this respect. Opinion polls indicate that a majority of Russians regard NATO as a hostile force. For this reason proposing that former Soviet republics join NATO is dangerous, and this is particularly true for Ukraine. If Kiev were ever to join NATO, it is likely that the Kremlin would seriously consider military intervention as a response.

On the other hand, I do not advise Washington to yield to Moscow on all issues relating to what its leaders call their "privileged zone of influence." The proposal to install elements of a missile defense system in Poland and the Czech Republic, for example, is in the interest of U.S. security and should be implemented. A few military officials who do not submissively toe the Kremlin line - for example, General Vladimir Dvorkin - openly admit that 10 interceptors and a radar system in Central Europe do not and cannot threaten Russia's security.

The United States should not hesitate to condemn Russia's invasion of Georgia or the spurious "independence" of South Ossetia and Abkhazia. It should feel free to criticize Russian behavior when it violates the rules of civilized behavior at home or abroad. At the same time, we should be aware of their sensitivities and avoid unnecessarily irritating them in word and deed.

*Richard Pipes is professor of history, emeritus at Harvard University and author, most recently, of "Russian Conservatism and Its Critics."*

**#21**

**Russia Again Ready To Join WTO Solitarily, Experts Say Puzzled  
Itar-Tass, July 13, 2009**

MOSCOW - A new and lightning-like change of Russia's strategy for joining the World Trade Organization /WTO/ has brought to life a variety of widely differing expert assessments and interpretations -- from suspicions of half-baked decision-making and lobbying to the suppositions that this was a specially contrived tactical maneuver on the part of Moscow, which presses forward for concessions and tries to speed up the dragged-out negotiations.

A month after Prime Minister Vladimir Putin said accession to the WTO would be conducted in the format of the Customs Union set up by Russia, Kazakhstan and Belarus, President Dmitry Medvedev came up with the assurances that Russia would steer its way to the WTO on its own.

As he addressed a news conference in Aquila, Italy, July 10 after the G8 summit, Medvedev said that joining the WTO as part of the Customs Union would be a "nice-looking but problematic step." "Our partners holding talks on behalf of the WTO tell us this," he said. "Accession can be held in a different way. The member-states of the Customs Union may join it separately after coordinating common standards and positions at the level of the Union's Troika, and I think that'd be the simplest possible and most realistic decision."

The previous time Russia changed its tactics of accession to the WTO occurred last month, when the heads of government of Russia, Kazakhstan and Belarus made public the plans for creating the Customs Union as of 2010 and for canceling independent talks on accession.

The WTO, on its part, has not confirmed the readiness to hold talks with the Customs Union and the U.S. Secretary of Commerce, Gary Locke even said that Russia's proposal on collective accession was unacceptable. "According to most of the members of the WTO that is just unworkable, unprecedented and would only delay matters," Locke said.

President Medvedev's aide Arkady Dvorkovich said the consultations have shown that "the Customs Union's accession to the WTO might be a tiring process and might take years." He indicated that a different scenario would be enacted upon taking the final decision and it would presuppose "a parallel accession of the Customs Union's member-states that would coordinate their actions and join the WTO simultaneously but as three independent states."

Gazeta publication quotes the head of the Russian delegation at the talks with the WTO, Maxim Medvedkov, the director of a department at the Ministry of Economic Development and Trade, who says the experts and officials from the WTO member-states, whom consultations have been held with in recent months, have said the collective accession might be realistic in a very remote future only, if ever at all. "There wasn't much choice left to us in this situation and that's why a decision was taken in the end to join the WTO separately but after a due coordination of positions."

In an earlier interview with the Kommersant daily, Medvedkov admitted that the Russian negotiators had had to listen to "many unusually harsh words" over Moscow's new tactics from the counterparts representing the WTO member-states. It is not ruled out that a month-long appraisal of such assessments - along with the absence of any meaningful prospects for the accession talks - proved enough for the Russian government. As for the final decision, it might have been taken after Barack Obama's visit to Russia.

Russian officials rushed to offer assurances that Medvedev's words did not contradict Putin's words in any way. The presidential press secretary, Dmitry Peskov, asserted that accession to the WTO remains the major objective and it does not really matter whether this accession occurs inside of a trilateral customs union or independently.

RBC Daily quoted a government source, who said the Kremlin's flinging from side to side is not at all impulsive and does not testify to any discords within the elite. "Quite possibly, the top leaders got the data that Kazakhstan, too, is seeking to join the WTO independently," the source said. "That country is getting ready to accept a term of rotating presidency of the /European security organization/ OSCE and political dividends may thus grow over into economic ones. Europe may offer reliable assistance to Kazakhstan in joining the WTO, while we can secure U.S. support after Obama's visit to Moscow. In other words, it appears that going there alone is a simpler way."

Some experts say, though, the oscillations in foreign policy may be the aftereffects of a small degree of coordination of crucial state decisions, Nezavissimaya Gazeta writes. Others say, however, these abrupt fluctuations work towards a strengthening of Moscow's positions at the talks.

"It is quite possible that Moscow is pressing for concessions at the talks, including the concessions that are not related to the WTO membership immediately," says Anton Danilov-Danilyan, the former chief of the economic department at the presidential administration who currently stands at the head of the investment policy department at the Russian Chamber of Commerce and Industries.

Russkaya Liniya agency quotes economist Andrei Kobayakov, who says a decision on collective accession was an act conducive to a speeding up of negotiations and not a mistake, even though it was made prematurely.

