

U.S.-Russia Relations:
Partnership or Competition?

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In the second quarter of 2003, the war in Iraq brought to light fundamental differences between the United States and Russia that some seasoned observers had been claiming existed between the two erstwhile allies, even as Moscow and Washington forged a partnership in the war against terrorism. It has become clear that Russian President Vladimir Putin, with an eye to upcoming Duma and presidential elections, has heeded advisors that have been warning him about being too accommodating with the United States. In addition, the Russian public has clearly voiced its opposition to the actions of the United States government across the globe. This was reflected in the coolness toward Washington prevailing in ruling circles in Moscow during the Iraq war, and the official refusal to back U.S. actions in the Middle East. Washington, however, has steadfastly maintained its strategy of accommodation with Moscow, and has been eager to enlist Russian support in the Middle East and maintain the partnership in the war on terrorism.

With the end of hostilities in Iraq, the Russian government has again changed tack somewhat and has publicly reaffirmed its desire to maintain a constructive relationship with the United States. The June summit meeting between Presidents Bush and Putin in St. Petersburg smoothed over the tense spots in the relationship somewhat. Energy issues continue to unite the two nations economically. Meanwhile, Moscow and Washington remain actively engaged on the Korean Peninsula, and have both called on Pyongyang to not develop nuclear weapons.

Middle East Issues

Vladimir Putin's public stance – in line with France and Germany – against the war in Iraq left many officials in Washington somewhat taken aback. It had been expected that there would be little opposition to the war from Moscow, and that Russia might even openly support U.S. actions. But a reading of the public pulse in Russia and an understanding of the domestic political agenda would have enlightened many of these officials of the need for Putin to draw a line in relations with Washington.

The shoring up of the relationship with Washington during his first three years in office was a great accomplishment of which Putin remains proud. Nevertheless, few in Russia see the relationship as a two-way street. Many feel that Russia has acquiesced to too

much (e.g., NATO expansion, war in Yugoslavia, the death of the ABM Treaty, a large U.S. military presence in Central Asia) in pursuit of better relations with the United States. They feel that Russia has received very little in return. Summing up the overwhelming public sentiment across Russia, one prominent Russian columnist asked, “Why fool ourselves ... about a partnership that exists in words only and bears no material benefits?” A *Wall Street Journal* article discussed why many Russians wanted the United States to lose in Iraq. In a Moscow poll taken at the end of March, 83 percent said they were angered and disgusted by U.S. policy. Six out of 10 said the United States was after Iraq’s oil. Five out of 10 said the United States simply wanted to show who was “master of the world.” Putin dismissed many of the public findings and said that “for political and economic reasons, [Russia] is not interested in the defeat of the United States.” Nonetheless, Putin made it known that he felt the war was a “mistake.”

In spite of Russia’s opposition to the war in Iraq, leaders in the U.S. did not seem too put off by Russia’s actions. There was an initial backlash among the American public amid revelations that Iraqi forces were using Russian military technology and that Russian officials in Baghdad were either officially or unofficially aiding the Iraqi leadership. But this died down as quickly as U.S. forces took the capital. There was much more official and public resentment in the United States toward America’s two NATO allies, France and Germany. The general feeling in Washington was to forgive Moscow for its actions, recognizing the strains Russia has been under.

Certain officials in Washington publicly chastised Russia and called for Washington to leave Russia out of any postwar role in Iraq. Foremost among these was Richard Perle, unofficial advisor to Defense Secretary Donald Rumsfeld and Vice President Dick Cheney, who claimed that Russia’s foreign policy is still dominated by the “ghost of Andrei Gromyko,” and then said that Russian bitterness over the Cold War still lingered in Moscow.

But this view was not widespread. U.S. National Security Advisor Condoleezza Rice visited Moscow in early April and was followed in May by Secretary of State Colin Powell. They both paid visits to explain the U.S. position, and they both reaffirmed the Bush administration’s desire to continue to work closely with the Kremlin in the war on terrorism. Rice made a much-publicized appeal to “forgive” Moscow’s transgressions, while “punishing” France. The Russian government even said that it might be prepared to forgive part of the Iraqi debt owed to Russia (roughly \$8-\$10 billion), after an initial hesitation to agree with such a proposal that had been introduced by the U.S. government. Contradicting statements by some of his top aides, Putin was quoted as saying, “On the whole the proposal is understandable and legitimate ... In any event, Russia has no objection to such a proposal.”

