

**PROJECT ON BUSINESS AND POLITICS IN THE
MUSLIM WORLD**

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This is the summary of the (**Russia**)

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Review of the article week 121.

Stalin's Wars: From World War to Cold War, 1939-1953
 BY GEOFFREY ROBERTS.

Stalin was so brutal that no one Russian Autocrat in comparison with him, but some best qualities also possessed in him, especially WW-2 era. Robert argues that without Stalin, difficult for Russia to prevail. He says that Stalin put the country unified as a single force. Robert also says that Stalin wants to keep continue cooperation with wartime allies after World War 2. The cold war might not be averted if Churchill and other leaders of the allies understood him. This is not Cold War revisionist history that whitewashes the pathologies and extreme cruelty of Stalin's leadership. On the contrary, still, in the end, it glosses over the question of whether, if largely on Stalin's terms, peace--that is, no Cold War--really had much chance.

Summary of the Report:

Political:

Iran wants S-300 missile deal despite Russia's support for sanctions

Iranian Ambassador said Russia's position was puzzling given the tripartite uranium enrichment agreement that was reached on May 17 between Iran, Turkey and Brazil. Under the deal, Iran will send abroad 1.2 tons of its low-enriched uranium to get 120 kg of 20%-enriched uranium fuel. Tehran is surprised by Russia's endorsement of new UN sanctions against the Islamic Republic, but still wants an S-300 missile deal with Moscow to go ahead.

Russia rejects Iran's claims it favors U.S. on nuclear issue

International pressure on Iran increased in early February when Tehran announced it had started to enrich uranium to 20% in lieu of an agreement on an exchange that would provide it with fuel for a research reactor. Russia's position on Tehran's nuclear program is neither pro-American, nor pro-Iranian, presidential aide Sergei Prikhodko said on Wednesday.

Iran Decries Russian Support for Sanctions

Iranian President Mahmoud Ahmadinejad said Wednesday that Russian support for new UN sanctions against Iran was unacceptable and called on President Dmitry Medvedev to rethink his support for Washington's stance. Iran was snubbed by Russia and China last week when, just hours after it offered to ship some of its enriched uranium abroad, Washington announced that all five members of the UN Security Council backed a new sanctions draft

U.S. Makes Concessions to Russia for Iran Sanctions

The administration dropped sanctions on Friday against the Russian state arms export agency and three other Russian entities previously found to have transferred sensitive technology or weapons to Iran. The move came just three days after the United States and Russia agreed on a package of United Nations sanctions against Iran.

Russia, EU to continue modernization dialogue – Putin

The dialogue on cooperation within the framework of the project Partnership for Modernization that Russia and the European Union opened will be continued at the Russia-EU summit in Rostov-on-Don.

Ukraine ends counterintelligence work on Russian FSB officials – paper

Relations between Russia and Ukraine have dramatically improved since President Viktor Yanukovich was elected in February on a platform to roll back the pro-Western policies of his predecessor, Viktor Yushchenko, and heal damaged ties with Moscow.

Russia, N. Korea to continue consultations to settle inter-Korean conflict

Relations between the North and the South soured after Seoul accused Pyongyang of sinking the 1,200-ton South Korean Cheonan corvette. The vessel sank near the disputed Northern Limit Line in the Yellow Sea on March 26 causing the loss of 46 lives.

Economic:

Russia, Kazakhstan may jointly enter WTO without Belarus

In June 2009, Russia, Kazakhstan and Belarus notified the WTO of their intention to join the world trade club as a customs union. Four months later, the three former Soviet republics announced they would resume talks on WTO accession separately, but working from synchronized positions.

Russia stays adamant on crude export duties – Putin

Only Putin and his Kazakh colleague Karim Masimov attended the St. Petersburg meeting of the Customs Union ruling body. Belarusian Prime Minister Sergei Sidorsky was absent from the meeting. Putin and Masimov expressed hope that Belarus would join the agreements they reached on Friday.

Russia hopes for U.S. support in its WTO bid

Russia's admission to the World Trade Organization would significantly alter the general atmosphere. We would like this and we hope that the U.S. government, the U.S. administration and business community will throw their support behind this idea, because we are tired of sitting in the waiting room trying to join this organization

Post-Soviet Customs Union delayed over export duties – official

The Customs Union's code was due to start operating on July 1, but last week Russian Prime Minister Vladimir Putin said the premiers of the three former Soviet republics had failed to resolve disputes at a meeting in St. Petersburg.

Russia's GDP to grow 3-6% annually from 2011 - government forecast

The forecast of the country's social and economic development in the next three years envisages economic growth based on a relatively favorable situation on global raw material and capital markets, which will contribute to quick inventory recovery and stimulate consumer demand.

Social/ Humanitarian:

[Second priest murdered in central Russian republic of Chuvashia](#)

A priest has been stabbed to death in Chuvashia, less than two weeks after a clergyman was shot dead in the central Russian republic. The murder stirred a wave of condemnation from religious groups in Russia, and demands for better security for the clergy.

U.S. couple faces death penalty for killing Russian adopted child

The boy's adoptive parents, Michael and Nanette Craver, who were arrested in February, have denied all criminal charges brought against them, saying the boy consistently hit himself. According to the couple, Nathaniel died after hitting his head on a pellet stove.

[Russia ready to help reconcile China, Dalai Lama](#)

China is repeatedly infuriated when world leaders meet with the Dalai Lama as China accuses him of heading a separatist group seeking independence for Tibet. China has always claimed Tibet as its territory and says it has autonomy. In February, U.S. President Barack Obama received the Dalai Lama at the White House, which led to a souring of relations between Washington and Beijing.

At least 13 Russian tourists dead, 26 injured in Turkish bus crash (Update)

The incident occurred at 5:30 a.m. local time [02:30 GMT]. The bus was en route from the resort of Alanya to the town of Pamukkale when it veered off the road and plunged 15 meters into the Aksu River. There were 39 people from 11 Russian cities on the bus, as well as two Turks, both of whom died.

Medvedev orders Russian aid sent to flood-hit Poland

Russia's Emergency Situations Ministry said it was the first time Poland had asked for help since a bilateral aid agreement was signed in 1993. A spokesman said later that a ministry Il-76 would depart on Tuesday with more than 14 tons of aid, including 18 pumps, 34 boats and five diesel generators.

Medvedev joins new Russian campaign against child abuse

President Dmitry Medvedev has become the first member of the Russia - Without Child Abuse movement, the chairwoman of a children's support group said at the launch ceremony on Tuesday. "I would like to support all those who are not indifferent and who have already joined the movement. I also consider it my duty to join it," Medvedev said in a statement published on his official website.