"The world community made Russia recall that when in Rome, you should live as the Romans do," Azhdar Kurtov, an expert at the Strategic Research Institute told the RBC Daily. "It was too naive to think that three countries could succeed in imposing their format of negotiations on as many as 153 countries. In addition, this trilateral union could have been lucrative for anyone but Russia, as this country has a much longer and much thornier record of independent negotiations with the WTO than Kazakhstan or Belarus. And Belarus might also face rebukes of a political nature."

In the meantime, not more than 41% Russians believe accession to the WTO meets this country's interests, suggests an opinion poll taken by the All-Russia Public Opinion Research Center /VCIOM/. Since 2005, the share of respondents feeling confident that membership of the WTO runs counter to Russia's interests has reduced but slightly - to 20% from 24%.

## **#22**

### **Is A Russia-Georgia War Off The Table?**

**By Brian Whitmore**

**RFE/RL, July 15, 2009**

A U.S. guided-missile destroyer docks at the port of Batumi ahead of joint U.S.-Georgian naval exercises near the separatist Abkhazia region.

The day before, Russian President Dmitry Medvedev was given a hero's welcome when he paid his first visit as Kremlin leader to a second breakaway Georgian region, South Ossetia.

Medvedev pledged more financial and military aid to the tiny territory, which declared independence from Tbilisi following Moscow's invasion of Georgia last year. From there, Medvedev traveled on to Sochi where he announced the successful test-launch of a ballistic missile from a Russian naval submarine.

The Russian president also told assembled naval personnel that Tbilisi bears "full responsibility" for last summer's war in South Ossetia and predicted the Georgian people would one day "hand down a heavy sentence" on Mikheil Saakashvili's regime.

At first glance, the events of the past two days might indicate that Russia and Georgia might be on the brink of another conflict over the two Moscow-backed rebel regions. A number of Russia-watchers had already laid bets on a repeat summer invasion.

But as often is the case in the Caucasus, appearances can be deceiving. Georgian President Saakashvili, who has warned for months that a Russian invasion was imminent, suddenly pulled an about-face, confidently declaring that the threat of war with Moscow has been reduced.

"All of [Russia's] aggressive plans for the near term have failed," Saakashvili said on June 9 at a televised meeting with his National Security Council

"The war that they had imagined, that they had in their plans and dreams, will not happen. The planned military invasion against Georgia will not be possible to implement due to the new geopolitical reality."

That new geopolitical reality, Georgian officials are suggesting, comes in the wake of U.S. President Barack Obama's visit last week to Moscow -- and ahead of a scheduled visit to Georgia by Vice President Joseph Biden next week.

#### **A Warning From Washington**

Publicly, Obama used his Moscow trip to voice mild support for Georgia's sovereignty and territorial integrity. But senior Georgian officials have told RFE/RL that behind the scenes, Obama warned Medvedev in no uncertain terms against starting a new war.

The officials, speaking on condition of anonymity, said Tbilisi was informed by U.S. officials that Obama told Medvedev that any attack against Georgia would have "grave consequences" and that Washington "would not stand aside" in such a conflict as it did during last year's war.

A White House spokesperson declined comment, saying "we don't discuss private conversations."

Analysts say there has been a noticeable change in tone among top Georgian officials since Obama's July 6-8 visit to Moscow.

"The central message was probably delivered in Moscow, no question about that and evidently it was a fairly robust one, because suddenly Georgian officials are absolutely sure that there is not going to be a war this summer," says Lawrence Sheets, head of the International Crisis Group's Tbilisi office.

Pavel Felgenhauer, a military analyst for the Russian newspaper "Novaya gazeta," correctly predicted that Russia would invade Georgia last August and has been warning for months that Moscow was preparing another military incursion this summer.

Felgenhauer is not convinced that warnings from Washington would be sufficient to deter the Kremlin, which he says is determined to remove Saakashvili from power. Russia, he says, is also seeking to prevent the Nabucco pipeline project, which Moscow views as a threat to its energy dominance, from being completed.

"Russia was warned that this was unacceptable but what unacceptable means is another question," Felgenhauer says.

"I'm not sure how strong the American warning was and how seriously it was taken in Moscow. But that was the only possibility left. This summit was the last chance to prevent a war this summer."

After Russia's recent Caucasus-2009 military exercises near Georgia's border, military commanders concluded that their troops were ready for battle, according to Felgenhauer. He adds, however, that "if there is no war by mid-September, then we are out of danger," due to the rugged Caucasus terrain and difficult climate.

"Right now we are in a dangerous time," Felgenhauer says. "We'll see rather soon. Now we just have to sit and wait and see. Militarily, everything is ready. The reason to go is there and the capability to go is there."

'An Unwashed Murderer'

War or no war, any message from Obama was clearly not enough to deter Medvedev from openly visiting South Ossetia on July 13 in the face of strenuous objections from Tbilisi.

Speaking to reporters in Tskhinvali with South Ossetia's de facto leader, Eduard Kokoity, Medvedev promised Moscow's aid and support to rebuild the economy of the "new state," which has thus far only been recognized by Russia and Nicaragua.

"Of course, I want to thank you for inviting me to this new country, the new state of South Ossetia, which came into being as a result of difficult, traumatic events, a country which the Russian people supported in its hour of need," Medvedev said.

"I think this first working visit by the Russian president today will lay the groundwork for future contacts."

Saakashvili, who was in Ankara for a summit on the Nabucco gas pipeline at the time, called Medvedev's visit an "immoral and shameful precedent" and referred to Kokoity as an "unwashed murderer and corrupt criminal."

In Washington, U.S. State Department spokesman Ian Kelly said on July 14 that the "very fact" of Medvedev's visit to South Ossetia highlights what he called the "fundamental differences" between U.S. and Russian policy.

