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## NATIONAL SECURITY COUNCIL

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.EMORANDUM FOR:

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'ROM:

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UBJECT:

Defining Amer interests in Kazakhstan



(ORIG>FM AMEMBASSY ALMA ATA

(SUBJ> DEFINING AMERICAN INTERESTS IN KAZAKHSTAN

(TEXT>

CONFIDENTIAL SECTION 01 OF 02 ALMA ATA 00013 EXDIS

DEPT PLEASE PASS INFO TO MOSCOW POLITICAL COLLECTIVE

3.0. 12356: DECL: OADR

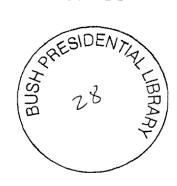
FAGS: PREL, PARM, PGOV, ECON, EAID, TSCI, SENV, CASC, KZ, RU
SUBJECT: DEFINING AMERICAN INTERESTS IN KAZAKHSTAN
1. \( \frac{CONFIDENTIAL}{CONFIDENTIAL} \) - ENTIRE TEXT.

2. THIS TELEGRAM SEEKS TO DEFINE, ON A PRELIMINARY BASIS, THE MAIN AMERICAN INTERESTS IN KAZAKHSTAN. A SECOND TELEGRAM WILL SET OUT IDEAS FOR STRATEGIES AND RESOURCES TO PURSUE THESE INTERESTS.

INTEREST 1: THAT KAZAKHSTAN BE A FORCE IN THE REGION FOR MODERATION AND FOR POLITICAL AND ETHNIC TOLERANCE.

3. LIKE THE FORMER USSR AND RUSSIA, KAZAKHSTAN IS A MULTIETHNIC STATE WITH OVER 100 NATIONALITIES. SLAVS (MAINLY RUSSIANS AND SOME UKRAINIANS) MAKE UP JUST OVER TWO-FIFTHS OF THE POPULATION; KAZAKHS MAKE UP SLIGHTLY LESS THAN THIS AMOUNT. A LARGE PART OF INDUSTRIAL AND GRAIN-PRODUCING NORTHERN KAZAHKSTAN, WHERE SLAVS PREDOMINATE, WAS UNDER RUSSIAN RULE FROM THE 17TH AND 18TH CENTURIES UNTIL THE SOVIET REPUBLIC OF KAZAHKSTAN WAS CREATED IN 1936. MOST SLAVS NOW IN THIS REGION, HOWEVER, HAVE LINEAGE FROM THE SOVIET PERIOD -- KULAKS DEPORTED FROM ELSEWHERE IN THE 1920'S AND 1930'S, AND "VIRGIN LANDS" SETTLERS UNDER KHRUSHCHEV. MOST KAZAHKS LIVE IN THE SOUTH OF KAZAKHSTAN, WHERE COTTON IS THE MAIN CROP. JUST BELOW THIS AREA IS UZBEKISTAN, WHICH HAS SEVERAL MILLION MORE PEOPLE THAN KAZAKHSTAN (POPULATION JUST UNDER 17 MILLION). UZBEKISTAN VIEWS ITSELF AS THE NATURAL POLITICAL AND INTELLECTUAL CAPITAL OF CENTRAL ASIA AND THE CORE OF A POTENTIAL FUTURE UNIFIED TURKIC STATE IN CENTRAL ASIA. THE KAZAKHS ARE LESS RELIGOUSLY CONSCIOUS THAN CENTRAL ASIANS TO THE SOUTH. UNDERSCORING DISTINCTIONS, PEOPLE IN KAZAKHSTAN CALL THE REGION "KAZAKHSTAN AND CENTRAL ASIA."