World Russian People's Council to open in Moscow

The participants of discussions are to consider the role of teachers in Russian society, the importance of the Soviet Union's victory in the Second World War, as well as interethnic relations in schools and higher educational establishments.

Amnesty International Gives Medvedev Failing Marks on Human Rights

President [Dmitry Medvedev](#) has failed to deliver on his promise to uphold civil society and protect human rights activists, Amnesty International said Wednesday as it unveiled its annual global report on rights abuses. "In 2009, we saw steps like President Medvedev speaking to civil society, on the other hand we also saw [Chechen human rights activist Natalya] [Estemirova](#) abducted from the street in broad daylight and killed," said director of Amnesty's Europe and Central Asia Program.

Gays Vow to Defy Ban on Parade

Gay activists on Thursday vowed to stage a weekend pride parade outside the European Commission's building in central Moscow despite a court ruling upholding a City Hall ban on the gathering Thursday. Organizers had requested that the embassies of several European countries accommodate the event on their grounds but were refused.

Food, Energy & Environment:

Shuttle Atlantis completes final space mission, lands at Canaveral

Atlantis delivered the Russian Rassvet (MIM-1) research module and spare parts to the International Space Station (ISS). During the 12-day mission, the astronauts made three spacewalks and replaced some equipment, including batteries.

Russia May Allow U.S. Poultry Shipments to Resume Soon

The United States may be able to start shipping poultry in a month, a spokesman for Russia's veterinary watchdog said Thursday, calling the breakthrough a reward for Moscow's hard line in its negotiations with Washington.

Geo-strategic:

[Russia to adopt U.S. terror alert level](#)

Responses to terrorist threats depend on their color code. While no response is taken to the two lowest levels of risk, responses to the top three levels include increasing police presence and border control, deploying members of the state guard and stepping up security measures at military bases and airports. The red level causes public and government agencies to be shut down and staff to be evacuated to designated areas, including underground bunkers.

UPDATE: Russia sends its mightiest warships for drills in Far East

During the exercises, warships of the three Russian fleets will conduct live firing at naval and aerial drones and practice combat interoperability and repelling simulated attacks by hostile submarines and aircraft. Earlier reports indicated that the naval drills would be part of the Vostok-2010 strategic exercises in Siberia and the Russian Far East in June-July.

Russian experts to look into warship's sinking in S.Korea (Update)

President Dmitry Medvedev will send a group of Russian experts to South Korea to examine the results of a probe into the sinking of a South Korean warship.

Russia develops cargo container missile system

A Russian defense manufacturer is marketing the highly mobile Club-K missile system that can be hidden in a standard cargo container, and that was first unveiled this April at the Defense Services Asia (DSA)-2010 exhibition in Kuala Lumpur, Malaysia.

Venezuela plant to make 50 million Kalashnikov rounds annually

An ammunition plant being built by Russia in Venezuela will have the capacity to produce over 50 million rounds for Kalashnikov assault rifles per year. Under the contract, Russia is building an assembly line for AK-103 assault rifles and an ammunition plant to produce 7.62-mm ammunition for the rifle.

Russia Inks Deal to Extend Waterway Lease for Finland

Under the agreement, signed by Prime Minister [Vladimir Putin](#) in Finland, Russia will continue leasing its stretch of the 43-kilometer Saimaa Canal that connects Finnish lakes to the Gulf of Finland after the current 50-year contract expires in 2013.

Russia Says U.S. Missiles in Poland 'Don't Help Trust'

The Foreign Ministry on Wednesday broke its silence about the United States' deployment of Patriot missiles in Poland, criticizing the move as not helping security or trust. Russia is wary about the deployment of U.S. troops and military hardware near its borders, though its Defense Ministry in January denied suggestions that it might boost its Baltic Fleet in response to the Patriot deployment in Poland.

Detailed Report:

Political:

Iran wants S-300 missile deal despite Russia's support for sanctions

Mahmoud-Reza Sajjadi said on Tuesday.

"A month ago, all the 5+1 countries [the five permanent members of the UN Security Council plus Germany] wanted us to agree to this swap, but now that we have agreed, we find it surprising that sanctions are once again on the agenda," the ambassador said.

He said Russia's stance could be due to the fact that it had received unreliable or incomplete information about the agreement, adding that bilateral dialogue was needed to clear up the situation.

The United Nations Security Council gathered in New York last week to discuss a draft resolution imposing a new set of sanctions on the Islamic Republic, which is accused by Western powers of attempting to build nuclear weapons under the guise of a civilian energy program.

Sajjadi said, however, that Iran stood by the S-300 surface-to-air missile contract with Russia.

He also expressed hope that Russia as an initiator of the nuclear fuel swap deal would persuade other countries to avoid sanctions and would also honor the S-300 deal.

The ambassador warned that new sanctions against Iran would force Teheran to reconsider the uranium swap deal.

"If new sanctions are imposed against Iran, it will be clear to the Iranian people that the international 'Six' has only malice and only follows political motives," he said. "This will force us to reconsider the Tehran agreement."

A senior Russian lawmaker said on Friday proposed new UN sanctions against Iran would not stop Russia from fulfilling its contract to deliver S-300 missile systems to the Islamic Republic.

Observers say however the delivery of Russian S-300s will be prohibited under the draft resolution, which includes a ban on the supply of defensive weapons to Iran.

Moscow signed a contract on supplying Iran with at least five S-300 systems in December 2005. However, the contract's implementation by Russia has so far been delayed.

The United States and Israel have called on Russia not to deliver the missiles to Iran.

The West is also concerned by Russia's role in helping Iran to build its first nuclear power plant in Bushehr. The head of the Russian State Atomic Energy corporation, Sergei Kiriyenko, said last week the plant will begin operating by late summer.

Russia rejects Iran's claims it favors U.S. on nuclear issue

The statement comes after Iranian President Mahmoud Ahmadinejad said in a televised interview earlier in the day that Russia's support for UN sanctions against Tehran was "not acceptable to the Iranian nation."

"I hope [Russia] will pay attention and take corrective action," the Ynetnews service quoted him as saying.

Prihodko rejected any suggestion that Moscow favored one side or the other, declaring that "Russia is unfailingly guided by its long-term government interests."

"Our position is specifically Russian, it reflects the interests of all Russia's people, and therefore can be neither pro-American nor pro-Iranian," he said.

He added that "any unpredictability, any political extremism" as well as "inconsistency in making decisions of worldwide concern" are unacceptable for Russia.

Last week, [Iran agreed to swap in Turkey most of its 3.5%-enriched uranium for 20%-enriched fuel](#), but the move did not stop the so-called Iran Six - Russia, the United States, Britain, France, Germany and China - from discussing a draft Security Council resolution expanding sanctions against Iran over its nuclear program.

