

By Alan Cullison

## Russia Tightens Its Grip in Belarus

MOSCOW—Russian Prime Minister Vladimir Putin announced a \$14 billion rescue plan for Belarus on Friday, tightening Russia's embrace over its isolated, authoritarian neighbor in return for a major stake in its economy.

Under the plan, Russia wins complete control over Belarus's gas pipeline network, a major export route for Russian natural gas to Europe. Moscow appears to keep financial leverage over Belarus in the years to come by retaining the right to raise the price of gas, a lifeline for industry of the former Soviet republic.

Belarus has been seeking aid to compensate citizens for recent inflation. Belarus Deputy Prime Minister Anatoly Kalinin said Friday the government would soon reintroduce price controls on foodstuffs and raise salaries in state-controlled companies. The government also will pass new laws to allow citizens to hold more than one job to augment their incomes. "We need to liberate the citizens," Mr. Kalinin said, according to the Interfax news agency.

The agreement, signed in Moscow, marks an important victory for the Kremlin, which has successfully used its role as an energy supplier to buttress its clout in the former Soviet Union. Belarus, situated between Russia's eastern border and Poland, has long been a holdout against Russian influence, refusing to relinquish its pipeline network to Russian gas supplier, OAO Gazprom, and demanding cheap exports to subsidize its Soviet-style economy.

The holdout was sustained by Belarus President Alexander Lukashenko, a rival to Mr. Putin who for years pursued a balancing act with Russia by dangling the prospect of warmer relations with the West. But the act collapsed last year when Mr. Lukashenko pursued a crackdown on political opposition, drawing condemnation from the European Union and Washington.

Mr. Lukashenko had sought a loan earlier this year from the International Monetary Fund to stave off a currency collapse and to tame inflation. But talks fizzled this summer, as the West pressed Mr. Lukashenko to release political rivals from jail.

Mr. Lukashenko's agreement Friday marks a more serious turn toward Moscow, which has been less critical of his authoritarian streak, and comes a day after Minsk sentenced leading human-rights campaigner Ales Belyatsky to 4.5 years in jail for tax evasion.

In Moscow, Mr. Putin said the deal settled "a very important question that will regulate our relationship with Belarus for years to come."

Mr. Putin said Russia will offer Belarus a \$10 billion loan over 15 years for the construction of the country's first nuclear-power plant since the 1986 Chernobyl accident in ex-Soviet Ukraine.

Russia also will pay \$2.5 billion outright to acquire the other half of its neighbor's gas-transport network, Beltransgaz, it doesn't already own.

Mr. Putin said Russia also was cutting the price Minsk has to pay for gas to less than half the average paid by other European states, from \$244 per thousand cubic meters this year to \$164 at the start of 2012. Belarus would then start paying Russia's own domestic price starting in 2014. "This is a substantial rebate. It will help to keep at least \$2 billion in Belarus," Mr. Putin said in televised remarks.

"At the same time, we agree that the Russian company Gazprom is acquiring the entire 100% stake in Beltransgaz—the gas transport system of Belarus." Mr. Putin initially said "Ukraine" before quickly correcting himself. Mr. Putin's mental slip came as Moscow also presses ahead with efforts to win control of Ukrainian gas pipelines in exchange for cheaper shipment costs.

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KEYWORDS=Ukraine](http://online.wsj.com/article/SB10001424052970203764804577060312640356138.html?KEYWORDS=Ukraine)

### *Росія посилює свою хватку в Білорусі*

*Пан Путін у телевізійному виступі заявив, що Російський Газпром скупивши всі 100% акцій Белтрансгазу, фактично купив газотранспортну систему Білорусі. При цьому пан Путін спочатку сказав "України", але швидко виправив себе. Причиною психічного ковзання Путіна, можливо, став тиск Москви на Україну з метою захопити під свій контроль українські газопроводи в обмін на дешевший газ.*