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TAGS: PREL RU OVIP (CHRISTOPHER. WARREN)

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SUBJECT: SECRETARY CHRISTOPHER'S FEBRUARY 25 MEETING WITH
RUSSIAN FONMIN KOZYREV

1. SECRET (ENTIRE TEXT)

2. BRUSSELS, FEBRUARY 25, 1993. 1300-1600. SECRETARY
CHRISTOPHER, CHARGE COLLINS, MRS. GATI (NSC STAFF), EUR
A/S NILES; MINISTER KOZYREV, DEPFONMIN MAMEDOV, NIKOLAI
SPASSKIY.

3. SUMMARY. SECRETARY CHRISTOPHER'S FEBRUARY 25 GENEVA
MEETING WITH RUSSIAN FONMIN KOZYREV FOCUSED ON:
ARRANGEMENTS FOR THE SUMMIT BETWEEN PRESIDENTS CLINTON AND
YELTSIN (KOZYREV ACCEPTED PROPOSED APRIL 4 DATE BUT SAID
VANCOUVER SITE WAS OUT), THE MIDDLE EAST (THE SECRETARY
BRIEFED ON HIS TRIP. KOZYREV AGREED TO JOIN IN
INVITATIONS TO APRIL BILATERALS); FORMER YUGOSLAVIA
(KOZYREV SUPPORTED IDEA OF RELIEF AIR DROPS BUT SAID
RUSSIAN SUPPORT, IF ANY, WOULD HAVE TO COME LATER. THE
SECRETARY EXPLAINED OUR PROBLEMS WITH VANCE/OWEN.);

**REVIEW AUTHORITY: Marvin
Russell, Senior Reviewer**

NON-PROLIFERATION (THE SECRETARY WARNED OF CONSEQUENCES FOR US/RUSSIAN RELATIONS OF CONTINUED TRANSFER OF MISSILE

TECHNOLOGY AND KNOW-HOW TO INDIA AND PROPOSED AN ALTERNATIVE). KOZYREV SUPPORTED U.S. APPROACH TOWARD IRAQ AND EXPRESSED FEAR OF IRAN, YET INSISTED ON CONTINUED EFFORTS TO DEVELOP CLOSER RELATIONSHIP WITH IRAN. IN DISCUSSION OF ECONOMIC ISSUES, KOZYREV SAID CHERNOMYRDIN GOVERNMENT WAS COMMITTED TO STABILIZATION AND TO FIGHT AGAINST HYPERINFLATION, STRESSED URGENT NEED FOR MORE WESTERN ASSISTANCE, AND PUT IN PLUG FOR EARLY RUSSIAN
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MEMBERSHIP IN THE GATT. THE SECRETARY REITIERATED PRESIDENT'S COMMITMENT TO SUPPORT REFORM IN RUSSIA BUT STRESSED NEED FOR RUSSIA TO PUT PROPER FRAMEWORK FOR FOREIGN INVESTMENT IN PLACE. THE SECRETARY PROPOSED ESTABLISHMENT OF SENIOR US/RUSSIAN GROUP TO COORDINATE DEVELOPMENT OF RELATIONSHIP; KOZYREV SAID HE LIKED THE IDEA BUT HAD BUREAUCRATIC PROBLEMS ON HIS SIDE. END SUMMARY.

4. DURING INITIAL PRIVATE SESSION, KOZYREV RESPONDED TO PROPOSAL ON SUMMIT, ACCEPTING APRIL 4 DATE BUT INDICATING THAT IT WOULD BE POLITICALLY IMPOSSIBLE FOR YELTSIN TO MEET IN NORTH AMERICA. MAMEDOV SUBSEQUENTLY INDICATED TO USDEL MEMBER THAT ICELAND WAS OUT FOR THE RUSSIANS. DUE TO THE 1986 GORBACHEV PRECEDENT. THE SECRETARY STRESSED THAT PRESIDENT CLINTON AND HE WERE STRONGLY COMMITTED TO SUPPORT PRESIDENT YELTSIN AND THE REFORM COURSE HE WAS FOLLOWING. HE SAID THE UNITED STATES REALIZES THAT RUSSIA HAS REACHED A CRITICAL POINT IN ITS DEVELOPMENT AND WE WILL PRESS FORWARD TO HELP IN ANY WAY POSSIBLE. THE MEETING BETWEEN PRESIDENTS CLINTON AND YELTSIN IS GREAT OPPORTUNITY, HE SAID. LOOKING AHEAD, THE SECRETARY ASSURED KOZYREV OF THE ADMINISTRATION'S COMMITMENT TO CONSULT CONSISTENTLY WITH RUSSIA. IF THERE ARE LAPSES, HE SAID, THEY WILL BE INADVERTENT. KOZYREV SAID HE HAD NO DOUBT REGARDING THIS POSITION BUT THAT IT WAS IMPORTANT IT BE IN THE RECORD OF THE MEETING.