"We continue to urge Russia to respect Georgia's sovereignty and territorial integrity and facilitate stability in the region," Kelly said, adding, "I don't think that [Medvedev's visit] was any kind of step forward" in this regard.

Meanwhile in Batumi, the "USS Stout" was greeted with wine and music after dropping anchor on July 14. The "Stout's" commander, Mark Oberly, said the joint naval exercises, scheduled to begin on July 15, "demonstrate the U.S. and Georgian commitment to work together, to cooperate, and maintain maritime security."

The exercises will be held in Georgia's territorial waters between the ports of Batumi and Poti, near breakaway Abkhazia's Black Sea coast.

## **#23**

### **Russian Weapon Is in Need of Rescue**

**By Michael Schwartz**

**New York Times, July 15, 2009**

MOSCOW — It was intended to be a symbol of Russia's post-Soviet military might. The nuclear-armed Bulava missile would be unlike any weapon in the world in its speed, accuracy and ability to defeat any defense the West might throw up, Russian officials claimed, helping to propel the country's armed forces into the 21st century.

Today, however, the Bulava is having trouble just propelling itself.

A test flight in December went wildly off course. So did a string of launchings in 2006 and 2007. Only half the tests since 2003 have been even partly successful.

Now, sometime this month, another test is scheduled, perhaps the most important yet. One more failure would endanger the project, which is facing mounting criticism from military and security experts, and embarrass Russia's leaders, who have staked their country's prestige in part on its success.

The Bulava, whose name is Russian for a mace, the medieval weapon, was once praised by Vladimir V. Putin as a reflection of Russia's military revival after the collapse of the Soviet Union and the disarray of the 1990s, when the military suffered greatly.

Shortly before December's failed test, Sergei B. Ivanov, a senior government official who oversees the project, predicted that the missile would enter production by the end of 2009. At a news conference in June, he said tests would continue at least through 2010.

But as Russia and the United States work on slashing their nuclear arsenals, the emerging question for many critics is not whether the Bulava can fly, but whether it should.

"My view is that the government is failing to recognize the current threats," said Nikolai Zlobin, a Russian defense analyst at the Washington-based Center for Defense Information. "This is very much an old way of thinking, when you believe that if you have better weapons you are more secure."

Officials claim that weapons like the Bulava are aimed against modern threats like the missile defense shield the United States might deploy in Eastern Europe. (Washington insists that the defensive system, if it is ever built, will not be directed against Russia, though this has not soothed Moscow's agitation over the program.)

Still, many Russian military analysts see the emphasis on nuclear modernization here as less strategic than political.

"Every fourth ruble of government military orders goes toward atomic weapons," said Viktor N. Litovkin, deputy editor of the magazine *Independent Military Review*. "If you have strategic nuclear weapons, then you are a great power; if not, then you are no one."

Upon becoming president in 2000, Mr. Putin, now prime minister, vowed to restore Russia's strength. As oil prices soared and Russia's energy-driven economy hummed, the Kremlin began pumping cash into the military, particularly its nuclear arsenal. The submarine-launched Bulava together with the land-based Topol-M, Mr. Putin said in a 2006 speech, would form the base of Russia's newly revamped nuclear forces. Perhaps more important, it would be a new source of pride.

President Dmitri A. Medvedev has vowed to continue his predecessor's nuclear policy, and Russia did successfully test-fire the less sophisticated Sineva missile this week.

But even while Russia is spending billions to develop the Bulava, a significant portion of its conventional military has fallen into disarray. Hardware is aging, the ranks are rife with abuse and even officers live in conditions that can in some cases be described as squalid.

In a sign of the state of Russia's once mighty military industrial complex, Adm. Vladimir S. Vysotsky, the commander of the Russian Navy, said in June that Russia might begin purchasing foreign-made ships.

Yet, few think that Russia will back off the program, even if the test this month fails.

"Russia really needs this rocket to maintain nuclear parity with the United States," said Aleksandr Golts, an independent Russian military analyst. "This task is political, and no effort or expense has been spared."

Indeed, Russian officials have played down the Bulava's setbacks and defended Russia's nuclear priorities.

"Deploying any new rocket is difficult, and, unfortunately, takes a long time," Anatoly E. Serdyukov, Russia's defense minister, told the newspaper Rossiiskaya Gazeta in May. "The Bulava is no exception."

The American Trident 2 submarine-launched missile also got off to an inauspicious start in the late 1980s with several high-profile failures. So far, however, Bulava appears to have fared worse.

Some Russian news agencies have even speculated that the United States, the news media's favorite scapegoat, has been sabotaging the missiles. Mr. Serdyukov denied the claims.

Rather, Mr. Ivanov and others have said that part of the problem has been coordinating the dozens of subcontractors involved. Many military analysts also say that the timeline for completing the missile was unrealistic from the start.

The Russian military plans to conduct at least four more sea-based tests of the Bulava by the end of 2009, during which the remaining problems will be resolved, Admiral Vysotsky said last month, according to the Interfax news agency.

"We will have the Bulava this year," he said. "It will fly."

## **#24**

### **Ukraine's economy 'to shrink 15%' BBC News, July 16, 2009**

The World Bank has downgraded its economic forecast for Ukraine again, predicting that the country's economy will contract by 15% this year.

In April, the bank had predicted the economy would shrink by 9% in 2009, which was also a downgrade from its original forecast of a 4% contraction.

The economic downturn has hit the price of metals worldwide, and Ukraine relies heavily on this sector for exports.

The World Bank now predicts a gradual recovery starting in 2010.

"The situation has deteriorated the most seriously in the public finances," said the World Bank's head economist for Ukraine, Ruslan Piontkivski.