The war in Iraq and its overwhelming denouement did, nevertheless, highlight some of Russia’s deepest insecurities. While recognizing the inevitability of a U.S. victory, many of Russia’s top military analysts and experts predicted and hoped for a somewhat drawn-out campaign, with a measure of U.S. suffering. One who never doubted a quick U.S. victory was respected analyst Pavel Felgenhauer, and he wrote after the war that, “the

speed and decisiveness of the offensive has bewildered many [experts in Russia].” Felgenhauer also alluded to the “shock and awe” the U.S. campaign imparted to Russian military leaders, who once again were given a demonstration of the overwhelming strategic and tactical superiority of the United States and U.S. forces.

Nikolai Petrov, an analyst with the Russian Academy of Sciences, explained the visceral anti-American reaction of the Russian public as “an explosive mix of Soviet and post-Soviet phobias and complexes, linked together by the painful experience of loss of superpower status.” This was all the more the case given Russia’s continued problems quelling the guerilla conflict in Chechnya. The U.S. government continued to give Chechnya little consideration – perhaps the one concession Washington was prepared to give Moscow. The Russian press and the Russian public, meanwhile, wondered: who will be after Iraq? The business daily *Kommersant* wrote, “appetites grow with war,” and speculated whether the United States might move next against Syria or Iran.

By the time hostilities in Iraq ceased, Iran became the next hot-button issue in U.S.-Russian relations. Of ongoing concern to Washington has been Moscow’s assistance to Iran’s burgeoning nuclear power program. Russia has helped Iran construct a 1,000-megawatt, light-water reactor in the city of Bushehr and is considering additional nuclear power projects. Russian scientists are rumored to be helping Iranian scientists in an illicit nuclear weapons program. The Russian government has denied this, and it also has been much more assertive in recent months toward Tehran in insisting on a peaceful nuclear program.

By May, disturbing reports from the International Atomic Energy Agency (IAEA) were getting back to Moscow, and the Putin administration began openly backing the U.S. position with regard to the Iranian nuclear program – essentially announcing a policy of “no tolerance” to Iranian nukes. U.S. State Department official John Bolton was encouraged by a May visit to Moscow, where he met with high-ranking Russian officials to discuss Iran’s nuclear program. Although Russian officials vowed to continue with the nuclear energy program at Bushehr, the officials promised to be much more vigilant. When Colin Powell visited Moscow later in May, Putin reportedly expressed a new concern about Iranian intentions. Russia appeared ready to pressure Iran when it backed a statement issued at the G-8 summit in Evian, France calling for new IAEA inspections in Iran. Putin said that Russia would halt new nuclear exports until Iran agreed to more stringent inspections at its nuclear facilities. Later there were contradictory signs emanating from Moscow over this matter, but Putin seemed determined to avoid alienating the U.S. on this issue.

North Korea’s Machinations

Over the last few years Russia has looked to play a stepped-up role on the Korean Peninsula as part of a diplomatic resurgence in Northeast Asia. Moscow was particularly active in Pyongyang in the later part of 2002 and early in 2003 as it attempted to persuade the DPRK to be more cooperative and at the same time get a leg up on both China and the U.S. The effort went for naught, however, as Pyongyang has continually insisted on

direct negotiations with Washington. During the Spring of this year, Moscow has been much less active toward Pyongyang and has for the most part deferred to Washington. Russian leaders have, however, continued to insist on being involved in any multilateral agreement on the Korean Peninsula. Russia fears the outbreak of war on the Korean Peninsula for obvious reasons, as the Russian-DPRK border is less than 100 miles from Vladivostok.

