

## U.S.-Russia Relations: Elections Highlight Deepening Divide

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As autumn came many pundits began speculating about how the presidential elections would negatively influence U.S.-Russia relations. A presidential election did indeed negatively influence U.S.-Russia relations – except that it was not the election here in the United States. It was the election that occurred about 3,000 miles away from Washington in the Ukraine. Many press reports in the United States and Russia billed the Ukrainian presidential election as a struggle between Moscow and Washington for the soul of that country. Although this is far from the truth, it nevertheless put a crimp in the already strained relationship between the U.S. and Russia.

### Two Presidential Elections

In the early fall, much attention was given, and justifiably so, to the impending U.S. presidential election and its impact on the future of relations between Moscow and Washington. In the past two presidential elections U.S. policy toward Russia was a barb often employed by the contender against the incumbent administration. There was much speculation in the Russian press about how the Kerry team would attack the Bush administration's "soft" policy toward Vladimir Putin and the Kremlin. There has been much discussion, in fact, in the United States about Bush's relationship with Putin, and the tendency of the U.S. government to "overlook" Putin's penchant to suppress domestic opposition, and to look past the mess in Chechnya. The *Los Angeles Times* editorial page summed up this perception with an article entitled, "Bush's Buddy Vladimir."

In Russia there was speculation about which man would make the best U.S. president for the interests of Russia. Putin seemed to come down on the side of the majority when he openly admitted that he wished to see Bush re-elected. What makes this all the more interesting is that Bush is commonly listed as the foreign statesman least liked and respected by the Russian people, and yet the specter of an overbearing Democratic White House – harping on Russia's human rights policies and lack of a civil society – seems to give Russians even more room for pause.

In the United States there was little debate between the candidates about Russia policy, as most of the discussion centered on domestic issues and the war in Iraq. There has been more discussion, however, since Bush's victory about Russia and how the administration should shape policy over the next four years. Although much of this discussion has been

centered in the press and academic circles, there appears to be some discussion in the administration about a new tack in Russia policy. It remains to be seen whether the United States will decide to become more vocal in its criticism of Russia, or whether it will maintain its policy of quiet support for its strategic ally in the war on terror.

The Ukrainian presidential election, which was closely followed in Russia, only burst onto the radar screen in the U.S. when it became apparent in late November that the vote was blatantly rigged to assure the victory of Prime Minister Viktor Yanukovich. The opposition candidate, Viktor Yushchenko, is much adored in the West and has the firm support of the United States. It was revealed that government-sponsored and private organizations in the U.S. provided financial support to the opposition, as the Russian government had provided both financial and logistical support to the government's candidate. It also came to light that Yushchenko might have been the victim of an assassination attempt through poisoning, and has a grossly disfigured face to prove it. Suspicions even centered on the possible complicity of the Russian special services in this sordid affair. Meanwhile, Putin criticized the U.S. government for meddling in the internal affairs of Ukraine.

After the Ukrainian Supreme Court ruled the Nov. 21 runoff election was invalid, a new vote took place Dec. 26, which resulted in a solid victory for Yushchenko. The West trumpeted his victory as an advance for democracy in Eastern Europe, while Russians lamented the "loss" of yet another part of the traditional Russian/Soviet empire. The widely read Russian newspaper *Argumenty i Fakty* stated that the "crisis in Kiev is a well-planned strike primarily directed at Russia," suggesting that Washington was behind it all. The fact that the western half of the country supported Yushchenko, and the eastern half supported Yanukovich added to the tension. People from the western half of the Ukraine are predominately Catholic and look toward Poland and the West as natural patrons, while the eastern half is predominately Orthodox, and a large Russian-speaking population there looks to Moscow for guidance. It was pointed out that Samuel Huntington's fault line of civilizations crosses through the middle of the country.

Russia has grudgingly accepted the new situation in the Ukraine, but it is yet another issue that adds to the festering feeling of betrayal and isolation from the West that Moscow has felt since the first round of NATO expansion was announced in the early 1990s.

### **Russia's Domestic Situation and the West**

The ongoing drama behind the arrest of the leadership of the Russian oil giant Yukos and the breakup of that company is indicative of Western perceptions of how Russia's democratic experiment is progressing. Not only is Putin seen as crushing domestic opposition, but he is also threatening to alienate foreign investors with his iron-fisted breakup of one of Russia's most successful companies. The truth is always a shade grayer than people claim, but Putin's – and Russia's – image has taken a significant blow because of this episode, and other less publicized events. Yukos' management filed bankruptcy proceedings in a Houston, Texas court in an attempt to protect its assets,

which are being carved up and doled out, primarily to government-controlled energy firms like Rosneft. The Texas court ruled in late December in Yukos' favor, but since the beneficiary of Yukos' breakup and of the Yuganskneftegaz auction is Rosneft, a state-owned firm, it seems unlikely there will be any major repercussions from the ruling.