The West has raised further concerns about Russia's role in helping Iran to build its first nuclear power plant in Bushehr, which is due [to go into operation by late summer](#).

Iran Decries Russian Support for Sanctions

27 May 2010

Reuters

TEHRAN, Iran —

In Moscow, Kremlin aide [Sergei Prikhodko](#) sharply told Ahmadinejad to refrain from "political demagoguery."

In unusually strong criticism of the Russian government, Ahmadinejad used a televised outdoor speech to directly address Medvedev, who, he said, had bowed to U.S. pressure to support the sanctions move.

"If I were the Russian president, when making decisions about subjects related to a great nation [Iran] ... I would act more cautiously, I would think more," Ahmadinejad said. "The Iranian nation doesn't know: Are they [the Russians] our friends and neighbors? Are they with us or are they looking for something else?"

"We shouldn't see, at sensitive times, our neighbor [Russia] supporting those who have been against us, have shown animosity to us for 30 years," he said, in a reference to the United States, which has led the global diplomatic drive for new sanctions.

"This is not acceptable for the Iranian nation. I hope they [Russia] will pay attention and take corrective action," Ahmadinejad said.

Prikhodko, Medvedev's top foreign policy adviser, dismissed the criticism, saying Russia was neither pro-American nor pro-Iranian and that Moscow's policy was governed by the national interest.

"No one has ever managed to preserve one's authority with political demagoguery. I am convinced, the 1,000-year history of Iran itself is evidence of this," Prikhodko said in a statement.

"The Russian Federation is governed by its own long-term state interests. Our position is Russian: It reflects the interests of all the peoples of greater Russia and so it can be neither pro-American nor pro-Iranian," he said.

Russia and China have been far less hawkish on sanctions than the United States and Europe and, despite agreeing on the Security Council draft, ensured that tougher measures that could cripple the OPEC oil producer's vital energy trade were kept out.

Russia has yet to deliver an order of S-300 surface-to-air missiles, which could help Iran fend off any future attack on its nuclear facilities, which the United States fears is part of a program to build a nuclear bomb. It is also helping build the long-delayed Bushehr nuclear power station.

Russian officials have said sanctions will not affect the missiles order or work at Bushehr, which is supposed to begin operating in August. But a deterioration in diplomatic relations is unlikely to help either project progress.

In a clear rebuke to Tehran over its failure to allay fears about its nuclear program, Prikhodko said Russia could not accept inconsistency and a lack of transparency in resolving major world issues.

"Any unpredictability, any political extremism, lack of transparency or inconsistency in taking decisions that affect and concern the entire world community is unacceptable for us," he said. "It would be good if those who are now speaking in the name of the wise people of Iran ... would remember this."

U.S. Makes Concessions to Russia for Iran Sanctions

WASHINGTON — As it sought support for international sanctions on [Iran](#), the Obama administration gave Moscow two concessions: lifting American sanctions against the Russian military complex and agreeing not to ban the sale of Russian anti-aircraft batteries to Tehran.

Russian and American officials also said Friday that while the United Nations resolution would ban many weapons sales to Iran, it would not prohibit Moscow from completing the sale of S-300 anti-aircraft missiles to Tehran, a contract that Russia has suspended but not canceled. The sophisticated defensive system could help Iran shoot down American or Israeli warplanes should either try to bomb its nuclear facilities.

Russia has invented a series of reasons to delay delivery of the systems, under strong American pressure. A senior American official said Friday that other provisions of the sanctions, urging countries to exercise caution in what they deliver to Iran, would give Washington the ability to continue to urge Russia never to deliver the systems. Iran, in frustration, announced recently that it was developing a similar system that would be domestically manufactured, but outside experts said that would take years.

The concessions are the latest moves in [President Obama](#)'s effort to establish a fresh partnership with Russia after years of mutual suspicion. Last month Mr. Obama signed a new arms control treaty with Russia, and this month he revived a civilian nuclear cooperation agreement that had been shelved after Russia's war with Georgia. Mr. Obama's decision last year to restructure a European missile defense system was also seen by critics as a gesture to Moscow, although the president denied that.

The latest moves generated a fresh barrage of criticism from lawmakers and national security experts who said the administration was giving away too much and getting too little in return. Just this week, a bipartisan team in the House opened a legislative campaign to block the administration's decision to bring back the civilian nuclear agreement.

Administration officials said the moves were reasonable gestures of confidence as ties improved. The decision to lift sanctions against the Russian companies was not a direct trade-off for support at the United Nations, they said, but a reflection of the increasing trust that allowed both developments. And they added that Russia had earned that trust in part by putting the S-300 sale on hold.

"What we've seen is a shift in Russian attitudes toward military support for Iran, and emblematic of that is the restraint with respect to delivering S-300s," said Philip J. Crowley, the State Department spokesman. "This was not a quid pro quo, but the fact that Russia has improved its performance with respect to Iran has given us the confidence to take these steps."

Another senior official, who is involved in the discussions but not authorized to be identified, said the administration would have liked to have banned the S-300 sale but believed it had an understanding with Russia not to proceed with it. As for the sanctions lifted on the Russian companies, he said that some of them had lapsed anyway and that they were not much to give up compared with the importance of the United Nations resolution.

“We got a major instrument to help advance what we’re trying to do vis-à-vis Iran,” the official said. “Compared to what we gave up, I think we’re in a pretty good place, and we’re certainly better off than where we were in January 2009.”

But there was bipartisan criticism of the moves. David J. Kramer, who oversaw Russia policy in President [George W. Bush](#)’s State Department, said the concessions were “premature and unwarranted” without a firm commitment not to transfer the S-300s. “A Russia transfer of those missiles would be much more significant in a negative way than a Russian vote for a watered-down resolution,” he said. “Let’s not forget that Russia supported three previous resolutions and didn’t get ‘rewarded’ for those votes.”

[John R. Bolton](#), who was acting ambassador to the United Nations under Mr. Bush, said Russia’s foreign minister, Sergey V. Lavrov, got the upper hand on the Obama team. “He sensed desperation in the Obama administration on this Iran resolution, and probably extracted all that the traffic would bear,” he said. “The only remaining question is what else he got that we don’t yet know about.”

Representative Adam B. Schiff, Democrat of California and co-chairman of the Nuclear Security Caucus, said that the overall trend in Russian-American relations was good but that he was not sure Moscow agreed to enough teeth in the United Nations resolution to justify the concessions.

“It’s clear Russia is extracting a huge price for its cooperation at the [U.N. Security Council](#) on the Iran sanctions,” he said in an interview. On the S-300s, he said, “It’s hard to understand why they would insist on that if they weren’t intending to deliver.”