4. A SKILLFUL POLITICAL LEADER, PRESIDENT NAZARBAYEV OFTEN



PER E.O. 12958, AS AMENDED 04-0824-F

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PUBLICLY LAUDS KAZAKHSTAN'S MULTIETHNIC CHARACTER. BRIDGING THE GAP BETWEEN SLAVS AND KAZAKHS IS CRITICAL; ILLUSTRATING ONE ASPECT OF THIS GAP, THE KAZAKHS ARE CONSOLIDATING THEIR POLITICAL HOLD IN KAZAKHSTAN, BUT RUSSIANS CONTROL MOST OF THE INDUSTRY. OVERALL, MODERATION AND POLITICAL AND ETHNIC TOLERANCE ARE THE MOST PROMINENT AND POSITIVE ASPECTS OF KAZAKHSTAN'S CURRENT POLICIES. THEIR CONTINUATION IS CRITICAL TO MAINTAINING THE UNEASY POLITICAL CONSENSUS AND LESSENING THE LIKLIHOOD AND RISKS OF FUTURE INTERNAL OR REGIONAL CONFLICTS, WHICH COULD DERIVE FROM AND EXACERBATE ETHNIC DIVISIONS AND TENSIONS. WERE NUCLEAR WEAPONS STILL TO BE PRESENT IN KAZAKHSTAN DURING SUCH CONFLICTS, THE DANGER TO U.S. FRIENDS AND INTERESTS IN THE REGION COULD BE FAR GREATER.

INTEREST 2: THAT KAZAKHSTAN ALLOW REMOVAL OF ALL NUCLEAR WEAPONS TO RUSSIA FOR DISMANTLEMENT.

5. ALL TACTICAL NUCLEAR WEAPONS MIGHT NOW -- OR SOON -- BE REMOVED FROM KAZAKHSTAN. THE COUNTRY STILL RETAINS AT LEAST 1,000 NUCLEAR WEAPONS (ON SS-18 ICBM'S). THIS MAY BE MORE THAN CHINA, FRANCE, OR THE U.K. POSSESS, ALTHOUGH, UNLIKE THESE THREE, KAZAKHSTAN DOES NOT CONTROL THE WEAPONS ON ITS TERRITORY. SOME IN KAZAKHSTAN EXPRESS THE VIEW THAT NUCLEAR WEAPONS COULD ENHANCE THE COUNTRY'S SECURITY OR STATUS, E.G., BY DETERRING RUSSIA FROM USING INTIMIDATION OR COERCION TO REAQUIRE PREDOMINANTLY RUSSIAN AREAS, BY GIVING KAZAKHSTAN A REGIONAL OR MUSLIM LEADERSHIP ROLE IT WOULD NOT OTHERWISE HAVE, AND BY ENSURING THAT GREAT POWERS WILL DEAL WITH KAZAKHSTAN AS SOMETHING MORE THAN AN ISOLATED, LESS-DEVELOPED, THIRD-WORLD STATE. BUT OTHERS ACKNOWLEDGE THAT NUCLEAR WEAPONS WILL HAVE NO USABLE MILITARY VALUE FOR KAZAKHSTAN.

EFFORTS BY KAZAKHSTAN TO DISMANTLE ITSELF THE STRATEGIC WEAPONS ON ITS SOIL COULD POSE MAJOR PROLIFERATION, ENVIRONMENTAL, AND SAFETY PROBLEMS.

INTEREST 3: THAT KAZAKHSTAN MOVE MORE IN THE DIRECTION OF THE WEST, FOR POLITICAL AND ECONOMIC REASONS, EVEN AS IT INEVITABLY STRENGTHENS TIES IN THE MUSLIM WORLD.

- 7. THE RISK OF ISLAMIC FUNDAMENTALISM OR IRANIAN INFLUENCE-PEDDLING IS LESS IN KAZAKHSTAN THAN IN CENTRAL ASIAN COUNTRIES TO THE SOUTH. MANY LEADERS AND ELITES SEEM RECEPTIVE TO MOVING TOWARD CLOSER RELATIONS WITH THE WEST, PRIMARILY BECAUSE THEY SEE THIS AS THE KEY TO ACHIEVING GREATER ECONOMIC DEVELOPMENT. KAZAKH NATIONALISTS VIEW ISLAM AS A USEFUL INSTRUMENT TO ADVANCE THEIR POLITICAL GOALS. TIES WITH THE MUSLIM WORLD WILL NATURALLY STRENGTHEN AS KAZAKHSTAN EMERGES FROM SOVIET RULE. ONE REASON IS THAT KAZAKH LEADERS -- MOSTLY ALL FORMER SOVIET STALWARTS -- WILL SEE GREATER IDENTIFICATION WITH ISLAM AS A MEANS TO ENHANCE THEIR POPULAR LEGITIMACY.
- 8. MOVING CLOSER TO THE WEST COULD REINFORCE TENDENCIES TOWARD MODERATION AND POLITICAL AND ETHNIC TOLERANCE, AND BENEFIT

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.S. AND WESTERN ECONOMIC INTERESTS. A MORE PROSPEROUS KAZAKHSTAN OULD ALSO LESSEN DESIRES OF RUSSIANS IN KAZAKHSTAN TO DETACH ORTHERN KAZAKHSTAN AND FUSE IT WITH RUSSIA, AND WOULD ENHANCE ELF-CONFIDENCE AND REDUCE THE APPEAL OF RADICAL ISLAMIC IDEAS N THE SOUTH OF KAZAKHSTAN.

