

I know you are committed to that. And I can tell you that Boris Yeltsin is committed to that.

Let me close by thanking some of the people who will turn our words into reality. Besides the Vice President, as he has already noted, the Secretary of Commerce, Ron Brown, the head of our Export-Import Bank, Ken Brody, Ruth Harkin, who runs OPIC for us. I thank all of them. And I also thank Ambassador Tom Pickering, who along with the Secretary of State and so many others in the State Department have totally changed the direction of our American diplomacy so that now the American State Department is known all over the world as being

interested in doing business and helping Americans do business, instead of being uninvolved.

I thank Secretary O'Leary and all the other Cabinet members who have been to Russia. And again, I close with pledging my full partnership to you and to my friend Boris Yeltsin. Together, we can make the future what it ought to be for all our people.

Thank you.

NOTE: The President spoke at 4:50 p.m. in the Atrium at the Corcoran Gallery of Art. In his remarks, he referred to Robert Strauss, chairman, U.S.-Russian Business Council.

Partnership for Economic Progress: Joint Statement on Principles and Objectives for the Development of Trade, Economic Cooperation, and Investment

September 28, 1994

The United States of America and the Russian Federation,

Believing that strong economic ties and cooperation can contribute significantly to the building of strong, friendly relations and acceleration of the development of free markets, economic growth and job creation in both countries,

Based on continuing progress by the Russian Federation in steps to create a market economy and more open commercial and investment environment, including the necessary legal and financial conditions,

Desiring to build a strategic economic partnership between the two countries and accelerate and give vibrancy to the efforts of their private and commercial sectors to develop commercial projects on the basis of trade, joint ventures, and foreign direct investment,

Noting the positive trends and developments in the legal, commercial, and financial frameworks for bilateral trade, economic cooperation and investment,

Positively assessing steps by the Russian Federation in creating a market economy, and by the United States of America in extending technical assistance to support, on a bilateral and multilateral basis, market reforms in the Russian Federation and the development of bilateral commercial relations,

Noting the complementarity of the American and Russian economics for the development of key economic sectors and the significant potential for development of mutually beneficial commercial ventures between the two countries,

Reaffirming their commitment to the purposes and principles of the Charter for American-Russian Partnership and Friendship of June 17, 1992, and the principles of the Vancouver (April 1993) and Moscow (January 1994) Declarations by the presidents of both countries,

Noting the important role of the joint Commission for Economic and Technological Cooperation in creating the conditions for strengthening U.S.-Russian economic cooperation,

Have adopted the following Principles and Objectives for the development of trade, economic cooperation and investment relations:

Trade

The United States of America and the Russian Federation seek to establish a normal trade relationship as quickly as feasible, to support a rapid increase in bilateral commerce. Great value is placed on the Agreement on Trade Relations in force between the United States of America and the Russian Federation and both countries are committed to carry out fully the provisions of this Agreement.

The United States recognizes the significance of the removal of Russia from application of the provisions of Title IV of the U.S. Trade Act of 1974 (the Jackson-Vanik Amendment). The U.S. Administration has made a positive determination that Russia is in full compliance with Title IV criteria and will consult with the U.S. Congress at an early date concerning legislation to remove Russia from application of Title IV.

Both countries welcome the work of the U.S.-Russia Joint Commission for Economic and Technological Cooperation and its various bilateral committees, including the U.S.-Russia Intergovernmental Business Development Committee to contribute to the expansion of bilateral trade and investment and will utilize the Business Development Committee as a means for frequent consultation on the means of improving the environment for commercial growth. Each side will use its best efforts to implement measures supporting trade expansion and to remove obstacles to trade development.

The United States and Russia note that as of September 30, 1993, the United States has extended to qualifying Russian exports eligibility for duty-free entrance into the United States under the U.S. Generalized System of Preferences program covering 4,400 products, and that during 1994 U.S. technical experts will provide information to Russian officials and entrepreneurs on effective utilization of the GSP program.

The United States expects to extend the benefits of the GSP program to Russia for so long as its program authority and Russian eligibility under authorizing legislation permit. Russia will review the possibility of removing certain tariff barriers impeding development of trade.

