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THE WHITE HOUSE
WASHINGTON

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MEETING WITH
PRESIDENT BORIS YELTSIN
DATE: April 3-4, 1993
LOCATION: Vancouver, Canada

FROM: ANTHONY LAKE 

I. PURPOSE

- 1) To develop your personal relationship with Yeltsin and to discuss a wide variety of economic, security and foreign policy issues that concern our two countries.
- 2) To hear from President Yeltsin how the Russian political crisis has affected his plans for reform at home and for a foreign policy based on partnership and dialogue.
- 3) To convey, in constructive ways, U.S. and Western commitment to the process of reform in ways that will strengthen Yeltsin and that process.

KEY POINTS:

- Review Yeltsin's vision of his country's future, including plans for the April 25 referendum and the continuation of economic reform.
- Present a two-phased strategy for support of Russian reform based on our \$1.6 billion core bilateral economic assistance package (humanitarian support, concessional food sales, technical assistance, encouragement of greater U.S. trade and investment and nuclear dismantlement assistance) and a longer-term program of expanded bilateral support.
- Review our support for concerted G-7 development of a substantial multilateral package for Russia, and goals for the April 14-15 meeting of Foreign and Finance ministers in Tokyo.
- Encourage an acceleration in implementation of START I, and ratification of START II, and discuss problems associated with these treaties, particularly as they affect the three other states with nuclear weapons.
- Present an agenda for expanded cooperation on defense and security issues, with an emphasis on nonproliferation, defense cooperation and cooperative peacekeeping.

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- Express concern about the role of the Russian military still stationed outside the Russian Federation, particularly those troops in the Baltics, Moldova, Georgia and Tadzhikstan.
- Underscore your determination to treat Russia as an equal partner in the discussion of foreign policy issues such as Bosnia, the Middle East Peace Process, Somalia, Iraq and Iran.
- Respond positively to Russian concerns about the fate of the 25 million Russians living in the other republics of the Former Soviet Union, but stress the importance of dealing with this problem peacefully.

II. BACKGROUND

Yeltsin's Interests

Yeltsin meets with you in Vancouver after two of the most tumultuous weeks in Russian political life since August 1991, when he first came to power as the leader of Russia's fledgling democracy atop a tank outside the Russian parliament building. He has survived an effort to impeach him and several attempts by the Parliament to strip him of his powers. He has faced numerous challengers -- many of whom would like to be Russia's next president but none of whom have as much personal stature and popular support that Yeltsin retains with the Russian people.

Yeltsin is a survivor of the Communist political system and a consummate politician in Russian terms. He knows what he needs from you in order for the Russian people to regard this summit as a success. As he prepares for the April 25 referendum, he will at all times have at least one eye on how his meeting with you is perceived at home.

The Vancouver summit helps Yeltsin in many ways:

- A trip abroad at this times shows his people and the world that things have settled down at home and he has weathered the crisis.
- He gains in stature from being treated as an equal by the American President -- a perception underscored by the fact that your first meeting abroad with a foreign leader is with the leader of Russia.
- He can blunt the criticism of his foreign policy as being too pro-Western if he can bring home tangible assistance under the mantle of mutual advantage and partnership.

The Context and Content of the Summit

This summit differs from all others in past decades by its emphasis on economic issues. This symbolizes the dramatic turn in U.S.-Russian relations during the past year. No longer adversaries, we now find ourselves as one of the strongest supporters of Russian reforms.

Yeltsin knows that you spoke out strongly in support of expanded aid to Russia one year ago (the precise anniversary of your Annapolis speech on April 1). He is deeply appreciative that during this most recent crisis you never wavered in your support of Russian reform and of his personal role as the leader of the reform process. He will be grateful, but not obligated to you for this. Kozyrev has undoubtedly told him that you are a serious partner who is prepared to offer more than just words in support of reform. But he also is aware that you were elected primarily to be a "domestic issues" president, not to give Russia billions of dollars in new aid.

Yeltsin will wonder how your thinking has evolved on aid to Russia, what you intend to propose to Congress, and whether or not you can bring the G-7 along for a realistic multi-billion dollar multilateral financial assistance package.

Yeltsin must prove to an increasingly skeptical public that reform is the solution to, not the cause of, their economic pain. He will want to know what the United States intends to do to make the pain more bearable and whether you understand how profound the political backlash will be both domestically and in foreign policy if his opponents convince the Russian public that he came to Vancouver with a tin cup or that you failed to take him seriously or to treat Russia as an equal. Nationalism is not only a disease of the Balkans.

If there are any "surprises" at the summit, they most likely will be in the economic area. Yeltsin's advisers have spoken of the need for a "social safety net" costing billions of dollars and Yeltsin may ask you to take charge of the campaign to corral the G-7 (and others) into putting up the money for this as well as for a ruble stabilization fund. As you know, we are considering this idea and you can discuss it in general terms with Yeltsin without making any firm commitments. He may ask for large sums of money for conversion, thus hoping to dismantle the military industrial complex and soften the opposition of the large plant managers and factory workers to his reforms. He not only may want more, but he may want it sooner and without the conditionality which we have always attached.

Security and foreign policy issues will also be an important part of the Vancouver agenda. The security agenda will focus primarily on implementing the deep START reductions negotiated earlier and preventing proliferation of nuclear

and high technology weapon systems of all kinds. Vancouver provides an opportunity to stress to Yeltsin the importance of cooperation and partnership in achieving these important policy goals and to stress the priority of convincing Ukraine to ratify START and the NPT.

