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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13628  
**Folder ID Number:** 13628-001

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**Folder Title:**  
Address to U.S. and Russia Business Conference 6/17/92 [OA 5809]

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<b>G</b>	<b>26</b>	<b>18</b>	<b>3</b>	<b>1</b>

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**ADDRESS TO THE U.S. AND RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992 \ 9 A.M. \ J.W. MARRIOT**

**THANK YOU, SECRETARY FRANKLIN FOR THAT KIND INTRODUCTION. PRESIDENT YELTSIN AND MEMBERS OF THE RUSSIAN DELEGATION -- WELCOME TO AMERICA; IT IS GOOD TO HAVE YOU HERE. LET ME SAY HELLO TO SO MANY GOOD FRIENDS HERE TODAY -- ROCKY SCHNABEL FROM COMMERCE, JOHN ROBSON FROM TREASURY, FRED ZEDER FROM OPIC, JOHN MACOMBER FROM EXIM BANK AND ALL MY FRIENDS FROM BUSINESSES AROUND THE COUNTRY.**

**- 2 -**

**IT IS A PLEASURE FOR ME TO BE HERE FOR THIS HISTORIC U.S.-RUSSIAN BUSINESS CONFERENCE. YOUR TALKS MARK A SIGNIFICANT STEP FORWARD IN OUR EFFORT TO EXPAND BILATERAL BUSINESS AND TRADE RELATIONS BETWEEN OUR TWO NATIONS. FOR RUSSIA THIS MEANS A GIANT STEP TOWARD FULL REALIZATION OF A MARKET ECONOMY. FOR THE UNITED STATES THIS MEANS JOBS AND ECONOMIC OPPORTUNITY.**

**FOR THE PAST FOUR MONTHS, THE UNITED STATES GOVERNMENT HAS BEEN LAYING A SOLID FOUNDATION FOR THE EXPANSION OF OUR TRADE AND INVESTMENT WITH RUSSIA.**

LATER TODAY, WE WILL CONCLUDE MAJOR TREATIES AND AGREEMENTS RELATED TO THIS NEW FOUNDATION -- THE TRADE, BILATERAL INVESTMENT AND TAX TREATIES AS WELL AS THE OPIC AND EXIM AGREEMENTS. ALSO EFFECTIVE TODAY, THE UNITED STATES WILL EXTEND "MOST FAVORED NATION" STATUS TO RUSSIA.

I HAVE SUBMITTED TO CONGRESS THE FREEDOM SUPPORT ACT WHICH WILL CLEAR AWAY BARRIERS TO TRADE FROM THE U.S. SIDE AND STIMULATE COMBINED ASSISTANCE EFFORTS WITH OTHER NATIONS.

WE WILL CONTINUE TO PUSH HARD FOR THIS CRITICAL ASSISTANCE PACKAGE AS A KEY PRIORITY. ONCE AGAIN, TODAY I CALL UPON THE CONGRESS TO PASS THIS PACKAGE AS QUICKLY AS POSSIBLE. AND, I ASK EACH U.S. PARTICIPANT IN THIS CONFERENCE TO MAKE YOUR VOICE HEARD ON THE FSA WHICH MEANS SO MUCH FOR THE FUTURE OF TRADE BETWEEN THE U.S. AND RUSSIA. AS OUR ACTIONS CLEARLY INDICATE, WE WANT TO BECOME RUSSIA'S LARGEST AND BEST TRADING PARTNER AND FOREIGN INVESTOR -- A MORE STABLE RUSSIA MEANS A MORE STABLE WORLD.

MY MESSAGE TO THIS CONFERENCE IS SIMPLE -- NEITHER U.S. GOVERNMENT PROGRAMS NOR MULTILATERAL ASSISTANCE WILL BE ENOUGH. PRIVATE SECTOR PARTICIPATION IN THE ECONOMIES OF RUSSIA AND THE OTHER STATES -- ESPECIALLY INVOLVEMENT BY AMERICAN BUSINESS -- IS CRITICAL TO THE SUCCESS OF RUSSIA'S BOLD VENTURE INTO FREE MARKETS. AND, THAT PARTICIPATION MUST BE ON A VAST SCALE -- MEASURED IN BILLIONS OF DOLLARS -- FOR THE CHALLENGE TO BE MET.

TO THAT END, I AM PLEASED TO ANNOUNCE THAT THE OPIC, OVERSEAS PRIVATE INVESTMENT CORPORATION, AGREEMENT BETWEEN THE U.S. AND RUSSIA ENTERS INTO FORCE TODAY. THIS AGREEMENT WILL PERMIT OPIC TO PROVIDE INVESTMENT INSURANCE TO AMERICAN PRIVATE INVESTORS. IT WILL ALSO PROVIDE ADDITIONAL FINANCING AND INVESTOR SERVICES FOR JOINT VENTURES AND OTHER PROJECTS IN THE RUSSIAN FEDERATION.

WITH OPIC AND EXIM, EVERYONE WINS. RUSSIA CAN TAP INTO THE INGENUITY OF AMERICAN BUSINESS MEN AND WOMEN, OUR CAPITAL GOODS, KNOW-HOW AND TECHNOLOGY -- WHICH ARE THE BEST IN THE WORLD. THAT HELP WILL ENABLE RUSSIA TO DEVELOP ITS FOOD AND HEALTH SECTORS, RECOVER ITS ENERGY RESOURCES, PRIVATIZE STATE INDUSTRIES, AND CONVERT MILITARY PLANTS TO CIVILIAN PRODUCTION. AND, AMERICAN BUSINESSES, BY INVESTING AND TRADING WITH RUSSIA, WILL CREATE THOUSANDS OF JOBS HERE AT HOME IN ORDER TO PRODUCE ALL THE AMERICAN GOODS THAT A GROWING ECONOMY WILL DEMAND.

WITH THE OPIC AGREEMENT NOW IN EFFECT, I HAVE ASKED FRED ZEDER, OPIC'S PRESIDENT, TO LEAD A GROUP OF 26 BUSINESS REPRESENTATIVES TO MOSCOW AND OTHER RUSSIAN CITIES FOR ONE-ON-ONE BUSINESS MEETINGS AND SITE VISITS TO DEVELOP PRIVATE SECTOR BUSINESS DEALS. AND, THIS IS JUST THE BEGINNING OF WHAT WILL SURELY BECOME ONE OF THE LARGEST TWO-WAY TRADING RELATIONSHIPS IN THE WORLD. IN 1991, EXPORTS OF AMERICAN MANUFACTURED GOODS TO RUSSIA AND THE OTHER STATES GREW BY ALMOST 40 PERCENT.

FOR THE FIRST TIME, RUSSIA IS PARTICIPATING IN THE COMMUNITY OF FREE MARKET INTERNATIONAL ECONOMIC ORGANIZATIONS -- THE INTERNATIONAL MONETARY FUND, THE WORLD BANK, AND, AT SOME POINT, GATT. THIS WOULD HAVE BEEN UNTHINKABLE JUST A FEW YEARS AGO. AND, WE WILL INVITE RUSSIA AND THE OTHER STATES TO JOIN WITH COCOM MEMBERS IN A NEW INFORMAL COOPERATIVE FORUM TO PROVIDE SIGNIFICANTLY WIDER ACCESS TO HIGH-TECHNOLOGY GOODS PREVIOUSLY DENIED.

AS I SAID EARLIER -- THE HISTORIC TRANSFORMATION OF THE RUSSIAN ECONOMY IS ONE OF THE GREAT CHALLENGES OF OUR TIME. THE HUNDREDS OF BILLIONS OF DOLLARS IN CAPITAL AND TECHNOLOGIES THAT RUSSIA WILL NEED OVER THE NEXT DECADE WILL COME, IN LARGE MEASURE, NOT FROM GOVERNMENTS, BUT FROM PRIVATE BUSINESSES. AS WE ALL KNOW, NEITHER COMMAND ECONOMIES NOR AN OTHER GOVERNMENT CAN PRODUCE WEALTH -- WEALTH IS PRODUCED BY THE INITIATIVE AND ENERGY OF INDIVIDUAL ENTREPRENEURS.

