

The Ukraine Equation

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Region: [Russia and FSU](#)

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Unlike Russia, which offers its natural energy for sale in exchange for the fortification of its geo-strategic sphere of influence which has been dramatically weakened since 1990 due to Gorbachev's Perestroika policy, the US is seeking through military and financial maneuvers to hinder Russia's efforts to restore domination in the post-Soviet space, as well as the efforts of other superpowers to maintain domination in their neighbouring states.

And unlike the US' intervention in the Caucasus, its intervention in Ukraine should be perceived more as an effort by the Bush administration to reach out to an increasingly estranged Germany and France, than as a push for purchasing free oil and gas from the ex-Soviet states.

BUSH-PUTIN DIPLOMATIC RELATIONS

Although not warm, Putin's relations with Bush are not completely strained, as some political analysts might believe. If it's hard to talk about friendship between the two political leaders, Putin, like Bush, seems to have tried to preserve a state of mutually advantageous bargaining in the year that has just passed.

Not very open, the diplomatic relationship between the two leaders might oscillate from a kind of mistrustful anti-Asian partnership, to the sharp differences each of them understand in the meaning of the term "partnership" itself.

Yet the best proof of a US-Russian collaboration is the fresh release of the two Russian agents held in Qatari custody for almost one year after the murder of Yanderbiyev – the separatist leader of Chechnya – apparently killed by the two agents on 13-th of February 2004.

In another train of thought, Putin has been reported to work with Bush to get Russia admitted into the WTO.

Both relying on terrorist rhetoric, the foreign policy stance of Bush and Putin has resulted in the pledge for an "anti-terrorist" partnership meant to further push for the individual and common economic and geopolitical interests of the two superpowers.

RUSSIA - US DEAL ON GEORGIA

Another proof of collaboration between the two former Cold War foes is that, probably betting on "old" Europe's rapprochement from Russia and NATO's presumptive incapability to preserve its substance after the events in Iraq have led to the rift in the Western military alliance, Putin, in a desire to mend the political vacuum caused by his association with the main South American leaders, offered to bargain with Bush and to "mediate" the conflicts in

Abkhazia and South Ossetia, apparently being at the point of giving a green light to the inauguration of the long disputed US-owned BTC pipeline.

BUSH'S PLAN "A" - THE RESTORATION OF THE US-EU TIES

G.W. Bush's visit to Europe, scheduled for the purpose of drawing by his side the so-called "old", yet much desired Europe, will prove to be of major importance in the World diplomatic equation in 2005.

- BRUSSELS SUMMIT

The major event that might clarify the entangled international political picture will take place in February 2005 and will include the US - Russian summit held on 24-th of February, a visit of the US' president to NATO and the European Union in Brussels and also a stop in Germany, where Bush will meet Chancellor Gerhard Schroeder.

French President Jacques Chirac has agreed to visit President George Bush at the White House early next year, at Bush's official invitation, part of the US' campaign of reconciliation with "old" Europe.

After the serious rift that occurred between the US and the Western Europe in 2003 over the US' illegitimate intervention in Iraq, the American political thinkers have considered that Ukraine could be the perfect opportunity to save the US' strained relations with Europe, Bush's visit having as its main purpose to revive the NATO military organization and to restore, if possible, the US' damaged political and economic relations with its Cold War strategic partners.

Set to unfold in a strained atmosphere, the Brussels summit's agenda will be dominated by some main topics:

The artificial Dollar-Euro game, now used by the Bush administration as a political tool for putting the screw on the EU, in order to blackmail it into following the policy of the United States.

As far as NATO expansion is concerned, the EU states will be summoned to provide military aid in exchange for a relaxation in the monetary policy the US' financial machine has mercilessly played lately on the EU currency.

The events in Ukraine, however, have proven to be the perfect background carefully built-up by the US' strategists in the wake of G.W. Bush's visit to Europe, to favour a softening of the relations between the US and reactionary Western states.

Preceding the pre-established visit of G.W. Bush to Europe, the US has enticed European leaders with the Ukraine. The attempts at saving it from the West give serious headaches to Putin, as this move could risk jeopardizing the alliance with the EU he has worked for years to build and has the potential to throw Russia into Asia's mouth.

