

I'm glad to have the opportunity to address such a representative audience and to share with you some ideas that have occurred to me in this calm and reasonable city of which I have always had the most tender memories.

I'm ready to tell you how I regard – or, rather, how we in Russia regard - the state of present-day relations between Russia and NATO, the way we picture them in the near future and what relations we are striving for in the long-lasting perspective.

The widely circulating opinion that relations between our country and the North Atlantic Alliance have never been an easy issue in the political and military-political dialogue between Russia and the NATO member countries has already become the talk of the town.

Only ten years ago partnership with NATO seemed to be a sort of "mission impossible". No wonder – we started the dialogue after the "late frosts of Cold War," that didn't favor any conversation and were burdened down by mutual distrust and suspicion. Our dialogue followed forty years of strict silence, when security was a zero sum game because winning safety by one of the parties was regarded as a proportionate loss by the other one. We were all learning a new kind of mathematics, the mathematics of civilized survival and a so-called new "chemistry of relations", providing for equal rights and confidence. We were all learning to talk to each other, to listen and to hear under new circumstances, after the world political landscape had undergone drastic changes.

Time has changed. We have become different. The world has become different. The age of the "cold war" has become a thing of the past, rubbing off, long and painful though the process may be, the stereotypes of confrontation ideology. All this has already become history. The reality of our day is a world where decisions are taken on the basis of compromise and consensus.

Now we realize better than before that we all live in a complex and interdependent world endangered by common challenges of the new generation. The understanding has come that global risks have an apocalyptic nature and call for adequate response, first of all by means of a joint effort by the world community. A "coalition of the willing" has to be transformed into a "coalition of the winning", as happened during World War II.

The end of the Cold War period has opened a Pandora's box: alongside with sober aspiration towards flexible cooperation, we witness centrifugal disorder, aggravation of tension and instability – after disintegration, or rather break-up, of Yugoslavia, after destabilization of the situation in the Caucasus, in South and Central Asia, in the Middle East. We readily and in a spirit of good will render assistance to our Western partners in operations in Afghanistan, share intelligence, grant the right of overflight and overland transit through our territory. We clearly realize that in modern global conditions an area of instability cannot be limited to the place of its origin. We realize that Afghanistan under Taliban was exporting instability to adjoining countries, drugs – to Europe, terrorism and refugees – all over the world. We have confronted a new kind of terrorism, one that is not politically motivated but is inspired by fanatic extremism and a brutal desire to kill. And finally, I keep on repeating that we see a threat originating from "failed" states that exist in Africa, Asia, and even in Europe. Such states act as sources of illegal migration, transit zones for trafficking drugs and weapons, permit slave markets and shelter terrorists.

Ladies and gentlemen, we are all facing the danger, it is knocking on everyone's door. A terrorist with ricin in London – what better reason is there for setting up a victory coalition? Nowadays one must take into consideration the fact that weapons of mass destruction are possessed not only by democratic governments but also by, to put it mildly, not the most stable of regimes. That is why we not only have to rebuff the new global challenges with the help of new methods and technologies, but also have to act in agreement, as we did before.

I don't want to tire you with a long list of sources of "guaranteed delivery" of instability. Each separate link of such terrorist logistics is an earnest of our common vulnerability in the face of the threat menacing us all the time, everywhere, without prior notice and with the help of all means available – from a tube to a missile.

We ourselves must manage the changes, not vice versa. We ourselves must set up tasks and goals, act as their coordinators and bring them into life.

Failure is easily seen. Success is less visible. Victory does not have only one parent. Our common success is one of victory coalition.

Ladies and gentlemen, the world has changed. Yet, the new age must not necessarily be accompanied by dismantlement of the military and political legacy of the past. I have already said this and I want to say it again: Russia regards nuclear weapons and nuclear deterrence as the basis for global stability. Nuclear deterrence is a burden that the great powers have to keep on carrying. Nuclear deterrence gives birth to a higher responsibility of politicians for the decisions they make. Those politicians who have gone through a course in nuclear deterrence are, as a rule, more realistic. Please, believe me: if such a phenomenon as nuclear deterrence did not exist today, the number of armed conflicts would be much higher.

We are gradually moving towards nuclear deterrence of a new type: deterrence for the sake of securing strategic stability.