Russian economic interests, meanwhile, have driven the government to take a role in trying to link the trans-Siberian railroad with a trans-Korean railroad. Russia has promoted this scheme for the past several years to help the beleaguered economy of the Russian Far East become a vital part of the Asian market. Asia-European trade amounts to almost \$600 billion annually, and Russia would very much like to get a portion of this trade routed through its own country. Although upgrades to the Siberian railroad and to port facilities will likely cost up to \$5 billion, the potential to accrue up to \$1 billion annually in transit fees from the shipment of goods between Europe and Asia is an attractive incentive. This is almost equal to the amount of money Russia receives from arms sales to China (if averaged annually).

Asia-Pacific Interaction

Russia's economic interests are also deeply tied to the Sakhalin energy projects, which have garnered great attention over the past few years. U.S., British, Dutch, Japanese, Korean, and even Indian companies have become deeply involved and committed to these projects which will run each of the companies commitments' into the hundreds of millions – or billions – of dollars. Exxon-Mobil took a positive step forward in this direction when it announced in late June that it had awarded transport contracts of close to half a billion dollars to two Russian firms.

Further west in Siberia the Chinese and Japanese governments are trying to outdo one another in attracting a pipeline that would transport oil (and maybe one day natural gas) from the oil fields of Angarsk west of Lake Baikal. China has promoted a pipeline running directly into China, terminating there. Japan has promoted a line to Nakhodka, the Pacific port just south of Vladivostok, from which the resources could be shipped anywhere in the world, but most of which would be bought by Japan. The Russian energy firm Yukos favors the China route, while the Russian government-sponsored pipeline firm, Transneft, is promoting a Nakhodka route. The Japanese government had even offered to put in more than a billion dollars of investment into the Russian Far East to help make the Nakhodka route more attractive, and so it was discouraged to hear in late April that the Russian energy firm Yukos had been given the green light by the Russian government to go ahead and develop a pipeline into the northeast Chinese city of Daqing. Japan responded by upping the ante: in late June, Japanese Foreign Minister Kawaguchi Yoriko flew to Vladivostok to meet with Deputy Prime Minister Viktor Khristenko.

According to the *Nikkei Shimbun* Kawaguchi told Khristenko that the Japanese government was prepared to put up to \$7 billion into the development of the Siberian fields necessary to feed the Nakhodka pipeline. But, by the end of June, it was still unclear where the pipeline was headed, though Putin announced that for practical reasons he favored a Nakhodka route.

On the other side of Asia, the dynamics surrounding China and India and the situation in South Asia have obvious implications for both Russia and the United States, not only in the war on terrorism but for the overall strategic picture in East Asia. The China-Russia strategic partnership has been somewhat reawakened after a post-Sept.11 hiatus. China's new president, Hu Jintao, visited Moscow and St. Petersburg in late May, on the eve of the St. Petersburg summit. The two leaders discussed cooperation in energy, space, and the war on terrorism in Central Asia. Hu discussed China's desire to further modernize its armed forces with Russian weapons systems. After the meeting, Putin stated that China-Russia relations were "at their highest level ever." The atmospherics have perhaps never been better between Beijing and Moscow. The terminology "multipolar" has slowly crept back into China-Russia dialogue. This term has been used in the past to criticize Washington's perceived attempt to create a unipolar world order. China was, at least publicly, less put off by U.S. actions in Iraq, but both Beijing and Moscow are willing to utilize the card of the "China-Russia strategic partnership" to counter Washington diplomatically.

Russia, meanwhile, continue to woo India and a series of arm deals were announced this spring, including the final delivery to India of several Russian-built frigates armed with the latest in weapons systems. Beijing is less than happy that Moscow provides Delhi with the latest systems, while Beijing has to be content with systems that are usually one generation behind. In May, five Russian warships, including the Black Sea Fleet's flagship missile cruiser, and an equal number of Indian warships, led by the aircraft carrier *Viraat*, participated in exercises off of India's coast in the Arabian Sea, the first joint naval maneuvers held by India in Russia. There was some speculation in the Russian press that the joint Indian-Russian naval maneuvers in May were aimed at China. Others felt that they were aimed at the United States.