Putin's response to the Beslan tragedy is another issue that has clouded relations. As alluded to in last quarter's column, the Russian government's reaction has been to clamp down further on civil liberties, and Putin announced his intention to appoint regional governors rather than have them directly elected. There has also been an alarming tendency in Russia for opponents of the government, whether in the legislature or the mass media, to be silenced or emasculated. So powerful has the Kremlin become that the liberal bloc and the Communist party briefly flirted with the idea of forming a coalition.

These trends, along with the setbacks in attempts at energy cooperation and in joint counterterrorism efforts, have caused some rethinking in Washington. As the *Washington Post* wrote, "Bush and his team are evaluating their approach to Putin." During the APEC summit in Santiago, Chile, President Bush felt enough pressure from critics in the United States to talk to Putin about "democratic values," and reportedly pressed Putin on political reform. Secretary of State Colin Powell also publicly chided Moscow for its interference in the Ukrainian election. Powell's replacement, however, may be more hesitant to voice displeasure with Moscow. It has been speculated whether Condoleezza Rice's move to the State Department will herald a new shift in relations with Moscow. Many, however, are doubtful Rice will steer the change in course. "Condoleezza Rice is probably too pragmatic to sanction such a key ally as Russia for democratic backsliding," wrote a columnist for *RIA Novosti*.

### **Strategic Relations and Eurasia**

U.S.-Russian strategic relations have reached a crossroads. In this column this author has argued that since 2001 the two governments have been skating over their differences in order to forge a bond against terrorism and the specter of a rising China in the Far East, which has left the leaders of both countries with a sense of disquiet. But the actions of the Kremlin both at home and in Chechnya have alienated many potential supporters in Washington, while Washington's seemingly endless game—at least in Russian eyes—of null reciprocity (NATO expansion, ABM withdrawal, the establishment of military bases in Central Asia, etc., without offering Russia any sort of *quid pro quo*) has left many in Russia with an image of the United States as a patronizing "friend" with no sense of compassion.

Perhaps in partial response to this, Vladimir Putin announced a serious upgrade of the Russian strategic nuclear arm in November. This includes a modernization program for the dilapidated strategic missile system and the construction of three new nuclear submarines. An analysis in *Moskovskie Novosti* expressed a typical Russian explanation:

“Strategic missiles remain the only chance to make the world respect Russia in the near future.”

Pulling out an old card, the Russian government has also announced a series of large-scale military exercises with China in 2005. The attempt to bolster relations with China goes hand in hand with attempts to reenergize relations with India as well. There is even talk of a “strategic triangle” that former Prime Minister Evgenii Primakov was so fond of. In a December visit to New Delhi, Putin said that he felt cooperation among Russia, India, and China “would make a great contribution to global security.” Also while in New Delhi he warned that unilateralism was a dangerous trend for the world, an obvious reference to the United States. Although India and China are somewhat lukewarm toward the idea of an axis, they both continue to buy large numbers of sophisticated weapons systems from Russia.

Moscow also aspires to play the energy card to gain leverage in Asia. The Russian government finally announced that it would go ahead with a Taishet-Nakhodka route for the oil pipeline to the Pacific, a route that favors Japanese interests. China had lobbied strongly for a pipeline to Daqing in northeastern China, and is no doubt disappointed with the decision. But to help ease the sting it has been announced by the Russian government that the China National Petroleum Corporation (CNPC) will be allowed to take a 20 percent interest in the Yukos subsidiary Yuganskneftegaz, which was recently auctioned off by the government. The Yuganskneftegaz auction was controversial. It was widely expected that a state firm – either Gazprom or Rosneft – would gain a controlling share, and that seems to have transpired when mysterious shell company Baikal Finance won the bid. The details of this transaction are still being sorted out, but it appears that Rosneft was the winner.

In spite of the announcement of a pipeline to the Pacific port of Nakhodka, Russia’s diplomatic relations with Japan have been thorny. Putin announced on two different occasions over the past few months that the Russian government was prepared to honor the 1956 Japan-Soviet Joint Declaration that stipulated the handover to Japan of two of the disputed islands north of Hokkaido after the signing of a peace treaty. As in the past, Japan did not bite. During the APEC summit in Santiago, Prime Minister Koizumi Junichiro told Putin during a brief meeting that Japan’s demands for all four islands had not changed. Putin’s proposed visit to Japan in early 2005 seems to have been pushed into the Spring, and it remains to be seen whether it will actually come off. Russia’s attempt to play an active role in Korean Peninsula security issues has stalled along with all diplomatic activity there.