He added: "The fall in GDP has led to a reduction of income without which expenses are not going to be revised. All this increases the risk of the budget deficit."

The country's budget deficit is expected to be 6.5% of GDP this year, before falling to 4.2% next, he said.

Analysts argue Ukraine is too dependent on a limited number of heavy industries - such as metal production - making it more vulnerable when foreign demand slows.

The economic contraction has also exacerbated diplomatic problems with Russia, since Moscow is worried about how Kiev will be able to find the funds to pay for significant debts owed on energy supplies.

A dispute in January between Russia and Ukraine - a key transit nation for energy - over gas supplies caused tensions in Europe, which is heavily dependent on such fuel.

On Friday, the EU will hold negotiations with Kiev, Moscow and international lenders to try to prevent a repeat crisis.

## **#25**

### **Eastern Europe Is Uneasy Over U.S. Ties With Russia**

**By Nicholas Kulish**

**New York Times, July 17, 2009**

BERLIN -- The deep concern among America's Eastern European allies over improved relations between Russia and the United States spilled into the open on Thursday when 22 prominent figures, including Poland's Lech Walesa and the Czech Republic's Vaclav Havel, published an open letter to the Obama administration begging not to be forgotten.

In the letter, the leaders urged President Obama and his top policy makers to remember their interests as they negotiate with Russia and review plans for missile defense bases in Poland and the Czech Republic. Abandoning the missile defense plan or giving Russia too big a role in it could "undermine the credibility of the United States across the whole region," the letter said.

The letter was published on the Web site of the Polish newspaper Gazeta Wyborcza and was signed by former presidents, like Mr. Walesa and Mr. Havel, as well as other former heads of state, top diplomats and intellectuals from a broad range of countries, including Hungary, Bulgaria and Estonia.

"Our region is one part of the world that Americans have largely stopped worrying about," the letter said, even though "all is not well either in our region or in the trans-Atlantic relationship."

While the letter covered a range of issues, including the dangers presented to the young democracies in the region by the economic crisis, Russia was clearly central to the worries expressed by the drafters.

"There is the fear among Central and Eastern Europeans that our interest in keeping the trans-Atlantic bond could be somehow sold out to the relationship with Russia," Alexandr Vondra, a former minister of foreign affairs for the Czech Republic, said in a telephone interview from Washington.

Expressing concerns about the growing weakness of NATO, the leaders said that Mr. Obama's call at the recent NATO summit for "credible defense plans for all Alliance members was welcome, but not sufficient to allay fears about the Alliance's defense readiness."

As geostrategic interests from Afghanistan to Iran to North Korea have demanded Russian logistical or diplomatic assistance, anxiety has risen among the states known collectively as New Europe. Russia's invasion of Georgia last August only intensified those fears, as much through the American response as through Russia's own actions.

"The Georgia war exposed that there is a limit to what the United States will or can do to respond to military conflict in the neighborhood," said Angela E. Stent, who served as the top Russia officer at the United States government's National Intelligence Council until 2006 and now directs Russian studies at Georgetown University.

She added that the intentions of the administration toward its allies were not yet completely clear. "Until now, we've heard a Russian policy but not a policy for Russia's neighborhood," Ms. Stent said.

The economic crisis masked these tensions for a while, but the problems never really went away in these countries, where Russia is seen as "a revisionist power pursuing a 19th-century agenda with 21st-century tactics and

methods,” according to the letter, and where any warming of relations between Washington and Moscow raises hackles. Mr. Obama’s trip to Moscow last week did nothing to reassure nervous allies in Eastern Europe.

“We all understand that a deal must come with Russia, but we do not believe that a deal can be made at the expense of the security interests of the countries of our region or of Georgia and Ukraine,” said Eugeniusz Smolar, senior fellow at the Center for International Relations, a nonprofit, nonpartisan research group in Warsaw.

There is also a sense among many analysts and politicians in the region that the new administration does not understand Russia’s true nature - that friendly words from the Russian leadership when Mr. Obama is in Moscow are just words, while events like the murder of a Russian human rights campaigner on Wednesday showed the true state of Russia’s civil society.

The former leaders also warned about threats within their own countries and across Europe, driven by the economic crisis, which had provided “opportunities for the forces of nationalism, extremism, populism and anti-Semitism,” according to the letter.

“Domestically these countries used to be led by idealistic leaders. That’s still the case in some of these countries, but not all,” said Kadri Liik, director of the International Center for Defense Studies in Tallinn, Estonia, who was among the drafters of the letter.

## **#26**

### **‘Abkhazia Will Never Be a Part of Georgia’**

**By Matt Robinson and Olga Petrova**

**Reuters/Moscow Times, July 17, 2009**

SUKHUMI, Georgia — Nearly a year after Georgia’s war with Russia, Abkhaz leader Sergei Bagapsh is determined that Tbilisi will never rule his land again.

Shrugging off international calls for Georgia’s territorial integrity to be respected, Bagapsh said the West needed to come to terms with his Russian-protected Black Sea statelet.

“Abkhazia will never again be a part of Georgia. We are building an independent state, and have no intention of going anywhere,” he said.

Following the five-day war, when Russian troops crushed a Georgian land and air assault on South Ossetia, Russia recognized both rebel territories as independent states — a move followed so far only by Nicaragua. Although the West has so far refused to acknowledge Abkhaz independence, Bagapsh said he still wanted dialogue.

“We are not asking for any help from the West. We are asking only for understanding, understanding that there’s no going back,” Bagapsh said in an interview, conducted late Wednesday.