Interestingly, Russian arms sales in Southeast Asia have become a factor in the four-way U.S.-Russia-China-India relationship. Russia hopes to sell weapons systems to traditional U.S. clients, much as the United States looks to supplant Russia as the supplier to traditional Soviet clients in Eastern Europe and Central Asia. Aided considerably by anti-U.S. feelings in Southeast Asia, Russian arms dealers have made inroads there. Russia has recently been able to sell fighter aircraft to both Malaysia and Indonesia. Indonesia ordered 48 Sukhoi-30 and Su-27 interceptor/ground-attack aircraft during the April visit to Russia of President Megawati Sukarnoputri. Malaysia also signed a deal for 18 advanced Su-30MK fighters, choosing these over U.S.-made F-18 Super Hornets.

India stands to benefit from these sales as well. Indian officials have said that Kuala Lumpur's decision to buy the Russian fighters would increase India's strategic and business interests in Southeast Asia, as it is expected to provide training and servicing to

the Royal Malaysian Air Force for its new Su-30s. India hopes to increase its still-marginal influence in Southeast Asia, and if it can utilize its relationship with Russia to do so, then so much the better. Nevertheless, recent overtures have also been made to China as well, and Prime Minister Atal Behari Vajpayee made an historic visit to Beijing in late June. There are also reports that India has expressed interest in joining the Shanghai Cooperation Organization (SCO) along with China and Russia. The hope in Moscow is to create a “Eurasian NATO.” Although the United States is not a member of the SCO, Indian leaders have also made great efforts to shore up India’s relationship with the U.S.

Russian leaders continues to play the “Eastern Great Game” by courting China, India, Japan, and the United States simultaneously, but some observers warn that the Kremlin should be careful in doing so. A well-known political analyst in Moscow, Andrei Piontkovsky, asserts that Russia should not lean too heavily toward China in any diplomatic game with the U.S. He writes that, “the triangular relationship between Russia, the United States, and China will be the most important for Russia as far as its security in the 21st century is concerned. And in this connection, it is vitally important for Russia to have closer relations with the United States than China does.”

Given the war in Iraq, the growing weariness among the Russian public toward what is seen as an overbearing attitude in the U.S., and the elections in Russia during the coming year in Russia, the U.S. and Russia can be said to have weathered the latest downtick in relations quite well. But this year could still hold great unpleasantness. Putin will continue to tread a careful line: he will not be too outwardly friendly toward the Bush administration, yet he will be careful to not undo the work of the past three years. Leaders in Washington, meanwhile, are likely to continue to view relations with Moscow as secondary to other more pressing issues, namely Iran, the Middle East peace process, and North Korea. They will court Russian leaders when it seems expedient. Insofar as this is understood quite well in Moscow and around Russia, do not expect the relationship to develop too far beyond the cautious dance that now defines the relationship. The U.S.-Russian “strategic partnership” is still in its infant stages and it will need a lot more nurturing before it can be said to rest on a firm foundation.

Chronology of U.S.-Russia Relations **April-June 2003**

April 3, 2003: Supreme Mufti Talgat Tadzhuiddin of Russia announces that his organization (representing all practicing Muslims in Russia) has declared *jihad*, against the United States and would raise money to “buy weapons for fighting America and food for the people of Iraq.” Tadzhuiddin is warned that his call for a holy war against the U.S. was illegal and he will be prosecuted if he repeats it.

April 6, 2003: A convoy of Russian diplomats and journalists evacuating Baghdad comes under fire from U.S. forces. Several are wounded. Media reports claim that Washington had asked the diplomats to leave on suspicion that they had aided Iraqi forces.

April 7, 2003: U.S. National Security Adviser Condoleezza Rice holds talks with Russian President Putin in Moscow. Rice also meets with presidential chief of staff Alexander Voloshin, Foreign Minister Igor Ivanov, and Defense Minister Sergei Ivanov.

April 9, 2003: Russia announces that it is withdrawing peacekeeping contingents from Kosovo and from Bosnia-Herzegovina, citing the end of the mission and a lack of funding.