MIDDLE EAST

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5. IRAQ. THE SECRETARY BRIEFED ON HIS MIDDLE EAST TRIP, BEGINNING WITH IRAQ. HE STRESSED THAT IN KUWAIT, SAUDI ARABIA AND EGYPT HE FOUND TOTAL MISTRUST OF SADDAM HUSSEIN AND REQUESTS TO KEEP THE PRESSURE ON IRAQ. HE ADDED THAT WE HAD NO INTENTION OF ENTERING INTO DIALOGUE WITH SADDAM, ALTHOUGH HE ADDED THAT WE HAD NO PERSONAL VENDETTA AGAINST

HIM. WE WILL INSIST UPON COMPLETE COMPLIANCE WITH THE UNSC SANCTIONS. KOZYREV SAID HE AGREED WITH THE SECRETARY'S POSITION. RUSSIA HAS SUFFERED HEAVY LOSSES

DUE TO THE SANCTIONS BUT DOES NOT INTEND TO RESUME TRADE WITH IRAQ. NONETHELESS, IF THERE WERE A MEANS TO COMPENSATE RUSSIA FOR SOME OF ITS LOSSES, THIS WOULD BE VERY HELPFUL. HE NOTED, HOWEVER, THAT THERE WERE REPORTS IN THE OPPOSITION RUSSIAN PRESS THAT U.S. COMPANIES HAD BEGUN TO TRADE ACTIVELY WITH IRAQ. IF THESE COULD BE EFFECTIVELY COUNTERED BY DOCUMENTATION, IT WOULD EASE THE WAY FOR THE RUSSIAN GOVERNMENT.

6. PEACE PROCESS. THE SECRETARY SAID HE HAD FOUND A CONSENSUS EVERYWHERE THAT THE PROCESS WAS TOO PRECIOUS TO LOSE AND SHOULD BE RESUMED AS SOON AS POSSIBLE. ALTHOUGH ISSUE WAS RAISED, THE DEPORTEES WERE TREATED AS A SIDE MATTER. KOZYREV ASKED WHETHER PROSPECTS FOR RESOLVING THE DEPORTEE ISSUE WERE GOOD. THE SECRETARY SAID THEY WERE BECAUSE OF THE STRONG SUPPORT FOR THE PEACE PROCESS AND THE PROMISE OF A MORE ACTIVE U.S. ROLE. HE SAID THAT IN HIS LAST TALK WITH RABIN, THE PRIME MINISTER HAD PUT FORWARD SOME IDEAS FOR RESOLVING THE ISSUE, CONTINGENT UPON THE PALESTINIANS RESUMING THE NEGOTIATIONS' WHICH INCLUDED FASTER PROCESSING OF THE CASES OF INDIVIDUAL

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DEPORTEES AS WELL AS REMOVING RESTRICTIONS ON SOME OF THE "OLD DEPORTEES," SOME OF WHOM WENT BACK TO 1967. RABIN ALSO AGREED THAT HE WOULD CHARACTERIZE DEPORTATION AS AN EXCEPTIONAL MEASURE TO BE USED ONLY IF THERE WERE A STRONG SECURITY NEED. THE SECRETARY SAID FAISAL HUSSEINI HAD AGREED "IN PRINCIPLE" WITH THIS PROPOSAL, ASKING ONLY FOR A REAFFIRMATION, WHICH HE GOT, OF THE U.S. POSITION ON UNSCR'S 242 AND 338. RABIN ALSO AGREED THAT AFTER THE TALKS RESUMED, RESTRICTIONS IN THE WEST BANK WOULD BE EASED.

7. CONTINUING, THE SECRETARY SAID THAT WHAT WAS NOW NEEDED WERE SOME ACTION FORCING EVENTS. HE SUGGESTED TWO: 1) HE NOTED THE UPCOMING MEETING OF THE ARAB STATES -- THEY SHOULD BE ENCOURAGED TO PUT PRESSURE ON THE PALESTINIANS. HE ASKED THAT RUSSIA DO THIS; AND 2) FOLLOWING THEIR MEETING, THE U.S. AND RUSSIA AS COSPONSORS, COULD INVITE THE PARTIES TO RESUME BILATERAL TALKS IN APRIL. KOZYREV WELCOMED THESE IDEAS AND SAID RUSSIA WOULD FULLY SUPPORT THEM. HE URGED THE CLOSEST POSSIBLE US/RUSSIAN COOPERATION AND PROMISED THAT RUSSIA WOULD DO WHAT IT COULD TO BE OF HELP, INCLUDING ENCOURAGING THE PALESTINIANS TO REJOIN THE PEACE PROCESS. THE SECRETARY ASKED WHETHER KOZYREV WOULD BE SEEING ARAFAT SOON. KOZYREV REPLIED THAT ARAFAT HAD ASKED FOR A MEETING THAT DAY IN EITHER GENEVA OR COPENHAGEN. THE RUSSIANS HAD NOT REPLIED. BELIEVING A MEETING IN GENEVA AFTER SEEING

THE SECRETARY WOULD BE INAPPROPRIATE. KOZYREV SAID THE RUSSIANS WOULD SEE WHETHER SOMETHING COULD BE SET UP FOR COPENHAGEN, AND HE SENT MAMEDOV OUT OF THE ROOM TO SEE IF
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A MEETING COULD BE ARRANGED