JUST A FEW MONTHS AGO, IZVESTIA AND HEARST BEGAN PRINTING THE FIRST INDEPENDENT RUSSIAN-AMERICAN NEWSPAPER, "WE." EACH WEEK, MORE THAN 350,000 RUSSIAN LANGUAGE COPIES ARE SOLD AND 50,000 COPIES IN ENGLISH ARE CIRCULATED. THIS ENTERPRISE IS A TRUE JOINT VENTURE -- WITH RUSSIAN AND AMERICAN REPORTERS, EDITORS AND BUSINESS MANAGERS WORKING SIDE-BY-SIDE TO PRODUCE A WEEKLY PAPER.

PRESIDENT YELTSIN, YOUR WISE LEADERSHIP GIVES ME GREAT HOPE FOR THE RUSSIAN ECONOMY. YOUR PEOPLE ARE WORLD-CLASS IN ALL AREAS OF HUMAN ENDEAVOR -- MUSIC, THE ARTS, SPORTS, SCIENCE, AND LITERATURE, TO NAME JUST A FEW. I AM CONFIDENT THAT RUSSIA WILL NOW ALSO PRODUCE FIRST-CLASS ENTREPRENEURS.

I HAVE ASKED SECRETARY FRANKLIN TO TAKE THE LEAD IN ENCOURAGING BILATERAL TRADE AND INVESTMENT AS RAPIDLY AS POSSIBLE.

JUST YESTERDAY, SHE AND RUSSIAN MINISTER OF FOREIGN ECONOMIC RELATIONS AVEN HELD THE FIRST MEETING OF THE NEW INTERGOVERNMENTAL BUSINESS DEVELOPMENT COMMITTEE. SECRETARY FRANKLIN ALSO OPENED A NEW BUSINESS INFORMATION CENTER TO ADVISE AMERICAN COMPANIES REGARDING OPPORTUNITIES IN RUSSIA. AND, SHE WILL BE LEADING A PRESIDENTIAL TRADE MISSION TO GET U.S. BUSINESS ON ITS WAY.

AS A SIGN OF OUR GROWING BUSINESS TIES, SECRETARY FRANKLIN AND MINISTER AVEN YESTERDAY WITNESSED THE SIGNING OF SEVERAL NEW AMERICAN INVESTMENTS THAT WILL SOLIDIFY OUR POSITION AS A LEADING INVESTOR IN RUSSIA.

THESE INITIATIVES SIGNAL OUR WHOLE-HEARTED COMMITMENT TO MASSIVE U.S. INVESTMENT AND TRADE IN RUSSIA. IN TURN, WE CALL UPON RUSSIA AND THE OTHER NEW STATES TO DEVELOP FAVORABLE INVESTMENT CONDITIONS FOR AMERICAN FIRMS.

THIS CONFERENCE HAS SERIOUS PROBLEMS TO ADDRESS -- DELINEATION OF PROPERTY RIGHTS, SANCTITY OF CONTRACTS, CLARIFICATION OF DECISION-MAKING AUTHORITY, CONSISTENT TAX STRUCTURES AND POLICIES, CURRENCY EXCHANGE AND OTHER ISSUES. WE ALL WANT CLEAR UNDERSTANDINGS ABOUT THE ISSUES, ABOUT WHICH LAWS APPLY AND ABOUT RECOURSE PROCEDURES FOR ARBITRATING DECISIONS. WE ALL WANT FAIR AND EQUITABLE CONTRACTS AND TAX REGIMES TO BE ESTABLISHED SO THE BUSINESS CAN BEGIN.

LET ME CLOSE BY REMINDING THE RUSSIANS AND AMERICANS HERE TODAY -- ALONG WITH YOUR HEAVY RESPONSIBILITY, YOU HAVE A HISTORY-MAKING OPPORTUNITY. RUSSIA CAN BE FULLY INTEGRATED INTO THE WESTERN ECONOMIC SYSTEM. DURING YOUR MEETING TODAY, I AM CONFIDENT THAT IDEAS WILL BE GENERATED THAT WILL LEAD TO BILLIONS OF DOLLARS OF BUSINESS THAT WILL BENEFIT BOTH OF OUR NATIONS BY PROVIDING JOBS AND IMPROVING THE STANDARD OF LIVING FOR ALL OUR PEOPLE.

ONE OF AMERICA'S GREAT HUMORISTS, DANNY KAYE, ONCE SAID, "LIFE IS A GREAT BIG CANVAS; THROW ALL THE PAINT ON IT YOU CAN." BECAUSE OF THE HISTORIC EVENTS IN RUSSIA, THE WORLD TODAY IS A HUGE CANVAS. THOSE OF US IN THIS ROOM HAVE THE RARE PRIVILEGE AND OPPORTUNITY TO "PAINT" THAT CANVAS. IF WE DEVOTE OUR INGENUITY, OUR CREATIVITY AND OUR PERSISTENCE TO THE EFFORT, WE CAN PASS ALONG TO FUTURE GENERATIONS A BRIGHT, SHINING MASTERPIECE OF BROTHERHOOD, PEACE AND PROSPERITY AROUND THE WORLD.

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MAY GOD GRANT US SUCCESS IN THAT ENDEAVOR. THANK YOU AND GODSPEED TO YOUR DELIBERATIONS.

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THE PRESIDENT HAS SEEN  
6/17/92

THE WHITE HOUSE  
WASHINGTON

June 15, 1992

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*translation required by 1 page*  
*ITS ON*

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID F. DEMAREST

FROM: JANICE SHAW CROUSE, Ph.D. *JC*

SUBJECT: PROPOSED REMARKS FOR U.S.-RUSSIA BUSINESS CONFERENCE

I. SUMMARY

On Wednesday, June 17 at 9:00 a.m., you will deliver remarks to an audience of 300 businessmen at the U.S.-Russian Business Conference at the J.W. Marriott in Washington. Approximately one-third of the audience will be Russian; two-thirds will be American.

II. DISCUSSION

Your remarks, (approximately 11 minutes / cards), focus on how private sector partnerships will transform Russia into a free market economy and create American jobs.

In your remarks, you call on Congress to pass the Freedom Support Act, and announce the U.S. is extending MFN to Russia.

Please note: the translation will be simultaneous. The three bracketed graphs on businesses in Russia are being reviewed by NSC.

*Polus 1st - simultaneous*  
*Yeltsin 2nd - simultaneous*

Crouse/Bunton  
Monday, June 15, 1992  
5:49pm [Yelt-bus]

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen, it is a pleasure for me to be here for this historic U.S.-Russian Business Conference. Your talks mark a significant step forward in our effort to expand bilateral business and trade relations between our two nations. For Russia this means a giant step toward full realization of a market economy. For the United States this means jobs and economic opportunity.

The task of this conference is one of the most important and exciting challenges of our time. President Yeltsin, I can assure you that America's goal is to do our part to see that this challenge is fully met.

For the past four months, the United States government has been laying a solid foundation for the expansion of our trade and investment with Russia. Later today, we will conclude major treaties and agreements related to this new foundation ( -- the Trade, Bilateral Investment and Tax treaties as well as the OPIC and EXIM agreements. ) Also effective today, the United States will extend "Most Favored Nation" status to Russia. ( Through these efforts, we are dismantling the trade barriers of the Cold War, repealing restrictions on export financing, and extending investment guarantee programs. )

I have submitted to Congress the Freedom Support Act which will clear away barriers to trade from the U.S. side and

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No

yes

stimulate combined assistance efforts with other nations. (We will continue to push hard for this critical assistance package as a key priority. Once again, today I call upon the Congress to pass this package as quickly as possible. And,) I ask each U.S. participant in this conference to make your voice heard on the FSA which means so much for the future of trade between the U.S. and Russia. As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor - - a more stable Russia means a more stable world.