Both countries will facilitate trade and investment expansion through the dissemination of reliable and comprehensive economic data, transparent and stable commercial laws and regulations, and active promotion of business contacts and facilitating access to commercial market information. Noting the provisions of the U.S.-Russia Agreement on Trade Relations concerning transparency of new laws and regulations, the United States believes it would be useful if Russia adopted procedures for public comment on proposed changes to commercial laws and regulations, as well as advance notification and publication of proposed changes. Until such procedures are in place, both countries through the Business Development Committee

will facilitate the timely exchange of information on legislation and regulations as they are adopted.

Market Access. Each country desires to provide liberal access to its market for the other's goods and services. They are committed to avoid trade frictions and facilitate access consistent with fair trade practices and their respective trade laws.

The U.S.-Russia Business Development Committee is an important forum for discussions of current and potential market access issues and for the development of recommended policies and regulations which would support expanded trade and investment.

Recognizing that Russia is an economy in transition to a free market, the United States will give priority attention to the special market access problems Russia faces as it continues its economic transition. The U.S. Administration will consult with the U.S. Congress on this subject.

Market access issues will be addressed from a broader bilateral perspective through the Business Development Committee's Market Access Working Group. This group will consider initiatives designed to reduce barriers to mutual market access, taking into account the unique problems Russia faces as an economy in transition.

The United States and Russia will immediately work to address Russia's concerns with U.S. antidumping laws, beginning with procedures to disseminate information designed to prevent unfair trade and procedures designed to facilitate participation in antidumping proceedings if unfair trade occurs. They agree to discuss changing market trends resulting from Russia's transition to a market economy and integration into the global trading system.

Both countries recognize that tariff-reducing measures, consistent with GATT/WTO principles, will provide an important stimulus to bilateral trade and investment. They also intend to review and seek prompt removal of technical barriers to trade through both bilateral cooperation and unilateral measures. The reduction of such tariff and technical barriers to trade will lead to increased investment and promote the development and growth of economically healthy, globally competitive domestic industries.

Both countries consider cooperation in international standardization and openness of conformity assessment indispensable to eliminating or avoiding the creation of technical barriers

to trade and intend to proceed vigorously with the program of work agreed upon in the Joint Communiqué on Cooperation in Conformity Assessment issued in Moscow on December 16, 1993, at the conclusion of the meetings of the Joint Commission for Economic and Technological Cooperation led by Vice President Albert Gore and Prime Minister Victor Chernomyrdin. They consider progress in product certification, testing and quality assurance to be of priority for telecommunications equipment, drugs, pharmaceuticals and medical devices.

The United States looks forward to the implementation by Russia of a trade regime that would speed its accession to the GATT/WTO and open the way to application of GATT/WTO principles in their bilateral trade. The United States supports Russia's accession to the GATT/WTO and expresses its readiness to extend appropriate technical assistance and to consult concerning the process of accession.

Intellectual Property Rights. The United States and Russia look forward to continued cooperation under the working group on intellectual property matters, established by the Agreement on Trade Relations between the United States of America and the Russian Federation.

The United States recognizes Russia's considerable progress in enacting intellectual property rights legislation. Both sides consider effective enforcement of those laws to be important. In particular, the United States considers protection for pharmaceuticals, computer software, sound recordings, books, and integrated circuit layout designs to be of primary importance. The U.S. side looks forward to Russia's rapid accession to the Berne Convention on the Protection of Literary and Artistic Works.

Closer Economic Cooperation and Commercial Partnership. The two countries share the view that their two economies are complementary in many ways and that the extent of economic cooperation currently existing between the two is only a small fraction of its potential. They agree that the two economies could benefit strongly from the elimination of trade and commercial barriers between them.

The United States and Russia concur that Russia must take additional market-oriented steps for trade and commercial cooperation to reach its potential. Both agree that closer economic cooperation will have a beneficial effect on bolstering the continued market transformation of Russia's economy.

The elimination of barriers to trade and investment and increased commercial cooperation will emphasize the totally changed nature of the relationship between the two countries to one of strategic economic partnership.

In this context, the United States and Russia at an appropriate time could consider future arrangements to enhance their bilateral economic relationship. They also will work through the Business Development Committee forum to identify measures for achieving closer commercial integration.