8. IRAN. KOZYREV TURNED TO IRAN. WHICH HE SAID WAS OF GREAT CONCERN TO RUSSIA DUE TO IRANIAN DESTABILIZING ACTIVITIES IN FORMER SOVIET CENTRAL ASIA, PARTICULARLY IN TAJIKISTAN. A TWO TRACK APPROACH IS NEEDED, HE SAID. ON THE ONE HAND, RUSSIA WILL APPEAL TO THE REASONABLE FORCES IN IRAN (RAFSANJANI AND VELAYATI WERE MENTIONED), WHILE ON THE OTHER, RUSSIA WILL TRY TO DEFLECT IRAN FROM CENTRAL ASIA. ARMS SALES CAN BE ONE OF THE TOOLS FOR SUPPORTING THE REASONABLE FORCES, KOZYREV ADDED, BUT HE INSISTED THAT RUSSIA WOULD GUARD AGAINST PROLIFERATION IN ITS RELATIONSHIP WITH IRAN. HE EXPRESSED AN INTEREST IN A CONFIDENTIAL DIALOGUE WITH THE U.S. ON IRAN THROUGH THE RESPECTIVE EMBASSIES. HE SUGGESTED THAT HIS PLANNED VISIT TO IRAN IN MID-APRIL MIGHT SERVE AS AN OCCASION FOR THIS DIALOGUE. THE SECRETARY SAID THAT AT ALMOST EVERY STOP ON HIS TRIP, HE FOUND GREAT CONCERN ABOUT IRAN, WHICH THOSE COUNTRIES BELIEVE IS EXPORTING TERRORISM. THE HUMAN RIGHTS SITUATION THERE IS TERRIBLE AND THERE IS NO DOUBT THAT IRAN IS SEEKING TO DEVELOP WEAPONS OF MASS DESTRUCTION. NILES RAISED THE PROPOSED SALE OF NUCLEAR REACTORS AND SAID WE FOUND THIS A VERY DANGEROUS PROPOSAL. KOZYREV SAID THAT THERE WAS GREAT PRESSURE FROM INDUSTRY BUT ADDED SOMEWHAT ENIGMATICALLY THAT "WE WILL DEAL WITH THEM."

9. GULF STATES, AFGHANISTAN AND PAKISTAN. AFTER OBSERVING THAT RUSSIA IS INTERESTED IN DEVELOPING RELATIONS, INCLUDING ARMS SALES, WITH STABLE (AND RICH) GULF REGIMES SUCH AS THE UAE, KOZYREV TURNED TO
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AFGHANISTAN. THE SITUATION THERE WAS TRAGIC. HE SAID. AND THE SPILL OVER INTO TAJIKISTAN IS A MAJOR PROBLEM FOR RUSSIA. WITHOUT BEING MORE SPECIFIC, KOZYREV APPEALED FOR A MORE ACTIVE U.S. ROLE IN AFGHANISTAN TOGETHER WITH RUSSIA IN AN EFFORT TO REESTABLISH SOME FORM OF STABILITY. HE SUGGESTED THE U.S. COULD BE HELPFUL IN MODERATING THE AFGHAN ROLE IN TAJIKISTAN. HE ADVISED THAT IN CONNECTION WITH HIS PLANNED VISIT TO IRAN, HE WOULD ALSO VISIT PAKISTAN IN AN EFFORT TO SEEK COOPERATION IN STABILIZING AFGHANISTAN AND GAINING THE RETURN OF RUSSIAN POW'S.

FORMER YUGOSLAVIA

10. KOZYREV ARGUED THAT THE VANCE/OWEN PLAN MUST BE GOOD SINCE IT MAKES ALL SIDES EQUALLY UNHAPPY. HE SAID HE WAS PLEASED TO JOIN IN EFFORT TO MAKE IT BETTER, BUT HE WARNED THAT CHANGES TO THE MAP WILL OF NECESSITY BE A "ZERO SUM GAME." MILITARY GUARANTEES WILL BE NEEDED FOR ANY AGREEMENT, HE SAID, ADDING THAT RUSSIA WOULD BE PREPARED TO JOIN IN PROVIDING THEM. HE SUPPORTED THE IDEA OF A MULTINATIONAL FORCE ORGANIZED BY NATO/NACC UNDER UN AUSPICES AND COMMAND. IN THIS ARRANGEMENT, RUSSIA WILL CONTRIBUTE ADDITIONAL TROOPS AND SOME OFFICERS FOR HEADQUARTERS. DISCUSSIONS WILL BEGIN FEBRUARY 26 IN BRUSSELS, WHERE THE RUSSIAN EMBASSY WILL INITIATE CONTACTS. HE EXPRESSED DOUBTS REGARDING THE STATUS OF THE GOVERNMENT OF BOSNIA, NOTING THAT IT HAD BEEN REPUDIATED BY BOTH THE SERBIAN AND CROATIAN COMMUNITIES IN BOSNIA-HERCEGOVINA. RUSSIA, HE SAID, WILL CONTINUE TO PRESSURE MILOSEVIC AND KARADZIC, NOTING THAT RUSSIAN

