

<DIS1>SIT: BURNS VAX

<PREC> IMMEDIATE<CLAS> ~~CONFIDENTIAL~~<OSRI> RUEHC<DTG> 271801Z MAY 92
<ORIG>FM SECSTATE WASHDC
<TO>TO RUDKAL/AMEMBASSY ALMA ATA IMMEDIATE 0000
RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 0000
RUFHNA/USMISSION USNATO IMMEDIATE 0000
INFO RUEHIL/AMEMBASSY ISLAMABAD 0000
RUEHBJ/AMEMBASSY BEIJING 0000
RUEHNE/AMEMBASSY NEW DELHI 0000
RUEHUL/AMEMBASSY SEOUL 0000
NATO EC COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 0000
RUDKRC/AMEMBASSY TASHKENT 0000
RUDKRB/AMEMBASSY BISHKEK 0000
RUDKHD/AMEMBASSY DUSHANBE 0000
RUDKAB/AMEMBASSY ASHKHABAD 0000

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<SUBJ> READOUT FROM THE OFFICIAL WORKING VISIT OF
PRESIDENT NAZARBAEV TO WASHINGTON, MAY 18-20, 1992

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TAGS: PREL, MCAP, ECON, ETRD
SUBJECT: READOUT FROM THE OFFICIAL WORKING VISIT OF
PRESIDENT NAZARBAEV TO WASHINGTON, MAY 18-20, 1992
1. ADDRESSEE POSTS MAY USE THE FOLLOWING POINTS AS
APPROPRIATE TO BRIEF HOST GOVERNMENT OFFICIALS.
2. BEGIN TEXT OF READOUT FROM NAZARBAEV VISIT.
NOTES ON THE OFFICIAL WORKING VISIT OF
PRESIDENT NAZARBAEV OF KAZAKHSTAN
NAZARBAEV'S VISIT

-- PRESIDENT NURSULTAN NAZARBAEV OF KAZAKHSTAN AND A PARTY
OF 44, INCLUDING MRS. NAZARBAEVA, FIRST DEPUTY PRIME
MINISTER SOSKOVETS, DEPUTY PRIME MINISTER ABDULLAYEV,
FOREIGN MINISTER SULEYMENOV, AND FOREIGN ECONOMIC AFFAIRS
MINISTER ABISHEV MADE AN OFFICIAL WORKING VISIT TO
WASHINGTON MAY 18 - 20.

- o NAZARBAEV IS IN NEW YORK THURSDAY AND FRIDAY (MAY
21-22), WHERE HE IS MEETING WITH U.S. BUSINESS
LEADERS, THE FEDERAL RESERVE. AND THE COUNCIL ON
FOREIGN RELATIONS.
- o HE WILL VISIT THE U.S. MILITARY ACADEMY AT WEST
POINT ON SATURDAY.
- o NAZARBAEV WILL RETURN TO ALMA ATA ON THE EVENING OF
MAY 23.
- o NAZARBAEV'S VISIT TO WASHINGTON INCLUDED:
o CEREMONIAL ACTIVITIES, SUCH AS A LAYING OF A WREATH
AT THE TOMB OF THE UNKNOWN SOLDIER AT ARLINGTON
NATIONAL CEMETERY.
- o MEETINGS WITH THE SENATE LEADERSHIP AND A COFFEE AT
THE CAPITOL.
- o PRESS INTERVIEWS WITH THE WASHINGTON POST.
WASHINGTON TIMES, CNN, AND THE NATIONAL PRESS CLUB.
- o MEETINGS WITH SENIOR ADMINISTRATION OFFICIALS,
INCLUDING THE PRESIDENT, SECRETARIES BAKER. CHENEY,
BRADY, AND MADIGAN, AND DEPUTY COMMERCE SECRETARY
SCHNABEL.
- o SIGNING OF A TRADE AGREEMENT AN OPIC (INVESTMENT
INSURANCE) AGREEMENT, A BILATERAL INVESTMENT TREATY
(BIT), A TECHNICAL ASSISTANCE AGREEMENT AN MOU ON
REMOVAL OF TRAVEL CONTROLS ON DIPLOMATS, AND A
STATEMENT OF INTENT TO SIGN A TAX TREATY.