THAT AMERICAN COMPANIES PARTICIPATE TO THE GREATEST XTENT POSSIBLE IN KAZAKHSTAN'S DEVELOPMENT,

KAZAKHSTAN IS RICH IN OIL AND MINERALS (E.G., IT IS THE LARGEST :HROMIUM PRODUCER OUTSIDE SOUTH AFRICA, AND HAS HALF OF THE OPPER RESERVES OF THE FORMER SOVIET UNION), AND HAS SUBSTANTIAL INDUSTRIAL CAPACITY. A WELL-EDUCATED POPULATION (BY COMPARISON 11TH CENTRAL ASIAN STATES TO THE SOUTH OR WITH THE THIRD WORLD), IS LISO AN IMPORTANT RESOURCE. KAZAKHSTAN OFFERS A LARGE AND RELATIVELY UNDERDEVELOPED ECONOMIC POTENTIAL FOR FOREIGN BUSINESSES. AT PRESENT, HOWEVER, KAZAKHSTAN'S LEADERS SEEM HESITANT ABOUT TAKING SOME RISKS WITH FOREIGN INVESTORS, AND 30ME SOVIET-ERA COMMERCIAL PRACTICES REMAIN IN PLACE. FOR EXAMPLE, DESPITE REPEATED PROMISING INDICATIONS, KAZÁKH LEADERS HAVE PULLED BACK SEVERAL TIMES FROM CONCLUDING A MAJOR OIL PRODUCTION AGREEMENT WITH CHEVRON AT THE TENGHIZ OIL FIELD IN THE CASPIAN, AN EXCEPTIONALLY PROMISING RESERVE. THE U.S. HAS URGED THE KAZAKHS TO COMPLETE THIS ARRANGEMENT, BOTH FOR ITS OWN VALUE AND TO SEND A POSITIVE SIGNAL TO OTHER INVESTORS. 10. U.S. OIL AND MINERAL DEVELOPMENT IN KAZAKHSTAN WOULD FURTHER DIVERSIFY SOURCES OF SUPPLY FOR THE U.S. AND WORLD ECONOMIES (ALTHOUGH SOME U.S. DOMESTIC PRODUCERS MIGHT FACE GREATER COMPETITION), RESULTING IN LOWER PRICES TO U.S. CONSUMERS AND LESS OVERALL RISK OF SUPPLY DISRUPTION. SONFIDENTIAL SECTION 02 OF 02 ALMA ATA 00013 C O R R E C T E D COPY (MRN SHOULD READ 00013 VICE 00014)

EXDIS

DEPT PLEASE PASS INFO TO MOSCOW POLITICAL COLLECTIVE E.O. 12356: DECL: OADR

TAGS: PREL, PARM, PGOV, ECON, EAID, TSCI, SENV, CASC, KS, RU SUBJECT: DEFINING AMERICAN INTERESTS IN KAZAKHSTAN

INTEREST 5: THAT KAZAKHSTAN INCREASE EFFORTS TO CURB ENVIRONMENTAL DEGRADATION.

KAZAKHSTAN'S ENVIRONMENT BEARS THE SCARS OF MISGUIDED SOVIET NUCLEAR, INDUSTRIAL, AND AGRICULTURAL POLICIES. THE DRYING UP OF THE ARAL SEA AND THE ENORMOUS INDUSTRIAL AND OTHER POLLUTION IN KAZAKHSTAN FURTHER DEGRADE GLOBAL ENVIRONMENTAL CONDITIONS, WITH POSSIBLE ADVERSE EFFECTS ON U.S. ENVIRONMENTAL CONDITIONS. AS ELSEWHERE IN THE FORMER USSR (AND AS DOCUMENTED BY NOTED DEMOGRAPHER MURRAY FESHBACK), THIS DEGRADATION OF THE ENVIRONMENT APPEARS SHARPLY TO HAVE EXACERBATED HEALTH PROBLEMS. THIS, IN TURN, WILL LIKELY LEAD TO GREATER HUMANITARIAN BURDENS ON THE U.S.