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GOVERNMENT HAD RESPONDED PUBLICLY AND SHARPLY TO MILOSEVIC WHEN LATTER WROTE CRITICAL ARTICLE IN ANTI-GOVERNMENT PAPER "PRAVDA," BUT CARROTS AS WELL AS STICKS WILL BE NEEDED TO DEAL WITH MILOSEVIC. THE SECRETARY OBSERVED THAT RUSSIAN THINKING ON ENFORCEMENT MECHANISM FOR A BOSNIAN PEACE AGREEMENT WAS CONSISTENT WITH CONCEPT HE OUTLINED IN HIS FEBRUARY 10 STATEMENT AND THAT RUSSIAN PARTICIPATION WAS BOTH WELCOME AND ESSENTIAL.

11. TURNING TO THE AIR DROPS, KOZYREV SAID THAT RUSSIA COULD GIVE THE IDEA POLITICAL SUPPORT. HE URGED, HOWEVER, THAT U.S. CONSIDER RISK OF ACCIDENT OR PROVOCATION. IF THE UN HAD THE AUTHORITY OVER THE OPERATION, THEN IN THIS CASE THE RESPONSE COULD BE DISCUSSED AND APPROVED BY THE SECURITY COUNCIL. THE SECRETARY SAID THE DROPS WOULD BE UNDER THE UN BUT NOT A UN OPERATION. HE SAID THAT THE U.S. WOULD SHOW AS MUCH RESTRAINT AS POSSIBLE BUT IT WOULD NOT BE FEASIBLE FOR US TO PUT OUR SERVICE MEN IN HARM'S WAY AND SAY THEY COULD NOT FIRE BACK. RETURNING TO VANCE/OWEN. THE SECRETARY SAID OUR PRINCIPAL PROBLEM WITH THE PLAN IS THAT IT HAS NOT BEEN ACCEPTED BY THE PARTIES AND THE INTERNATIONAL COMMUNITY WOULD NOT BE READY TO FORCE THEM TO DO SO. THERE IS ALSO THE MORAL ASPECT OF FORCING THE AGGRIEVED, THOUGH NOT ENTIRELY BLAMELESS, BOSNIANS TO GIVE IN TO THE AGGRESSOR.

12. THE SECRETARY SAID THAT WE APPRECIATED RUSSIAN POLITICAL SUPPORT FOR THE AIR DROPS; IF THERE WERE MORE TANGIBLE EVIDENCE OF SUPPORT WE WOULD WELCOME IT. (COMMENT: KOZYREV TOLD THE SECRETARY PRIVATELY THAT RUSSIA MAY BE ABLE TO SUPPLY A FEW PLANES AFTER THE AIR

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DROPS ARE UNDER WAY. END COMMENT). KOZYREV SAID HE AGREED THAT IT WAS DIFFICULT TO FORCE PEOPLE TO ACCEPT A PEACE PLAN, BUT HE ADDED THAT THE TIME COMES WHEN YOU HAVE TO SAY TO ALL INVOLVED "STOP' ENOUGH'" AS IN THE CASE OF NAGORNO-KARABAKH. KOZYREV PLEDGED THAT SPECIAL RUSSIAN REPRESENTATIVE CHURKIN WOULD WORK WITH AMBASSADOR BARTHOLOMEW TO FIND WAYS TO IMPROVE THE VANCE/OWEN PLAN. HE ALSO SAID HE WOULD DO ALL HE COULD TO ENSURE UN SUPPORT FOR THE U.S. AIR DROPS TO "GIVE YOU SOME ROOM. BUT WE NEED SOME ROOM, TOO." THE SECRETARY SAID IT WAS VERY IMPORTANT TO CONVINCING THE PARTIES THAT THEY WOULD NOT BE SAVED FROM NEGOTIATIONS BY OUTSIDE MILITARY INVOLVEMENT. WE WILL WORK WITH THE MUSLIMS, HE SAID, ADDING THAT WE HOPED RUSSIA WOULD DO THE SAME WITH THE SERBS.