Abkhazia’s dilapidated seaside capital, paint flaking from villas that were once the playgrounds of the Soviet elite, still bears the scars of 1990s fighting between Abkhaz separatists and Georgian forces. The torched shell of the former communist offices stands gathering weeds, and ruined homes are fenced off in the heart of Sukhumi.

By agreement, Russia has taken charge of securing the region’s borders. Several thousand Russian soldiers are stationed here, and the Russian military is building a naval port south of Sukhumi and an air base to the north.

Russian tourists stroll the seafront, the ruble is the currency, and Russian the lingua franca. Russia is almost the sole source of aid and trade.

In the aspiring country of 200,000 people — many holding Russian passports — some are asking whether Abkhazia has simply swapped Georgian rule for government from Moscow.

“We must understand one thing — no country in the world is absolutely independent,” Bagapsh said in his seafront office.

“They [the Russians] are protecting us, our children. For 15 years we’ve been living not knowing whether war will start tomorrow or the day after,” he said.

Bagapsh rejected renewing talks with the government of Georgian President Mikheil Saakashvili, who has faced an emboldened opposition since the war.

“Today, the leadership of Georgia is an aggressive leadership, whose hands bear the blood of Abkhaz and Ossetians,” he said.

## #27

### **The Job Sharansky Says He Was Born For**

**By Gary Rosenblatt**

**NY Jewish Week, July 15, 2009**

Natan Sharansky, an authentic modern-day Jewish hero, has been in his post as chairman of the Jewish Agency for Israel less than two weeks, and already his fortitude for coping with the bureaucracy and politics that goes with the job is being questioned.

“He put up with KGB torture for years in the gulag without cracking, so I’m hoping he can withstand the pressure,” one prominent American Jewish federation leader told me, only half-kidding.

The Jewish Agency has a proud history dating back to 1929 when it was formed as the pre-statehood governing body for the Jewish people, helping to build the state and bring three million Jews to settle there.

But in recent years, as the quasi-governmental agency of the State of Israel, the American Jewish federations and other international Jewish organizations, it has faced some withering criticism from inside and outside the establishment, charged with maintaining a bloated bureaucracy, harboring political infighting and having outlasted its mandate to serve as an authentic, global Jewish partnership.

Whether Sharansky can make believers out of skeptics is more than an academic question affecting one institution. The future viability of diaspora Jewry, and even much of Israeli life, may well depend on the direction the Jewish Agency takes in the near future in countering widespread assimilation and lack of interest in the Zionist enterprise — in Israel as well — in the 21st century.

Sharansky says that when he was asked, earlier in his political career, to run for the Knesset, and later to become a cabinet member — he has served as deputy prime minister, and headed the trade, interior and housing ministries — he did so reluctantly.

“I was always more than cautious, not to do it,” he said in a phone interview from Jerusalem the other day.

But when Prime Minister Benjamin Netanyahu tapped him last month to chair the Jewish Agency, “my reaction was very different,” he acknowledged, noting that he was eager to take the post. In a way, he said, “this is the job I’ve been preparing for all my life.”

### Off The Pedestal

Sharansky’s biography reads like fiction, and despite setbacks in his political career, he remains a heroic figure to many. Born in the former Soviet Union in 1948, he became a leader in his 20s of the human rights, Jewish and refusenik movements. He was arrested and convicted on trumped-up charges of spying for the U.S. and served almost a decade in Soviet prisons, much of that time in solitary confinement. Finally freed in 1978, he went immediately to Israel to join his wife, Avital, who had worked tirelessly for his release. On the night of his arrival, he was greeted by thousands of Israelis, driven to Jerusalem and carried aloft to the Western Wall.

Sharansky soon founded and led a movement to improve conditions for Soviet Jews, who were immigrating to Israel in huge numbers.

He could have remained an icon, but as he told me when he was about to launch his political career in the mid-1990s, “I am going to come down off the pedestal,” knowing full well that in getting involved in Israeli politics, he was giving up his estimable status.

He was right. In serving in government for most of the next decade, he was respected by some for standing up for his principles and hawkish views, particularly regarding the Palestinians, while criticized by many, including former Soviet Jews, for not serving their needs sufficiently.

Sharansky stepped down from the Sharon government in 2005, in protest of the proposed evacuation from Gaza — he had resigned from other governments in the past — and he may well be more popular outside of Israel than in it. President George W. Bush awarded him the Presidential Freedom Award in 2006, and praised his book, “The Case For Democracy,” which called for promoting freedom around the world rather than working with and appeasing tyrants.

In his new post, Sharansky recognizes that the key to the Jewish Agency’s primary objectives — aliyah, Jewish and Zionist education, and partnership with world Jewry — all hinge on strengthening Jewish identity.

“Our biggest challenge,” he said, “is that our connection with our identity and the land [of Israel] is weakening,” through assimilation and lack of education.

He pointed out that “95 percent of diaspora Jews live in free societies and there is no way they will come [on aliyah] without building their identity.”

This he proposes to do by expanding and coordinating a combination of existing Israel experience programs, like Birthright Israel, the 10-day free trips for 18- to 26-year-olds; Birthright Next, a follow-up program back home; and Masa, a Jewish Agency-sponsored effort to have young adults spend a semester or more studying or volunteering in the Jewish state.

Until now, although Birthright and Masa seem like natural allies, they have been at odds politically, with little cooperation. “The challenge for the Jewish Agency is to coordinate all of these projects instead of fighting and competing,” Sharansky said.

Easier said than done, though a joint agreement between the Jewish Agency and Nefesh B’Nefesh, an organization formed eight years ago that has been widely credited with streamlining the process of aliyah from the West, is seen as an example of a new and welcome form of cooperation.