April 9, 2003: Thousands demonstrate outside the U.S. Embassy in Moscow against the war in Iraq. Compared to demonstrations against the war in Yugoslavia in 1999, passions are mostly calm and the crowd, estimated between 30,000 and 50,000, is far smaller than organizers expected.

April 17, 2003: Russia announces that it will back a \$4.5 billion oil pipeline project to boost crude oil exports to the U.S. The government orders a feasibility study of the pipeline (from west Siberia to the northern city of Murmansk), which is scheduled to be commissioned in 2007-2009.

April 20-23, 2003: During a visit by Indonesian President Megawati Sukarnoputri, Indonesia's military chief Gen. Endriartono Sutarto announces that his country is planning to buy 48 Sukhoi fighter jets from Russia. Jakarta promises to purchase an initial batch of two long-range Su-27s and two Su-30s for delivery this year and at least another 44 planes over the next four years.

April 28, 2003: Russia announces that a U.S. "spy" submarine has been detected near the coast of the Kamchatka Peninsula. The headquarters of the Russian Northeastern Forces says that a Los Angeles-class submarine had been following the Northeastern Forces' exercises when it was detected in Avachinsky Bay.

April 30, 2003: Russian Deputy Prime Minister and Agricultural Minister Alexei Gordeyev arrives in Washington to meet with U.S. leaders in hopes of ending friction over Moscow's opposition to the U.S.-led war on Iraq. Besides meeting with U.S. Vice President Dick Cheney, Gordeyev meets with Agriculture Secretary Ann Veneman to discuss U.S. exports of chicken products to Russia.

May 3, 2003: Russian warships pass through the Suez Canal for the first time in 15 years to take part in exercises with the Indian Navy in the Indian Ocean. The maneuvers are Russia's first joint naval exercises with India.

May 5, 2003: In a bid to increase pressure on Iran and North Korea to abandon their nuclear ambitions, U.S. Under Secretary of State John R. Bolton travels to Moscow to meet with key Russian officials.

May 14, 2003: The Duma ratifies a landmark nuclear deal with the U.S. that slashes nuclear arsenals by two-thirds. The U.S. Senate approved the accord in March but the Duma postponed its vote amid criticism of the U.S. war in Iraq.

May 14, 2003: To defuse tensions between the U.S. and Russia, Secretary Powell travels to Moscow to meet President Putin.

May 22, 2003: President Putin sends a note to President Bush saying that Russia is interested in expanding cooperation with the United States. The note is delivered to Bush in Washington by visiting DM Ivanov, who also holds talks with Defense Secretary Rumsfeld, and with National Security Adviser Rice. During his meetings Ivanov hints at U.S.-Russian cooperation on an ABM system.

May 27, 2003: The U.S. Department of Energy announces a \$466 million deal to build two coal-burning power plants for Russia in return for a Russian promise to close three plutonium-producing reactors considered among the most dangerous in the world.

May 31, 2003: Bush and Putin meet at the St. Petersburg summit to celebrate the 300th anniversary of the founding of Russia's "northern capital." Putin also meets with other world leaders including Chinese President Hu Jintao and Japanese Prime Minister Koizumi Junichiro.

June 7, 2003: Poll finds that most Russians dislike George Bush. Sixty percent of respondents said they disliked the U.S. president, and only 17 percent held the opposite view.

June 16, 2003: Russian FM Ivanov launches a trip across Asia, including to India, Pakistan, and Cambodia, as part of Moscow's "Look East" policy.

June 18, 2003: The U.S. firm Exxon-Mobil announces two contracts with a value of \$400-600 million are awarded to two Russian firms, which will transport Sakhalin oil and gas to Japan and South Korea.

June 18, 2003: The Indian Navy takes possession of the *INS Talwar*, a 4,000-metric ton Krivak-class frigate, first of three Russian-built warships that boast "stealth-type" technology.

June 28-29, 2003: Japanese FM Kawaguchi travels to Vladivostok and meets with Russian Deputy PM Viktor Khristenko. She stresses Japan's desire for oil pipeline to the Pacific port of Nakhodka.