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- C MEETINGS WITH SENIOR OFFICIALS AT THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK.
 - O A DINNER AT BLAIR HOUSE WITH U.S. BUSINESS LEADERS HOSTED BY THE CITIZENS DEMOCRACY CORPS.
 - O SIGNING OF AN AGREEMENT WITH THE CHEVRON OIL COMPANY FOR THE DEVELOPMENT OF THE TENGIZ OIL FIELD.
- AGREEMENTS SIGNED BETWEEN THE U.S. AND KAZAKHSTAN

 -- TRADE AGREEMENT - THIS AGREEMENT CONTAINS THE SAME PROVISIONS AS THE U.S.-SOVIET TRADE AGREEMENT. THE UNITED STATES WILL APPROVE A JACKSON-VANIK WAIVER FOR KAZAKHSTAN. WHICH WILL ALLOW MOST FAVORED NATION STATUS TO BE GRANTED ONCE KAZAKHSTAN RATIFIES THE AGREEMENT.

-- OPIC AGREEMENT - THIS AGREEMENT ALLOWS THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) TO OPERATE ITS INVESTMENT INSURANCE AND LOAN GUARANTEE PROGRAMS IN KAZAKHSTAN.

-- BILATERAL INVESTMENT TREATY (BIT) - THE RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENT (BILATERAL INVESTMENT TREATY OR BIT) PROVIDES LEGAL PROTECTIONS AND ASSURANCES FOR INVESTORS OF ONE COUNTRY IN THE TERRITORY OF THE OTHER COUNTRY. BY ENTERING INTO THIS TREATY, KAZAKHSTAN IS ESTABLISHING ITS COMMITMENT TO PROVIDE MANY OF THE PREREQUISITES OF AN ATTRACTIVE INVESTMENT CLIMATE FOR U.S. INVESTORS.

-- AGREEMENT ON TECHNICAL AND HUMANITARIAN ASSISTANCE - THIS AGREEMENT PROVIDES A LEGAL FRAMEWORK FOR U.S. ASSISTANCE TO KAZAKHSTAN INCLUDING EXEMPTION FROM CERTAIN TAXES AND DUTIES, IMMUNITY FOR ASSISTANCE PERSONNEL AND INSPECTION AND AUDIT PROCEDURES.

-- MEMORANDUM OF UNDERSTANDING ON LIFTING DIPLOMATIC TRAVEL CONTROLS - THIS MOU PROVIDES FOR ELIMINATION OF CLOSED AREAS AND TRAVEL CONTROLS ON DIPLOMATS ON BOTH SIDES.

-- JOINT STATEMENT OF INTENT TO COMPLETE WORK ON A TAX TREATY - THE U.S. AND KAZAKHSTAN AGREED TO COMPLETE A CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME. THE NEW CONVENTION WILL GREATLY FORMALIZE THE TAX RELATIONS BETWEEN THE TWO COUNTRIES.

START/NPT

 -- DURING THE MEETINGS AT THE WHITE HOUSE, PRESIDENT NAZARBAEV AGREED TO SIGN THE START PROTOCOL AND RECONFIRMED KAZAKHSTAN'S COMMITMENT TO ACCEDE TO THE NUCLEAR NON-PROLIFERATION TREATY AS A NON-NUCLEAR WEAPON STATE

-- NAZARBAEV AGREED TO THE ELIMINATION OF ALL NUCLEAR WEAPONS, INCLUDING STRATEGIC OFFENSIVE ARMS. ON KAZAKHSTAN'S TERRITORY WITHIN THE SEVEN-YEAR REDUCTION PERIOD PROVIDED UNDER THE START TREATY.