DISPUTES IN THE CIS

13. NAGORNO-KARABAKH. LOOKING AHEAD (SOMEWHAT OPTIMISTICALLY), KOZYREV SAID THAT AFTER THE YUGOSLAV CRISIS IS DEALT WITH. THE UNITED STATES AND RUSSIA SHOULD TURN THEIR ATTENTION TO NAGORNO-KARABAKH AND IMPOSE PEACE ON THE PARTIES. BOTH PRESIDENTS TER-PETROSIYAN AND ELCHIBEY WANT TO MAKE PEACE, HE SAID, BUT CANNOT DO IT WITHOUT OUTSIDE HELP OR COMPULSION. HE SUGGESTED A US/RUSSIAN STATEMENT CALLING FOR A PEACEFUL SETTLEMENT OF THE CRISIS. THE SECRETARY EXPRESSED DOUBT THAT COUNTRIES COULDE FORCED TO MAKE PEACE AND SAID THE REPEATED ISSUANCE OF STATEMENTS GAVE AN IMPRESSION OF FUTILITY. NONETHELESS, HE SAID WE WOULD GO ALONG WITH ANOTHER
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STATEMENT ON NAGORNO-KARABAKH SINCE THIS WAS CLEARLY IMPORTANT TO RUSSIA. NILES OBSERVED THAT WE HAD SOME PROBLEMS WITH RUSSIAN DRAFT OF STATEMENT AND PROPOSED USE OF TEXT IN STATE 56973. KOZYREV GLANCED AT THE U.S. TEXT AND APPROVED IT. IN HIS DISCUSSION OF PROBLEMS IN THE CIS, KOZYREV NOTED THE LARGE AND GROWING COST OF PEACEKEEPING, WHICH IS CURRENTLY BORN SOLELY BY RUSSIA. IN THE FUTURE, RUSSIA WOULD WELCOME MORE "BURDENSARING" IN FUNDING PEACEKEEPING OPERATIONS IN THE CIS. IF A VOLUNTARY FUND COULD BE ESTABLISHED' RUSSIA WOULD APPRECIATE IT. NILES CALLED ATTENTION TO U.S. READINESS TO FUND UP TO DOLLARS 2 MILLION OF THE COSTS INVOLVED IN TRANSPORTING PEACEKEEPERS TO NAGORNO-KARABAKH.

14. RUSSIAN-UKRAINIAN RELATIONS. KOZYREV EXPRESSED GREAT FRUSTRATION WITH STATE OF RUSSIA'S RELATIONS WITH UKRAINE. HE DISTRIBUTED PAPER DETAILING PROBLEMS IN NUCLEAR AREA AND WITH NEGOTIATIONS ON DIVISION OF DEBT OF

FORMER SOVIET UNION. THE SECRETARY SAID WE WANT THE

UKRAINIANS TO FULFILL THEIR PLEDGE ON START I AND NPT. KOZYREV SAID THE ISSUE WASN'T MONEY OR THE TEXT OF SECURITY ASSURANCES BUT RATHER THE REPUDIATION OF THE LISBON ACCORDS AND THE EFFORTS OF SOME IN UKRAINE TO GAIN NUCLEAR STATUS. HE SAID THAT AT RECENT YELTSIN/KRAVCHUK MEETING, THE UKRAINIAN PRESIDENT HAD REFUSED EVEN TO MENTION THE LISBON PROTOCOL, CLAIMING THAT IT LACKED STATUS SINCE IT HAD ONLY BEEN SIGNED BY THE FOREIGN MINISTERS. FORTUNATELY, HE ADDED, THERE WERE CIS DOCUMENTS SIGNED BY KRAVCHUK THAT COMMIT UKRAINE TO NON-NUCLEAR STATUS. MAMEDOV MADE THE POINT THAT UKRAINIAN REFUSAL TO
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ALLOW RUSSIAN EXPERTS ACCESS TO MISSILES IN UKRAINE HAD LED TO PROBLEMS WITH MAINTENANCE OF WARHEADS "WHICH COULD LEAD TO NEW CHERNOBYL." ON DEBT. KOZYREV COMPLAINED THAT UKRAINIANS WERE "OBSESSED" WITH EFFORT TO GAIN SHARE OF ASSETS OF FORMER USSR, IN PARTICULAR 64 OVERSEAS PROPERTIES WHICH WILL HAVE TO BE SOLD IF THEY ARE TO BE DIVIDED. HOWEVER, HE COMPLAINED, THE UKRAINIANS WERE NOT PREPARED TO TAKE SHARE OF DEBT NOR HAD THEY ACCEPTED RUSSIAN PROPOSAL THAT SOME OF THE 64 PROPERTIES BE LEASED BY UKRAINE FOR A NOMINAL AMOUNT. KOZYREV SAID THE UKRAINIANS EXPECT ALL THE ADVANTAGES OF THE SOVIET UNION, SUCH AS LOW ENERGY PRICES' WHILE ENJOYING THE ADVANTAGES OF INDEPENDENCE. KOZYREV SAID HE WAS NOT ASKING THAT THE U.S PUT PRESSURE ON UKRAINE; RATHER, HE ASKED THAT WE ADVISE THEM TO DECIDE WHAT THEY WANT AND THEN NEGOTIATE WITH RUSSIA.

