

Russia Is Wary of Liberal Imperialism

by Rachel Douglas

During a press conference in Sea Island, Georgia, at the conclusion of the Group of Eight summit on June 11, Russian President Vladimir Putin startled his listeners with what appeared to be a defense of U.S. President George W. Bush, in connection with Iraq. "I have heard," said Putin, "that in the course of the electoral campaign he is frequently attacked by his political rivals over the situation in Iraq. In my view, and I am deeply convinced of it, they have no moral right to do this, since they followed exactly the same policy. Suffice it to recall the events in Yugoslavia. They did exactly the same thing, but now, you see, they don't like what Bush is doing in Iraq."

Putin referred to the U.S. Presidential campaign, but his audience was largely European, and therein lies a clue for understanding a whole series of remarks by the Russian President in recent weeks.

In discussions on June 19, Lyndon LaRouche offered the following assessment of the latest of these remarks by Putin—Putin's acknowledgment that Russia had passed to the U.S.A., before the war, intelligence on Iraqi contacts with international terrorist organizations. While not commenting on the accuracy of the published anonymous source reports to which Putin was responding, LaRouche said that Putin was aware and very angry at the Western European powers, including Germany, for targeting Russia through the policy of the European Union. Russian sources have expressed clear awareness to LaRouche's associates, that there are factions within the European NATO powers, wishing to use the EU as a new imperialist power to loot the countries of the former Soviet Union, in a virulent form of European colonial exploitation. The Russian state, LaRouche reiterated, is well aware of the intentions of these European circles. Therefore, from the standpoint of Russian interests, Putin's preference is to maintain good relations with the incumbent U.S. Administration, lest a new U.S. Administration come into power in November, that might be friendly to this Euro-centric circle, promoting EU power at the expense of both the U.S.A. and Russia.

What NATO Should Be Doing

Putin launched this theme nearly a month ago, publicly addressing the role of NATO in current history. On June 3, after meeting in Moscow with President Kostunica of Serbia, Putin spoke out about the reconstruction of Serbia, including

the damage from the NATO bombing of Belgrade starting in the Spring of 1999, prior to the ouster of Slobodan Milosevic as President. Putin said, "I personally think that the restoration of Serbia's economy should be funded by those who destroyed the infrastructure of Serbia and Montenegro," adding, "I am deeply convinced that if the international community had had the courage and strength to prevent the bombing of Belgrade, there would not be such a difficult situation in the Iraq crisis today."

Then, at the June 11 Sea Island press conference, Putin gave a biting, ironical answer to a question about proposals to bring in NATO forces to help police Iraq. "It wouldn't be bad for NATO to take this up—it would give them an enemy; to start with, I think they would get a reliable enemy for many years to come, and they would have something to do. Well, maybe that would make life easier for us in some areas," said Putin, before proceeding to a serious reply, in which he restated Russia's position that the stabilization of Iraq must be done under the aegis of the United Nations.

Finally, at a June 18 press conference in Astana, Kazakhstan, Putin confirmed reports that Russian intelligence agencies had passed to the United States, information on alleged Iraqi plots to commit terrorism against the U.S.A. in the post-9/11 period. The incident began on June 17, right after the U.S. commission investigating Sept. 11 announced its finding that there were no links between al-Qaeda and Saddam Hussein. An anonymous Russian intelligence source told Interfax: "The conclusions of the Special Commission don't reflect the full picture of events around the onset of the Iraq war. . . . Russian services also possess no documentary evidence of links between the overthrown Iraqi President and Al-Qaeda. In early 2002, however, Russian services received information about the intentions of Iraq's special services to organize terrorist actions on the territory of the United States, as well as against U.S. embassies and military bases in other countries." The anonymous source said that "this information was repeatedly conveyed to the U.S. partners in oral and written form," adding that when "investigating the preconditions of development of the Iraqi crisis, it is necessary to consider all aspects, including the immediate threat to the United States from the regime of Saddam Hussein."

The newspaper *Vedomosti* asserted that the disclosure of this information "was undoubtedly okayed from the top leadership." Mikhail Margelov, head of the Foreign Affairs Committee in the Russian Federation Council, commented that "Moscow has always doubted Hussein's links to Al Qaeda, yet, at the same time, does not want George W. Bush to be defeated."

In Astana, Putin was asked if the reports were true. He replied: "I can confirm that after Sept. 11, 2001 and before the beginning of the military operation in Iraq, Russian intelligence did repeatedly receive this sort of information, indicating that official agencies of Saddam's regime were preparing terrorist actions on U.S. territory and against U.S. military

and civilian targets abroad. This information was, indeed, conveyed to our American colleagues. . . . And U.S. President George Bush had the opportunity to thank personally—and did so—the leader of one of the Russian special services for this information, which he considered very important. Whether or not this is grounds to say that the U.S.A. acted under conditions of necessary defense, I don't know. That is a separate topic."