-- FOLLOWING THESE INTENSIVE CONSULTATIONS, WE HOPE TO SIGN A START PROTOCOL IN LISBON ON THE WEEKEND OF MAY 23-24. UNDER THIS PROTOCOL, BYELARUS, KAZAKHSTAN, RUSSIA AND KAZAKHSTAN WOULD ASSUME THE RIGHTS AND OBLIGATIONS OF FULL PARTIES TO THE START TREATY.

SECURITY ISSUES

 -- PRESIDENT NAZARBAEV EXPRESSED CONCERNS ABOUT KAZAKHSTAN'S LONG-TERM SECURITY. THE U.S. EXPRESSED ITS STRONG SUPPORT FOR KAZAKHSTAN'S INDEPENDENCE AND DEMOCRATIC DEVELOPMENT AND FOR THE DEVELOPMENT OF KAZAKHSTAN'S RELATIONS WITH THE UNITED STATES IN ALL AREAS.

-- BOTH SIDES AGREED ON THE IMPORTANCE OF STRENGTHENING MULTILATERAL INSTITUTIONS, SUCH AS CSCE AND THE NACC, OF WHICH KAZAKHSTAN IS A MEMBER.

-- THE U.S. ALSO STRESSED THE IMPORTANCE TO KAZAKHSTAN OF GOOD RELATIONS WITH KAZAKHSTAN'S NEIGHBORS, ESPECIALLY RUSSIAN AND CHINA. AS A SOURCE OF KAZAKHSTAN'S FUTURE

SECURITY.
RELATIONS WITH RUSSIA

-- THE U.S. POINTED TO THE IMPORTANCE OF GOOD U.S. RELATIONS WITH BOTH RUSSIA AND KAZAKHSTAN AS A FACTOR FOR STABILITY AND AS SOMETHING THAT COULD PROMOTE GOOD RUSSIAN-KAZAKH RELATIONS.

-- THE U.S. SAID IT IS IMPORTANT FOR KAZAKHSTAN'S SECURITY -- AS WELL AS FOR OURS -- THAT THE DEMOCRATS IN RUSSIA SUCCEED. PRESIDENT NAZARBAEV AGREED. THE U.S. PLEDGED TO WORK WITH BOTH RUSSIA AND KAZAKHSTAN TO PROMOTE DEMOCRATIC REFORM THROUGHOUT THE CIS.

BREAKFAST WITH SECRETARY OF STATE BAKER

-- SECRETARY BAKER AND PRESIDENT NAZARBAEV HAD BREAKFAST AT BLAIR HOUSE TUESDAY MORNING, MAY 19.

-- THEY DISCUSSED SECURITY ISSUES, AS WELL AS THE POTENTIAL FOR FOREIGN PRIVATE INVESTMENT IN THE DEVELOPMENT OF KAZAKHSTAN'S ECONOMY.

MEETING WITH SECRETARY OF THE TREASURY BRADY

-- SECRETARY BRADY CALLED ON NAZARBAEV AT BLAIR HOUSE TUESDAY AFTERNOON, MAY 19.

-- HE OUTLINED FOR THE PRESIDENT HOW KAZAKHSTAN MIGHT BENEFIT FROM THE MULTILATERAL ECONOMIC ASSISTANCE PACKAGE FOR KAZAKHSTAN AND REVIEWED U.S. BILATERAL CREDIT PROGRAMS AVAILABLE TO KAZAKHSTAN.

-- SECRETARY BRADY UNDERScoreD THE NEED FOR KAZAKHSTAN TO COMPLETE IMF AND WORLD BANK MEMBERSHIP REQUIREMENTS QUICKLY AND TO DEVELOP A COORDINATED REFORM PLAN WITH THE INTERNATIONAL FINANCIAL INSTITUTIONS.

-- HE PLEDGED U.S. SUPPORT IN DEVELOPING THIS PLAN.

-- PRESIDENT NAZARBAEV SUMMARIZED KAZAKHSTAN'S ECONOMIC REFORM PROGRAM.