In his 5 years of presidency, Putin has steadily forged stronger ties with Western Europe, especially with France and Germany. He hopes that he can reverse the sour shadow the Berlin wall has cast over the bygone USSR and to use the unfortunate 1989 events to Russia's advantage.

Aware of the threat Bush's visit represents to his relationship with Western Europe, Vladimir Putin has rushed to meet, ahead of the important event, the key European leaders involved.

Also, with the aim of gratifying the EU ahead of the US-EU talks, Russia has, in an abrupt move, finally agreed in November this year with the ratification of the Kyoto protocol.

PUTIN'S PLAN "A" - THE FORTIFICATION OF THE US-EU PARTNERSHIP

- PUTIN'S VISIT TO GERMANY

Consequently, on 21-st of December 2004, Putin met Chancellor Gerhard Schroeder, with a pledge to open a dialogue with Europe on the disputed election in Ukraine and the bloody conflict in Chechnya.

Germany has become increasingly dependent on Russian oil and gas, a factor that has drawn the wartime foes closer together in recent years.

Russia's promises to speed up debt repayment and to stand in the UN Security Council for a permanent seat for Germany combined with the door to Chechnya Putin has just opened for its European partner, could be a realistic way to further soften Russian-German ties.

As the online publication RIA Novosti pointed out in its article entitled: "European aid to Chechnya, a Christmas Present?", Russia's need for European support in its confrontation with the problems caused by the US at its borders has determined Putin to bargain with the Chechnya stake, in the hope of gaining Germany's support on the international issues with direct repercussions on Russia.

Very important for Russia, as we will see below, is the Iran issue Putin has also brought up in the negotiations with Schroeder. According to sources from the Russian media, Schroeder agreed with the issues presented by Vladimir Putin and stated that "Germany's position on the Middle East, Iran and Iraq are similar".

- RUSSIA-SPAIN DIPLOMATIC TALKS

Fearing the loss of Western Europe's trust and at the same time seeking to preserve the Russian sphere of influence, Putin's diplomatic game will probably be tangled and confused.

Putin's Caspian-European lobby in the mega-tour de force he performed before the elections in Ukraine included the Spanish PM's visit to Moscow, the Russian president persuading Jose Zapatero to state that "enlargement to take in Ukraine is not currently on the European Union's agenda", that "the European Union has a very clear and precise policy regarding its neighbours both to the east and to the south" and that "relations with these countries must be built on the basis of good-neighbourliness".

BUSH'S PLAN "B" - THE EUROPEAN "REVOLUTION"

The events in Ukraine have been probably the first in years in which the interests of Russia and the US have seriously clashed and the tensions between the two superpowers have reached alarming levels.

If Bush's Plan "A", which consists in the restoration of positive relations between the US and the EU proves unsuccessful, the American administration will quickly switch to plan "B":

The unpopularity of the two leaders (Chirac and Schroeder) at home, allegedly determined by the bad state of the economies of both countries, is well known.

The huge demonstrations that have shadowed Schroeder's political position and have weakened the position of his political partner Jacques Chirac might soon turn into "orange revolutions", able to replace the two ambitious leaders (whose policy has been defined by views independent from Washington), with two US puppets meant to resume the European game the US implemented in the early '90-s, then relying on the so-called "velvet revolutions" scenario.

If the US succeeds and the EU becomes orange, NATO, the American based military organization, will remain the main party involved, leaving not much for the European leaders to consider.

RUSSIA'S RAPPROCHEMENT EFFORTS ON AZERBAIJAN

Aware of the danger of losing Russia's influence in Ukraine, the Russian leader, in a diplomatic mega-tour, has lobbied his policy in the key states that risk becoming Bush administration political pawns, able to hinder Putin's efforts in gaining an increasingly independent position on the World's chessboard, with the help of his allies in Europe.

Putin's visit to Turkey and the latest phone talks with the leader of Azerbaijan Ilkham Aliev are the most important efforts in fortifying Russia's backyard, in case his attempts of maintaining Ukraine fail.