You will want to stress that we would like to work with Yeltsin rather than against him in resolving problems in proliferation and that such an approach can be profitable for both sides. Your meetings should emphasize our wish to work together with the Russian defense and military-industrial establishments to develop mutually beneficial contacts.

The only "surprise" in this area may be that we are unable to conclude, as expected, a deal which would give substance to this new cooperative security relationship. This involves the \$9 billion deal to buy highly enriched uranium from the Russians. It is still under active discussion by the American and Russian negotiating teams and might -- but only might -- still come to closure by Saturday.

Another agreement that will not be negotiated by Saturday, but which you can raise with Yeltsin in outline, involves granting Russia access to the commercial space launch market. Thus "space trade agreement," worth at least \$280 million in business to the Russians, is one that they have sought for a long time. It is an important symbol of our acceptance of their high-technology industries on world markets. There are many obstacles, some on our side such as possible job losses, to arriving at a satisfactory agreement.

Our cooperation on foreign policy has been quite good, but we may now be entering a more rocky period. We are pressing for tougher economic sanctions and a no-fly zone in former Yugoslavia and are expecting the Russians to stick with the UN resolutions on Iran and Iraq. The cost of these sanctions to the Russian economy runs in the billions. We will press the Russians to move in tandem with us, but with the April 25 referendum only three weeks away, Yeltsin's priorities will be on shoring up his domestic support.

We should let Yeltsin know we recognize that human rights violations against ethnic Russians have occurred in the states of the former Soviet Union and that the situation of the Russian diaspora warrants close attention. But the corollary -- a unilateral Russian assertion that Russia will act as regional peacekeeper for conflicts on the periphery of the Former Soviet Union -- is one neither we nor the other FSU republics can accept. You should stress the requirement for peaceful resolution of these conflicts and for Yeltsin to gain greater control over the Russian armies located in the new states.

It is important for Yeltsin to understand that we are developing our own relations with all the newly independent states on the basis of mutual interest, but that these will not be at the expense of Russian interests. Our military is eager to expand low-level defense cooperation with the Baltic states and with the other countries. This is a particularly sensitive topic for the Russians and we can tell them we are prepared to go slowly in this area. This is especially true for Ukraine, with which Russian has many disputes over debt, military assets, and the control and possession of nuclear weapons.

Your Agenda

You are the first Democratic President to meet with a Russian leader since President Carter met Leonid Brezhnev in June 1979 in Vienna. The Russians will want to know what will be different now that the Republicans are gone -- both in content and in tone. And they will wonder whether it will be good or bad for them. Yeltsin admired George Bush and trusted him. He was clearly anxious after your election that the U.S. might take its eye off Russia due to our economic challenges here at home. He clearly should be buoyed by your support for him during the last two weeks. Still, Yeltsin is an instinctive and emotional politician. What you say to him and how you say it will set the tone of your relationship with him for however long he remains in power.

Despite the problems Russia faces, its need for Western assistance, and the psychological trauma it has suffered in losing both its empire and its national identity, the first point you should be stressing is that this is very much a meeting of equals.

- Russia needs our assistance, but we need Russian reforms to succeed in order to have the resources and the time to reshape our own economy and cut the defense budget.
- Russia needs to strengthen its partnership with us on foreign policy issues because its military can no longer defend Russian interests by threat and brute force. But Russian cooperation is essential to all our efforts at the UN on Yugoslavia, Iraq, North Korea or Somalia. The opportunities for peace in the Middle East, for isolating Qadhafi or Saddam Hussein, for building a broader European security community, are significantly reduced if Russia turns away from us.

-- Russia can no longer threaten us militarily as it once did, but we cannot curb the spread of nuclear technologies or advanced weaponry if Russia decides it is in its national interest to sell rather than to scrap its enormous stockpile of weapons.

You will be able to stress that you have structured your economic program so as to have an immediate, visible impact on those Russians whose support is crucial to the success of reform. Likewise, with the security package, you will be able to emphasize that you are reaching out to the armed forces and to the defense industrial establishment with programs that acknowledge their influence on economic change as well as on political developments in Russia. Finally, you will be able to say that you have energized the G-7 nations to take a more comprehensive, fast-track approach to assistance. You clearly are in this for the long haul and are committed to asking the Congress for additional funds to implement many of the programs developed in the expanded options paper you requested.

You thus will be in a position to suggest to President Yeltsin the importance of working in a "mutually reinforcing way" -- the words of his Foreign Minister when he was in Washington last week. Yeltsin needs to deliver on the changes he promised when he declared presidential rule -- he needs to get the Central Bank under control so that the issuance of credits is checked and the money supply is stabilized. High inflation is killing the Russian economy and no amount of assistance will help if Yeltsin does not meet this challenge. You should tell Yeltsin that you are prepared to help him with technical assistance, with programs that will encourage American trade and investment if he takes the politically difficult steps required to get Russia's finances under control.

The fact that you have energized the G-7 process makes it possible to be responsive to Yeltsin's needs without devoting the whole summit to an explanation of why the U.S. alone cannot meet them. Instead, you will be able to focus the meeting on what we can deliver now and what we hope to deliver in the next few months, alone and in concert with our allies and friends. Yeltsin is likely to appreciate the fact that everything offered in the core package is for real -- no smoke and mirrors and no empty promises. In this case at least, less is more. Your package will directly help the daily lives of the Russian people.

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You will have four separate meetings with Yeltsin. The first meeting is a lunch with President Yeltsin and Prime Minister Mulroney and a very small group of aides. The afternoon session on Saturday is a one-on-one with notetakers. The third is a working dinner on Saturday evening devoted to economic issues. The fourth is an expanded meeting on Sunday morning dedicated to security and foreign policy issues.

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