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United States Department of State

The Deputy Secretary of State

Washington, D.C. 20520

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MEMORANDUM TO THE SECRETARY

FROM: STROBE TALBOTT (ST)

SUBJECT: FROM MOSCOW TO HALIFAX, AND BEYOND --
U.S. POLICY TOWARD RUSSIA THROUGH 1996

The President's Summit with Yeltsin in Moscow on May 10-11 cast into stark relief the priorities that should guide our policy over the next year and a half. It also highlighted the obstacles we face in the months immediately ahead. Domestic politics are a complicating factor in both the U.S. and Russia, and they may become more of a problem in the months ahead. We must therefore have a clear sense of what is most important to our national interest, what is possible, and what leverage we have to achieve our five main objectives.

1) We must make work the May-for-May deal and the new NATO-Russia relationship and get them nailed down as quickly, and irreversibly as possible, so that the relationship is less subject to the vicissitudes of Russian behavior. We must insulate it against Yeltsin's vulnerability to pressure from his more nationalistic opponents and his more unsavory advisers. We should be thinking now about how we plan to handle the NAC Ministerials in December '95 and June '96 to minimize the chance of blow-ups with Russia in the midst of those climactic political seasons;

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2) We must step up, both in intensity and level of engagement, our efforts to head off a train wreck over CFE in November. This requires us to define our objective in terms that make it achievable. It is unlikely that Russia will be in full compliance with the treaty's flank limits when they come into force. We should therefore seek a formula, acceptable to our Allies among the other states-parties (first and foremost Turkey), that avoids a stink about the absence of full compliance in exchange for Moscow's commitment to accept a negotiated resolution at the '96 review conference;

3) We must persist in our effort to dissuade Russia from nuclear cooperation with Iran. We should do so as much as possible through quiet diplomacy, making full use of carrots as well as sticks and linkage to other issues (Russia's cosponsorship of the Middle East process and desire for further acceptance at the G-7). While our ultimate objective should remain cancellation of the LWR sale, our strategy should be to get the Russians to slow down -- and if possible freeze -- their cooperation with the Iranians so that we can work the problem out of the glare of headlines;

4) We must be vigilant and vocal on the issue of Russian strategic intentions and political behavior in the other former republics, resisting both in our rhetoric and in our diplomacy Moscow's increasingly overt aspiration to establish Russian influence over the NIS at the expense of their independence. We should continue to assure the other eleven NIS that we will support only truly voluntary integration with Russia and that we will help them form countervailing ties to bind them to the outside world. The emergence of a neo- or crypto-imperialistic strain in Russian policy toward "the near abroad" could be an especially dangerous longer-term problem for us. It could represent the one policy difference between us and the Russians that we could not absorb under the rubric of our contention that we should not hold the relationship hostage to a single issue. At the same time, we should not be too reflexive or alarmist. There are forms and degrees of integration -- for example, genuine

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economic cooperation between Russia and Ukraine -- that are necessary to defuse potentially explosive tensions.

5) Finally, we must continue to make progress in arms control. The BW, CW, and START I compliance issues, along with achieving START II ratification, are critical elements in our relationship. Unless we can show continuing improvement in these areas, we will have difficulty sustaining our case that the Russian relationship and our ability to manage it effectively are making Americans safer. We must, therefore, continue to press for Russian movement on all of these fronts.

All five of these issues are subjects of growing political controversy; and therefore, as elections approach in both countries, they are objects of political exploitation by the two Presidents' opponents.

On the Russian side, the nationalists, now in the ascendant, are treating NATO expansion, START II, CFE flank limits, American objections to the Iran reactor sale and refusal to treat the CIS as an entirely legitimate international grouping as affronts to Russian pride and threats to Russian interests. On our side, the President's opponents are depicting Russian objections to NATO expansion as an attempted veto and the reactor sale as grounds for pulling the plug on assistance. As November approaches, the CFE issue will become a similar rallying point for opposition to our policy, especially because of its connection to the ongoing Russian campaign in Chechnya.

There is a dilemma for us in this dynamic: If we try too hard -- and succeed too well -- in mollifying our domestic critics, we will rile and strengthen powerful forces on the Russian side who oppose whatever solutions might be possible. That would be contrary to our interest in strengthening reformers, who face an uphill battle in back-to-back election years. At a minimum, we do not want to be complicit in any massive retreat from reform. We had enough of the perverse symbiosis between hardliners in the U.S. and the Soviet Union during the Cold War.

It is crucial, therefore, that we set the terms of our domestic debate because that debate will affect the atmosphere and potentially the substance of our

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diplomacy. We must make the case over and over again that patient, persistent engagement is in our long-term national interest. We must just as forthrightly reject the premise of some of our more extreme critics. They are saying -- and must be exposed as saying -- that the Iran reactor deal and Chechnya constitute a casus belli for a new Cold War and a pretext for a new American policy of containment (which fits with the accusations of anti-American Russian politicians).