**My message to this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of Russia's bold venture into free markets. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.**

To that end, I am pleased to announce that the OPIC, Overseas Private Investment Corporation, agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC and EXIM, everyone wins. Russia can tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That

help will enable Russia to develop its food and health sectors, recover its energy resources, privatize state industries, and convert military plants to civilian production. And, American businesses, by investing and trading with Russia, will create thousands of jobs here at home in order to produce all the American goods that a growing economy will demand.

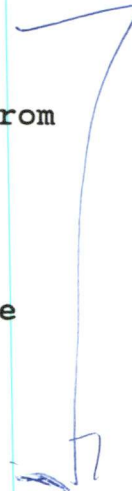
~~With the~~ OPIC agreement now in effect, (I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on-one business meetings and site visits to develop private sector business deals. And, this) is just the beginning of what will surely become one of the largest two-way trading relationships in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40 percent.

For the first time, Russia is participating in the community of free market international economic organizations -- the International Monetary Fund, the World Bank, and, at some point, GATT. This would have been unthinkable just a few years ago. And, we will invite Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to high-technology goods previously denied.

As I said earlier -- the historic transformation of the Russian economy is one of the great challenges of our time. (It is important to note that) <sup>for</sup> the hundreds of billions of dollars in capital and technologies that Russia will need over the next

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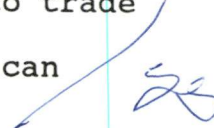
decade <sup>yes</sup> to help achieve ~~a transformation to a market economy~~ will come, in large measure, not from governments, but from private businesses. (As we all know, neither command economies nor any other government can produce wealth) -- wealth is produced by the initiative and energy of individual entrepreneurs. <sup>no</sup>

[[Already, numerous Americans have accepted the challenge with businesses large and small. One small U.S. businessman from Virginia has just opened two Service Star hardware stores in Moscow and business is brisk. 

Another company, M.I.C. Industries, has established mobile factories to construct buildings overnight. Their machinery builds housing and agricultural storage buildings on-site.

Just a few months ago, Izvestia and Hearst began printing the first independent Russian-American newspaper, "We." More than 350,000 copies -- in both Russian and English -- are sold each week. This enterprise is a true joint venture -- with Russian and American reporters, editors and business managers working side-by-side to produce a weekly paper.]]

President Yeltsin, your wise leadership gives me great hope for the Russian economy. Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will now also produce first-class entrepreneurs.

Our government will continue to clear away barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia. 

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral trade and investment as rapidly as possible. Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the new intergovernmental Business Development Committee ( -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. ) Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in Russia. And, she will be leading a Presidential trade mission to get U.S. business on its way. As a sign of our growing business ties, Secretary Franklin and Minister Avin yesterday witnessed the signing of several new American investments that will solidify our position as a leading investor in Russia. CIA

These ~~creative~~ initiatives signal our whole-hearted commitment to massive U.S. investment and trade in Russia. [ We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness. ] e

In turn, we call upon Russia and the other new States to develop favorable investment conditions for American firms. This conference has serious problems to address -- delineation of property rights, sanctity of contracts, clarification of decision-making authority, consistent tax structures and policies, currency exchange and other issues. We all want clear

understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

Let me close by reminding the Russians and Americans here today -- along with your heavy responsibility, you have a history-making opportunity. Russia can be fully integrated into the Western economic system. During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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THE WHITE HOUSE  
WASHINGTON

June 15, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID F. DEMAREST  
FROM: JANICE SHAW CROUSE, Ph.D. *JC*  
SUBJECT: PROPOSED REMARKS FOR U.S.-RUSSIA BUSINESS  
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I have submitted to Congress the Freedom Support Act which will clear away barriers to trade from the U.S. side and

stimulate combined assistance efforts with other nations. We will continue to push hard for this critical assistance package as a key priority. Once again, today I call upon the Congress to pass this package as quickly as possible. And, I ask each U.S. participant in this conference to make your voice heard on the FSA which means so much for the future of trade between the U.S. and Russia. As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor - - a more stable Russia means a more stable world.

My message to this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of Russia's bold venture into free markets. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

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help will enable Russia to develop its food and health sectors, recover its energy resources, privatize state industries, and convert military plants to civilian production. And, American businesses, by investing and trading with Russia, will create thousands of jobs here at home in order to produce all the American goods that a growing economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on-one business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become one of the largest two-way trading relationships in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40 percent.

For the first time, Russia is participating in the community of free market international economic organizations -- the International Monetary Fund, the World Bank, and, at some point, GATT. This would have been unthinkable just a few years ago. And, we will invite Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to high-technology goods previously denied.

As I said earlier -- the historic transformation of the Russian economy is one of the great challenges of our time. It is important to note that the hundreds of billions of dollars in capital and technologies that Russia will need over the next

decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. As we all know, neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

[[Already, numerous Americans have accepted the challenge with businesses large and small. One small U.S. businessman from Virginia has just opened two Service Star hardware stores in Moscow and business is brisk.

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Our government will continue to clear away barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

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understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

Let me close by reminding the Russians and Americans here today -- along with your heavy responsibility, you have a history-making opportunity. Russia can be fully integrated into the Western economic system. During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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WHITE HOUSE STAFFING MEMORANDUM

92 JUN 15 P2:17

DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

SUBJECT: PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA  
BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
<del>SCOWCROFT</del>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN <i>Mc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY <i>Mc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 no later than NOON MONDAY, JUNE 15, WITH A COPY to this office.

Thank you.

RESPONSE:

TO: DAN MCGROARTY:

The NSC concurs with changes, as noted.

Brent Scowcroft

cc: Phillip D. Brady

*BOOTLEG - MASTER*

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

2 JUN 12 P5: 43

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
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WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen,  
it is a pleasure for me to be here for this historic conference,  
Your talks mark a significant step forward, <sup>U.S. - Russia business</sup> ~~on behalf of bilateral~~  
business and trade relations between our two nations. ~~Even more~~  
~~importantly, these talks constitute giant progress for mankind.~~  
*in our effort to expand*

The transformation of Russia into a market economy is  
~~quite literally~~ one of the most important and exciting  
challenges of our time. President Yeltsin, <sup>I can assure you that</sup> America's goal is to  
do our part to see that this challenge is fully met.