With Azerbaijan interested in economic cooperation with Ukraine, the Azeri and if possible the Kazakh oil (being set to flow to Europe through the Odessa-Brody Oil pipeline) and with Armenia threatening to escape from the sole dependence on Russian gas and hence from Russia's sphere of influence by pushing for gas cooperation with Iran, Putin's diplomatic task was not easy.

After fortifying Russia's economic relations with Kazakhstan in a memorable moment when Kazakhstan concluded the biggest oil transactions in its history (in partnership with China and South Korea), Putin's goal, as in Azerbaijan, was probably to obtain a promise from Ilkham Aliev that the Azeri oil would avoid the Odessa-Brody pipeline route.

TURKEY - A MAJOR PLAYER IN THE RUSSIAN ENERGY GAME

Putin's visit to Ankara was aimed at Turkey's huge geostrategic importance in the export of Russian oil and gas to Europe and was consequently in Russia's interest in attempting to postpone Turkey's integration into the EU, a decision that would be disadvantageous to Russia, while at the same time strategically favouring the position of the United States.

From Russia's economic point of view, Turkey's integration into the EU would add additional taxes on the transport of Russian oil and gas through Turkish territory, then under EU legislation, because all Russian-Turkish agreements on the Black Sea straits automatically will become null and void.

The moment Turkey joins the EU, Russia will no longer monopolize fuel and energy deliveries to Turkey, because EU legislation expressly forbids any single state dominating an EU country's fuel and energy sector.

Consequently, two oil-export routes of crucial importance for Russia – the Baku-Novorossiisk oil pipeline and the Caspian pipeline consortium (which pumps oil from Kazakhstan to Novorossiisk) – will become highly unprofitable. Right now, such routes owe their profitability to normal oil-tanker transits via the Bosphorus and the Dardanelles.

In his desire to forge stronger energy ties with Russia, Putin touched on the now defunct TUPRAS (the state-owned Turkish petroleum monopoly), which has partnered with the Russian oil company, Taftneft, and expressed his expectation that their former compromise will be implemented.

Despite the political changes that knock on the door of Ukraine, or maybe quite because of them, the Odessa-Brody pipeline is of considerable importance in the Turkey equation, because the Odessa-Brody reversal Project, advantageous for Russia, implies the transportation of Russian oil in a direction opposite to that initially projected, from Brody to Odessa and further to Western Europe via the Turkish strait Bosphorus, therefore making it a top priority on Putin's diplomatic agenda.

- FRANCE ON TURKEY'S EU BID

In a move to help Russia, days ahead of the crucial EU decision on Turkey's accession talks, France – Russia's most loyal European ally – has raised the allegedly highly sensitive issue of the Armenian "tragedy", as an indication of the sharp divisions of opinion in France over Ankara's membership bid.

With the purpose of tempering the impetus of Britain (the US' ally in Europe), which was all for hastening Turkey's integration into the EU, France (Russia's ally), -relying on the Cyprus issue that requests that the Turkish government recognize the Greek-dominated government Cyprus and on a series of conditions freshly attached to Turkey's EU bid that would be unprecedented for a membership candidate, -has managed to find a solution of compromise in Turkey's case and to slow Turkish membership.

- GERMANY ON TURKEY'S EU BID

German Chancellor Gerhard Schroeder was not so benevolent. Another ally of president Putin in Europe, he proved keen to back Turkey's bid for accession into the EU, pushing for the start of negotiations.

ISRAEL - A KEY BUSINESS PARTNER FOR RUSSIA

- THE BLUE STREAM GAS PIPELINE

On the other hand, a topic of high strategic importance for Russia in the talks between Vladimir Putin and the Turkish Prime Minister Erdogan was Russia's push for the extension of the 'Blue Stream' gas pipeline, scheduled to cross the Turkish territory and to deliver Russian gas to Israel.

Forging for better ties with Israel, this ambitious gas project could be the answer for Russia's need to reach out to one of the most loyal US' allies, to turn it into an economic and, if possible, political partner.