In order to manage the struggle on our home front in a way that serves us well politically and diplomatically, we must mount a concentrated, coordinated public-diplomacy offensive, and we must do so right away. The Secretaries of State and Defense are obviously key, but the President should lead the charge. He, after all, is the target of the attack, and he must be in the forefront of the counterattack for it to be effective.

Managing Yeltsin

The Boris Yeltsin with whom President Clinton met in Moscow was still very much in command of the Russian government. He reserved to himself the decision on PFP. Assuming that the Russian government follows through on his agreement to proceed with the documents later this month -- we will have seen, yet again, the utility -- indeed, the indispensability -- of the Clinton-Yeltsin connection.

In 1994, it took our President's full personal engagement with Yeltsin to save the Ukrainian trilateral deal at the last minute and to pry the Russian troops out of the Baltics before the deadline. In 1995, it took President Clinton's one-on-one with Yeltsin on May 10 to beat back the idea of a "moratorium" on NATO expansion and to secure Russian willingness to participate in PFP and launch the NATO-Russia dialogue. That may turn out to be one of the more important moments in the diplomatic history of this period.

That said, the Yeltsin who met with President Clinton on May 10 was woefully not in command of the facts. The brief he had mastered for purposes of sparring with the President over the Iran reactor sale was tendentious and distorted.

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The obvious bad news here is confirmation of two disturbing trends we've observed for some time: Yeltsin's isolation and dependence on a small circle of advisers, and the orientation of several of those advisers -- therefore increasingly of Yeltsin himself -- toward positions that are incompatible, if not downright hostile, to our interests.

The problem is not just that Yeltsin's advisers are manipulating him by controlling the information that reaches him but by distorting and falsifying it ("The Americans are hypocritical; they're making \$5.6 billion a year off of trade with Iran, and they are training Iranian nuclear scientists, while we have no experts of our own in Iran"; "Boris Nikolayevich, there is no military activity whatsoever in Chechnya today!"). At a minimum, Yeltsin is a willing victim of mis- and disinformation, therefore an accomplice in their perpetration and in their consequences. These are lies he wants to hear and wants to believe. They help him avoid the tough calls.

Whatever his motivations and degree of self-deception, our job is to rebut, to push back, to counteract the lies with heavy dosages of truth. By full use of the Clinton-Yeltsin connection, reinforced by the Gore-Chernomyrdin connection, we can marshal facts in support of our positions.

If the centrifuge protocol was not a set-up (still an open question), we may have been able to turn it off by blowing the whistle on Mikhailov with his bosses. We may be able to chip away at the LWR deal itself in a similar fashion ("Here's a list of the Russian nuclear experts who are in Iran but whose existence there Mikhailov has apparently been keeping a secret from you").

Another source of leverage is Yeltsin's eagerness for international acceptance. May 9 was instructive: it mattered vastly to him that he play host to Western leaders, first and foremost President Clinton. Yeltsin used the occasion to press for an increase in his status at Halifax. At Halifax he will surely press for an increase at next year's G-7 in Paris.

It has been established beyond doubt that Yeltsin wants, on his own behalf and Russia's, membership in every club, a seat at every table, a share in every enterprise, a role in every drama.

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What has not been established is whether the prospect of exclusion, withholding inclusion, or even -- in the face of another outrage as egregious as Chechnya -- the downgrading of his international acceptability can be used to salutary effect.

So far he has simply not gotten the point that admission to these communities entails obligations on Russia as it does on other members, including willingness to abide by the accepted rules and standards of the clubs he wants to join. At the same time, it is instructive that where the prize was worth the price (e.g., admission to the post-COCOM regime negotiations), Yeltsin seems ready to pay the price (ending Iran arms sales).

So far, we have not yet really put the tough, or-else part of the message to him in unmistakable, concrete terms. We must do so more systematically, with more explicit evocation of the disincentives along with the incentives.

To be effective, this strategy will require careful coordination with our Allies, especially with Chancellor Kohl. The new French government will be important, too, not least because they will be hosting the next G-7. The Russians are counting on the French, along with the Italians and Germans, to resist American leadership on NATO expansion and the quarantine of Iran.

Russia's co-sponsorship of the Middle East peace process also gives us leverage. The parties have long since stopped looking to Moscow for real influence. Russia's role is largely an inherited memento of the Soviet period. Yet despite that fact (or perhaps because of it), inclusion in the diplomatic and ceremonial activities associated with the process matters deeply to the Russians.

There are two tactics available to us here. One is to make clear to the Russians that if we're going to give them the pride of place they feel is their due (at conferences and Rose Garden ceremonies), they've got to stop nuclear cooperation with Iran. The other is to enlist support for our positions from the Gulf States and others in the region who are mortally afraid of Iran and therefore angry at Russia's eagerness to make a buck off Iranian nuclear ambitions.

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But our principal source of leverage may turn out to be the issue that has been the most difficult and contentious of all -- and the most important: European security. We must keep saying, over and over, that neither NATO per se nor NATO expansion is directed against Russia. But we must also continue to qualify that by saying that neither the Alliance nor the process of adding new members is directed against a reformist, democratic, integrationist Russia. That way, everyone will know that Russia's slipping too far off the rails of reform will have consequences for NATO's mission -- and perhaps for the pace of expansion.