Representative [Edward J. Markey](#), Democrat of Massachusetts, introduced a measure to reject the civilian nuclear cooperation deal on Thursday. “I believe Russia is continuing to assist [Iran’s nuclear program](#),” he said, citing the civilian nuclear plant at Bushehr built by Russia and set to open this year. “Russia has sold Iran advanced conventional weapons and air defense systems.”

But administration officials said there was no evidence of current arms or technology transfers involving the companies freed of sanctions on Friday. Rosoboronexport, the state arms export corporation, was sanctioned in 2008 for arms sales to Iran, while the Dmitry Mendeleev University of Chemical Technology, the Moscow Aviation Institute and the Tula Instrument Design Bureau were all originally sanctioned in 1999.

Earlier this year the administration lifted sanctions on two other Russian entities, Glavkosmos and the Baltic State Technical University, both sanctioned in 1998 for helping Iran’s missile and weapons programs.

Russia, EU to continue modernization dialogue – Putin

LAPPEENRANTA, May 27 (Itar-Tass) - Russian Prime Minister Vladimir Putin said on Thursday noted that Russia and the EU set an ambitious task of creating a common scientific and technological space.

“I believe that a decision on launching the project Partnership for Modernization taken at the Russia-EU summit in Stockholm became a certain turning point on this track,” Putin told the first EU-Russia innovation forum.

Ukraine ends counterintelligence work on Russian FSB officials - paper

Ukrainian counterintelligence services have stopped monitoring Russian Security Service (FSB) officials stationed in Ukraine, a Ukrainian weekly paper said on Saturday.

"As a gesture of goodwill and to demonstrate new policies, the counterintelligence department ended all work on Russian security services in Ukraine," Zerkalo Nedeli said.

The Ukrainian security services have so far not made an official comment on this report.

A cooperation agreement was signed by the heads of the Ukrainian and Russian Security Services on May 19. The agreement includes a decision to return Russian security service officials to Crimea, where Russia has a naval base. The Russian security services were ordered to leave the territory at the end of 2009.

[Russia, N. Korea to continue consultations to settle inter-Korean conflict](#)

Russia and North Korea will continue consultations aimed at preventing the [escalation of the situation on the Korean Peninsula following the sinking of a south Korean warship](#), the Russian Foreign Ministry has said.

Russian Deputy Foreign Minister Alexei Borodavkin has discussed the inter-Korean conflict with North Korea's Ambassador to Russia Kim Yong Jae, a statement posted on the ministry's website on Friday said.

"Both parties reaffirmed the need to prevent the further escalation of tensions in the region and expressed their readiness to continue consultations in order to look for ways to overcome the current inter-Korean crisis," the statement said.

An international investigation later confirmed the suspicions that the ship was destroyed by a torpedo launched from a North Korean submarine.

North Korea, angered by the accusations, declared earlier this week it was cutting all ties with Seoul and scrapping an agreement on preventing accidental naval clashes with South Korea. The two countries remain technically at war as their 1950-1953 conflict ended only in an armistice.

South Korea has frozen economic relations and maritime communications with its northern neighbor. The decision is yet another blow for the North's economy already damaged by past UN sanctions intended to force Pyongyang to quit its nuclear program.

The South Korean Navy on Thursday started large-scale anti-submarine drills in the Yellow Sea as part of measures to counter any further attacks by North Korea. The exercises involve about 10 warships, which practice live artillery firing and dropping anti-submarine depth charges.

The international community has condemned the North of jeopardizing peace on the Korean Peninsula. UN Secretary General Ban Ki-moon has called for the Security Council to take prompt actions against Pyongyang.

Philip Crowley, the assistant secretary to the U.S. Department of State, has said the United States, China, Russia, Japan, and South Korea, who are involved in six-party talks on North Korea's nuclear program, should "send a very clear and compelling message" to the North Korean authorities to "choose a different path."

Russian President Dmitry Medvedev sent on Wednesday a group of Russian experts to South Korea to examine the results of the investigation into the Yellow Sea incident.

Economic:

[Russia, Kazakhstan may jointly enter WTO without Belarus](#)

Russia and Kazakhstan will jointly enter the World Trade Organization if Belarus fails to approve agreements on the Customs Union the three former Soviet states are trying to build, the Russian premier said Friday.

"As soon as Belarus finishes coordinating legal procedures, and, I hope, signs the documents, we will move in the three-country format. Should it not join, the two of us will move ahead," Vladimir Putin told journalists after a meeting of the Customs Union discussion group involving top negotiators from Russia and Kazakhstan. Belarus refused to attend the meeting but the country's premier Sergei Sidorsky spoke to Putin by phone.

Putin also said Russia and Kazakhstan will establish a provisional bilateral judicial body as part of the Customs Union with a headquarters in Kazakh capital of Astana.

"We agreed to create a provisional judicial body to resolve judicial disputes that could arise," he said.

The chairman of the Belarus State Customs Committee said Wednesday the Customs Union between Russia, Belarus and Kazakhstan will most likely fail to agree on common export duties for oil and cars by July 1.

Last week Putin said the premiers of the three former Soviet republics had failed to resolve disputes at a meeting in St. Petersburg. But on Friday Putin said that Russia and

Kazakhstan will from July 1 introduce the Customs Code, which could be later joined by Belarus.

The Customs Union formally came into existence on January 1, but is unable to function until the Customs Code is approved.

Putin said Wednesday the negotiation process would be continued by experts over the next two weeks.

The main areas of contention are the import of foreign cars and aircraft into the Union's customs territory and export duties on Russian oil and petroleum products to Belarus.

Belarus refuses to pay the Russian gas price, set at \$169 per 1,000 cubic meters in the first quarter of the year and \$185 in the second quarter, and has been paying \$150 since January 1 instead. A Russian official said it had "plucked this price out of thin air."

The country already owes Russian state-run gas monopoly Gazprom \$192 million for gas supplies this year and this figure could reach \$500-600 million by the end of the year if the situation is not resolved.

Moscow and Minsk faced off at the start of the year over tariffs on imports of Russian oil, which Belarus said should be completely duty-free in the Customs Union.

Russia stays adamant on crude export duties – Putin

ST. PETERSBURG, May 28 (Itar-Tass) -- Russia and Kazakhstan will start up bilateral Customs Union on July 1, Prime Minister Vladimir Putin said on Friday.

"We hope that Belarus will join the coordinated documents. If not, profound integration will be bilateral," Putin said.

"Russia and Kazakhstan are ready for Belarusian affiliation to all the agreements of the second phase of the Customs Union formation," he said.

Russia stays adamant in the issue of export duties on crude and petroleum products, Prime Minister Vladimir Putin said at the Friday meeting of Customs Union premiers.