ECONOMIC ISSUES

15. KOZYREV SAID HE HAD NOTICED THE CLINTON ADMINISTRATION'S EMPHASIS ON INTERNAL AGENDA AND ADDED THAT THE YELTSIN GOVERNMENT HAD THE SAME ORIENTATION. BOTH COUNTRIES ARE SEEKING TO REVITALIZE THEIR ECONOMIES, ALTHOUGH THE PROBLEMS ARE VASTLY DIFFERENT. HE ASKED HOW THE U.S. SAW ECONOMIC COOPERATION WITH RUSSIA. RUSSIA, HE SAID, BELIEVES THAT A MORE COOPERATIVE APPROACH IS NEEDED, BOTH BILATERALLY AND MULTILATERALLY WITH THE G-7. HE STRESSED THAT THE CHERNOMYRDIN GOVERNMENT WAS FIRMLY FIXED ON ECONOMIC STABILIZATION IN ORDER TO STAVE OFF HYPERINFLATION AND GAVE THE SECRETARY A PAPER ON THE
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GOVERNMENT'S ECONOMIC PRIORITIES. THE SECRETARY NOTED THE IMPORTANCE OF RESOLVING THE DEBT ISSUE AND ASKED WHAT THE STATUS WAS OF RUSSIA'S NEGOTIATIONS WITH THE PARIS CLUB. KOZYREV EXPRESSED APPRECIATION FOR U.S. HELP IN THE PARIS CLUB BUT SAID THAT MORE WAS NEEDED, ESPECIALLY WITH THE

GERMANS. THE FACT IS, HE SAID, THAT RUSSIA HAS NO MONEY AND CANNOT PAY MORE THAN DOLLARS 2.5 BILLION IN 1993 ON ALL OF ITS OUTSTANDING FOREIGN OBLIGATIONS.

16. CONTINUING, KOZYREV SAID THAT RUSSIA WANTED TO JOIN THE GATT, IF POSSIBLE DURING THE SPRING OF 1993. SECRETARY CHRISTOPHER ASKED WHAT THE STATUS WAS OF RUSSIA'S APPLICATION TO JOIN THE GATT. NILES SAID THAT THE USSR HAD BEEN GIVEN OBSERVER STATUS AND A WORKING PARTY HAD BEEN FORMED. HE ADDED, HOWEVER, THAT HE DID NOT BELIEVE THAT RUSSIA HAD APPLIED FOR MEMBERSHIP. KOZYREV SAID HE THOUGHT THAT WAS CORRECT BUT ADDED THAT RUSSIA WISHED TO JOIN SOON. HE ALSO ASKED THAT RUSSIA BE HELPED BY THE REMOVAL OF RESTRICTIONS SUCH AS JACKSON/VANIK AND THROUGH ASSISTANCE WITH EXPORTS OF URANIUM, SPACE EQUIPMENT AND TECHNOLOGY AND CONVENTIONAL ARMS. HE ADDED THAT THE LATTER TWO AREAS WOULD BE COMBINED WITH RUSSIAN EFFORTS TO STRENGTHEN CONTROLS OVER PROLIFERATION AND THE ARMS TRANSFERS. HE SAID THAT DEPPRIMIN SHOKHIN WAS TO BE IN WASHINGTON FEBRUARY 26 FOR TALKS ON GRAIN PURCHASES AND ADDED THAT HE HOPED SOMETHING COULD BE DONE TO PROVIDE ADDITIONAL CREDIT GUARANTEES.

17. LOOKING AHEAD, KOZYREV SAID RUSSIA HOPED JAPAN UNDERSTOOD THAT THERE COULD BE NO LINKAGE BETWEEN THE
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NORTHERN TERRITORIES ISSUE AND RUSSIAN ATTENDANCE AT THE JULY ECONOMIC SUMMIT. MORE GENERALLY, RUSSIA HOPES THE G-7 CAN BE MADE AS PRODUCTIVE AS POSSIBLE AND ADDED THAT RUSSIA HOPES TO ESTABLISH EARLY CONTACT WITH THE SHERPAS IN ORDER TO BE PART OF THE PREPARATORY PROCESS. HE ADVISED THAT DEPPRIMIN FEDOROV WOULD BE THE RUSSIAN REPRESENTATIVE.

18. IN REPLY, THE SECRETARY SAID THAT IT WAS CLEAR TO US THAT DESPITE THE GREAT OBSTACLES, STABILIZATION WAS THE ONLY COURSE THAT MADE SENSE FOR THE RUSSIAN ECONOMY. THE UNITED STATES WISHES RUSSIA WELL AND WILL DO ALL IT CAN TO HELP. PRIVATE INVESTMENT WILL BE A KEY TO SUCCESS, HE ADDED, AND NOTED THAT THERE WAS GREAT WORLD-WIDE COMPETITION FOR INVESTMENT CAPITAL. COMPANIES, HE SAID, LOOK FOR SITUATIONS WHICH INCLUDE STABLE LEGAL FRAMEWORKS AND SYSTEMS FOR PROTECTION OF PRIVATE PROPERTY WHEN THEY MAKE INVESTMENT DECISIONS. THE LACK OF SUCH ELEMENTS IS A BIG DRAWBACK FOR RUSSIA. IN THIS CONNECTION, HE CITED THE "MMMMS" GAS PROJECT ON SAKHALIN, WHICH WAS READY TO GO AND HELD GREAT PROMISE FOR RUSSIA, AS AN EXAMPLE OF A PROJECT THAT RUSSIA SHOULD SEEK TO FACILITATE.