There are critical nuances here that we must master and use skillfully. On the one hand, we must not appear to suggest that only if Russia goes bad will NATO expand; or, conversely, that if Russia behaves well, NATO will stop or slow down the expansion process. On the other hand, we must avoid outright threats or any overplaying of the hedge rationale for expansion, since that could be counterproductive not just with the Russians but with other FSU states (especially Ukraine and perhaps the Baltics) and also with the West Europeans.

Still, the stick-in-the-closet is there, along with all those carrots we've been stressing ("CEE stability is good for you; here's your chance for a seat at the table"); everyone knows that NATO can, over time, evolve into a collective-security pact, or it can, if necessary, become the basis of neo-containment of neo-imperialism. With skill, subtlety and discipline, we can use this fact of life to good effect.

What President Clinton accomplished with Yeltsin at the summit considerably increases our leverage. If we can reel Russia into PFP in the context of the May-for-May understanding, we may have succeeded in locking in tacit Russian acquiescence in expansion -- and thus, by implication, in the hedge rationale for expansion. That, of course, is exactly why it has been so hard to get to the Russians to sign up for PFP post-December --and why it's so important that we did so.

The Russians' virtually unanimous neuralgia about expansion has several roots. One is that NATO in Russian is still a four-letter word: once an anti-Russian alliance, always an anti-Russian alliance.

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Another is that NATO -- dominated as it is by the U.S. and excluding, as it will for a very long time if not forever, Russia itself -- ipso facto reduces and constrains Russian influence. We can, and should, talk a great deal about how U.S.-Russian relations are no longer the zero-sum game that they were during the Cold War. But the fact is, our interests will often diverge on key issues, and there will always be a degree of rivalry between us.

Another factor in the Russians' attitudes toward NATO expansion stems from their worries and doubts about themselves. They don't know what kind of country they're going to become; they would like to clear NATO off the boards, or at least freeze it in place, while their own future is still in doubt. That way, if worst comes to worst, at least they won't have to contend with an alliance arrayed against them and marching eastward toward their borders.

The Russians know that we're not going to give them a total or open-ended vote of confidence because, among other things, they don't have anything like that much confidence in themselves. They also know that our willingness to champion their participation in the building of a new European security order is a little like the IMF's willingness to grant them macroeconomic-support loans: it's highly conditional and constantly subject to review.

Some Russians, perhaps some key ones, will be relieved if we insist on, and persist in, driving the process of NATO "evolution" and thereby the larger process of European security. At some level not far below the surface, many Russians have more trust in us than in themselves; or at least they have a clearer sense about our future role than about their own. And they certainly like better the idea of American leadership in Europe than the idea of Germany filling the vacuum that we would create if we abandoned the field.

All this -- NATO as the anchor of American engagement in European security -- is a theme we need to develop carefully, since it has a wide resonance, and not just in Russia (it has some appeal in Germany itself). But obviously we don't want to appear to be mongering anti-German suspicions.

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Yeltsin himself is hard to read on this issue. He has made comments both to Prime Minister Major and President Clinton that suggest rather rudely that the U.S. really doesn't belong in Europe at all -- that perhaps "we Europeans" (including "us Russians") should tend to the task of designing and building new European security structures without the bothersome Americans. That may be simply because Yeltsin senses that his other important Western friend, Helmut Kohl, is less attached to the problematic idea of NATO expansion than President Clinton.

Nonetheless, whatever his calculations, Yeltsin has agreed to cooperate, through PFP and the NATO-Russia dialogue, with an Alliance that has committed itself to expand. In so doing, he has committed Russia to accepting, albeit only implicitly and very ambivalently, a remarkable degree of American sway over Russia's own strategic destiny. That was the President's great accomplishment in Moscow, and it's one on which we must now build.

We can do that by making Yeltsin and others in Moscow understand that how the U.S. uses its influence depends, above all, on how Russia defines itself and its role in the world.

The time and place to deliver this message is in Halifax next month. Yeltsin has asked for a one-on-one with President Clinton to talk about European security. He should get what he asks for -- and more. President Clinton can begin by reminding Yeltsin that, as Halifax itself demonstrates, the United States is the chairman of the admissions committee of almost every club Yeltsin has applied to. He can then preview the coming year in terms that make explicit linkages between, on the one hand, Russian behavior on Iran, CFE, Chechnya and the near abroad (especially Ukraine and the Baltics) and, on the other, U.S. willingness to support Russian participation at the Paris G-7 Summit. That event will come right after the '96 Russian presidential elections, but the extent to which Russia will be part of the proceedings will be well known in advance and will be important to Yeltsin's desire to convert his international prestige into domestic political standing.

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President Clinton can then expand and generalize on the message he delivered in Moscow: whether the issue is the G-7 or GATT or a new European security order, the U.S. is prepared to open doors for Russia and keep them open -- as long as Russia is prepared to walk through them, and as long as it's the right Russia.

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