Investment and Finance

The two sides note favorably the June 1992 Treaty on the Encouragement and Reciprocal Protection of Investment that has been signed by the heads of both States and that has been approved by the U.S. Senate. They agree that ratification by the Russian Federation Federal Assembly and its prompt entry into force is a critical goal to be achieved in improving the Russian investment environment for American companies.

They also agree that the steps taken by Russia pursuant to President Yeltsin's Decree 1466 of September 27, 1993 form the basis for moving forward with administrative and legislative actions to further improve the investment climate in Russia. They share the opinion that bilateral discussions that include the business communities of both countries will be the most rapid way of identifying the precise actions that are needed.

Support for Reform. The United States reaffirms its support for Russia's efforts to establish a market economy and offers continuing active assistance to the process of reform.

In particular, the United States welcomes Russia's intention to establish new incentives, consistent with international standards and agreements including the GATT/WTO, to attract foreign direct investment, to continue its highly successful privatization program, to take additional steps to liberalize the economy and foreign trade by freeing prices and opening up its markets to the world at large, and to enforce the right of private land ownership.

Russia acknowledges and welcomes the support of the United States for its reform efforts and will continue to cooperate closely to identify ways in which the two nations can work together to expedite Russia's transformation into a market system.

Russia is committed to a continuous process of market reform. The United States and Russia recognize that trade and investment activities between the two countries, based on private sector commerce, will provide the foundations for sustained growth now and in the future. Such trade and investment activities will help both nations acquire new technology and know-how and the resulting capital flows will be an important source of financing for both nations that will support reform, create new jobs and improve the quality of life in both countries.

The United States and Russia agree that the development of a climate hospitable toward foreign direct investment could result in tens of billions of dollars of new direct investment in Russia, and could generate a much closer commercial relationship between the business communities of both countries. The United States and Russia will work through the Business Development Committee to identify and eliminate barriers to investment, including sector-specific issues.

“Commercial Partnership Program”. The United States and Russia undertake to establish a “Commercial Partnership Program” to enhance existing bilateral and multilateral agreements by providing detailed guidelines and milestones based on the principles outlined in this document for achieving closer commercial cooperation. The Commercial Partnership Program will be developed in several stages, based on continuing progress in political and economic reforms by Russia and in the flow of commerce between the two nations. Each stage will involve implementation and expansion of specific programs to encourage company-to-company cooperation and expanded trade and investment. The Business Development Committee will co-

ordinate the identification and implementation of specific steps toward this goal.

Industry Cooperation. The two countries believe that private sector efforts are vital to the success of Russia’s creation of a market economy. Industry cooperation in key sectors will provide the necessary capital and business expertise to support economic development. Economic competition generated through private sector cooperation will benefit both countries by improving product quality and manufacturing efficiency and by creating jobs.

The United States and Russia agree that investment and trade in the oil and gas sector provide Russia with an opportunity to attract U.S. capital and technology on a vast scale, far beyond resources available from foreign assistance. They understand the desirability of taking earliest possible steps in Russia to attract foreign capital and to provide an attractive investment climate, including realization of production sharing agreements, stable and reasonable tax and export regimes, and equal and predictable access to pipelines, in line with the European Energy Charter Treaty.

The United States and Russia declare that investment and trade in other industry sectors, as well, are essential to overall economic development. Agribusiness and food processing, aerospace, mining, medical devices and pharmaceuticals, telecommunications, transportation, environmental equipment, housing, and defense conversion are priority sectors for cooperation. Both countries will consider appropriate measures for supporting joint ventures in designated sectors.

NOTE: An original was not available for verification of the content of this statement.

Joint Statement on Cooperation in Promoting the Rule of Law and Combating Crime

September 28, 1994

President Boris Yeltsin and President William Clinton, during their meeting in Washington on September 27 and 28, 1994, noted the threat which crime poses to the Russian and American societies and to the entire international community. Of particular concern to the Presidents was

the rise in financial crime, nuclear materials smuggling, organized crime, and drug trafficking. They agreed that bilateral and international cooperative efforts would be necessary to combat this growing threat.