

Second session: Sunday a.m., sitting room in Kremlin...

- Putin: Has anything come up since last night that you want to discuss? I've got just one thing. It's a delicate, sensitive matter, and it can be resolved only by the President of the United States in his capacity as an absolute monarch. It concerns the company called NOGA....

He goes on at considerable length to give detail — a tale of fraud, broken contracts, bankruptcy, big money deals over oil and food, lawsuits aimed at seizing Russian assets abroad, and Putin's request that the President use executive authority to keep the issue out of the courts; a clear hint at the end that if the suits are not dropped, Russia will have to pull out of Nunn-Lugar programs — which are also contained in taking point cards that Prikhodka turns over to ST.

- POTUS: If I do have the authority to protect the assets by executive order, I'll do what I can.

There are a couple of matters I'd just as soon not get into in the larger group. I worked hard to get Russia into the G-8 and APEC, and we'll be getting together later in Okinawa and Brunei [*jokes back and forth about how rich the Sultan is*]. I want you to get off to a good start in both those meetings. They're important forums. But I've got to come back to the problem of Chechnya, the problem of your political development, of your free press, of religious freedom. These are real issues. There are real, and I'd say growing, questions about how you're going to answer these questions. Those meetings and our ability to help you at those moments is going to depend in very real part on how you're answering those questions, how you're dealing with those issues, how Russia is developing internally. Questions have arisen on all fronts, and how people feel about the answers will affect the pace and direction and substance of your integration. They'll also affect my ability to help you in general on integration. I know you've noticed I have been as harsh as others on Chechnya. That's partly because I keep thinking about our experience in Vietnam. The question is, is it possible to rely on military force to solve a problem without causing civilian casualties at unacceptable levels and without a real political settlement? I don't think so. There are two different problems you've got to think about carefully and about how to handle them. One is the problem of all the reports of civilians being killed by soldiers, including after the battles were over. The second problem is activity over the Georgian border and the danger of crossing that border and spreading the war. If anything like that happens, it could take your problem with us and with the rest of the world to a whole new level. The lack of a genuine examination of the allegations of abuses, along with the danger that you'll

bring Georgia into the war or the war into Georgia — either of these would be very serious. If these dangers become realities, we're in a whole new area of difficulty.

- Putin: I feel some agreement with you. My first point is that we can come to agreement and state publicly that it is impossible to resolve problems there [in Chechnya] solely through military means. Political processes must be used. I'm prepared to state this publicly. And it's our common view. But you must understand that by applying military means, we've achieved something.

I frequently recall our conversation in New Zealand; it's very fresh in my memory. It came at a time when there were explosions in Moscow. You asked, 'What are you going to do?' I answered, 'We're going to use force to expel these people from Dagestan.' You asked, 'Is Russia in a position to do that?' I remember that question vividly and painfully. It was hurtful, even an insulting question [*obidno*] — not for me personally but for Russia. A force of several thousand armed men could invade on part of Russia from another part of Russia, but there was doubt in your mind, and many others', that Russia could do anything about it. The reason that question hurt so much was that it was justifiable question; it was precisely the *right* question; you hit the nail on the head. You may remember my reply: 'In two weeks, they'll be gone.' I explained to you where we planned to enter Chechnya and the limitation line [the Terek River] and other details.

Now, once again, you've formed the question correctly: 'Can there be a military solution only? Doesn't it have to have a political component?' The answer is, it can't be military only, and there must be a political piece. But the parallels with Vietnam are not quite right. Vietnam was different. It was a state. Chechnya is part of Russia. What happened in Vietnam could not affect life in the U.S. Yet in Chechnya we have a bridgehead for attacks on other parts of Russia. Therefore we have to fight against terrorism and banditism in Chechnya, while at the same time settling matters with the Chechen people, since they're not the same as fighters. Chechnya is full of mercenaries from China, Afghanistan, Pakistan, Africa. Yesterday I gave you an example of what the people say and do — people like the deputy of Maskhadov. These are people with whom you can never come to agreements. Look at your experience with Iraq. Several times every week, you bomb Iraq. I won't give you my assessment of that policy, whether it's good or bad; my point is that your experience in Iraq proves that there are people, like Saddam Hussein, you can't come to agreement with. I'll never repeat something I'll tell you now. If you quote me, I'll deny it. The first time you did those air strikes [*it's not clear from context whether he's talking about Iraq, after the anti-Bush plot, or against the UBL camp in Afghanistan*], my personal reaction was, 'Way to go!' [*maladtsi*]. But that's not because I thought you were going to bomb those people into negotiating with you. Rather, I felt you

were giving them what they deserved. That's not to say we should look for people with whom to deal.