19. TURNING TO DEFENSE CONVERSION, THE SECRETARY SUGGESTED THAT DEPUTY DEFENSE SECRETARY-DESIGNATE PERRY, WHO HAS DONE IMPORTANT WORK ON THE SUBJECT WHILE IN THE PRIVATE SECTOR, COULD BE AN IMPORTANT PARTICIPANT IN THE

U.S. EFFORT TO HELP RUSSIA IN THIS CRUCIAL AREA. HE POINTED OUT THAT THE TOUGHEST BUT MOST EFFECTIVE TYPE OF CONVERSION IS WHEN AN ENTERPRISE ACTUALLY CEASES PRODUCTION OF A GIVEN DEFENSE ITEM AND BEGINS TO PRODUCE A
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CIVILIAN ITEM. THIS IS PREFERABLE, HE SAID, TO SEEKING NEW MARKETS FOR DEFENSE ITEMS. ON OVERALL AID ISSUE, THE SECRETARY SAID THAT WE WERE SEEKING TO SPEED UP THE OBLIGATION OF EXISTING FUNDS AND WOULD SEEK ADDITIONAL FUNDS FROM CONGRESS DESPITE OUR BUDGET PROBLEMS.

20. ON DEBT, THE SECRETARY URGED AN EARLY DEAL WITH THE PARIS CLUB. HE TOOK NOTE OF SHOKHIN'S VISIT BUT SAID THAT THE U.S. HAD NO RPT NO FLEXIBILITY ON NEW CREDIT GUARANTEES UNTIL THE ARREARS ARE ELIMINATED. HE SAID THE RUSSIANS HAD TO RECOGNIZE THAT A DEAL WITH UKRAINE WAS A PRECONDITION FOR A PARIS CLUB DEAL.

START II

21. THE SECRETARY SAID WE HOPED THAT START II WOULD BE RATIFIED SOON BY THE SUPREME SOVIET. WE WERE READY TO BE OF HELP, IF THE RUSSIAN SIDE THOUGHT IT WORTHWHILE, THROUGH EXCHANGE OF EXPERTS ON THE TREATY. WE WANT TO COORDINATE OUR EFFORTS WITH THOSE OF RUSSIA, HE SAID. ADDING THAT WE RECOGNIZED THE SERIOUS PROBLEM UKRAINE'S BEHAVIOR CREATED FOR RUSSIA. HE URGED KOZYREV TO TAKE ANOTHER LOOK AT THE SECURITY ASSURANCE RUSSIA PROPOSED TO GIVE UKRAINE AND REPLACE THE REFERENCE TO THE CIS WITH CSCE AS THE BASIS FOR THE GUARANTEE. KOZYREV REPEATED HIS EARLIER COMMENT ON UKRAINE'S POSITION (SEE PARA 13) BUT ADDED THAT HE THOUGHT THERE WAS A "GOOD CHANCE" FOR RATIFICATION OF START II. A SUPREME SOVIET DELEGATION WAS PLANNING VISIT TO WASHINGTON FOR TALKS WITH THE U.S. CONGRESS ON START II, AND HE URGED THAT THE U.S. MEMBERS
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OF CONGRESS AVOID CLAIMING THAT THE AGREEMENT IS OVERWHELMINGLY BENEFICIAL TO THE U.S. THE SECRETARY SAID HE DOUBTED THIS POINT WOULD BE MADE, IN PART BECAUSE IT ISN'T TRUE. TO SUPPORT HIS POINT, HE GAVE KOZYREV A SET OF CHARTS PREPARED BY JCS THAT DOCUMENT THE DEEP CUTS START II IMPOSES ON THE U.S.

NONPROLIFERATION

22. THE SECRETARY SAID THAT THE U.S. WISHED TO AVOID HAVING TO IMPOSE ADDITIONAL SANCTIONS ON RUSSIA DUE TO THE CONTRACT FOR ADVANCED MISSILE EQUIPMENT AND TECHNOLOGY

WITH INDIA (ISRO). HE HAD BEEN DISTURBED TO FIND THIS PROBLEM WAITING ON HIS DESK ON JANUARY 20, AND HE STRESSED THAT WE UNDERSTAND RUSSIA'S DOMESTIC PROBLEMS AND NEEDS IN THIS AREA. DRAWING ON MATERIAL IN STATE 56907, HE EXPLAINED THE BENEFITS THAT WOULD ACCRUE TO RUSSIA IF THEY JOINED US IN A COOPERATIVE EFFORT AND JOINED THE MTCR, AND HE GAVE KOZYREV A NON-PAPER BASED ON THE MATERIAL IN STATE 56907 AND THE INTERAGENCY MEMORANDUM. HE STRESSED THAT US/RUSSIAN SPACE COOPERATION WOULD PROVIDE A BETTER WAY FOR RUSSIA TO GAIN A Foothold ON WORLD MARKETS, AND HE SAID THAT FAILURE TO RESOLVE THE INDIAN ISSUE WOULD LEAD TO A CUTOFF IN SPACE COOPERATION AND U.S. OFFICIAL ASSISTANCE TO RUSSIA. THIS IS AN URGENT ISSUE, HE ADDED, AND POINTED OUT THAT VICE PRESIDENT GORE HAD BEEN RESPONSIBLE FOR THE RELEVANT LEGISLATION AND PRESIDENT CLINTON HAD STRESSED THE MISSILE PROLIFERATION ISSUE DURING THE RECENT CAMPAIGN. IN REPLY, KOZYREV SAID WOULD EXAMINE THE U.S. NON-PAPER. HE OBSERVED THAT A SOLUTION

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MIGHT BE POSSIBLE IF THE U.S. ASSURED RUSSIA TWO OR THREE SATELLITE LAUNCHES ANNUALLY.