"There is one disagreement unrelated to the Customs Union but related to Belarusian colleagues. That is export duties on crude and petroleum products," he said.

"The duties will not be applied from the moment the common economic space agreement is ratified. The soonest formation of the common economic space, which implies a higher level of integration and free movement of commodities, capitals and labor force, meets the common interests," he said.

Russia and Kazakhstan have signed an agreement specifying the application of international treaties in the formation of the Customs Union.

Car import exemptions will be made in the customs code of Russia, Belarus and Kazakhstan, Putin said at the Friday meeting of the Customs Union premiers.

"We are ready for car import exemptions for citizens of our partner states in a transitional period," he said. "We will do that, bearing in mind the social significance of the issue for our partners."

Russia hopes for U.S. support in its WTO bid

Russia is counting on support from the U.S. political and business community in joining the World Trade Organization, President Dmitry Medvedev said on Tuesday.

Russia has been in negotiations to enter the WTO for over 16 years, and is the only major economy outside of the global trade body.

"We have been trying to join it longer than the Chinese did, although our economy is smaller and we generally have sufficiently open rules, understandable to all," Medvedev said.

He admitted Russia still had problems with intellectual property rights protection, a major impediment to WTO accession, but vowed to tackle them, adding it was a priority for the Russian government.

[In June 2009, Russia, Kazakhstan and Belarus](#) notified the WTO of their intention to join the world trade club as a customs union.

Four months later, the three former Soviet republics announced they would resume talks on WTO accession separately, but working from synchronized positions.

Post-Soviet Customs Union delayed over export duties - official

The Customs Union between Russia, Belarus and Kazakhstan will most likely fail to agree on common export duties for oil and cars by July 1, the chairman of the Belarus State Customs Committee said on Wednesday.

"The major problem is export customs duties for oil and petroleum products as well as passenger cars for individuals," Alexander Shpilevsky said, adding that Russia has a tough stance on these issues, which differs from the positions of Belarus and Kazakhstan.

The Customs Union formally came into existence on January 1, but is unable to function until the Customs code is approved.

Putin said the negotiation process would be continued by experts over the next two weeks.

The main areas of contention are the import of foreign cars and aircraft into the Union's customs territory and export duties on Russian oil and petroleum products to Belarus.

Belarusian Prime Minister Sergei Sidorsky clarified that it was duties on oil and petroleum products that troubled his country. Moscow and Minsk faced off at the start of the year over tariffs on imports of Russian oil, which Belarus said should be completely duty-free in the Customs Union.

According to Russia's Federal Customs Service head, Andrei Belyaninov, the issue should be solved by the government heads or by the presidents of the three nations, adding that consultations were scheduled for May 28 and could involve the prime ministers or presidents.

Earlier this week, Vedomosti business daily reported that the Customs Union could begin operations without Belarus.

"I wouldn't want to leave [Belarus] out just because of an issue over cars," Belyaninov said.

Russia's GDP to grow 3-6% annually from 2011 - government forecast

Russia's gross domestic product is expected to grow 3-6% annually from 2011, President Dmitry Medvedev said on Monday, citing a government forecast on the country's social and economic development.

"The economic forecast prepared by the government allows us to expect relatively steady gross domestic product growth. We hope and expect it to be at the level of 3-6% annually," Medvedev said.

The forecast being discussed at the government meeting will be the cornerstone for preparation of the federal budget for 2011 and for 2012-2013. After the economic forecast parameters prepared by the Economic Development Ministry are approved by the government, they will lay the basis for the country's budget.

Social/ Humanitarian:

[Second priest murdered in central Russian republic of Chuvashia](#)

A spokesman for the local investigation committee said the body of a hieromonk of St. Michael the Archangel church with multiple knife wounds was discovered at his home in the city of Cheboksary.

The spokesman added that an investigation team was working at the scene of crime, while prosecutors opened a criminal case on murder charges.

On April 24, Father Anatoly, 46, was discovered dead with a gunshot wound at his church in Chuvashia's village of Yantikovo. Police later detained a 47-year-old man with a history of mental illness in connection with the murder.

In late 2009, two priests were shot dead in Moscow in matter of weeks.

The most notorious murder came in late November of 2009 when Priest Daniil Sysoyev was shot dead by a masked gunman in St. Thomas's Church in southern Moscow.

Sysoyev was known for his active missionary work in converting Muslims and people seeking to quit religious sects into Christianity. His assistant, Vladimir Strelbitsky, was badly wounded in the attack.

U.S. couple face death penalty for killing Russian adopted child

A U.S. couple accused of beating their adopted 7-year-old Russian son to death may face the death penalty, Izvestia daily said on Tuesday.

Nathaniel Craver (Vanya Skorobogatov) died in August 2009 at a hospital in Pennsylvania of traumatic brain injury and malnutrition. Doctors discovered more than 80 external injuries on the boy's body, with 20 of them to his head.

Jennifer Russell, senior deputy prosecutor of York County, Pennsylvania, was quoted by Izvestia as saying at a court hearing on Monday that prosecutors would seek capital punishment for the Cravers.

Judge John S. Kennedy postponed court proceedings for June 14 to allow the Cravers to find an attorney qualified to represent them in a death penalty case, the paper said.

Izvestia quoted observers as saying the Cravers could avoid capital punishment if they plead guilty.

Nathaniel and his twin sister Elizabeth (Dasha) were adopted by the Cravers in 2003. The BBC has reported that Elizabeth is safe.

This is not the first incident of a Russian adopted child being killed by U.S. adoptive parents. Since 1991, a total of 17 Russian children have died in the U.S. as a result of beating or negligence, according to official Russian statistics.

Mistakes by the crew caused the crash of the Polish presidential plane near the western Russian town of [Smolensk in April](#), Poland's envoy to the investigation said in his report on the accident.

The Soviet-made Tu-154 aircraft [crashed on April 10](#) when it attempted to land in thick fog, killing all 96 people on board, including President Lech Kaczynski, his wife and other top state officials.

Air traffic controllers advised the pilot to turn around and head for Minsk, the capital of neighboring Belarus, as the Smolensk military aerodrome lacked the necessary navigational equipment to receive planes in heavy fog.

Shortly after the tragedy, there was speculation that the pilot attempted to land at Smolensk due to pressure from Polish officials anxious to attend a memorial ceremony for the victims of the 1940 [Katyn massacre](#), in which Soviet secret police executed thousands of Polish military officers.

Edmund Klich, who heads the Polish air accident investigations commission, examined recordings on the plane's black boxes and conversations between the crew members.

"The pilots ignored all danger warnings shown by the aircraft's automatic controls, and took an undue risk. Why? Because they were trained to do so," Klich told *Rech Pospolita* newspaper.

