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FM USDEL SECRETARY IN RUSSIA
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E.O. 12356: DECL:OADR
TAGS: OVIP (BAKER, JAMES A III)
SUBJECT: SECRETARY'S MEETING WITH FOREIGN MINISTER KOZYREV, JANUARY 28, 1992

1. SECRET - ENTIRE TEXT.

2. JANUARY 28, 1992, 6:45 P.M., MOSCOW, RUSSIA,
PARTICIPANTS: SECRETARY BAKER, AMBASSADOR STRAUSS, MR.
ROSS, A/S DJEREJIAN, A/S TUTWILER, A/S NILES; FOREIGN
MINISTER KOZYREV, DEPUTY FOREIGN MINISTER MANEDOV,
OLEG DERKOVSKIY ETC.

3. SUMMARY. FOLLOWING DISCUSSION OF ARRANGEMENTS FOR
THE MIDDLE EAST CONFERENCE DURING THEIR JANUARY 27
MEETING, SECRETARY BAKER AND RUSSIAN FONMIN KOZYREV
TURNED TO THE BILATERAL AGENDA. THEY REVIEWED THE
JANUARY 22-23 CONFERENCE ON COORDINATING ASSISTANCE TO
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THE FORMER SOVIET UNION (FSU), THE FEBRUARY 1 MEETING
BETWEEN PRESIDENTS BUSH AND YELTSIN INCLUDING THE
DISARMAMENT ISSUES ON THE AGENDA OF THAT MEETING,
RUSSIAN ARMS SALES, THE POSSIBLE ROLE OF TURKEY AS A
PARTNER IN ECONOMIC DEVELOPMENT PROJECTS IN THE
CENTRAL ASIAN STATES, AND RUSSIAN ECONOMIC PROBLEMS,
INCLUDING THE ROLES OF THE IFI'S. END SUMMARY.

4. AFTER ADVISING THAT ADVANCE PARTIES TO ESTABLISH
U.S. DIPLOMATIC POSTS WILL ARRIVE IN MENSK, ALMA ATA,
YEREVAN, AND BISHKEK BY JANUARY 31, SECRETARY BAKER
REPORTED THAT THE JANUARY 22-23 CONFERENCE ON
COORDINATING ASSISTANCE TO THE FSU HAD BEEN VERY
SUCCESSFUL, IN PART BY DEMONSTRATING THAT THE PROBLEM
WAS ONE OF GLOBAL DIMENSIONS. PRESIDENT YELTSIN'S
MESSAGE TO THE CONFERENCE HAD BEEN VERY HELPFUL. HE

REVIEW AUTHORITY: Geoffrey Chapman, Senior
Reviewer
SAID THAT WE WOULD BE GIVING RUSSIA AND THE OTHER NEW STATES INFORMATION ON THE CONFERENCE AND THE PLANS OF THE WORKING GROUPS.

5. CONTINUING, THE SECRETARY SAID WE WANT TO WORK CLOSELY WITH RUSSIA, INCLUDING WITH THE AIRLIFT PROJECTED TO BEGIN FEBRUARY 10. IN ADDITION TO GIVING HOPE TO THE RUSSIAN AND OTHER PEOPLES OF THE FSU, THE SECRETARY SAID THE AIRLIFT WOULD HELP CONVince THE AMERICAN PEOPLE THAT THIS WAS PROJECT WORTH SUPPORTING. HE ADDED THAT THIS WOULD NOT BE EASY IN THE MIDDLE OF A RECESSION AND A PRESIDENTIAL ELECTION. KOZYREV EXPRESSED APPRECIATION FOR THE CONFERENCE. HE RECALLED THAT "SOME" IN RUSSIA HAD ARGUED AGAINST TOO SECRET