“I would like to remove the word ‘competition’ from our vocabulary when it comes to bringing Jews to Israel,” said Sharansky, noting that he was a supporter of Nefesh B’Nefesh from the outset.

“One of the lessons I learned from Avital,” he said of his wife, “was ‘don’t be in a hurry to join the establishment.’ She told me that if you do good things, sooner or later the establishment will join and support you and take all the credit” — but the outcome will be positive.

“And that’s what I say today,” as an establishment leader. The role of the Jewish Agency is not to protect its turf, he said, but “to support everyone” working for the common cause.

‘The Ideal Chair’

In our interview, sounding genuinely energized, he stressed the need for creative approaches to reach people, and the unique ability of the Jewish Agency to bridge the gap between Israel and the diaspora and “serve as a united force to keep us from disappearing.”

Despite serious financial concerns, he said that if the programs and projects are exciting enough, the funds will come through.

Sharansky is “spot on,” according to John Ruskay, CEO and executive vice president of UJA-Federation of New York, in recognizing the great need to strengthen Jewish identity in Israel as well as among world Jewry. He calls Sharansky “the ideal chair for the agency at this moment” because “he fully realizes the unique place of the agency in providing a table — not a perfect one — for every part of the community together.”

Others express their admiration for Sharansky’s personal integrity but are more skeptical as to how he will lead, based on his political record. “He tends to act independently,” one official said, “and he has been known to take his marbles and go home when he is not happy. Is being a hero of the Zionist movement enough for this job?”

It should be noted that Sharansky was passed over as a candidate for the Jewish Agency chairmanship four years ago, in part because then-Prime Minister Sharon was upset with his opposing the Gaza pullout.

Steve Donshik, a consultant in Israel who has worked in the area of Israel-diaspora relations for 25 years, said that “for all of the smoke and mirrors” about bringing reform to the Jewish Agency at its meeting last month, “there has been no change and the political interests are still there. And Sharansky is part of [a] structure” that operates more out of deal making than consensus.

Donshik said he is eager to see how Sharansky will square a traditional Zionist message with the need to strengthen Jewish identity around the world.

But Barry Shrage, president of the Combined Jewish Philanthropies of Boston and another professed skeptic, said he is enthusiastic about Sharansky as a leader because “he is a man of courage and vision who stands up for what he believes.”

Shrage noted that with the combination of Sharansky at the Jewish Agency and Jerry Silverman, the incoming top executive at the United Jewish Communities, the umbrella group of Jewish federations in North America, “we have great leadership and a real chance to move forward.”

Sharansky puts it more simply.

“We need one another,” he said of Israeli and diaspora Jews, “for ourselves, and for each other.”

## **#28**

### **The Jewish Agency Has Outlived Its Current Role: A short history, and modest proposal**

**By Stephen G. Donshik**

**NY Jewish Week, July 15, 2009**

In 1929, when the Jewish Agency for Israel (JAFI) was created it was, in effect, the administrative arm of the World Zionist Organization to implement the 1919 Balfour Declaration and establish the “Homeland for the Jewish People in Palestine.”

JAFI's initial activities focused on creating additional communal settlements (kibbutzim) and cooperative settlements (moshavim) throughout the land of Israel. It facilitated Jews coming to Israel and provided specific assistance to Jews from countries of distress. Before the end of World War II it worked in covert ways to by-pass the British authorities, who were interested in restricting the number of Jews in Palestine prior to the founding of the State of Israel. Once Israel was established in 1948, the Jewish Agency focused on aiding the fledgling state in areas where the government could not fully respond. However, the political parties represented in the Knesset also played a role in the governance of JAFI through the WZO.

JAFI continued to support existing settlements and to initiate the founding of new ones. Since there was no government ministry dealing with new immigrants, the JAFI Department of Immigration and Absorption provided these much needed services.

The young state benefited from the support of diaspora fundraising campaigns as contributions were received through the United Jewish Appeal (the predecessor of the United Jewish Communities) in the United States, and the Keren Hayesod in the rest of the Jewish world. For decades thousands of Jewish contributors were able to feel part of the building of the Jewish state through these organizations, and the programs implemented by JAFI were understood to be meeting the crucial needs of the Jewish people in Israel.

JAFI has been governed by those who decide on the services to be provided and who then allocate the available funds for implementing the programs.

Following successive changes over the years it was formally reconstituted in 1971 and its governance was composed of three partner organizations: World Zionist Organization, WZO, (50 percent), the United Jewish Communities, UJC, (30 percent) and the Keren Hayesod, KH, (20 percent).

The governance of JAFI was structured and managed by three entities: The Executive, the Board of Governors, and the Assembly, the largest governing body, all consisted of the proportional representation of the partners.

As Israeli society matured, questions began to be raised about the purpose and function of JAFI both in Israel and around the world. Those raising funds were more critical than the members of the WZO who were the institutional Zionists and were invested in maintaining the formal organizational structure and their political connections to the Zionist political parties.

In the late 1980s it became apparent that there was no longer a need to invest funds in the founding or maintenance of settlements. If they were no longer financially viable they should not continue to exist, and if they were able to function as successful business enterprises they did not need supplementary funds.

Following the immigration of Jews from Arab countries, and the former Soviet Union, and the end of authoritarian regimes in Eastern Europe, there were very few Jews who are in countries of distress and cannot freely immigrate to Israel. At the present time the only two Jewish communities that continue to live in difficult situations are the Jews in Cuba and Iran.

During the last 10 years there have been drastic reductions in the overseas allocations of the Federations of North America through UJC to JAFI and this has been a reflection of the questioning of the need for JAFI's continued existence as an instrument of the Zionist movement.