During his visit to Ankara, Putin also clarified the issue of the cancelled Russian-Israeli construction of the "Erdogan" helicopter, which Putin renewed by saying, "We want to

participate as an equal partner.”

RUSSIA - GREECE DIPLOMATIC RELATIONS AND THE CYPRUS FACTOR

Putin’s visit to Greece aimed to shape a map of the Balkans favourable to Russia.

The Russian head of state reaffirmed his position on the Cyprus settlement, taking into account “of course, the opinions of the Cypriote communities above all” (a reminder of the previous referendum held in 2004, when the unification of Cyprus failed).

Putin also noted that the talks with his Greek counterpart have considered Russia-EU cooperation and touched upon the situation in the Balkans and in Kosovo.

Underlining Russia’s readiness to increase gas supplies to Greece and to participate in the development of its electric energy sector, Vladimir Putin stressed: “energy cooperation is of crucial importance for our countries”, carefully adding that Russia’s and Greece’s positions on many international issues are “close or nearly coincide”.

- THE AMBO OIL PIPELINE

But Putin’s footsteps in the Balkans have been hastily blocked by the US backed AMBO Trans-Balkan Pipeline Agreement, signed less than a week before the end of the year.

Top representatives of Macedonia, Bulgaria and Albania met on Tuesday 28th of December in Sofia to ink a memorandum of understanding with Ted Ferguson, president of the American-based AMBO (Albania-Macedonia-Bulgaria Oil) pipeline project.

The AMBO pipeline project entails a pipeline connecting the Bulgarian Black Sea port of Burgas with the Albanian Adriatic port of Vlore. This allows sea borne oil exports from Russia and the Caspian Sea region to flow overland between the Black Sea to the Adriatic, bypassing Turkey’s increasingly congested Bosphorus and Dardanelles.

The Russian interest in the region is the Burgas-Alexandropolis rival pipeline deal between Russia, Bulgaria and Greece, the Greek government yet continuing to push for this alternative.

UKRAINE - THE HUB OF RUSSIA’S ENERGY DELIVERY TO EUROPE

Ukraine’s geographic location makes it an ideal corridor for oil and natural gas transit from Russia and the Caspian Sea region to European markets. Ukraine hopes to become a transit center for oil from the Caspian Sea region.

It is well known that, as far as oil deals are concerned, the main stake in Ukraine is the Odessa-Brody oil pipeline, which was initially designed to load Caspian Sea oil from a marine terminal located on the Black Sea shore and to carry it northward through the Ukrainian pipeline system and on to Europe.

Russia, however, has suggested that the Odessa-Brody pipeline be used in reverse, to move oil from Russia southwards to tankers in the Black Sea and to be shipped onwards to world markets.

Fearing the possibility of losing direct access to the Caspian Sea oil region, Europe has

voiced public statements in opposition to the reversal project.

As far as its internal energy needs, Ukraine is not only dependent on imported oil, most of which comes from Russia and Kazakhstan, but it is also the former Soviet Union's largest net natural gas importer, the main suppliers being at present Russia and Turkmenistan.

Ukraine's natural gas infrastructure is of growing importance both to European consumers and Russian producers.

In June 2002, heads of state from Ukraine, Russia and Germany agreed to begin developing an international consortium to manage and upgrade Ukraine's natural gas distribution infrastructure.

In October 2002, Ukrainian and Russian state-owned oil and gas concerns, Gazprom and Naftohaz Ukrainy, signed preliminary agreements and in January 2003 the new company was registered in Kiev, with each company holding 50%.

In August 2003, the consortium agreed to its first infrastructure development project – the construction of a new 930-mile natural gas pipeline between eastern and western Ukraine. As conceived by the partners, the pipeline would allow Russian natural gas exports to Europe through Ukraine to increase by roughly 25%.

On 17-th of December 2004, the Russian gas company Gazprom announced that it expects to increase gas exports to Europe to 180 bcm by 2010.

Already, one-third of Germany's oil and natural gas needs are served by deliveries from Russia.