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MUCH SUPPORT FOR THE CONFERENCE GIVEN EUROPEAN RESERVATIONS, BUT HE SAID THESE CONCERNS HAD FORTUNATELY BEEN OVERCOME. HE NOTED THAT JAPANESE FOREIGN MINISTER WATANABE HAD INFORMED HIM WITH EVIDENT PLEASURE THAT JAPAN WOULD BE HOSTING THE THIRD CONFERENCE. THE SECRETARY SAID THIS MORE PROMINENT ROLE BY JAPAN, WHILE SOMewhat UNEXPECTED, WAS WELCOME. JAPANESE HOSTING OF THE THIRD CONFERENCE HAS THE ADVANTAGE OF MAKING CLEAR THAT THE ASSISTANCE EFFORT IS NOT A U.S./EC EFFORT, THE SECRETARY ADDED, AND HE URGED THAT RUSSIA TAKE FULL ADVANTAGE OF THIS APPARENT SHIFT IN THE JAPANESE POSITION BY MOVING AHEAD ON THE NORTHERN TERRITORIES ISSUE. AS REGARDS THE AIRLIFT, KOZYREV SAID YELTSIN WAS MOST ENTHUSIAStIC AND "AT LEAST" ORDERS HAD BEEN GIVEN TO LOCAL RUSSIAN AUTHORITIES TO COOPERATE FULLY. (COMMENT: BY INFERENCE, KOZYREV WAS EXPRESSING SOME DOUBT THAT THESE ORDERS WOULD BE CONSISTENTLY FULFILLED. END COMMENT).

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6. THE SECRETARY NOTED THE VERY INTERESTING DISARMAMENT PROPOSALS IN PRESIDENT YELTSIN'S LETTER TO PRESIDENT BUSH AND SAID WE UNDERSTOOD PRESIDENT YELTSIN MIGHT BE PLANNING A PUBLIC STATEMENT ON THESE PROPOSALS. KOZYREV SAID YELTSIN LOCKED FORWARD TO A FULL DISCUSSION OF THE DISARMAMENT AGENDA AT CAMP DAVID ON FEBRUARY 1. IN THE MEANTIME, HE PLANS TO SEND A LETTER TO UNSYG BUTROS GHALI OUTLINING HIS IDEAS IN MORE GENERAL TERMS AND TO MAKE A TELEVISION ADDRESS TO THE RUSSIAN PEOPLE, THE LATTER PROBABLY LATE IN THE DAY TUESDAY, JANUARY 28. KOZYREV SAID THAT YELTSIN'S DISARMAMENT PROPOSALS REFLECTED THE RUSSIAN GOVERNMENT'S DESIRE TO MAKE A RADICAL BREAK WITH THE PAST. NOW IS THE TIME, HE SAID, TO MOVE BEYOND GENERAL STATEMENTS TO CONCRETE UNDERTAKINGS, AND HE SAID THAT YELTSIN SEES THE FEBRUARY 1 CAMP DAVID MEETING AS AN OPPORTUNITY TO BEGIN THAT PROCESS. THE SECRETARY ASKED WHETHER THE PURPOSE OF THE LETTER SECRET

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TO BUTROS GHALI WAS TO ENCOURAGE DISCUSSION OF THESE ISSUES IN A UN FORUM, PERHAPS THE FIVE NUCLEAR POWERS. KOZYREV STRESSED THAT THIS WAS NOT RPT NOT YELTSIN OBJECTIVE; THE LETTER TO BUTROS GHALI WAS FOR INFORMATIONAL PURPOSES ONLY. KOZYREV NOTED FRENCH

PRESIDENT MITTERRAND'S PROPOSAL TO HOLD FOUR-POWER TALKS ON THE SECURITY OF SOVIET (NOW RUSSIAN) NUCLEAR WEAPONS AND ASKED WHERE THE U.S. STOOD ON THIS IDEA. THE SECRETARY SAID WE HAD NO PARTICULAR PROBLEM BUT THAT SOME OF OUR ALLIES, NOTABLY GERMANY AND ITALY, HAD SERIOUS RESERVATIONS. HE EXPRESSED SATISFACTION THAT RUSSIA WAS NOT SUGGESTING FIVE-POWER TALKS IN THE UNSC CONTEXT.

7. THE SECRETARY ADVISED THAT PRESIDENT BUSH HAD ASKED HIM TO RAISE WITH RUSSIAN OFFICIALS OUR CONCERNS
OVER POSSIBLE RUSSIAN ARMS SALES TO COUNTRIES SUCH AS IRAN AND LIBYA. WE KNOW THAT RUSSIA HAS A PRESSING NEED FOR THE HARD CURRENCY EARNED FROM THESE SALES, BUT THE SECRETARY NOTED THAT SUCH SALES CREATE REAL PROBLEMS, INCLUDING IN U.S. PUBLIC OPINION. KOZYREV SAID HE FULLY UNDERSTOOD U.S. CONCERN OVER THESE SALES. UNFORTUNATELY, HE ADDED, ARMS ARE ONE OF THE FEW COMMODITIES RUSSIA CAN SELL, AND HE ADDED THAT THE GOVERNMENT WAS UNDER GREAT PRESSURE FROM THE "MILITARY-INDUSTRIAL COMPLEX" TO PROCEED WITH THESE SALES. HE SUGGESTED THAT THE "WAY OUT" WOULD BE TO FIND NEW MARKETS AND MOVE AWAY FROM THE TENDENCY TO CONTINUE TO SELL TO ESTABLISHED CUSTOMERS SUCH AS IRAQ