The newspaper said that, although the air crash investigation is not yet complete, Klich has already placed the blame for the accident on the crew.

"I will take the risk and be responsible for this. I think society should know," he said.

Klich earlier said non-crew members were in the cockpit of the crashed plane, including Polish Air Force Commander Andrzej Blasik, who wanted to "find out what was going on" just minutes before the tragedy.

Media reports said that the Foreign Ministry's chief protocol officer was also in the cockpit.

[**Russia ready to help reconcile China, Dalai Lama**](#)

Russia is ready to help settle the conflict between China and the Tibetan spiritual leader Dalai Lama, Foreign Minister Sergei Lavrov said on Thursday.

Lavrov said that Moscow supports the development of interreligious and interconfessional ties, but is against aspects of religion that have been distorted into politics.

"We are following carefully what is happening between the leadership of China and the Dalai Lama and we know that the Chinese leadership is deeply committed to the Dalai Lama dissociating himself from any kind of political activity and separatist tendencies in regard to one or another territory in China," Lavrov said during a speech at the Federation Council, Russia's upper house of parliament.

The Dalai Lama, who fled Tibet in 1959, has repeatedly said he seeks autonomy for Tibet rather than independence from China.

Beijing accused the Nobel Peace Prize winner of orchestrating the March 2008 unrest in Tibet, which left 19 people dead and 623 injured, according to official Chinese reports. The Dalai Lama has denied the allegations.

Lavrov said that occasional attempts to politicize the Dalai Lama's role as a spiritual leader do not bring any desired results, including the development of ties between the Dalai Lama and Buddhists in Russia.

"If all the parties make attempts to separate clearly pastoral contacts from political associations, this would be a solution to the problem. We are ready to assist in this," Lavrov said.

There are some 700,000 followers of Buddhism in the Russian Federation, or about 0.5% of the total population.

Ma Zhaoxu, a spokesman for the Chinese Foreign Ministry, urged the United States to seriously take into account China's stance and stop "supporting anti-Chinese separatist forces."

Last October, the Dalai Lama received an award from the U.S. Congress in honor of his human rights work.

At least 13 Russian tourists dead, 26 injured in Turkish bus crash (Update)

At least 13 Russian tourists died in a [bus crash in the southwestern Turkish region of Antalya](#) on Tuesday, a Russian Emergency Situations Ministry's spokeswoman said.

Yelena Chernova said that 26 people were injured.

"According to updated information at 6:30 p.m. Moscow time (14:30 GMT), 13 citizens of Russia died, 26 were hospitalized after the traffic accident in Antalya," Chernova said. "Four are in critical condition," she continued adding that there were also two Turkish citizens who were killed in the accident.

The Russian Health Ministry's press service, however, said six were in critical condition.

According to preliminary information, the accident occurred when the driver suffered a heart attack. Earlier Turkish police suggested that the driver had fallen asleep at the wheel.

President Dmitry Medvedev on Tuesday ordered Russia's Emergencies Ministry to help the Russian tourists injured in the crash, and to repatriate the bodies of those killed.

Russia's Emergency Situations Ministry said later on Tuesday it would [send an Il-76 plane with 15 doctors from the Disaster Medicine Center](#) and Emergency Situations Ministry to Turkey, as well as two psychologists, to help the survivors and to evacuate the injured tourists.

Medvedev orders Russian aid sent to flood-hit Poland

President Dmitry Medvedev instructed Russia's emergencies minister on Monday to send humanitarian aid to help Poland deal with heavy flooding, the Kremlin press service said on Monday.

Sergei Shoigu told the president that planes carrying humanitarian aid, pumps and diesel generators would take off for Poland shortly.

Heavy rains hit Poland late last week, with the country's southern regions the worst affected by the natural disaster. Local rescue teams are evacuating people from flooded areas.

According to police reports, at least 14 people were killed in the floods across the country.

Schools and kindergartens were closed in Warsaw on Monday for fear of flooding, where the "big water" has been running for three days.

The water level in the Vistula River in the Polish capital has exceeded danger levels by more than 1 meter but as yet no one has been evacuated.

Medvedev joins new Russian campaign against child abuse

Medvedev did not attend the ceremony, but his statement was read by Marina Gordeyeva of the Fund for the Support of Children, which launched the campaign along with the Health and Social Development Ministry.

"It is a well-known truth that there is no such thing as somebody else's children. That is why it is important to react swiftly to each specific case of child abuse, systematically working to prevent social orphans and homelessness, and of course, to create an atmosphere of zero tolerance in society of any violence towards children," the president's statement said.

A range of Russian pop stars and TV hosts have also joined the movement, which is also supported by RIA Novosti.

Members declare their readiness to assist children who find themselves in difficult situations, protect them from violence and promote knowledge that will help resolve conflicts between adults and children.

Thousands of cases of child abuse are registered in Russia annually. Last year, there were a number of resonant cases, including a drunken stepfather throwing his two young daughters out of the window of a multistory house, and parents chaining up their children to avoid being bothered.

Incidents of violence towards children adopted from Russia by foreign citizens have also raised the prominence of the issue of the treatment of children. In one recent case, a U.S. couple could face the death penalty for beating their adopted son to death.

World Russian People's Council to open in Moscow

The World Russian People's Council will open in Moscow on Tuesday to discuss issues related to national education and juvenile justice, a Russian Orthodox Church spokesman said.

Archpriest Vsevolod Chaplin said Patriarch Kirill of Moscow and All Russia will lead the council, which is due to close on Wednesday.

Chaplin said the use of physical force by parents bringing up children should be limited.

"When is it justified and when not?" he asked rhetorically.

The World Russian People's Council has existed since 1993. It is one of the biggest international public forums playing an important part in forming Russia's civil society.

Top officials, leaders of political parties and public associations, clergymen, military and culture figures, youth and Russian delegates from other countries have traditionally attended the council's sessions.

Amnesty International Gives Medvedev Failing Marks on Human Rights

27 May 2010

By Natalya Krainova

"This clearly shows things are not right," Nicola Duckworth, said at a news conference.

She said Russia's law enforcement system and courts were weak and unable to bring human rights violators to justice.

"The legal system seems utterly ineffective in prosecuting those who are responsible for attacks on human rights activists, journalists and lawyers," Duckworth said.

Frederica Behr, Amnesty's expert on Russia, said Medvedev acknowledged that human rights activists faced problems working in Russia during a meeting attended by Amnesty representatives in November.

"But these are words, and we want to see actions," Behr said.

"Unfortunately, in 2009, the absence of respect for civil society was evident," she added.

Amnesty faulted authorities for bringing "criminal charges against human rights activists to limit their freedom of speech," banning opposition and gay pride rallies, failing to reduce a "permanently high number" of hate crimes and violating human rights in the North Caucasus.