INTEREST 6: THAT KAZAKHSTAN BE MORE DEMOCRATIC IN POLITICAL ORGANIZATION.

2. LITTLE HAS CHANGED IN KAZAKH INTERNAL POLITICS SINCE THE EVENTS OF AUGUST."

AT LEAST AS MPORTANT, A CONSENSUS FOR POLITICAL MODERATION EXISTS AMONG ANY ELITES IN KAZAKHSTAN. YET, NATIONALIST ANXIETY IS ON THE ISE AND WILL ACCELERATE IF ECONOMIC POLICIES DO NOT LEAD TO AINS IN THE STANDARD OF LIVING.

MOVING QUICKLY TOWARD MORE DEMOCRATIC RULE AT PRESENT WOULD IKELY LEAD TO POLITICAL PARTIES THAT CLEAVE ALONG ETHNIC LINES. A ETERIORATING ECONOMY COULD MAKE THIS WORSE. THUS, AMERICA SHOULD OCUS FOR NOW ON STRENGTHENING INSTITUTIONS NECESSARY FOR A UCCESSFUL DEMOCRACY. THIS MEANS ENCOURAGING SOUND ECONOMIC OLICY, TOLERANCE, AND FACILITATING THE CREATION OF ON-GOVERNMENTAL ORGANIZATIONS AND OTHER MEDIATING INFLUENCES ETWEEN THE HOLDERS OF POWER AND THE PEOPLE. IN GENERAL, WE SHOULD NCOURAGE THE DEVELOPMENT OF MORE COMPLEX AND FLEXIBLE POLITICAL, CONOMIC, AND SOCIAL STRUCTURES AND POLICIES, WHILE DISCOURAGING HOSE ALIGNED ONLY WITH ETHNIC GROUPINGS OR ASSOCIATED WITH THE OVIET PAST. FIRST AMONG OUR PRIORITIES SHOULD BE TO SPUR SOUND RIVATIZATION. LITTLE OR NO PROGRESS HAS BEEN MADE IN INDUSTRY AND GRICULTURE, ALTHOUGH NEARLY ONE-THIRD OF HOUSING IS PRIVATE. IF KAZAKHSTAN CREATES ITS OWN MILITARY, WE SHOULD GIVE UBSTANTIAL SUPPORT TO HELPING KAZAKHSTAN DEVELOP CIVIL-MILITARY ELATIONS AND INSTITUTIONS APPROPRIATE TO A DEMOCRACY, AND DEFINE 'HREATS, STRATEGIES, AND FORCE STRUCTURES IN WAYS THAT ARE

EALISTIC AND NOT PERCEIVED IN THE REGION AS AGGRESSIVE.

NTEREST 7: THAT AMERICAN CITIZENS' INTERESTS BE PROTECTED. 

.5. AT PRESENT THERE ARE AT LEAST 75 PRIVATE AMERICANS IN CAZAKHSTAN IN SEVERAL MISSIONARY, EDUCATIONAL, AND COMMUNITY DEVELOPMENT EFFORTS. THEY REPRESENT A VARIETY OF AMERICAN CHURCHES AND FOUNDATIONS. THESE AMERICANS HAVE BEEN PLAYING A VALUABLE ROLE THIS WEEK AS MONITORS FOR OUR HUMANITARIAN RELIEF FLIGHTS, ENSURING CHAT FOOD AND MEDICINE ARE DELIVERED TO INTENDED FACILITIES. (AZAKHSTAN IS LIKELY TO BECOME AN OBJECT OF INTEREST AMONG MANY MORE AMERICANS, WHO WILL FIND PEOPLE HERE TO BE QUITE OPEN FRIENDLY, AND HELPFUL. PROTECTING THE INTERESTS OF THESE AMERICANS IN THE FAR-FLUNG REACHES OF KAZAKHSTAN WILL BE AN OBVIOUS PRIORITY. VE MUST ALSO MAKE EVERY EFFORT TO PURSUE ANY FURTHER REPORTS CONCERNING THE POSSIBLE PRESENCE OF U.S. POW'S/MIA'S IN KAZAKHSTAN. COURTNEY

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