– **THE NORTHERN EUROPEAN GAS PIPELINE PROJECT**

Gazprom and Germany's E.ON have major projects in the energy cooperation sphere. One of them is the promising project of the North European gas pipeline. Gazprom intends to enter the distribution network market of Western and Eastern Europe, the Russian gas giant being currently in talks with E.ON.

Not yet included in the agenda of the current Russian-German consultations as there is no feasibility study so far, the Northern European gas pipeline creates a completely new route for transporting Russian gas to Europe.

Going across the Baltic Sea from Vyborg north of St. Petersburg to the German coast, the pipeline route will bypass Ukraine, its main advantage being that there will be no transit states on its way, therefore aiming to become a major route for supplying Russian natural gas to Europe.

It is possible that there will be branches to Finland and Sweden and also to the Kaliningrad region, and the pipeline may also be extended from Germany to Britain.

THE POSITION OF THE US ON RUSSIA - EU ECONOMIC DEALS

Driven by a state of anxiety caused by Europe's tendency towards an exclusive dependence on Russian fuel, Colin Powell has warned Europe of the "danger" Europe shoulders when relying on a single energy supplier: Russia.

Colin Powell, lobbying for US policy in Europe, started persuading the EU to diversify its sources of energy, more precisely pointing towards Ukraine.

IRAN - THE MAIN PAWN IN THE UKRAINE EQUATION

Iran, being one of the biggest gas producers, proves to be the main pawn in the US' scheme of energetically disconnecting Europe from Russia and spoiling the good political relations between the two superpowers.

With American troops stationed in neighboring Afghanistan and Iraq and with its nuclear energy program under international scrutiny, Iran threatens to become another Iraq and is therefore summoned by the US to help cut Europe's dependence on Russian gas.

Armenia, Ukraine and Georgia will be the territories the new gas pipeline will cross on its way to the European market. Moreover, when the Iranian pipeline is extended into Europe, Armenia, Ukraine and Saakashvili's Georgia will no longer need to depend solely on Russia for their natural gas needs.

TURKMENISTAN - RUSSIA'S GAMBLING PARTNER?

In the past few years, Ukraine, in its desire to diversify its gas suppliers, has started importing additional natural gas from Turkmenistan. Ukraine believed that it had struck a bargain with Turkmenistan, until Putin made sure that the energy from Turkmenistan had to be transported via Russia. As a result, Ukraine has sought to diversify its energy supplies.

After the tumultuous events that took place in the last few days in Ukraine, the "coincidence" has been that Turkmenistan has threatened to cut off gas supplies to Russia and Ukraine, starting with 31-st of December 2004, 12.00 pm – a New Year's Eve gift made to the freshly "liberated" Ukraine, a decision blamed on disagreements on the price of gas.

RUSSIA'S NEED FOR ARMENIAN COOPERATION

Russia, through the interventions of its main gas company Gazprom, makes persistent efforts to keep its foothold in Armenia, offering to increase gas supplies for the ex-Soviet state by the expansion of a pipeline from Russia.

Interestingly, a few days before Ukraine's fate was discussed with the American leaders on 21-st of May 2004, Kocharian, the president of Armenia, at the summit in Moscow held on 13-15 May 2004, stressed that the pipeline deal with Iran would not damage Russia's own energy interests in Armenia.

In Yerevan, however, the Kremlin's concerns about the prospect of Armenia providing a conduit for Iranian gas to Europe, a key Russian market, are widely believed to have resulted in a reduction of the pipeline's size to a width too narrow for exports.

PUTIN'S PLAN "B": THE "AXIS OF GOOD"

It's hard to conclude at this moment whether Western Europe will choose to stick together with Russia or will follow the old path, with the US by their side, because Putin has attempted to build a safety vent in South America, the so-called "Axis of Good", defined by Venezuela, Cuba and Brazil.

In the absence of steady opposition from Washington, all the actions of the US in toppling Hugo Chavez have miraculously failed.

As part of a bargaining agenda, the preservation of Chavez' seat was probably the result of talks that took place between Vladimir Putin and G. W. Bush in Chile.