Duckworth also accused Russia and Georgia of failing to conduct a full investigation of violations committed during the war for South Ossetia in August 2008.

Positive developments were limited to a decision by the Supreme Court to extend the moratorium on the death penalty and an improvement in the public monitoring of detention centers, Duckworth and Behr said.

Amnesty criticized Russia for failing to convict anyone yet in the killings of human rights lawyer [Stanislav Markelov](#), gunned down in January 2009, and opposition journalist [Anna Politkovskaya](#), whose 2006 murder case fell apart after a jury cleared four suspects in February 2009.

Amnesty also slammed a Moscow court's decision to fine [Oleg Orlov](#), head of Memorial, a human rights group, for accusing Chechen President [Ramzan Kadyrov](#) of human rights abuses.

Gays Vow to Defy Ban on Parade

27 May 2010

The Moscow Times

The activists will defy the ban to rally on Kadashevskaya Naberezhnaya on Saturday, gay rights activist [Nikolai Alexeyev](#) said at a news conference attended by Chicago Gay Liberation Network activist [Andy Thayer](#), British gay rights activist [Peter Tatchell](#) and gay German lawmaker [Volker Beck](#).

He criticized the diplomatic missions for selling "human rights for the sake of economic interest," Interfax reported.

At least 100 Russians, as well as two or three members of the European Parliament and a number of other European and U.S. activists, are expected to participate.

Mayor [Yury Luzhkov](#) has called gay pride parades "satanic" and consistently banned them. Gay rallies, held in the city center since 2006, have been routinely attacked by radical Orthodox believers and broken up by police.

The European Court of Human Rights is expected to rule this year on City Hall's bans on gay parades in 2006, 2007 and 2008.

Homosexuality was decriminalized in Russia only in 1993, and homophobic attitudes remain widespread.

Last May, more than 30 gay activists, including Tatchell, were arrested for attempting to hold a pride march in the gardens of Moscow State University.

In October, a Russian court threw out a request by a lesbian couple to force a registry office to marry them.

Food, Energy & Environment:

Shuttle Atlantis completes final space mission, lands at Canaveral

The space shuttle Atlantis with a crew of six landed at Cape Canaveral in Florida on Wednesday, completing its final space mission.

NASA broadcast Atlantis's final landing on its website.

NASA plans to scrap the shuttle program by the end of the year. The U.S. space agency says the shuttles are outdated and too expensive to maintain.

There are two scheduled shuttle flights remaining - Discovery will be launched to the ISS in September, while the planned mid-November launch of Endeavour is expected to mark the end of the U.S. program.

Russian Soyuz and Progress spacecraft will take U.S. astronauts and cargos to the space station after NASA stops launching its shuttles.

[Russia May Allow U.S. Poultry Shipments to Resume Soon](#)

By Alex Anishyuk

The United States may be able to start shipping poultry in a month, a spokesman for Russia's veterinary watchdog said Thursday, calling the breakthrough a reward for Moscow's hard line in its negotiations with Washington.

"It will depend on the desire of the U.S. suppliers to resume exports of poultry to Russia as soon as possible, which I think they want very much," Alexei Alexeyenko, a

spokesman for the Federal Service for Veterinary and Phytosanitary Control, told The Moscow Times. "I expect this to happen by the end of June."

Russia maintained a tough stance in its negotiations with the United States, and it looks like the effort was not in vain, Alexeyenko said.

"First, the U.S. side didn't even want to hear about banning chlorine for the poultry exported to Russia, and they continued to tell us that the U.S. safety rules allowing it were very trustworthy," he said. "We kept explaining that this country has its own laws, and importers are obliged to obey."

Washington offered a choice of 22 chemicals that they could use in place of chlorine to disinfect the poultry, but many of them also were prohibited in Russia, he said.

"Finally we reached a compromise by agreeing on the chemicals that satisfy both sides. Under the new rules, importers will be obliged to indicate which substance was used in a separate document in addition to the veterinary certificate," he said.

[Gennady Onishchenko](#), head of the Federal Consumer Protection Service, told reporters Thursday that a tentative agreement was reached to resume supplies, without elaborating on the terms. The Agriculture Ministry and the U.S. Department of Agriculture still need to exchange formal letters outlining the terms of the agreement, he said.

Imports were frozen at the beginning of the year after long-planned regulations went into effect that forbid the import of poultry treated with chlorine, which is used by many U.S. producers. The Federal Consumer Protection Service signed the measure in June 2008, but the rules' start date was later pushed to Jan. 1, 2010.

But U.S. poultry producers — who supplied 750,000 metric tons last year, or 20 percent of the market — are unlikely to regain their former market share, analysts say.

In early February, President [Dmitry Medvedev](#) signed a new "food security" doctrine, which called for 85 percent of all meat consumed in the country to be produced domestically by 2020.

The Cabinet has taken an even more aggressive stance on poultry. In January, Prime Minister [Vladimir Putin](#) said Russia should be able to cease all poultry imports by 2015, while Agriculture Minister [Yelena Skrynnik](#) said the amount of poultry imports should be cut to zero within just three years.

Russia will produce 3.1 million metric tons of poultry per year by 2012, according to the ministry's forecast, up from 2.5 million metric tons in 2009. [Cherkizovo](#) Group, the country's biggest poultry producer, said Wednesday that its first-quarter profit rose 17 percent on higher prices and output.

Geo-strategic:

[Russia to adopt U.S. terror alert level](#)

The U.S. so-called terror alert level (Homeland Security System) is ready for introduction to Russia, the Russian president's special envoy on counter-terrorism said.

Russia's plans to introduce a system for responding to terrorist threats were declared in March 2008 by Director of Russia's Federal Security Services Nikolai Patrushev.

"As far as I know, the technical issues surrounding the introduction [of the system] have been sorted out. Now only the legal and political questions remain. It is almost ready," Anatoly Safonov told journalists in Washington after the meeting of a U.S.-Russia working group on fighting terrorism.

The Homeland Security Advisory System was developed in the United States after the 9/11 terrorist attacks in response to complaints from the public that the state was not giving enough warning of known terrorist threats.

The system has five color-coded levels, with green the lowest, signifying almost no danger, and red the highest, signifying severe risk. The danger level is determined by intelligence from the federal security services.

UPDATE: Russia sends its mightiest warships for drills in Far East

Flagships of three Russian fleets have united in Russia's Far East for the large-scale naval exercises in the Sea of Japan in June, a Pacific Fleet spokesman said on Wednesday.