For the past four months, the United States government has  
been laying a solid foundation for the <sup>expansion of our trade and investment with Russia</sup> transformation that is the  
goal of this conference. <sup>Later</sup> Today, we <sup>will conclude the</sup> put the finishing touches on  
~~of this new foundation [Bilateral Investment]~~

major treaties and agreements -- the Trade, BIT and Tax treaties <sup>And effective today, the United States</sup>  
as well as the OPIC and EXIM agreements. <sup>extend Most Favored Nation status</sup> Through these efforts, <sup>to Russia</sup>  
we are dismantling the trade barriers of the Cold War, repealing

the restrictions on export financing, <sup>together</sup> and extending investment  
guarantee programs, <sup>relational</sup> and <sup>making</sup> returning to normalcy an economic  
~~that has been abnormal since 1917.~~ <sup>This will help both our</sup>

~~Also,~~ I have submitted to Congress the Freedom Support Act  
which will clear away all barriers to trade from the U.S. side  
and stimulate <sup>assistance</sup> combined efforts with other nations. We will  
continue to push <sup>hard</sup> for this critical aid. As our actions clearly  
indicate, we want to become Russia's largest and best trading  
partner and foreign investor. <sup>assistance package -- it's one of our</sup>

too tech.  
why do we  
care? what  
does this  
mean to  
me?  
(O. Smith)

Because a more  
stable Russia means  
more stable world.  
(O. Smith)

high level  
priorities  
And I  
would  
like to  
call  
upon  
Congress  
again  
to  
pass it  
as quick  
as possible

My message to

2

~~The point of~~ this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of <sup>Russia's</sup> your bold venture, <sup>into free markets.</sup> And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce <sup>that</sup> ~~the beginning of an important new agreement.~~ The Overseas Private Investment Corporation, <sup>(OPIC)</sup> agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC, <sup>and with EXIM</sup> everyone wins. <sup>Russia can</sup> ~~You get to~~ tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That help will enable <sup>Russia</sup> you to develop <sup>its</sup> your food and health sectors, recover <sup>its</sup> your energy resources, privatize your state industries, and convert your military plants to civilian production. And, American businesses, by investing and trading with you, <sup>Russia</sup> will create thousands of jobs here at home in order to produce all the American goods that <sup>a great</sup> your transformed economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on-one

business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become <sup>one of the largest</sup> the most important two-way trading relationships in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40% <sup>percent</sup>.

For the first time, <sup>is participating in</sup> Russian nations are <sup>free market</sup> entering the community of international economic organizations -- the International Monetary Fund, the World Bank, and, <sup>at some</sup> perhaps not long <sup>point</sup> from now, GATT. <sup>This</sup> These alliances would have been unthinkable just a few years ago. <sup>And will</sup> Now we are inviting <sup>C</sup> Russia and the other states to join with COCOM members in a new informal <sup>COCOM</sup> Cooperative Forum to provide significantly wider access to <sup>high technology</sup> goods previously denied.

*Due thing to keep in mind*

*The historic transformation of the Russian economy is one of the great challenges of our time.*

^ It is important to note that the hundreds of billions of <sup>Russia</sup> dollars in capital and technologies that you will need over the next decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. As we all know, neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

President Yeltsin, I have great hope for the Russian economy <sup>under your wise leadership.</sup> Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will <sup>now</sup> also produce first-class entrepreneurs.

Our government will continue to clear away all barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral <sup>trade and investment</sup> business as rapidly as possible. Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the <sup>new</sup> intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in your nations. And, she will

soon

be leading a Presidential trade mission to get U.S. business on its way in Russia. <sup>As a sign of our growing business ties Sec. Franklin & Minister Aven yesterday witnessed the signings of several new</sup>

These creative, energetic initiatives signal our wholehearted commitment to massive U.S. investment and trade in Russia. We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness.

In turn,

~~^ We call upon Russia and the other new Commonwealth States to develop favorable investment conditions for American firms. In the words of American social philosopher, Michael Novak, capitalism springs from trust: I quote, "the economic dynamic of democracy arises from free acts of creativity, within a network of voluntary cooperation."~~ This conference has serious problems

<sup>investments that will solidify our position as a leading investor in Russia. (DOC)</sup>

address a clear delineating of property rights, clarification of, to work out -- the sanctity of contracts, decision-making authority, discuss (Don) consistent tax structures and policies, an effective foreign exchange regime, hard-currency charges and other negotiating issues. We all want clear understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

Let me close by saying to the Russians and Americans here today --  
~~Along with your heavy responsibility, you have a history-making opportunity. If these deliberations are fruitful, Russia will be, fully integrated into the western economic system world of market economies.~~ During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

↓ But as we work out these our business --  
#####  
like you here today -- are moving forward + making deals, as we solve legal constraints & build business. (DNC)

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA  
BUSINESS CONFERENCE

SUBJECT: WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT <i>BOTTLE</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 no later than NOON MONDAY, JUNE 15, WITH A COPY to this office.

Thank you.

RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

02 JUN 12 P5:43

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen, it is a pleasure for me to be here for this historic conference. Your talks mark a significant step forward on behalf of bilateral business and trade relations between our two nations. Even more importantly, these talks constitute giant progress for mankind.

The transformation of Russia into a market economy is -- quite literally -- one of the most important and exciting challenges of our time. President Yeltsin, America's goal is to do our part to see that this challenge is fully met.

For the past four months, the United States government has been laying a solid foundation for the transformation that is the goal of this conference. Today, we put the finishing touches on major treaties and agreements -- the Trade, BIT and Tax treaties as well as the OPIC and EXIM agreements. Through these efforts, we are dismantling the trade barriers of the Cold War, repealing the restrictions on export financing, and extending investment guarantee programs.

Also, I have submitted to Congress the Freedom Support Act which will clear away all barriers to trade from the U.S. side and stimulate combined efforts with other nations. We will continue to push for this critical aid. As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor.

The point of this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of your bold venture. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce the beginning of an important new agreement. The Overseas Private Investment Corporation agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC, everyone wins. You get to tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That help will enable you to develop your food and health sectors, recover your energy resources, privatize your state industries, and convert your military plants to civilian production. And, American businesses, by investing and trading with you, will create thousands of jobs here at home in order to produce all the American goods that your transformed economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on one

business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become the most important two-way trading relationship in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40%.

For the first time, Russian nations are entering the community of international economic organizations -- the International Monetary Fund, the World Bank, and, perhaps not long from now, GATT. These alliances would have been unthinkable just a few years ago. Now, we are inviting Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to goods previously denied.

It is important to note that the hundreds of billions of dollars in capital and technologies that you will need over the next decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. As we all know, neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

President Yeltsin, I have great hope for the Russian economy. Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will also produce first-class entrepreneurs.

Our government will continue to clear away all barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral business as rapidly as possible. Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in your nations. And, she will be leading a Presidential trade mission to get U.S. business on its way in Russia.

These creative, energetic initiatives signal our wholehearted commitment to massive U.S. investment and trade. We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness.

We call upon Russia and the other new Commonwealth States to develop favorable investment conditions for American firms. In the words of American social philosopher, Michael Novak, capitalism springs from trust: I quote, "the economic dynamic of democracy arises from free acts of creativity, within a network of voluntary cooperation." This conference has serious problems

to work out -- the sanctity of contracts, decision authority, consistent tax structures and policies, hard currency charges and other negotiating issues. We all want clear understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

Along with your heavy responsibility, you have a history-making opportunity. If these deliberations are fruitful, Russia will be integrated into the world of market economies. During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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Crouse/Bunton  
Monday, June 15, 1992  
4:48pm [Yelt-bus]

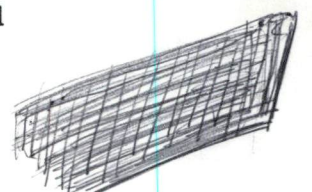
PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen,  
it is a pleasure for me to be here for this historic U.S.-Russian  
Business Conference. Your talks mark a significant step forward  
in our effort to expand bilateral business and trade relations  
between our two nations. For Russia this means a giant step  
toward full realization of a market economy. For the United  
States this means jobs and economic <sup>opportunity</sup> stimulus.

~~The transformation of Russia into a market economy~~ <sup>Goal of this Conference</sup> is one of  
the most important and exciting challenges of our time. President  
Yeltsin, I can assure you that America's goal is to do our part  
to see that this challenge is fully met.

For the past four months, the United States government has  
been laying a solid foundation for the expansion of our trade and  
investment with Russia. Later today, we will conclude major  
treaties and agreements related to this new foundation -- the  
Trade, Bilateral Investment and Tax treaties as well as the OPIC  
and EXIM agreements. Also effective today, the United States  
will extend "Most Favored Nation" status to Russia. Through  
these efforts, we are dismantling the trade barriers of the Cold  
War, repealing restrictions on export financing, and extending  
investment guarantee programs.