MEETING WITH SECRETARY OF DEFENSE CHENEY

-- SECRETARY CHENEY CALLED ON PRESIDENT NAZARBAEV AT BLAIR HOUSE ON TUESDAY AFTERNOON, MAY 19.

-- NAZARBAEV REVIEWED FOR SECRETARY CHENEY DEVELOPMENTS IN DEFENSE AND SECURITY AREAS AND HIS SECURITY CONCERNS FOR KAZAKHSTAN.

-- THE TWO TOUCHED ON A NUMBER OF ISSUES. INCLUDING THE FUTURE DEFENSE DOCTRINE OF KAZAKHSTAN AND KAZAKHSTAN'S PLANS TO CONSTRUCT ITS OWN ARMED FORCES.

O THEY AGREED THAT CIVILIAN AND MILITARY ADVISORS COULD CONSULT ON THIS SUBJECT AT A MUTUALLY CONVENIENT TIME.

MEETING WITH SECRETARY OF AGRICULTURE MADIGAN

-- SECRETARY MADIGAN CALLED ON NAZARBAEV AT BLAIR HOUSE ON WEDNESDAY MORNING, MAY 20.

-- MADIGAN DISCUSSED AGRICULTURAL ASSISTANCE PROGRAMS PLANNED FOR KAZAKHSTAN AND RESPONDED TO QUESTIONS ON THE REMAINING USD 390 MILLION IN COMMODITY CREDIT CORPORATION EXPORT CREDIT GUARANTEES AVAILABLE TO KAZAKHSTAN AND OTHER NON-RUSSIAN INDEPENDENT STATES.

-- NAZARBAEV REVIEWED THE STATE OF KAZAKHSTAN'S AGRICULTURE, AND EXPRESSED INTEREST IN HOW THE U.S. GOVERNMENT SUPPORTS AMERICAN FARMERS.

MEETING WITH U.S. BUSINESS LEADERS

-- THE CITIZENS DEMOCRACY CORPS HOSTED A DINNER FOR NAZARBAEV AT THE BLAIR HOUSE ON MAY 19 WITH TEN SENIOR AMERICAN CEOS.

-- THE AMERICAN BUSINESS LEADERS DISCUSSED WITH NAZARBAEV SPECIFIC INVESTMENT OPPORTUNITIES IN OIL, GAS, GOLD,

MANUFACTURING, AND FOOD PROCESSING.

-- DEPUTY COMMERCE SECRETARY SCHNABEL ALSO OFFERED CREATION OF A U.S.-KAZAKH BUSINESS DEVELOPMENT COMMITTEE TO LOWER BARRIERS TO TRADE AND INVESTMENT BETWEEN THE TWO COUNTRIES.
OVERALL CHARACTERIZATION

-- NAZARBAEV'S VISIT SIGNALS OUR INTENTION TO ENGAGE KAZAKHSTAN ON A FULL RANGE OF ISSUES. WE HOPE THIS VISIT WILL FORM THE BASIS FOR A STRONG, COOPERATIVE RELATIONSHIP.
-- PRESIDENT NAZARBAEV EXPRESSED HIS PLEASURE WITH HIS RECEPTION IN THE U.S., AND WITH THE ACCOMPLISHMENTS OF THE VISIT.

-- WE, ALSO, WERE PLEASED WITH THE FLEXIBILITY AND COOPERATION WE RECEIVED FROM THE KAZAKH SIDE.

-- BOTH SIDES EXPRESSED OPTIMISM ABOUT THE ECONOMIC POTENTIAL OF KAZAKHSTAN AND THE OPPORTUNITIES FOR AMERICAN AND OTHER FOREIGN COMPANIES TO DO BUSINESS IN KAZAKHSTAN.

-- WE PLAN TO FURTHER EXPAND OUR RELATIONSHIP BY BUILDING ON THIS VISIT WITH CONTINUING DIALOGUE IN A NUMBER OF AREAS, SUCH AS DEMOCRATIC POLITICAL DEVELOPMENT, ECONOMIC ASSISTANCE, AND SECURITY.

3. MINIMIZE CONSIDERED. BAKER

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