STRATEGIC DIALOGUE

23. THE SECRETARY ADVISED THAT HE WANTED TO FORM A SMALL U.S./RUSSIAN GROUP, HEADED ON OUR SIDE BY AMBASSADOR-DESIGNATE TALBOTT WITH REPRESENTATIVES FROM STATE, DEFENSE, OSD, JCS AND AN ECONOMIC OFFICIAL TO CONDUCT A STRATEGIC DIALOGUE WITH RUSSIA. THIS GROUP, HE SAID, COULD BE RESPONSIBLE FOR FOLLOW-UP ON INITIATIVES TAKEN AT THE SUMMIT AND OTHER KEY ISSUES AND PREPARE FOR TOP-LEVEL MEETINGS. KOZYREV SAID THIS STRUCK HIM AS A GOOD IDEA BUT HE INDICATED THAT HE MIGHT HAVE BUREAUCRATIC PROBLEMS IN MOSCOW IF HE ATTEMPTED TO FOLLOW THE INTERAGENCY FORMAT THE U.S. INTENDED TO FOLLOW. HE SAID HE WOULD SEEK TO KEEP RESPONSIBILITY FOR THE GROUP IN THE FOREIGN MINISTRY AND ADDED THAT WHILE HE SAW THE VIRTUE OF BRINGING OTHER RUSSIAN AGENCIES IN THE GROUP, HE WAS NOT SURE HOW TO PROCEED. HE ALSO CITED THE DIFFERENCE BETWEEN U.S. AND RUSSIAN STRUCTURES AS PERHAPS JUSTIFYING DIFFERENT APPROACHES IN MOSCOW AND WASHINGTON.

RUSSIAN RELATIONS WITH THE EC AND NATO

24. KOZYREV ASKED THAT WHILE IN BRUSSELS FEBRUARY 26 THE SECRETARY ENCOURAGE THE EC FOREIGN MINISTERS TO AGREE TO A SPECIAL AGREEMENT BETWEEN THE COMMUNITY AND RUSSIA. HE EXPLAINED THAT HE WANTED A SPECIAL AGREEMENT BETWEEN

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RUSSIA AND THE EC -- NOT NECESSARILY MEMBERSHIP BUT CLOSE COOPERATION SO THAT RUSSIA COULD BECOME PART OF THE FREE TRADE ARRANGEMENT. THE SECRETARY CLARIFIED THAT HE WOULD BE MEETING WITH THE NATO, NOT THE EC FOREIGN MINISTERS, BUT HE SAID WE WOULD RAISE THE RUSSIAN REQUEST SEPARATELY WITH THE EC-12. TURNING TO NATO, KOZYREV SAID THE ALLIANCE WAS VERY IMPORTANT TO RUSSIA BUT COMPLAINED MILDLY ABOUT RECENT STATEMENTS IN NATO ABOUT "THE THREAT FROM THE EAST." SUCH STATEMENTS DO NOT HELP THE YELTSIN GOVERNMENT WITH ITS DOMESTIC PROBLEMS. THE SECRETARY INDICATED HIS UNDERSTANDING. KOZYREV SAID THAT RUSSIA WISHES TO APPROACH NATO AS A PARTNER, NOT A THREAT. HE EXPRESSED SATISFACTION WITH SACEUR SHALIKASHVILI'S RECENT VISIT AND SAID MORE CONTACTS WERE NEEDED BETWEEN NATO AND RUSSIAN MILITARIES ON ISSUES SUCH AS PEACEKEEPING.

53. THE SECRETARY ADVISED THAT HE PLANNED TO MENTION THE PROBLEM OF RUSSIAN MINORITIES IN COUNTRIES SUCH AS THE BALTIC STATES IN HIS FEBRUARY 26 NAC STATEMENT. KOZYREV EXPRESSED GREAT APPRECIATION FOR THIS ACTION, NOTING THE ENORMOUS SENSITIVITY OF THE ISSUE IN RUSSIA. MORE GENERALLY, HE SAID THAT THE PROBLEM OF MINORITIES AND EXCESSIVE NATIONALISM WAS AN URGENT ISSUE IN EUROPE AND BEYOND. THE SECRETARY SAID THAT IN THE SMALLER, ETHNICALLY HOMOGENOUS EUROPEAN COUNTRIES, THE APPEARANCE OF MINORITIES COULD BE AN EXPLOSIVE ISSUE WHEREAS IT WAS EASIER TO DEAL WITH IN THE UNITED STATES.

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