The key issue today is whether the organizational structure that was so necessary when Jews were in countries of distress is needed today. Should JAFI be promoting aliyah from the "free countries" in the west or can independent non-profits do a better job? Is a large organization necessary to deal with Jewish Zionist education or can this be accomplished by a non-profit organization that can operate more effectively and efficiently?

In a standoff, the community leadership continues to raise these questions and the institutional Zionists argue for the continued existence of an out-dated organizational structure.

Following JAFI's Assembly and the Board of Governors' meetings in late June, the dust is beginning to settle. Although it was reported that there were sweeping changes to JAFI's relationship to the Israeli political system, this was somewhat exaggerated and I sense there was more playing with smoke and mirrors than actual renovations to rehabilitate an ailing institution.

This also holds true for the final approval of Natan Sharansky's appointment as Chairman of the Executive of the Jewish Agency.

Each of the constituents represents different groupings of interested players. For example, the WZO, consists of individual members who represent various Zionist ideologies and political parties. The UJC is composed of representatives from the member Federations, and KH represents its donors from Jewish communities around the world. Although there have been changes in the procedures for nominating and appointing the Chairperson of the Executive of the Jewish Agency, the question is what continues to be the role of the WZO and Israeli political parties in JAFI's governance processes.

In essence, nothing has basically changed. The proportional representation on the newly created nominating committee is the same as all the governance bodies of JAFI (50 percent; 30 percent and 20 percent) as decided in 1971.

The Zionist organizations and the Israeli political system continue to have a strong voice and influence on the decision making of JAFI, as witnessed by the fact that there was one candidate for the Chairmanship last month. JAFI needs to be recreated to meet the needs of the Jewish people in the 21st century and not through a simplified cosmetic process.

The World Zionist Organization - Jewish Agency (Status) Law needs to be amended to reflect both the nature of the Jewish people in the world today and the reality of the modern Jewish State. It is time to redefine the formulation of the governing process and to create a truly world wide voluntary organization. Not one that is "grounded in the American system of volunteerism," as Rabbi Dick Hirsh pointed out in a recent article, but one that truly represents the changing nature of our reality as a Jewish people and our present needs and challenges.

The Jewish Agency's greatest asset is the fact that there are Jews from all over the world and Israel that not only raise funds but also allocate those funds to meet the pressing and emerging needs of our people. It is now time for us to release ourselves from the albatross of an archaic institution that cries out for reorganization. JAFI needs to evolve into an instrument of the Jewish people that can provide leadership and services where and when needed.

The major change is that Israel's voluntary sector is now more developed, and there are organized, functioning non-profit organizations that have strengthened Israel's social fabric. They did not exist in the past and JAFI filled a very important void that was quasi-governmental. Today, though, JAFI should separate entirely from the Israeli government and evolve into an independent international non-profit registered in Israel. (This requires a change in the law since JAFI's present functions are legislated.)

The new JAFI would then become a think tank and foundation that would focus on responding to challenges faced by the Jewish people in Israel and around the Jewish world.

Services would be outsourced to other non-profit organizations, such as Nefesh B'Nefesh, which has refined and improved the aliyah process for new immigrants from Western countries.

Creative and innovative departments like the Department of Jewish Zionist Education should become independent non-profit organizations and do not need to be functional arms of JAFI.

When cleaning house we do not only get rid of the dirt but we also make room for the new additions to our home. The challenge facing JAFI is to become a "Foundation for the Jewish People" and provide the innovative leadership utilizing the full potential resources of the Jewish people in Israel and around the world. It will be a terrible waste if historic institutional commitments prevent JAFI from filling its own destiny to lead the Jewish people and respond to our needs in the future.

*Stephen G. Donshik, D.S.W., is a lecturer at Hebrew University's International Leadership and Philanthropy Program and has a consulting firm focused on strengthening non-profit organizations and their leadership for tomorrow.*

## **#29**

### **Another Voice Silenced in Russia**

**By Tanya Lokshina**

**Washington Post, July 17, 2009**

MOSCOW -- They found the body of my friend Natalya Estemirova on Wednesday. She had been abducted by unidentified men that morning in Grozny, the capital of Chechnya, where she lived and worked as a human rights defender. She was seen being bundled into a sedan and was heard calling out, "I'm being kidnapped!" Calls to her cellphone went unanswered all day; she missed several important meetings, including one at the Ministry of Internal Affairs, and she failed to pick up her daughter as scheduled at 2:30 p.m.

I immediately feared the worst. The night before I had come back from a week of research in Chechnya with Natasha, as she was known, where we documented the extrajudicial executions, torture and -- ironically -- abductions that continue to go unpunished years after the Russian government declared the war there over. Anyone who challenges the authorities risks her life. We don't know who pulled the trigger on the gun that killed Natasha, but responsibility for the climate of impunity in Chechnya goes straight to Moscow.

Natasha was no rabble-rouser. She worked for the highly regarded Russian human rights organization Memorial. She received awards for her work from the European Parliament, the Swedish parliament and Human Rights Watch, where I am a researcher. In 2007, she received an international prize named for her friend Anna Politkovskaya, the journalist who was herself gunned down for her crusading reporting about the Chechen war.

Natasha was dedicated to exposing the gross misrule of Chechnya today. Among the most recent cases she publicized was that of Madina Yunusova, 20, who married a suspected Chechen militant last month. Yunusova's husband was killed in early July. Two days later, security forces came to her house, locked her mother, father and two sisters in the adjacent shed, and used gasoline to set the house on fire. The armed men unlocked the shed as they left, and Yunusova's family managed to put out the fire. The next day, the forces returned -- this time bringing Yunusova's body wrapped in a shroud, along with instructions to bury her "without noise."