Now, regarding the crimes allegedly committed by our servicemen in Chechnya: one of the tasks we have there is to win the sympathy of the Chechen people, win them over to our side. Therefore we must suppress any acts that do harm to the Chechen people. That's why we have a hundred military prosecutors working on the ground there, and 400 law suits against Russian servicemen. Of course, the bandits use their own tactics. They infiltrate villages and stage provocations so that we'll have a pretext to attack the villages. We see through their designs and don't let ourselves be provoked. We'll also keep actively cooperating with international organizations — the UN, the human-right organizations, the Red Cross. We've dramatically raised the number of journalists accredited there. There are now 1000, of whom 500 are foreign. We've finally resolved the permanent deployment of the OSCE. I've talked to Secretary Albright about this too.

Regarding Georgia, you mentioned crossing the border. I'm not familiar with the facts of what you're talking about. Our border guards maintain good contacts with the Georgians. But the following problem exists. The Georgians fear we'll resort to some action against the Chechen fighters on Georgian soil. I must tell you, our Georgian friends are idiots and chickens.

He retells the story about how Yeltsin last year got Shevardnadze to agree to a Russian unit moving into N. Georgia to enforce the border and Shevardnadze then had 'second thoughts' — a story he'd told with considerable anger and bitterness in earlier meetings.

Shevardnadze has made clear to us he fears Russians coming into Georgia, but the onus is on him to control his own border and in his own territory — and to control the Chechens on his side. He must neutralize the bandits. Otherwise it's unacceptable for us. Let's send OSCE representatives to those areas, although I admit: it's dangerous and risky for them there. There were four OSCE people picked up and now missing in Abkhazia just the other day. We're cooperating with the Georgians at the level of border guards and our interior ministries.

- POTUS: You asked me last night about whether Madeleine met with a person who calls himself the foreign minister of Chechnya. I've checked. You've got it wrong. This guy came to the U.S. on a regular visa, not as a foreign minister. He was received by a low-level State Department person and not even inside the State Department. This is consistent with long-standing policy and practice.

So let's be clear: I oppose terrorism; I oppose ethnic separatists; I think you've got a right to keep your country together. But I do think there will be a lot of international attention and a lot of questions and doubts about Chechnya that will have an enormous effect on your own standing when you come to Okinawa, the UNGA and APEC. I feel strongly you can't solve this by military means without a political component and without full accountability for whatever abuses were committed.

- Putin: Mr. President, I value highly your point. I've heard from years about you, about how you're a powerful, effective political actor on the world stage. I listen to what you say, and I heed you. The President of Mexico told me that you're a skilled, seasoned statesman, and I take your advice.

Yesterday we discussed Milosevic. You said Milosevic must go, that living with him is impossible. But Milosevic didn't kill a single American, yet look how you treat him? Consider my position: Chechen terrorists have killed thousands of our people; we can never sit down with them. That's not just because they're worse than Milosevic — it's because they've murdered in the most brutal, public way in front of cameras. Yet their imposter foreign minister represents these people.

Let me tell you about a scene in the European parliament: a representative of Dagestan criticized the Chechens, and the Chechen representative came up to him and slapped him in the face and said, 'I'll kill you.' You'd have us deal with these people? And you're communicating with people like this? On other issues, we can manage our disagreements, but I don't follow your logic on this one. In that region we're facing terrorism. It's an international threat. It's an arc of instability — with forces attacking the entire former Soviet Union.

- POTUS: We've had good cooperation against terrorists in this region. On the business of the so-called Chechen foreign minister, I'll look into the policy and we'll review it.
- Putin: I'll give you a video cassette in which this Chechen calls for killing the Jews. Let's get that guy into our hands so that we can take action against him.

They adjourn to the security/foreign-policy plenary.