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President Bill Clinton (center) gives thumbs up with Russian President Boris Yeltsin at his side as they enter Canada Place conference center during their 1993 summit in Vancouver.  
 (Reuter)

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## Yeltsin Gets \$1.6 Billion in U.S. Aid

*By Ann Devroy and Margaret Shapiro*  
 Washington Post Staff Writers  
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VANCOUVER, B.C., APRIL 4 -- President Clinton and Russian President Boris Yeltsin pledged a "new democratic partnership" today after a two-day summit in which they took each other's measure and proclaimed themselves more than satisfied.

At a joint news conference ending the talks, Clinton said, "It is the self-interest and the high duty of all the world's democracies to stand by Russia's democratic reforms in their new hour of challenge," and he added, "We actively support reform and reformers and you in Russia."

Yeltsin emphasized the partnership theme as well. "We are partners and future allies," he said. "We immediately found common language in Vancouver."

The centerpiece of the economic partnership is the \$1.6 billion U.S. aid package detailed today, with most of it in food aid and credits and all of it using money from accounts Congress already had approved.

Clinton and Yeltsin, responding to suggestions that the aid was "old wine in new bottles," both described the difference from prior packages as primarily in its visibility to Russians and immediate implementation.

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Without the need for new congressional approval, the aid can be spent immediately. And its concentration on food, housing and small businesses is supposed to make it immediately visible to hard-pressed Russians, who complain that past Western aid promises have not materialized, leaving them struggling to survive the transition to a market economy.

Both presidents and their aides proclaimed that the two leaders, over seven hours of talks, found common ground and began developing a personal relationship that seems based in part on their assessments of each other's political skills.

In language aimed at helping their counterparts at home, Yeltsin praised Clinton's "seriousness," as if to tell Americans that their president, inexperienced on the world stage, was up to the challenge, while Clinton praised Yeltsin's "fighting spirit" and called American aid "an investment" to thwart Russian critics who label Yeltsin a captive of American charity. Clinton was unreservedly complimentary to Yeltsin, noting in his opening statement the Russian's courage to push democratic reform.

Each man spoke of the other's reliance on "the people" as the basis of his political strength -- for Clinton, an echo of his "Putting People First" campaign theme; for Yeltsin, an echo of his assertion that the Russian people, not the hard-line Congress, will decide his fate.

As the two parted, they gave each other a bear hug -- unthinkable in the Bush era -- and a hearty handshake. With Yeltsin about to return to Russia, Clinton said, "Now you can shake hands with people who can vote for you," a reference to a critical April 25 referendum on Yeltsin's rule.

As if to cement the view that Yeltsin would survive, Clinton accepted his invitation to visit Moscow.

White House officials said no date has been set but annual visits have become the norm in the U.S.-Russian relationship.

To reinforce Yeltsin even further, Clinton met separately with Russian reporters after his international news conference. The session was designed to emphasize the symbolism of partnership as opposed to the idea that Russia came here as a supplicant, a point Clinton stressed repeatedly.

But neither president suggested the United States could do more for the embattled Russian leader than help around the edges, providing visible signs of support -- what Yeltsin called "nitty-gritty" projects aimed at convincing the Russian people that reform brings more than impoverishment and at giving Yeltsin some public relations support in his battle with the foes of reform.

The major "talking point" for this summit was summed up by Strobe Talbott, ambassador at large for Russian policy, who said, "They talked of the terms of their cooperation, not of their points of confrontation." The Clinton team took pains to portray this as the first U.S.-Russian summit in which economic cooperation, not strategic confrontation, dominated, and there was no evidence this was not the case.

On the security front, Clinton and Yeltsin discussed the two major arms reductions agreements negotiated by the Reagan and Bush administrations, START I and II, but little progress on that front was made here. Ukraine has delayed ratifying START I because of tension with Russia and until Kiev's legislature acts, Russia will not ratify START II.

In the Balkans, where the Russians have traditional ties with the Serbs, U.S. officials said Yeltsin is being "cooperative" in efforts to end the Bosnian war within his political possibilities at home. But

Russia is unwilling to approve military solutions there.

Both sides sought to play down disappointments, although the Russians did not get immediate assurances on two areas they deem important -- permanent most-favored-nation trading status and a lifting of some of the trade rules that block the sale of U.S. high-technology there.

Clinton said he would consult with Congress and others in those two areas with the aim of reducing as much as possible unnecessary Cold War restrictions. But a spokesman for the National Conference on Soviet Jewry said the Russian government was handed a list last month of 200 Soviet Jews unable to emigrate to the United States and said the group would resist any permanent favored trade status for Russia until these cases are settled. On the high-technology sales, Clinton predicted a "phased movement" out of the restrictive regulations.

Yeltsin, in the closing joint news conference, said he was "very satisfied" with the talks and "Bill Clinton's economic package," as he termed it. When a Russian reporter asked whether the package was large enough given the tremendous scope of Russia's problems, Yeltsin replied, "We do not need astronomical, headline-making figures. We need real figures and these are real figures."

In assembling its economic package, the Clinton team made food the key element, with \$700 million in credits to buy U.S. grain the largest single item. Over the past two years, Moscow received more than \$5 billion in Commodity Credit Corp. credits, but stopped making payments on the loans last December, making Russia ineligible for further credits.

The administration seized on another program, the

Food for Peace program, to restore Russian access to U.S. grain. The program requires no payments for seven years and offers reduced interest rates the second seven years. An additional \$220 million will go for direct food and medicine grants. The concentration on food has a secondary political benefit for Clinton; it helps preserve the American market in Russia, a vital concern for American farmers.

The other large chunk is for security assistance in the form of \$215 million to aid in dismantling and storing or destroying Russian nuclear weapons. An additional \$6 million will be used to build housing for troops returning to Russia from former Soviet republics.

The remainder of the package is a collection of small amounts spread over a dozen areas. A private-sector development effort will make loans to small Russian businesses; a privatization fund will help create the makings of a private market; a bankers' program will train some 250 Russian banking executives; a farmer-to-farmer program will link 300 American volunteer farmers with Russian farmers to provide practical advice.

The administration said it will also establish a "democracy corps," an idea proposed for five years by Democrats and Republicans alike. Under the program, a coalition of American people and institutions will bring Russians to the United States and send Americans in a variety of fields there. U.S. officials said about 3,000 Russians will be brought to the United States this summer as part of a \$25 million "democracy summer" to launch the \$48 million program.

In the trade and investment area, the administration will increase Export-Import Bank and Overseas Private Investment Corp. (OPIC) credits by \$232 million to allow those institutions to underwrite efforts by U.S. businesses to invest in Russia. The

administration also is working to complete a \$2 billion OPIC agreement to guarantee U.S. private investments in oil and gas development, one of Russia's best potential resource areas, officials said.

Clinton raised "some ideas" with Yeltsin about further bilateral aid and said he will consult with Congress about upping the ante for the next fiscal year that begins in October.

Today's package is part of an international effort in which all the Group of Seven major industrialized democracies are to announce individual aid packages before their finance and foreign ministers meet April 14-15 to take up the multinational effort. That multibillion-dollar effort is to be aimed primarily at rescheduling Russia's debts, helping stabilize its currency if Yeltsin can get some control over Russia's Central Bank and its inflationary spiral, and other macroeconomic issues.

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