As on the other occasions, Putin spoke very carefully. Asked if the intelligence communications indicated that Russian policy toward the U.S. invasion of Iraq had changed, he replied, "No, it has not. . . . We believe there are specific procedures, provided for under international law, for the use of force in international affairs. And these procedures were not followed in this case. I'll add just a couple of words about the Iraqi events. Information that the Hussein regime was preparing terrorist acts is one thing: We had such information, and we conveyed it. But we had no information on their complicity in any terrorist acts whatsoever. These are two different things."

Confirmation From Primakov

A June 23 article by senior Russian statesman Yevgeni Primakov, former Prime Minister, Foreign Minister, and Foreign Intelligence chief, confirmed LaRouche's evaluation of Russian concerns about a European brand of imperialism. Writing in the Nixon Center's *In the National Interest* periodical, under the title "Iraq at the Turn: Auditing Arrogance," Primakov warned against some Europeans' desire for a U.S. defeat in Iraq, at the expense of a solution to the crisis. Within a thorough and complex analysis of the current situation in Iraq, Primakov expressed Russian concern over how some people in Europe are now viewing the war chiefly as an opportunity to deal a defeat to the United States. Warning against this as a dangerous posture, Primakov—who has served as an advisor, and sometimes special emissary, for President Putin on sensitive foreign policy matters—provided context for the recent statements by Putin, which appeared to "defend" President Bush.

Here is the concluding passage of Primakov's article, with emphasis added: "As a result of the failure of a policy of unilateral regulation of the crisis in Iraq, the United States has undertaken a course toward greater involvement of the United Nations in the process of stabilizing the situation in Iraq. This turnabout, something that President Bush totally avoided at the start of the Iraqi operation, is now considered by Washington as a device that will, first, diminish criticism of the United States for its illegitimate use of force in Iraq and, second, gain the political and financial support of many UN members. Under conditions of increasing antiwar sentiment among the American population prior to the commencement of the presidential election campaign, moving toward the UN helps increase George W. Bush's freedom to maneuver.

"It is clear that the international community is interested

in a rapid stabilization of the situation in Iraq, as well as in the formation of a government in Iraq that would be run by Iraqis. In this regard, *it is important to take into account the fact that this is not achievable in the context of an abrupt departure of American forces unless their mission has first been transferred to the United Nations*—a fact Russia understands very well.

"Russia has an interest in Washington returning to a position of collective action in dealing with crisis situations, to reject the unilateralism that has been on display in Iraq. *But Moscow understands that this can happen not through a crushing defeat of the United States in Iraq, but by the evolutionary turnaround of the Bush Administration toward involving the United Nations. This has already begun, and the essence of Russian policy is to encourage it forward.*

"And in support of this, Russia's relationship with the European countries is of vital importance. *During the last Iraqi crisis, Europe was essentially divided between those who supported U.S. military action and those who were opposed. Games based on these disagreements, however, are counterproductive. Russia's role might be to encourage European Union member-states, especially France and Germany, to take a position that combines their negative attitude toward the unilateral use of force with active support of collective efforts to stabilize the situation in Iraq, using the mechanism of the United Nations. And such actions should be developed in cooperation with the United States.* The development of such a consensus should evolve under the aegis of the United Nations in order to solve the problem of legitimacy and to establish the authority of the operation to reconstruct Iraq."

Relations With the EU

For the entire dozen years since the break-up of the Soviet Union, Russia has faced a relentless drive by Western interests, to make the huge country nothing but a raw materials looting ground. U.S. and European companies, as well as the international financial organizations, are involved, but foremost among them is British Petroleum, now called BP-Amoco. BP is very active in the Transcaucasus, on Russia's southern flank, and has effected a merger with the fourth largest Russian oil company, TNK.

President Putin has backed a crackdown on the Russian partners of these foreign interests, the so-called "Russian oligarchs," like former Yukos Oil CEO Mikhail Khodorkovsky, who are notorious for capital flight and the failure to invest for the long-term development of the real economy (even just of the oil industry), in addition to the kind of tax-evasion, for which Khodorkovsky is on trial. The spectre of "renationalizations" hangs in the Russian air: Members of the United Russia majority in the State Duma are pushing legislation that would provide for the renationalization of privatized companies that do not meet certain standards of performance.