I have submitted to Congress the Freedom Support Act which  
will clear away barriers to trade from the U.S. side and



stimulate combined assistance efforts with other nations. We will continue to push hard for this critical assistance package as a key priority. Once again, today I call upon the Congress to pass this package as quickly as possible. And, I ask each U.S. participant in this conference to make your voice heard on the FSA, ~~which is so important to the goals of this conference,~~ *which also means so much to the future of trade in America* As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor -- a more stable Russia means a more stable world.

My message to this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of Russia's bold venture into free markets. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce that the OPIC, Overseas Private Investment Corporation, agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC and EXIM, everyone wins. Russia can tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That

help will enable Russia to develop its food and health sectors, recover its energy resources, privatize state industries, and convert military plants to civilian production. And, American businesses, by investing and trading with Russia, will create thousands of jobs here at home in order to produce all the American goods that a growing economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on-one business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become one of the largest two-way trading relationships in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40 percent.

For the first time, Russia is participating in the community of free market international economic organizations -- the International Monetary Fund, the World Bank, and, <sup>at some</sup> ~~perhaps not~~ <sup>point</sup> ~~long from now~~, GATT. This would have been unthinkable just a few years ago. And, we will invite Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to high-technology goods previously denied.

As I said earlier -- the historic transformation of the Russian economy is one of the great challenges of our time. It is important to note that the hundreds of billions of dollars in capital and technologies that Russia will need over the next

decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. As we all know, neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

Already, numerous Americans have accepted the challenge with businesses large and small. One small U.S. businessman from Virginia just opened two Service Star hardware stores in Moscow. ((These stores sold a thousand toilet seats in just two days -- now the Russians are asking for the soft seats.))

Another company, M.I.C. Industries, has established mobile factories to construct buildings overnight. Their machinery builds housing and agricultural storage buildings on-site.

Just a few months ago, Izvestia and Hearst began printing the first independent Russian-American newspaper, "We." More than 350,000 copies -- in both Russian and English -- are sold each week. This enterprise is a true joint venture -- with Russian and American reporters, editors and business managers working side-by-side to produce a weekly paper. ]]

President Yeltsin, your wise leadership gives me great hope for the Russian economy. Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will now also produce first-class entrepreneurs.

Our government will continue to clear away barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral trade and investment as rapidly as possible. Just yesterday, she and Russian Minister of Foreign Economic Relations Avin held the first meeting of the new intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in Russia. And, she will be leading a Presidential trade mission to get U.S. business on its way. As a sign of our growing business ties, Secretary Franklin and Minister Avin yesterday witnessed the signing of several new American investments that will solidify our position as a leading investor in Russia.

These creative initiatives signal our whole-hearted commitment to massive U.S. investment and trade in Russia. We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness.

In turn, we call upon Russia and the other new States to develop favorable investment conditions for American firms. This conference has serious problems to address -- delineation of property rights, sanctity of contracts, clarification of decision-making authority, consistent tax structures and

policies, currency exchange and other issues. We all want clear understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

Let me close by reminding the Russians and Americans here today -- along with your heavy responsibility, you have a history-making opportunity. Russia can be fully integrated into the Western economic system. During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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THE WHITE HOUSE

WASHINGTON

June 15, 1992

92 JUN 16 11:19

MEMORANDUM FOR DAN MCGROARTY

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Address to the U.S. and  
Russia Business Conference

We have reviewed the attached remarks and have noted a few suggested changes on the draft.

Please let us know if you have any questions or if we may help in any other way.

cc: Phillip D. Brady

JMH  
-TA  
-wm

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA  
SUBJECT: BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<del>PORTER</del>	<del><input checked="" type="checkbox"/></del>	<del><input type="checkbox"/></del>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>			
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 no later than NOON MONDAY, JUNE 15, WITH A COPY to this office.

Thank you.

RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

2 JUN 12 P5: 43

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen,  
it is a pleasure for me to be here for this historic conference.  
Your talks mark a significant step forward <sup>IN EXPANDING</sup> ~~on behalf~~ of bilateral  
business and trade relations between our two nations. [ Even more  
importantly, these talks constitute giant progress for mankind. ]

~~The transformation of Russia~~ <sup>is</sup> ~~into~~ <sup>g</sup> a market economy is --  
quite literally -- one of the most important and exciting  
challenges of our time. [ President Yeltsin, America's goal is to  
do our part to see that this challenge is fully met. ]

<sup>OVER THE</sup>  
~~BASE~~ <sup>BUILT</sup> For the past four months, the United States government has  
been laying a solid foundation for the transformation that is the  
goal of this conference. Today, we put the finishing touches on  
major treaties and agreements -- the Trade, BIT and Tax treaties  
as well as the OPIC and EXIM agreements. Through these efforts,  
we are dismantling the trade barriers of the Cold War, repealing  
the restrictions on export financing, and extending investment  
guarantee programs.

Also, I have submitted to Congress the Freedom Support Act  
which will clear away all barriers to trade from the U.S. ~~side~~  
and stimulate combined efforts with other nations. We will  
continue to push for this critical aid. As our actions clearly  
indicate, we want to become Russia's largest and best trading  
partner and foreign investor.

MAKE  
THIS MORE  
ACTIVE.

The point of this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of your bold venture. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce the beginning of an important new agreement. The Overseas Private Investment Corporation agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

[ With OPIC, everyone wins. You get to tap into ] the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That <sup>ASSISTANCE</sup> ~~help~~ will enable you to develop your food and health sectors, recover your energy resources, privatize your state industries, and [ convert your military plants to civilian production. And, American businesses, by investing and trading with you, will create thousands of jobs here at home in order to produce all the American goods that your transformed economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on one

business meetings and site visits to develop private sector business <sup>ALLEGMENTS</sup> deals. And, this is just the beginning of what will surely become the most important two-way trading relationship in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40%.

For the first time, Russian nations are entering the community of international economic organizations -- the International Monetary Fund, the World Bank, and, perhaps not long from now, GATT. These alliances would have been unthinkable just a few years ago. Now, we are inviting Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to goods previously denied.

It is important to note that the ~~hundreds of billions of dollars in~~ capital and technologies that you will need over the next decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. ~~As we all know,~~ neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

President Yeltsin, I have great hope for the Russian economy. Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will also produce first-class entrepreneurs.

MORE THAN 1 NATION?

DOES RUSSIA CONSIST OF

Our government will continue to clear away all barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral business as rapidly as possible. Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies <sup>OF THE</sup> ~~regarding~~ opportunities in your nations. And, she will be leading a Presidential trade mission to get U.S. business on its way in Russia.

These creative, energetic initiatives signal our wholehearted commitment to massive U.S. investment and trade. We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness.

We call upon Russia and the other new Commonwealth States to develop favorable investment conditions for American firms. In the words of American social philosopher, Michael Novak, capitalism springs from trust: I quote, "the economic dynamic of democracy arises from free acts of creativity, within a network of voluntary cooperation." This conference has serious <sup>CHALLENGES</sup> ~~problems~~.

to work out -- the sanctity of contracts, decision authority, consistent tax structures and policies, hard currency charges and other negotiating issues. We all want clear understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

Along with your heavy responsibility, you have a history-making opportunity. If these deliberations are fruitful, Russia will be integrated into the world of market economies. During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

#####

THE WHITE HOUSE  
WASHINGTON

June 15, 1992

MEMORANDUM FOR DANIEL MCGROARTY

FROM: STEPHEN G. RADEMAKER *SR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: Address to the U.S. and  
Russia Business Conference

Pursuant to Phil Brady's request, Counsel's Office has reviewed the above-referenced matter and has no objection to the proposed presidential remarks.

cc: Phillip D. Brady

92 JUN 16 AM 11:18

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA BUSINESS CONFERENCE

SUBJECT: WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 no later than NOON MONDAY, JUNE 15, WITH A COPY to this office.

