

Bush's Moscow summit: Putin submits to Washington's "partnership"

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In recent days there has been more talk of a fundamental change in US-Russian relations—"an historic event", the "end of the cold war"—than at any other time in the past ten years.

In George W. Bush's latest trip to Europe, which included three days in Moscow, the US president and Russian President Vladimir Putin signed treaties for the dismantling of nuclear warheads and for a "strategic partnership". Four days later, on May 28, against a backdrop of great ceremony and in the presence of the heads of government of all 19 NATO states, Russia was admitted into NATO structures at a special meeting of the council.

At the treaty signing in Moscow, Bush stated, "A new American-Russian partnership is being put together.... We are friends and no longer enemies.... There now prevails a climate of trust." Putin added, "There exists a spirit of mutual trust as there was during the period of Nazism," when the US and the Soviet Union fought as allies against Nazi Germany. "Today we speak the same language."

The reality behind the agreements arrived at in Moscow is the virtually complete and unconditional subordination of the Kremlin to the political domination of Washington. All the talk about "mutual respect" and a "partnership of equals" was aimed at leaving Moscow some shreds of credibility.

As a result of this meeting, American military potential remains untouched, with its preparations for a war against Iraq tolerated in silence by the Russian side, if not positively supported.

The formulations in the disarmament treaty speak volumes. Just three pages long, and rapidly slapped together in the space of a few months, the treaty envisages the dismantling of two-thirds of each country's total of around 6,000 strategic nuclear weapons. Apart from stipulating the ten-year period in which the dismantling is supposed to take place, the treaty made no stipulations regarding the process of disarmament, and the forms of supervision of the treaty are to be decided after the signing ceremony. The treaty allows both sides to withdraw, provided they announce their intentions with three months' notice.

Russia had already made clear that it was unable to house and maintain its existing arsenal of warheads and indicated some time ago that it was planning to reduce its total to 1,500 by the year 2012. For its part, the US plans merely to separate nuclear warheads from their missiles, with a small number being destroyed and the rest bunkered underground and maintained as an "operational reserve." The missiles themselves will not be destroyed—a measure that was an essential part of all previous disarmament discussions and treaties.

The treaty is the culmination of an about-face in Russian foreign policy that emerged in the course of the Kremlin's decade-long war against Afghanistan. Russia has been forced to concede that in terms of military and economic strength, it has no possibility of opposing the increasingly aggressive foreign policy of the US, and that any serious confrontation with America would plunge the country into a desperate crisis. Social tensions at home and the political weakness of the Putin regime have

further prompted the Russian establishment to throw itself into Washington's arms.

Prior to the Afghanistan war, the Kremlin at times openly opposed American claims. There have been occasional demonstrations of opposition in the more recent period. On April 24, 1999, in response to the bombing of Belgrade, then-Prime Minister Yevgeni Primakov, who was on his way to a meeting with President Clinton and the heads of the NATO states, had his plane turn back across the Atlantic. A few weeks later in a surprise coup, Russian soldiers occupied the airport at Priština, the capital of Kosovo. Six months later, Putin launched the second war in Chechnya, which Moscow regarded as having strategic importance in the struggle for control over Caspian oil resources. Even as late as last summer, Putin was striving to cement strategic alliances with China and India that could serve as a counterweight to the international dominance of the US.

However, since the American attack on Afghanistan and the stationing of US troops in Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan, it has become clear that Moscow has abandoned any hope of opposing US supremacy. The Kremlin has passively accepted the penetration of its traditional sphere of influence by Russia's strongest competitor. Moscow has also accepted the termination of the ABM treaty by the US.

Despite Russia's claims to be a great power, or even one of two global superpowers, its actual weight pales in comparison with that of the US. With a population approximately 55 percent that of the US, Russia's economic performance amounts to less than 5 percent of America's, and its entire state budget is scarcely more than \$30 billion. Of this, \$10 billion goes to military spending, mere pocket money in comparison to the American defence budget of over \$340 billion. Moscow's remaining "ace in the hole" is its hoard of nuclear weapons.

There is widespread agreement with the new treaty within Russia's ruling circles, and the draft document passed unscathed through the Duma (parliament). Alexei Arbatov, deputy chair of the Duma defence affairs committee, explained that the treaty meant Russia had "negotiated the best solution it could, after the Russian military had revealed that in face of a shortage of money it planned to reduce the stock of nuclear weapons even without an agreement with the US." Foreign Affairs Minister Igor Ivanov expressed himself even more modestly: "The main achievement is that we have managed to preserve the negotiating process."

Only the Communist Party announced its opposition to the treaty and the fact that Putin was tolerating the stationing of US troops in former Soviet republics. The Communist Party has largely jettisoned the anti-capitalist verbiage of its Soviet period and brought to the fore the crude Great Russian nationalism that formed the backbone of its Stalinist ideology. It now regards itself as the defender of the Russian nation and the representative of significant sections of the army, as well as the armaments sector and other industries dependent on the state. Party Chairman Gennady Zuganov called the agreement a "national betrayal".

The Kremlin leadership has gone even further than its genuflection to

the US over disarmament, and is offering itself as a junior partner in other matters. Discussions over Russia's role on world oil markets occupied a prominent place in the latest summit. Russian statements that it would not comply with OPEC quotas led to a drop in oil prices in the immediate run-up to Bush's visit.