In exchange, the approval of the "revolution" in Ukraine has been confirmed by Moscow, which has given a green light to the "orange" operation, a topic discussed since May this year, when prominent American political figures visited the ex-Soviet state.

Stuck in Reagan's Cold War mentality and wishing at any expense to dethrone the "red enemy" once and for all, Bush probably agreed, in a risky poker move related to Cold War nostalgia, to exchange US influence in Ukraine, for allowing Russia to put its footsteps on the American continent.

The turmoil surrounding the events in Ukraine has overshadowed another foreign-policy drive on the Kremlin's part. Following the 20-21 November summit of Asia-Pacific Economic Cooperation (APEC) group members in Santiago, Chile, President Vladimir Putin arrived in Brazil on 21 November. It was the first time that a Russian head of state has ever visited that country, despite 225 years of bilateral diplomatic relations.

In 2002, Brazil, Russia, India and China signed the BRIC (Brazil-Russia-India-China) economic agreement. It is notable that in less than two months Vladimir Putin has visited each of these states.

In December this year, Cuba's Fidel Castro welcomed Venezuela's Hugo Chavez to the Karl Marx Theater in Havana and signed an agreement of unity that is designed to be an alternative to the North American Free Trade Agreement (NAFTA).

The so-called "Cubanization" of Latin America had begun earlier, with the successful campaign to elect Hugo Chavez to power in Venezuela, the second most important oil provider for the United States.

Castro and Brazil's Lula da Silva, driven by anti-imperialist feelings fomented by the low standard of living the South American states have experienced from centuries of North American dominance, both openly agreed to assist Venezuela in its move toward dislodgement from the US' sphere of influence. Anti-Americanism in Brazil has consequently increased, despite the country's reputation as a traditional US ally.

Da Silva's goals are to promote the dropping of the trade restrictions on Cuba led by the West, to make Brazil independent of Western policy (which he calls "imperialist") and to promote "a multi-polar world", where the US power is checked by another alliance as was during the Cold War.

Brazil has meanwhile established a strategic partnership with China, has strengthened ties with Russia and France and has refused to support in any way the Free Trade Area of the Americas promoted by President Bush. Da Silva reportedly said that accepting the FTAA would make Brazil a puppet of the US.

Aside from the provision of Russian nuclear-power technology and military-technical cooperation which Lula da Silva has recently discussed with his Russian counterpart, Brazil has also recently begun a joint rocket program with China.

Venezuela's president Hugo Chavez, amidst his visit to Beijing, announced that he will seek to continue increasing bilateral trade between the two states and will pursue military collaboration with China, another strategic move meant to "lessen dependency from the dominating regional power", as Chavez pointed out.

Like his Brazilian counterpart, Chavez has called for a multi-polar world, embarking on a round of visits to countries including Iran, Russia and now China.

The Venezuelan and Brazilian tendencies toward independence have culminated with the visit of Hugo Chavez to Moscow. Amidst the political crisis in Ukraine, the Venezuelan president confirmed once again his intention to forge economic and military collaboration with Russia.

On the other hand, the Russian news websites have announced that Lula da Silva accepted the invitation of his counterpart Vladimir Putin and that his visit to Moscow is expected "some time soon".

PUTIN'S PLAN "C": BETTER RELATIONS WITH ASIA

- PUTIN'S VISIT TO INDIA

Putin's visit to India was of great importance for boosting Russia's military ties with Asia. Whether he likes it or not, at some point Putin might be forced to rely on Asian help in his attempts to preserve the Russian borders.

Putin therefore promised his support for Indian veto power in the UN Security Council and offered to boost economic ties between the two states, in exchange for military collaboration.

Alarmed, Rusmfield decided to pay a visit to India and to offer US' military help, in the Patriot missile system, which can defend against ballistic and cruise missiles, and aircraft.

India is also expected to raise its concern over Pakistan's request to buy up to 25 F-16 fighter jets from the United States.

Indian and Pakistani media say the prospect of American arms sales has stirred up opposition in both South Asian countries. The two nuclear-armed rivals that have fought three wars in the past five decades are currently in peace talks over all outstanding issues.