Thank you.

RESPONSE:

*No comments*

81 : 114 91 JUN 26

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

02 JUN 12 P5:43

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen, it is a pleasure for me to be here for this historic conference. Your talks mark a significant step forward on behalf of bilateral business and trade relations between our two nations. Even more importantly, these talks constitute giant progress for mankind.

The transformation of Russia into a market economy is -- quite literally -- one of the most important and exciting challenges of our time. President Yeltsin, America's goal is to do our part to see that this challenge is fully met.

For the past four months, the United States government has been laying a solid foundation for the transformation that is the goal of this conference. Today, we put the finishing touches on major treaties and agreements -- the Trade, BIT and Tax treaties as well as the OPIC and EXIM agreements. Through these efforts, we are dismantling the trade barriers of the Cold War, repealing the restrictions on export financing, and extending investment guarantee programs.

Also, I have submitted to Congress the Freedom Support Act which will clear away all barriers to trade from the U.S. side and stimulate combined efforts with other nations. We will continue to push for this critical aid. As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor.

The point of this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of your bold venture. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce the beginning of an important new agreement. The Overseas Private Investment Corporation agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC, everyone wins. You get to tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That help will enable you to develop your food and health sectors, recover your energy resources, privatize your state industries, and convert your military plants to civilian production. And, American businesses, by investing and trading with you, will create thousands of jobs here at home in order to produce all the American goods that your transformed economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on-one

(Saully)  
5178

business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become the most important two-way trading relationship in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40%.

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American jobs noted:

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

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With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on one

June 17, 1992  
 Dave Cahn ←  
 OPIC  
 457-7115

American  
 Jobs ←

→  
 Dave Cahn  
 OPIC

business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become the most important two-way trading relationship in the world. **Just in the past year, exports of American manufactured goods to Russia have grown by 40%.**

*Chief Economist  
David  
Walters  
ISTR  
3583*

*Checking  
could be CIA  
data*

For the first time, Russian nations are entering the community of international economic organizations -- the International Monetary Fund, the World Bank, and, perhaps not long from now, GATT. These alliances would have been unthinkable just a few years ago. Now, we are inviting Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to goods previously denied.

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Our government will continue to clear away all barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

*Commerce  
Bill Hestey  
377-2112*

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral business as rapidly as possible. *June 16, 1992 Megan, Sec. Franklin's Scheduler 377-5880* Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in your nations. And, she will be leading a Presidential trade mission to get U.S. business on its way in Russia. *Megan: nothing scheduled yet for trade mission 377-5880*

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*American jobs*



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May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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WHITE HOUSE STAFFING MEMORANDUM

92 MAY 15 12:00



DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA

SUBJECT: BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>			
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 **no later than NOON MONDAY, JUNE 15,** WITH A COPY to this office.

Thank you.

RESPONSE:

*Pl  
Comments*

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

02 JUN 12 P5: 43

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen,  
it is a pleasure for me to be here for this historic conference.  
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business and trade relations between our two nations. Even more  
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quite literally -- one of the most important and exciting  
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been laying a solid foundation for the transformation that is the  
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major treaties and agreements -- the Trade, BIT and Tax treaties  
as well as the OPIC and EXIM agreements. Through these efforts,  
we are dismantling the trade barriers of the Cold War, repealing  
the restrictions on export financing, and extending investment  
guarantee programs. *THIS WILL HELP BOTH OUR COUNTRIES?*

Also, I have submitted to Congress the Freedom Support Act  
which will clear away all barriers to trade from the U.S. side  
and stimulate combined efforts with other nations. We will  
continue to push for this critical aid. As our actions clearly  
indicate, we want to become Russia's largest and best trading  
partner and foreign investor. *HOW?*

✓ TOO TECHNOCRATIC

WHY DO WE CARE?

WHAT DOES THIS MEAN TO ME?

BECAUSE A MORE STABLE  
RUSSIA MEANS A  
MORE STABLE WORLD

The point of this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of your bold venture. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

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Darmen 0



Page 2

hyphen bottom  
one-on-one

WHITE HOUSE STAFFING MEMORANDUM



DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA  
 SUBJECT: BUSINESS CONFERENCE  
 WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
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DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>			
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 no later than NOON MONDAY, JUNE 15, WITH A COPY to this office.

Thank you.

RESPONSE:

*See Commerce comments. Thanks*  
*PK*  
*Paul Korfonta*  
*06/15*

PHILLIP D. BRADY  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

32 JUN 12 P5: 43

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WEDNESDAY, JUNE 17, 1992

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The point of this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of your bold venture. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce the beginning of an important new agreement. The Overseas Private Investment Corporation agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC, everyone wins. You get to tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That help will enable you to develop your food and health sectors, recover your energy resources, privatize your state industries, and convert your military plants to civilian production. And, American businesses, by investing and trading with you, will create thousands of jobs here at home in order to produce all the American goods that your transformed economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on one

business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become the most important two-way trading relationship in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40%.

For the first time, Russian nations are entering the community of international economic organizations -- the International Monetary Fund, the World Bank, and, perhaps not long from now, GATT. These alliances would have been unthinkable just a few years ago. Now, we are inviting Russia and the other states to join with COCOM members in a new informal Cooperative Forum to provide significantly wider access to goods previously denied.

It is important to note that the hundreds of billions of dollars in capital and technologies that you will need over the next decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. As we all know, neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

President Yeltsin, I have great hope for the Russian economy. Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will also produce first-class entrepreneurs.

Our government will continue to clear away all barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia.

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral business as rapidly as possible. Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in your nations. And, she will be leading a Presidential trade mission to get U.S. business on its way in Russia.

These creative, energetic initiatives signal our wholehearted commitment to massive U.S. investment and trade. We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness.

We call upon Russia and the other new Commonwealth States to develop favorable investment conditions for American firms. In the words of American social philosopher, Michael Novak, capitalism springs from trust: I quote, "the economic dynamic of democracy arises from free acts of creativity, within a network of voluntary cooperation." This conference has serious problems

(Doc)

As a sign of our growing business ties, Sec. Franklin and Minister Aven yesterday witnessed the signings of several new

American investments that will solidify our position as a leading investor in Russia

CROC

DISCUSS

to ~~work out~~ -- the sanctity of contracts, decision authority, consistent tax structures and policies, hard currency charges and other negotiating issues. We all want clear understandings about the issues, about which laws apply and about recourse procedures for arbitrating decisions. We all want fair and equitable contracts and tax regimes to be established so the business can begin.

(DEC)

But as we work out these problems our businesses -- like you here today -- are moving forward and making deals. As we solve legal constraints and build business,

Along with your heavy responsibility, you have a history-making opportunity. If these deliberations are fruitful, Russia will be integrated into the world of market economies. During your meeting today, I am confident that ideas will be generated that will lead to billions of dollars of business that will benefit both of our nations by providing jobs and improving the standard of living for all our people.

One of America's great humorists, Danny Kaye, once said, "Life is a great big canvas; throw all the paint on it you can." Because of the historic events in Russia, the world today is a huge canvas. Those of us in this room have the rare privilege and opportunity to "paint" that canvas. If we devote our ingenuity, our creativity and our persistence to the effort, we can pass along to future generations a bright, shining masterpiece of brotherhood, peace and prosperity around the world.

May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen, it is a pleasure for me to be here for this historic conference. Your talks mark a significant step forward on behalf of bilateral business and trade relations between our two nations. Even more importantly, these talks constitute giant progress for mankind.