At present, Moscow is relying entirely on the energy sector, its last remaining economic trump card. Over the last two years alone, oil production has expanded by over 7 percent. Some 38 percent of state income and 54 percent of Russian foreign exchange reserves depend on the proceeds from the country's energy sector. Russia is the world's second largest oil exporter and is preparing to surpass Saudi Arabia and claim the number one spot. In February, Russian exports exceeded those of Saudi Arabia for the first time.

Although only 1 percent of US oil imports come from Russia (compared with 7 percent from Iraq), Moscow's energy policy is consistent with the general Kremlin policy of subordination to Washington. According to Bush, the summit initiated an "important new energy partnership".

The increased access to Russian resources coincides with vital US interests on a number of fronts. On the one hand, the oil weapon of OPEC and the neighbouring Gulf states is to be neutralized. This undercuts the potential for a reduction in oil supplies and consequent rise in prices. This factor is all the more important in view of Washington's plans for an attack on Iraq. On the other hand, the Russian oil market is to be opened up for US investments and exploitation. Last autumn, Exxon Mobil was awarded the contract to invest \$4 billion in the development of oilfields in the Russian Far East.

For Russia, permanent opposition to OPEC could put everything at risk, since the cartel still controls 78 percent of world oil reserves. A medium-term expansion of production could reduce Russia's present 25 percent share of world production and unleash a serious price war. At present, every dollar decline in oil prices decreases Russia's state income by \$900 million. The consequences of a long-term price reduction would be devastating.

Moscow hopes to profit from the elimination of Iraq as an oil producer, at least in the short term. In regard to the main purpose of Bush's European trip—the preparation of a military invasion of Iraq—the Kremlin has largely abandoned any resistance. Russian relations with Iraq have cooled and Moscow has withdrawn its longstanding opposition to the imposition of new sanctions.

Only in relation to Iran, which like Iraq is part of Bush's "axis of evil," does Moscow continue to openly resist American demands. If the US gained complete control over Iran, it would occupy the key position for exploiting Caspian and Central Asian oil and gas reserves. Putin answered accusations from Bush that Russia was building a nuclear power station in Iran, making possible the production of "weapons of mass destruction", by saying that the same applied to the establishment of an American power station in North Korea.

Moscow has more or less tacitly accepted the stationing of more US troops in the former Soviet republics of Central Asia, and more recently in Georgia. The day after Bush left Moscow, US soldiers began a \$64 million training programme for elite Georgian soldiers. This undermines Moscow's influence in the Caucasus and boosts Washington's long-cherished plan of constructing a pipeline from Baku in Azerbaijan to Ceyhan in Turkey, circumventing Russia and Iran.

The payback for these wide-ranging Russian concessions is minimal. Instead of full NATO membership, Russia was merely offered a new version of the failed "NATO-Russia Council"—which was called into life during the Kosovo war—in which Russia would still enjoy no influence over NATO decisions, but can participate in discussions as an "equal partner." Moscow likewise dropped without comment its opposition to NATO membership for the three Baltic countries, Lithuania, Latvia and Estonia, which border on Russia and formerly belonged to the Soviet

Union.

Membership in the World Trade Organization is seen as crucial in the Kremlin. Since China's entry, Russia is the largest economy outside the WTO. Up to the present, Russian entry has been prevented by the US, which does not yet recognize it as a "free-market economy", and which continues to maintain substantial trade restrictions, particularly in the high-tech sector, laid down in the still valid Jackson-Vanik clause that dates from 1974.

The US will agree to Russian membership in the WTO only if the country completely opens its markets. The Kremlin is fearful that this would lead to the bankruptcy of broad sections of internationally uncompetitive industry, such as the automobile and aircraft sectors. On the other hand, further international isolation threatens to leave the Russian economy even farther behind.

This is the main concern worrying the economic strategists of the Russian ruling elite. Since 1998, the standard of living of the majority of the population has continuously fallen. The average per capita gross national product fell from \$2,600 in 1997 to \$1,700 today. The social crisis continues to grow, and with it the disillusionment in Putin's grandiose promises, making the gulf between the elite and the general population even more stark.

After a ten-year decline, Russia's domestic industry is outdated and bankrupt, leading sections of the Russian elite to draw the conclusion that they should throw themselves economically into the arms of the West and its corporations, opening up the Russian market to their full penetration. Despite opposing rhetoric, they have tacitly fallen behind the hard line of the US.

The announcement that Washington would declare on June 14 whether it recognises Russia as a market economy was celebrated as a great success. WTO membership could then follow in the autumn next year. At US urging, the European Union on May 29 recognized Russia as a "free-market economy".

The "historic events" of recent days have made clear that what is unfolding is the opposite of a period of "partnership and co-operation". In a world dominated by the US and global corporations, the Russian ruling elite can conceive of defending its interests only by playing the role of intermediary and accomplice in the American exploitation of Russia and the contested region of Central Asia. Increasingly under the pressure of its own population, which faces ever-worsening conditions, the elite hopes to find a solution to the social crisis by subordinating itself to Washington. It is transforming Russia into little more than a classic semi-colony—a source of raw material, markets and labour for the imperialist great powers—within which it functions as the policeman for the transnational banks and corporations.



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