It is well known that India shares Russia's hostility to Islamic fundamentalism, seeking international backing for its stance on the conflict with Pakistan over Kashmir.

Therefore the US' arms proposal made to India wasn't much welcomed in New Delhi. The United States is renowned for maintaining close ties with Pakistan, which it exploits as a base for its covert support of Islamic fundamentalist guerrillas against the Soviet-backed regime in Afghanistan.

- RUSSIA - CHINA DIPLOMATIC RELATIONS

And because anything in this World has the potential to offer unpleasant surprises, the Russian leader has ultimately considered holding unprecedented military exercises with its economic and political partner and at the same time rival and former foe - China -, war

games scheduled to take place on Chinese territory in the second half of 2005.

This action could prove an extreme countermeasure undertaken by Putin in the eventuality that the US manages to hinder his efforts to infiltrate the US' South American backyard.

Moscow and Beijing have long shared the concept of a multi-polar world – opposing what they see as US global dominance. Russian Defence Minister Sergei Ivanov also said that in 2005 Russia would hold joint exercises with other former Soviet countries and, separately, with France.

- RUSSIA - JAPAN OIL COOPERATION

- THE ROUTE OF THE SIBERIAN 'TAISHET - NAKHODKA' OIL PIPELINE

Many have thought, influenced by the official media, that the Ukraine equation has influenced Russia's energy policy to the extent that it has put its main economic projects on hold.

In reality, in the background the games were already played, Russia officially having made the decision to build the Siberian pipeline to Nakhodka on 30-th of December 2004, when the political turmoil in Ukraine was not even over yet.

The Russian government's decision to sign an ordinance to build an oil pipeline to Nakhodka proves once again that the relations between Russia and the Western World are not as cold as they seem, as this oil pipeline will help boost export opportunities throughout East Asia and to the United States.

CONCLUSION

A cast of doubt floats in the air as far as the over-mediated "strained" relations between Bush and Putin are concerned. Paradoxically, defying the events in Ukraine, the two heads of state have started having more and more frequent meetings lately.

Led also by the need to defend Russia's Southern borders from the developing Chinese expansionist economic and military force, Putin's attempt to drive Russia toward the developed world could be indeed a sign of the will for cooperation he has shown to Washington, in his desire to forge, if possible, better ties with the Western superpower.

How the Bush administration has received the proposal and what it is willing to do in order to develop a normal bilateral relation with Russia in the prospect of the competition of a more and more developed Asian World, remains to be seen.

However, seen from here, the Bush administration looks like it hasn't demonstrated much understanding of what a civilized political relationship is based on.

Leaving the apocalyptic Ukrainian picture aside (bleakly pictured through the manipulated Eastern and Western media), a realistic evaluation of the economic situation of the year 2004 tells us that Russia hasn't actually lost any of its economic assets.

And the US, after repeated endeavours in Iraq, Afghanistan, Haiti, Taiwan and elsewhere, hasn't actually gained much on the matter.

It can be also safely ascertained that the year that has just ended was charged with an interminable diplomatic wear and tear meant to cast a shadow of tension, frustration and futility over the human race's efforts to improve this, the only World we know.

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***FRANCE, GERMANY ON TURKEY'S EU BID**

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***ISRAEL - A KEY BUSINESS PARTNER FOR RUSSIA**

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***RUSSIA - GREECE DIPLOMATIC RELATIONS AND THE CYPRUS FACTOR**

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***The AMBO Oil Pipeline**

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***UKRAINE - THE HUB OF RUSSIA'S ENERGY DELIVERY TO EUROPE**

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***THE NORTHERN EUROPEAN GAS PIPELINE PROJECT**

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***IRAN - THE MAIN PAWN IN THE UKRAINE EQUATION**

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Turkmenistan cuts gas supplies to Russia, Ukraine over price dispute

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PUTIN'S PLAN "B": THE "AXIS OF GOOD"

Russia, Brazil to step up partnership, says Putin, highlights military technologies, air industry, power plants

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***PUTIN'S VISIT TO INDIA**

Putin's visit to India highlights significant strategic shifts

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