The transformation of Russia into a market economy is -- quite literally -- one of the most important and exciting challenges of our time. President Yeltsin, America's goal is to do our part to see that this challenge is fully met.

For the past four months, the United States government has been laying a solid foundation for the transformation that is the goal of this conference. Today, we put the finishing touches on major treaties and agreements -- the Trade, BIT and Tax treaties as well as the OPIC and EXIM agreements. Through these efforts, we are dismantling the trade barriers of the Cold War, repealing the restrictions on export financing, and extending investment guarantee programs.

Also, I have submitted to Congress the Freedom Support Act which will clear away all barriers to trade from the U.S. side and stimulate combined efforts with other nations. We will continue to push for this critical aid. As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor.

The point of this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of your bold venture. And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

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Crouse/Bunton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

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WEDNESDAY, JUNE 17, 1992

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Also, I have submitted to Congress the Freedom Support Act which will clear away all barriers to trade from the U.S. side and stimulate combined efforts with other nations. We will continue to push for this critical aid. As our actions clearly indicate, we want to become Russia's largest and best trading partner and foreign investor.

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May God grant us success in that endeavor. Thank you and Godspeed to your deliberations.

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WHITE HOUSE STAFFING MEMORANDUM

92 JUN 16 AIO: 12

DATE: 6/12/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON MONDAY 6/15/92

SUBJECT: PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND RUSSIA  
BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm 122, Ext. 2930 no later than NOON MONDAY, JUNE 15, WITH A COPY to this office.

Thank you.

RESPONSE:

June 15, 1992

TO: DAN MCGROARTY:

The NSC concurs with changes, as noted.

*Brent Scowcroft*  
Brent Scowcroft

cc: Phillip D. Brady

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

Crouse/Burton  
Friday, June 12, 1992  
4:47pm [Yelt-bus]

02 JUN 12 P5:43

PRESIDENTIAL REMARKS: ADDRESS TO THE U.S. AND  
RUSSIA BUSINESS CONFERENCE  
WEDNESDAY, JUNE 17, 1992

President Yeltsin, Secretary Franklin, Ladies and Gentlemen,  
*U.S.-Russia business*  
it is a pleasure for me to be here for this historic conference,  
*in our effort to expand*  
Your talks mark a significant step forward, ~~on behalf of bilateral~~  
business and trade relations between our two nations. ~~Even more~~  
~~importantly, these talks constitute giant progress for mankind.~~

The transformation of Russia into a market economy is ~~quite literally~~ *I can assure you that*  
one of the most important and exciting  
challenges of our time. President Yeltsin, ~~America's goal is to~~  
do our part to see that this challenge is fully met.

For the past four months, the United States government has  
*expansion of our trade and investment with Russia*  
been laying a solid foundation for the transformation that is the  
goal of this conference. *Later will conclude the*  
Today, we ~~put the finishing touches on~~  
*of this new foundation [Bilateral Investment]*  
major treaties and agreements -- the Trade, BIT and Tax treaties  
as well as the OPIC and EXIM agreements. *And effective today, the United States will extend Most Favored Nation status to Russia.*  
Through these efforts, *together*  
we are dismantling ~~the~~ the trade barriers of the Cold War, repealing  
the restrictions on export financing, ~~and~~ extending investment  
guarantee programs, *and water returning to normalcy an economic relationship that has been abnormal since 1917.*

~~Also,~~ I have submitted to Congress the Freedom Support Act  
which will clear away all barriers to trade from the U.S. side  
and stimulate *assistance* combined efforts with other nations. We will  
continue to push *hard* for this critical aid. As our actions clearly  
indicate, we want to become Russia's largest and best trading  
partner and foreign investor.

*big best priorities  
And I would like to call upon the Congress again to pass it as quickly as possible*

My message to

2

~~The point of~~ this conference is simple -- neither U.S. government programs nor multilateral assistance will be enough. Private sector participation in the economies of Russia and the other states -- especially involvement by American business -- is critical to the success of <sup>Russia's</sup> your bold venture, <sup>into free markets.</sup> And, that participation must be on a vast scale -- measured in billions of dollars -- for the challenge to be met.

To that end, I am pleased to announce <sup>that</sup> ~~the beginning of an important new agreement.~~ The Overseas Private Investment Corporation, <sup>(OPIC)</sup> agreement between the U.S. and Russia enters into force today. This agreement will permit OPIC to provide investment insurance to American private investors. It will also provide additional financing and investor services for joint ventures and other projects in the Russian Federation.

With OPIC, <sup>and with EXIM</sup> everyone wins. <sup>Russia can</sup> ~~You get to~~ tap into the ingenuity of American business men and women, our capital goods, know-how and technology -- which are the best in the world. That help will enable <sup>Russia</sup> you to develop <sup>its</sup> your food and health sectors, recover <sup>its</sup> your energy resources, privatize <sup>its</sup> your state industries, and convert <sup>its</sup> your military plants to civilian production. And, American businesses, by investing and trading with <sup>Russia</sup> you, will create thousands of jobs here at home in order to produce all the American goods that <sup>a great</sup> your transformed economy will demand.

With the OPIC agreement now in effect, I have asked Fred Zeder, OPIC's president, to lead a group of 26 business representatives to Moscow and other Russian cities for one-on one

business meetings and site visits to develop private sector business deals. And, this is just the beginning of what will surely become <sup>one of largest</sup> the ~~most important~~ two-way trading relationships in the world. Just in the past year, exports of American manufactured goods to Russia have grown by 40% <sup>percent.</sup>

For the first time, Russian ~~nations~~ <sup>is participating in</sup> are entering the <sup>free market</sup> community of international economic organizations -- the International Monetary Fund, the World Bank, and, perhaps not long from now, GATT. <sup>This</sup> ~~These~~ alliances would have been unthinkable just a few years ago. <sup>And will</sup> ~~Now~~ we are inviting <sup>e</sup> Russia and the other states to join with COCOM members in a new informal <sup>COCOM</sup> Cooperative Forum to provide significantly wider access to <sup>high technology</sup> goods previously denied.

<sup>The historic transformation of the Russian economy is one of the great challenges of our time.</sup>  
 It is important to note that the hundreds of billions of <sup>Russia</sup> dollars in capital and technologies that you will need over the next decade to help achieve a transformation to a market economy will come, in large measure, not from governments, but from private businesses. As we all know, neither command economies nor any other government can produce wealth -- wealth is produced by the initiative and energy of individual entrepreneurs.

President Yeltsin, I have great hope for the Russian economy <sup>under your wise leadership.</sup> Your people are world-class in all areas of human endeavor -- music, the arts, sports, science, and literature, to name just a few. I am confident that Russia will <sup>now</sup> also produce first-class entrepreneurs.

Our government will continue to clear away all barriers to trade from the U.S. side and we will continue to encourage American firms to invest and trade with Russia. ✓

I have asked Secretary of Commerce Barbara Franklin to take the lead in encouraging bilateral <sup>trade and investment</sup> ~~business~~ as rapidly as possible. ✓  
 Just yesterday, she and Russian Minister of Foreign Economic Relations Aven held the first meeting of the <sup>new</sup> intergovernmental Business Development Committee -- a group that includes members of our private business community. This group has already begun to eliminate obstacles to trade and investment in order to clear the way for business. Secretary Franklin also opened a new Business Information Center to advise American companies regarding opportunities in your nations. ✓  
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These creative, energetic initiatives signal our wholehearted commitment to massive U.S. investment and trade <sup>in Russia.</sup> We have faced this unusual challenge with resolve -- to match the unprecedented opportunity with equally unprecedented action and boldness.