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AND LIBYA. KOZYREV ADMITTED THAT THE NEWLY-INDEPENDENT CENTRAL ASIAN STATES ARE ALSO CONCERNED ABOUT RUSSIAN ARMS SALES TO IRAN AND HE SUGGESTED THAT SALES TO "YOUR NATO ALLIES MIGHT BE POSSIBLE." THE SECRETARY SAID HE DID NOT KNOW WHETHER RUSSIAN ARMS SALES TO WESTERN COUNTRIES COULD BE AN ALTERNATIVE TO IRAN BUT HE REPEATED THE DOMESTIC PROBLEMS SUCH SALES CAUSE FOR US. SECRETARY BAKER SAID THAT PRESIDENT BUSH ALSO WANTED TO DISCUSS WITH PRESIDENT YELTSIN THE PROBLEM OF A POSSIBLE "BRAIN DRAIN" OF RUSSIAN SCIENTISTS TO COUNTRIES WHERE THEIR ACTIVITIES WOULD NOT BE IN ANYONE'S INTEREST.

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8. KOZYREV SAID THAT HE WAS PLANNING A TRIP TO TURKEY, WHICH HE BELIEVED COULD PLAY A USEFUL ROLE IN ASSISTING THE NEWLY-INDEPENDENT CENTRAL ASIAN STATES. THE SECRETARY SAID WE HAD REACHED THE SAME CONCLUSION. HE NOTED THAT THE UNITED STATES, RUSSIA, TURKEY AND SAUDI ARABIA AND THE OTHER GCC STATES SHARED THE OBJECTIVE OF MINIMIZING IRAN'S INFLUENCE IN CENTRAL ASIA. THE SECRETARY AND KOZYREV AGREED THAT IT WOULD BE BETTER FOR THE UNITED STATES AND RUSSIA TO MOVE ON PARALLEL BUT SEPARATE TRACKS IN EFFORTS TO ASSIST THE CENTRAL ASIAN STATES RATHER THAN COMBINING THEIR EFFORTS.

9. TURNING TO THE RUSSIAN ECONOMIC SITUATION, KOZYREV SAID HE COULD NOT ADD MUCH TO WHAT PRESIDENT YELTZIN TOLD AMBASSADOR STRAUSS JANUARY 24. THE SITUATION IS VERY DIFFICULT AND "WITHOUT COMPARISON." SECRETARY SECRET

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PAGE 02 SECTO 00007 03 OF 03 291018Z BAKER ASKED WHETHER THE RUSSIAN GOVERNMENT BELIEVED THAT THE CENTRAL BANK WAS SUPPORTING THE GOVERNMENT'S ECONOMIC REFORM EFFORTS. KOZYREV SAID HE THOUGHT THIS WAS THE CASE. AMBASSADOR STRAUSS SAID THAT THE PREVAILING OPINION IN INTERNATIONAL ECONOMIC CIRCLES IS THAT THE CENTRAL BANK IS OUT OF CONTROL AND THAT IF THIS IS NOT THE CASE, THE RUSSIAN GOVERNMENT SHOULD GET THAT WORD OUT. THE SECRETARY NOTED THE IMPORTANCE THAT RUSSIA AND THE OTHER NEWLY-INDEPENDENT STATES BE ADMITTED QUICKLY INTO THE IMF AND IBRD AND ADDED THAT HE HAD DISCUSSED THIS ISSUE WITH FUND AND BANK OFFICIALS AT THE WASHINGTON CONFERENCE. KOZYREV SAID THE PROCESS SEEMED TO BE MOVING RATHER SLOWLY, AND THE SECRETARY SAID HE WOULD LOOK INTO WHAT HE COULD DO TO EXPEDITE MATTERS.

10. AT THE CONCLUSION OF THE MEETING, KOZYREV GAVE THE SECRETARY A FILE OF DOCUMENTS ON THE POW/MIA ISSUE. KOZYREV SAID THE DOCUMENTS CAME FROM KGB FILES AND HAD BEEN, UNTIL NOW, "TOP SECRET."

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