Even the liberal economists in Russia's government now acknowledge that the overwhelming orientation of the country's economy to raw materials extraction is a dead-end street. Yet, it has proven extremely difficult to break out of, especially in the context of sky-high oil prices. Currently the Russian government is deeply split over whether rising revenues from oil-export taxes should be spent to pay down the foreign debt, or on real-sector investment. An article in the July issue of the Russian financial monthly *Valyutny Spekulyant* (Currency Dealer), asks if Russia will follow the fate of tiny Nauru, a Pacific island country that "had a powerful impulse for economic development, until an international consortium started mining phosphates there, depleted the phosphates, and left the island a desert. Now Nauru is an offshore zone, blacklisted by the [anti-money-laundering] Financial Action Task Force (FATF), and a nearly bankrupt state, teetering on the brink of a humanitarian catastrophe."

Russia is therefore highly sensitive to the content of its economic relations with Western Europe, where its biggest trading partners are situated. When the emphasis within the EU shifts away from the continental infrastructure-building perspective of a Jacques Delors, or LaRouche's "Paris-Berlin-Vienna Productive Triangle" plan, and toward ruthless enforcement of the Maastricht fiscal austerity agenda, including for the EU's new members in Eastern Europe—Russians take warning. The May 2004 Russia-EU summit reflected a step away from the enthusiastic collaboration on East-West transport corridors and related projects, which had topped the agenda of such meetings for the previous couple of years (although an EU-Russia seminar on transport corridors did take place on May 13).

As of February-April, it was not even clear if the summit would be able to take place. It took three months of intense negotiations, before Russia and the EU could agree to extend their Partnership and Cooperation Agreement (PCA), taking into account the expansion of the EU by ten new members on May 1. After the expansion, the EU accounts for over half of Russia's foreign trade, instead of the 36% before. The new members are East European countries, including the three Baltic states that were part of the Soviet Union. A mere extension of the previous Russia-EU PCA to those countries would have hit Russia with quotas, tariffs, and visa restrictions on business with countries that have been its major trading partners.

At the beginning of 2004, Russia submitted a list of 14 agenda items for discussion about desired changes in the PCA, including higher quotas for Russian exports to EU members. The European Commission in mid-February circulated a harshly worded policy paper, calling to toughen up in relations with Russia due to the latter's performance in a whole range of areas: human rights, democracy, freedom of the press, trade, border regimes, and the environment. The British press, especially, played up the conflict. The London *Economist* headlined Feb. 21, "Russia and the European

Union: Dark Skies to the East."

On Feb. 23, EU foreign ministers pronounced the existing PCA the "cornerstone" of EU-Russia relations, adding that Russia should agree to renew it "without pre-condition or distinction by May 1," in order to "avoid a serious impact on EU-Russia relations in general." The ministers said, "The EU is open to discuss any of Russia's legitimate concerns over the impact of enlargement, but this shall remain entirely separate from PCA extension." That same day, Russian Deputy Foreign Minister Vladimir Chizhov told the *Financial Times* that EU expansion will cost Russia \$375 million annually in lost trade. Stiffer conditions for the export of Russian aluminium, chemicals, grain, and nuclear fuel were of special concern, he said. "There have been no talks about compensation," a spokesman for EC Trade Commissioner Pascal Lamy said on March 27, "Nor will there be."

Ultimately, after Minister of Economic Development and Trade German Gref's negotiations in Berlin in March and the early-April visits of German Chancellor Gerhard Schröder and French President Jacques Chirac to Russia, on April 22 an EU Commission delegation under EC President Romano Prodi reached agreement with the Russians to extend the old PCA to the new EU. An accompanying joint statement, released at the April 27 signing of the new accord, took up disputed issues, including increased trade quotas and anti-dumping exceptions for Russian chemicals and steel industry exports to the new members; duty-free transit between the enclave of Kaliningrad and the rest of Russia, across Lithuania and Latvia; and the rights of the Russian-speaking population within EU member states. The latter remains a burning political issue in Russia.

Chizhov, who had conducted the negotiations, voiced Russia's caution about what had been achieved. He told NTV's *Itogi* program on April 27, "We advocate a Europe without dividing lines. . . . The EU has worked out a new concept, 'Wider Europe—New Neighborhood,' that covers the countries that will be the closest geographical neighbors of the EU—Belarus, Ukraine, Moldova—as well as the countries of Northern Africa and the Eastern Mediterranean. We have frankly warned our partners that if it turns out to be a new edition of the concept of creating 'limitrophs'—that is, buffer states—a concept that appeared 100 years ago, nothing will come out of it, as history has proved. Russia does not see itself either as an object or a subject of such policy."

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