<sup>In turn,</sup>  
 We call upon Russia and the other new Commonwealth States to develop favorable investment conditions for American firms. In the words of American social philosopher, Michael Novak, ~~capitalism springs from trust: I quote, "the economic dynamic of democracy arises from free acts of creativity, within a network of voluntary cooperation."~~ This conference has serious problems ✓

address a clear delineation of property rights,  
to work out -- <sup>clarification of</sup> the sanctity of contracts, <sup>decision-making</sup> decision authority,  
consistent tax structures and policies, <sup>an effective foreign exchange regime</sup> hard currency charges and  
other negotiating issues. We all want clear understandings about  
the issues, about which laws apply and about recourse procedures  
for arbitrating decisions. We all want fair and equitable  
contracts and tax regimes to be established so the business can  
begin.

<sup>Let me close by saying to the Russians and Americans here today --</sup>  
Along with your heavy responsibility, you have a history-  
making opportunity. If these deliberations are fruitful, Russia  
<sup>may fully</sup> will be <sup>western economic system</sup> integrated into the ~~world of market economies~~. During  
your meeting today, I am confident that ideas will be generated  
that will lead to billions of dollars of business that will  
benefit both of our nations by providing jobs and improving the  
standard of living for all our people.

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"Life is a great big canvas; throw all the paint on it you can."  
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huge canvas. Those of us in this room have the rare privilege  
and opportunity to "paint" that canvas. If we devote our  
ingenuity, our creativity and our persistence to the effort, we  
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masterpiece of brotherhood, peace and prosperity around the  
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May God grant us success in that endeavor. Thank you and  
Godspeed to your deliberations.

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of George Bush, 1992  
the old guard threat-  
ackward, Boris Yeltsin  
ocracy from the build-  
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o destroy democracy,  
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to the new partner-  
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on, and to the health

Administration of George Bush, 1992 / June 17

and happiness of Boris Yeltsin, the President of Russia.

*Note: The President spoke at 8:20 p.m. in the State Dining Room at the White House. A tape was not available for verification of the content of these remarks.*

Remarks at the United States-Russia Business Summit

June 17, 1992

Thank you all very much. Mr. President. Thank you, Barbara. Please be seated. Let me just say what a joy it is to be here with Secretary Franklin, who's really taken off and doing a superb job for us at Commerce, and then, of course, giving me this opportunity in front of all our business leaders to salute President Yeltsin.

Yesterday was indeed an historic day, and I was proud to be at his side as we carved out a whole new approach to arms reduction; something big, something important, something that's going to benefit not only present generations but generations to come. And so you are most welcome here, sir.

Let me, before we hear from our special guest, President Yeltsin, let me just make a few comments on the business side of things. The U.S.-Russian Business Conference is important work. I will follow up in every way I can with the United States Congress to get them to pass the "FREEDOM Support Act." Let me be very clear to the American people: We are not supporting the "FREEDOM Support Act" simply because it benefits Russia. It is my view that the "FREEDOM Support Act" will benefit the United States of America and will benefit world peace and will benefit democracy and freedom.

So I ask the support of everyone in this room, after yesterday's historic accomplishments, to join me in working that Hill up there, Congress, get them to go along and support the "FREEDOM Support Act." President Yeltsin will be talking about this, I'm sure, when he makes an historic address to the United States Congress, but I just wanted everyone here to know how committed we are. And yes, it's a tough political time

and all of that, but it is in the interest of the United States of America to pass this act, and I need your help.

Later today we're going to conclude major treaties and agreements related to this new foundation between us: trade, bilateral investment and tax treaties, as well as the OPIC and Ex-Im agreements. Also effective today the United States will properly extend most-favored-nation status to Russia.

But my message to this conference is simple: Neither Government programs nor multilateral assistance is going to get this job done. Neither of those can do it. Private sector participation in the economies of Russia and the other states, especially involvement by American business, is critical to the success of Russia's bold venture into free markets. And that participation must be on a vast scale, measured in billions of dollars, for the challenge to be met.

To that end, I'm pleased to announce that OPIC, headed by Fred Zeder, who's so well-known to everybody here, OPIC is going to have an agreement between the U.S. and Russia, and that one enters into force today. This agreement's going to permit OPIC to provide investment insurance to American private investors. It's also going to provide additional financing and investor services for joint ventures in other products in the Federation. With OPIC and Ex-Im everyone wins. Russia can tap into the ingenuity of American business in our capital goods, our know-how, and our technology, which are indeed the best in the entire world. In my view that help will enable Russia to develop its food and health sectors, recover its energy resources, privatize state industries, and convert military plants to civilian production.

Now Boris Yeltsin, President Boris Yeltsin, talked to us in great detail about this yesterday. I can just assure you from what he told me then and from what our business-oriented and able Ambassador, Bob Strauss, has been telling me all along, he understands this. He understands their need for change. He understands the fact that they've got to do some streamlining themselves.

But what we want him to know while he's here is that we are interested in moving forward vigorously with private-sector participation to help not only Russia but certainly to

help ourselves. That's the approach that I'll be taking as we encourage investment and as we encourage change in Russia to accommodate the needs of the business community. American businesses, by investing in trading with Russia, are going to create thousands of jobs here at home, and I think that's a point we ought to keep in mind.

With the OPIC in agreement, now in effect, Fred Zeder is going to be leading a group of 26 business representatives to Moscow and other Russian cities on one-on-one business meetings and site visits to develop private sector deals. This is just the beginning of what surely will become one of the largest two-way trading relationships in the entire world.

In '91, exports of American manufactured goods to Russia and other states have grown by almost 40 percent. We all know that the totals are not that large yet, but that's an enormous jump in just the one year. For the first time, Russia is participating in the community of free market international organizations. You know what they are: IMF and the World Bank and, at some point, the GATT. This would have been unthinkable just a few years ago. We will invite Russia and the other states to join with COCOM members in this new, informal, cooperative forum to provide significantly wider access to the high technology goods that previously were banned, previously denied.

So, as I said, the historic transformation of the Russian economy is one of the great challenges of our time. The hundreds of billions of dollars in capital and technologies that Russia will need will come, in large measure, not from governments but from private businesses. And as we all know, neither command economies nor any other government can produce wealth. Wealth is produced by the initiative and the energy of individual entrepreneurs.

So, let me conclude, but just signal once again the importance of business investment, business participation. I will do my level-best to make that climate, that business climate, good for investment abroad and to do what we can to facilitate the changes that are needed here to guarantee the utmost cooperation with the private sector here, with the cooperation with the private sector there.

I would be remiss if I didn't tell you of my high regard for President Yeltsin. He came in with that great show of courage that just excited every single American, standing on top of that tank standing up for democracy and freedom, standing against totalitarianism. The big thing—I will just stay standing because he's coming on in a minute—but the big thing is, Mr. President, we are going to support you. You've shown the way towards democracy and freedom in Russia, and it's in the interest of the United States of America to follow through. And we will. Thank you, sir.

*Note: The President spoke at 9:12 a.m. at the J.W. Marriott Hotel. A tape was not available for verification of the content of these remarks.*

### The President's News Conference With President Boris Yeltsin of Russia

June 17, 1992

**President Bush.** Well, Mr. President and distinguished members of the Russian delegation and distinguished guests, all. This has been an historic summit meeting. It brings us to the threshold of a new world, a world of hope and opportunity. The collapse of the U.S.S.R. and the emergence of a democratic Russia provides us with the greatest opportunity in our lifetime to win the permanent democratic peace that has alluded us through two world wars and the long cold war that followed.

President Yeltsin, as a result of this first-ever U.S.-Russia summit we've indeed formed a truly new relationship, one of peace, friendship, trust, and growing partnership. I am confident that this new relationship and our historic agreements at this summit will lead to a safer, more stable, and peaceful world into the next century.

Let me just say to the American people: Our support for Russia is unshakable because it is in our interest. Success for Russian democracy will enhance the security of every American. Think for just a minute about what that means, not for Presidents, nor for heads