For the past four years the Bush administration has periodically chided Russia for its policies at home and in Chechnya, while touting the strategic partnership. It now appears there is domestic and international pressure for the United States to either sit at the table or leave. 2005 could be a watershed year for U.S.-Russian relations. It will be up to the Bush administration to decide whether it wants to maintain the strategic partnership with Moscow in its current form, or whether Bush and his team will opt to become constructive critics of Vladimir Putin and the “New Russia.” Whichever decision the

Bush administration makes, it will have a profound impact on the international system in East Asia, where China looms as a giant both physically and in the minds of people of all nations. At this point it is too early to say whether the triangular relationship among Beijing, Moscow, and Washington will become a zero-sum relationship, but the potential for it to become so is certainly there, given the vicissitudes of U.S.-Russian relations.

### **Chronology of U.S.-Russia Relations October-December 2004**

**Oct. 3, 2004:** Russian Finance Minister Alexei Kudrin visits Washington, where he meets with U.S. and international business leaders to discuss trade and investment in Russia.

**Oct. 11-12, 2004:** Russian Foreign Minister Sergei Lavrov visits Tehran to meet with Iranian leaders.

**Oct. 18, 2004:** Russian President Vladimir Putin, in an interview, admits he would prefer U.S. President George Bush re-elected, rather than having a Democratic administration.

**Oct. 19, 2004:** U.S. State Department says that it is concerned about the proposed sale of a unit of the Russian oil company Yukos, saying that it is being done under “coercion.”

**Oct. 26, 2004:** Deputy Secretary of State Richard Armitage leads a U.S. delegation to Moscow and Kazakhstan to discuss cooperation in the war on terror. In Moscow, Armitage meets with Russian Deputy Foreign Minister Sergei Kislyak.

**Oct. 29, 2004:** The Russian government summons the U.S. chargé to protest a Pentagon claim that Russian soldiers spirited away hundreds of tons of explosives from a site in Iraq just before the U.S. invasion.

**Oct. 31, 2004:** The first round of presidential elections in Ukraine takes place and Prime Minister Viktor Yanukovich and opposition candidate Viktor Yushchenko survive to the second round runoff.

**Nov. 2, 2004:** George Bush re-elected president.

**Nov. 7, 2004:** In an interview on Moscow television U.S. Ambassador to Russia Alexander Vershbow reiterates the concern of the U.S. government about the prosecution of the Russian oil company Yukos and its leadership.

**Nov. 19, 2004:** Martin Malia, brilliant Russian historian at the University of California-Berkeley, dies.

**Nov. 20, 2004:** In a 40-minute meeting at the Asia-Pacific Economic Cooperation (APEC) summit in Santiago, Chile, President Bush expresses concern to Vladimir Putin about the progress of democracy in Russia.

**Nov. 21, 2004:** The Russian government agrees to a deal to wipe out up to 80 percent of the debt owed by Iraq to the Paris Club creditor nations, of which Russia is a member.

**Nov. 21, 2004:** Second round of the presidential election in Ukraine results in a victory for PM Yanukovich, but the results are disputed by international observers and the Ukrainian Supreme Court annuls the elections and calls for a new round.

**Nov. 23, 2004:** Russian government accuses the U.S. government of “unprecedented interference” in the domestic affairs of Ukraine after the U.S. protests the results of the second round of the Ukrainian presidential elections.

**Dec. 3, 2004:** Putin begins a four-day trip to India and Turkey to discuss energy cooperation and potential arms deals.

**Dec. 15, 2004:** Yukos files for bankruptcy protection in a Houston, Texas court in the hope of preventing the forced sale of its main subsidiary.

**Dec. 23, 2004:** Speaking at a Kremlin news conference Putin criticizes the West for its “double standards” in speaking about the political situation in Russia and Ukrainian elections, and suggests that the U.S. election system is also flawed.

**Dec. 26, 2004:** Opposition leader Viktor Yushchenko, seen as pro-West, wins Ukraine’s presidency with over 52 percent of the popular vote, in the second runoff. The U.S. government hails his victory.

**Jan. 1, 2005:** The Texas Longhorns defeat the Michigan Wolverines 38-37 to win the 91<sup>st</sup> Rose Bowl in Pasadena, California.