As Natasha knew, "noise" is the only weapon against the grotesque abuses that civilians in Chechnya continue to suffer. She was a meticulous researcher, but she was also fierce in her determination not to submit to the fiction, so ardently purveyed by Russian Prime Minister Vladimir Putin and his circle, that Chechnya is quiet and that the problem there has been solved. It has not. House burnings have become a frequent form of collective punishment by local authorities, with at least two dozen incidents in the past year and a half. Suspected militants and collaborators, their relatives and any other perceived enemy of the regime can be tortured, abducted and assassinated.

Natasha had received many death threats and experienced many close calls over the years. Like Politkovskaya's death, her killing was both predictable and avoidable. Russian President Dmitry Medvedev has expressed his outrage at Natasha's death, but that is not enough. The Russian government must launch an immediate and thorough investigation into not only Natasha's death but the full range of human rights atrocities that have unfolded under the leadership of Chechen President Ramzan Kadyrov. That investigation should examine the role of official involvement -- including by Kadyrov.

Natasha is not the first Russian human rights defender murdered this year. In January, a friend of ours, Stanislav Markelov, a prominent human rights lawyer who helped many victims of abuse in Chechnya, was shot in central Moscow. Natasha came to town for his funeral. We sat at my kitchen table talking into the wee hours about Markelov and Politkovskaya and speculating about who would be next.

Now I know.

The killers of Markelov and Politkovskaya are still at large, and the Russian government has shown little political will to seriously investigate the murders of rights defenders. Natasha's death must be the moment this changes. That's where Western governments come in. We Russians have a saying, "The dogs bark, and the caravan moves on." Europe and the United States have found it convenient to let Chechnya slip off the agenda in their meetings with Russian policymakers. The dogs are barking.

*The writer is deputy director of Human Rights Watch's Russia office.*

**#30**

**Reset Reviewed**

**By Mikhail Gorbachev**

**New York Times, July 18, 2009**

MOSCOW -- The past few years have been a very difficult period in relations between the United States and Russia.

Problems remained unsolved and, even worse, mutual trust took a nosedive. As a result, both sides sometimes acted without thinking through the consequences, which were felt not just in the United States and Russia but elsewhere as well.

The recent visit of President Barack Obama to Russia was a first step toward an exit from the deadlocked state of our relations.

In the run-up to the visit, many American pundits asserted that relations with Russia were far from the U.S. administration's list of top priorities. Here in Moscow, some have gone so far as to say that a "cold war is good for Russia." Against such a backdrop, the fact itself that the visit took place may be regarded as a success.

It would of course be an illusion to expect major results so soon after the long years of stalled relations. Yet it would be a mistake to underestimate what was accomplished both at the preparatory stages and during the visit. These first steps are meaningful.

They include agreement on a framework for a future legally binding treaty on reducing strategic offensive arms. In this context, reaffirmation of the interrelationship between these weapons and missile defense was a notable achievement. By accepting it, the Obama administration sent an important signal.

An agreement was reached to resume military-to-military contacts between Russia and the United States, which could make an important contribution to rebuilding mutual trust.

On these issues, the United States showed signs of a more realistic attitude. For its part, Russia took a serious step by agreeing to the transit through its territory of U.S. combat equipment en route to Afghanistan. Given the amount of cargo involved, this agreement required settling a number of difficult technical and legal issues. The fact that they were resolved shows readiness to fight terrorism by deeds, and not just words.

These first agreements are important. No less consequential were statements made by the two leaders during the visit. President Obama said the United States would not try to unilaterally solve priority problems, like combating violent extremism and preventing the spread of nuclear weapons.

In his keynote speech, he said the United States wanted to work with Russia bilaterally as well as together in third countries. That point was noted here, for there is a great deal of lingering mutual mistrust as to the two countries' intentions, particularly in what is called "the post-Soviet space." Changing such attitudes will be difficult, but a start must be made somewhere.

As I see it, one area where the United States and Russia could engage each other in a useful dialogue is relations in Europe. This could help flesh out the idea, put forward by President Dmitry Medvedev, for a new pan-European security treaty. Indeed, the structure of security in Europe can be designed only if our two nations are among its architects. A serious dialogue is therefore in order.

As part of his visit to Moscow, President Obama made a special effort to engage a broad cross-section of Russian society. He showed an ability to listen and sought to persuade his listeners that our two nations have shared interests and compatible values. I hope the president's contacts with the Russian public will contribute to a better understanding of the environment in which our country is making its transition to democracy.

To sum up: There is clearly a more favorable atmosphere between the United States and Russia, as well as some initial results from this first meeting. As they say, well begun, half done. But I know from experience how difficult the other half can be.

So now comes the hard part: consolidating the new atmosphere by following up in all areas of mutual relations. Success must be the work of both sides. It is encouraging that the two presidents will head a joint commission to guide and oversee this work.

The new course in U.S.-Russian relations will meet with resistance from various quarters. There is also the danger that the new relationship could be mired in inertia and routine.

The two presidents must exercise political will to prevent negotiations on important issues from degenerating into an endless tug-of-war.

The results that could be achieved if they truly invest in a new relationship are well worth the effort.

In a world where daunting unpredictable risks are mounting on a daily basis, Russia with its natural and intellectual resources and America with its power and influence must cooperate. The benefits will accrue to them and to the rest of the world as well.

The missed opportunities and mistakes of the past years are a legacy that will not be easy to shake off. But, as Russia and the United States set off on a new course, its promise must be given a chance.