The flagship of the Black Sea fleet, the Moskva missile cruiser, arrived at a naval base near Vladivostok on Wednesday and teamed up with the flagship of the Northern Fleet, the Pyotr Veliky nuclear-powered guided-missile cruiser, and the flagship of the Pacific Fleet, the Varyag guided-missile cruiser.

"After the Moskva crew has had a short rest, warships of three Russian fleets will sail to the Sea of Japan to complete combat training tasks and hold naval drills," the official said.

The land drills will involve units from the Far Eastern, Siberian and Volga-Urals military districts.

The units will practice the deployment of additional troops to strengthen the existing military contingent in the region in case of a potential military conflict.

Russia holds Vostok strategic exercises every two years. More than 8,000 troops took part in [Vostok-2008](#).

Russian experts to look into warship's sinking in S.Korea (Update)

The Kremlin said on Wednesday.

"Medvedev believes it is crucial to establish the true cause of the loss of the vessel and to establish beyond all doubt who bears personal responsibility for what happened," the Kremlin press service said in a special statement.

It said Medvedev made the decision in response to a proposal from South Korea.

[South Korea's 1,200-ton Cheonan corvette sank near the disputed Northern Limit Line in the Yellow Sea on March 26 with the loss of 46 lives.](#) After an investigation, Seoul accused North Korea of firing a torpedo from a submarine at the vessel.

"We believe that if there is reliable information about someone's involvement in the incident, measures considered essential and fitting by the international community should be taken towards those guilty," the statement said.

"Beyond this, the Russian president considers it crucial that all the involved parties show restraint and moderateness in the interest of not allowing tensions to escalate further, and of preserving peace, security and stability on the Korean Peninsula and in the entire region," the statement said.

"Russia is prepared to continue close cooperation on this issue with all the states concerned."

Russia develops cargo container missile system

A Russian defense manufacturer is marketing the highly mobile Club-K missile system that can be hidden in a standard cargo container, and that was first unveiled this April at the Defense Services Asia (DSA)-2010 exhibition in Kuala Lumpur, Malaysia.

Venezuela plant to make 50 million Kalashnikov rounds annually

The Urals-based Izhevsk Mechanical Plant (IMP) supplied 100,000 AK-103 assault rifles to Venezuela, and signed a new contract in 2007 licensing production of Kalashnikov rifles in the Latin American country.

"The ammunition plant will be capable of producing over 50 million rounds annually," said Nikolai Maslyayev, general director of the Izhevsk-based design bureau for automated assembly lines.

The ammunition plant, which is being constructed near the Kalashnikov rifle assembly plant in Venezuela's Aragua State, is expected to be ready for production by the end of 2010.

Oil-rich Venezuela is a major purchaser of Russian weapons and hardware. Since 2005, Venezuela has bought \$4-billion worth of Russian weapons, including warplanes, helicopters, and Kalashnikov assault rifles.

Russian Prime Minister Vladimir Putin said in April after an official visit to Venezuela that the Latin American country could sign more than \$5-billion worth of new contracts for Russian arms and military equipment in the near future

Russia Inks Deal to Extend Waterway Lease for Finland

27 May 2010

By Anatoly Medetsky

Russia signed a deal Thursday extending a Finnish lease on a key waterway for another 50 years, allowing Helsinki to import timber and export paper and pulp.

The canal runs from the city of Lappeenranta, in the southwestern Finland, to the Leningrad region city of Vyborg. Finland agreed to pay a rent of at least 1.2 million euros (\$1.5 million) per year, up fourfold from 300,000 euros. The pay may rise depending on the number of passing ships.

Putin, who spoke at a meeting of the EU-Russia Innovation Forum, described the deal as a show of the “special nature of our relations” and “trust” in talks with his Finnish counterpart, [Matti Vanhanen](#), before they signed the accord in Lappeenranta.

The new agreement expands the usage of the canal by allowing passenger vessels from third countries to navigate it as well, the Finnish government said on its web site in March. It also seeks to exploit the scenic waterway's opportunities for the tourist industry and pleasure boating.

Finland will no longer lease Maly Vysotsky Island, or Ravansaari as it is known in Finland, during the next 50 years, the Finnish government said in a memo Thursday. Instead, the lease will include a new road between the border checkpoints of Nuimaa and Brusnichnaya.

Ships carry about 2 million metric tons of cargo across the canal every year, meeting the needs of some 20 Finnish companies that employ 7,000 people.

Russia gained the 20-kilometer portion of the canal following a brief war with Finland in 1940.

In other deals, state-owned shipping company [Sovcomflot](#) and three Finnish companies, including [STX Finland](#), signed a memorandum of understanding on development and construction of an icebreaker for Sovkomflot to clean up oil spills in the Baltic Sea. The other Finnish companies were [Aker Arctic Technology](#) and [Southeast Trading](#). [Rosmorport](#), a Russian state enterprise that manages port infrastructure, also signed the memorandum.

State-owned railway-equipment maker [Transmashholding](#) agreed to set up a 50-50 joint venture with Finland's [Waertsilae](#) to develop and produce diesel engines for trains, ships

and power plants. The agreement calls for 1.8 billion rubles (\$58 million) of investment, Transmashholding spokesman Artyom Ledenev said, Bloomberg reported.

The two companies will upgrade an existing plant in the Russian city of Penza, which will begin operation in 2012, Ledenev said. Waertsilae makes ship engines and power plants.

Putin and Vanhanen kicked off their meeting Thursday by taking a tour of a high-speed train that is scheduled to begin shuttling between St. Petersburg and Helsinki in December, reducing the travel time to three hours from the current 5 1/2 hours.

Russia Says U.S. Missiles in Poland 'Don't Help Trust'

27 May 2010

Reuters

Such military activity does not help to strengthen our mutual security, to develop relations of trust and predictability in this region, the Foreign Ministry said in a statement.

A Patriot surface-to-air missile battery arrived Monday in Poland and was to be deployed in the north of the country, close to the border with Kaliningrad.

"We have repeatedly stated that we do not understand the logic and sense of cooperation between the United States and Poland in this sphere," the ministry said. "We note with regret that our questions to the Polish and U.S. sides have remained unanswered, as well as our arguments in favor of temporarily moving the deployment region as far as possible from Russian borders."

There was no immediate hint of any retaliatory Russian move to the Patriot deployment in the Foreign Ministry statement.

Poland hailed the deployment as an important boost for its national security.

"We in Poland see the deployment of the Patriot battery here as a move toward strengthening our national security and ties with America," Defense Minister Bogdan Klich told a welcoming ceremony also attended by U.S. Ambassador Lee Feinstein.

The battery, manned by up to 150 U.S. troops, will be stationed for about one month four times a year in Morag, northern Poland, close to Kaliningrad. Its stated main mission is to train Polish military personnel.