Russian leaders regard the maintenance of fighting ability and readiness of strategic nuclear forces as their top priority task. The Russian Federation Defense Ministry does not make a secret out of its military planning. The aims and tasks of the Armed Forces, and their nuclear component, are clearly stated in our "white book" – "The Priority Tasks of the Development of the Armed Forces of Russian Federation". We clearly and democratically declare the aims and tasks of Russia's military organization. The main aim of Russia's policy in the sphere of strategic deterrence is the guaranteed protection of sovereignty, territorial integrity and other vital national interests of Russia and its allies.

We closely follow what is being done in the sphere of strategic nuclear forces in the USA. Particularly, we take a considerable interest in the progress of the US program of the development of ultra small nuclear charges because each new type of armaments modifies the overall picture of global stability and we must take these modifications into consideration in our military planning.

I assure you that Russia is ready to take part in securing global strategic stability whatever the military-political situation in the world might be, given that strategic threats are the most dominant.

In essence, the gateway to a fair system of international relations lies through a full and innovative analysis of past experience. In this sense, we must constructively and with responsibility look at the interaction between Russia and NATO as an interaction between components of civilized strategic security.

How do we assess the North Atlantic alliance at present in our country?

First of all it is the most important geopolitical factor affecting the security of Russia's western borders. At the same time, it is one of the main institutions of the Euro-Atlantic community of states, providing for transatlantic communication for the allies. Russia is trying to establish normal working relations with each of the states of this community. Hence, it is our desire to set up working links with the key bodies of such a community, including the new NATO.

At the same time we in Russia feel that the North Atlantic alliance shares our desire.

Having signed a declaration "Russia-NATO relations: a new quality" in Rome more than two years ago we have stepped up the NATO-Russia relations to the level of greater responsibility for the security and stable development of our common civilized space.

It can be stated today with some certainty, that we really managed to fill the ideas proclaimed in the Rome declaration with practical content. This practical content is concrete joint ventures. Theoretical discussions of problematic issues more and more often give way to practical action. It is very important that such practical actions should not be reduced to tactical actions undertaken for action's sake only, but be made part and parcel of strategic relations within the framework of the victory coalition.

Cooperation between the Navies is at present the most dynamic of all the spheres of common activities.

I'll give you only a few examples. Several subordinate working groups on naval problems have been set up under the aegis of Russia-NATO Council. The agenda of the Council for the current year includes more than 100 items, 20 of which deal with naval problems.

Russia regularly takes part in sessions of the Conference of National Armaments Directors (CNAD) and the NATO Standardization Agency.

We regard as positive the mutual desire of Russia and NATO to cooperate in the sphere of research on compatibility of the systems of search and rescue for submarine crews within the framework of the Industrial Consultative Group.

Russian Navy plans to take part in NATO exercise "Sorbet Royal – 2005" relating to the search and rescue of the disabled submarine crews.

In the sphere of naval cooperation, we have managed to attain an unprecedented level of transparency that is an important factor of European stability.

In recent years we have witnessed an effective development of Russia-NATO cooperation in such an important sphere as peacemaking.

We regard as extremely important the document "Political Aspects of Basic Concept for Russia-NATO Joint Peace Support Operations", fixing the principles of joint peacekeeping activity on an equal rights basis.

To activate joint peacekeeping activity, preparations are being made for the so-called "procedure exercise", during which Russian and NATO experts are going to specify military aspects of joint operations more exactly. Without such work it would be absolutely impossible to even speak of anything practical.

It took very little time to set up a new constructive component of liaison between Russia's Ministry of Defense and NATO military structures.

Regardless of their introductory nature, all these measures made a significant contribution mainly to such priority areas as between bodies of operative control, interoperability of means of communications and information, exchange of experience in personnel training, compatibility of national Armed Forces components (Air Force, the Navy).

Under the aegis of the Russia-NATO Council Working Group on Peacekeeping, practical recommendations were worked out to develop cooperation within the framework of the Russia-NATO Council on crisis regulation. Possibilities are being examined to cooperate with NATO in the sphere of logistical support of peacekeeping operations.

Cooperation between Russia and NATO in the sphere of military transport aviation is aimed at drawing up a joint program of maneuvers, comprising training tasks for military transport aviation during peacekeeping operations.

On the whole we managed to start a practical dialogue between the Ministry of Defense of the Russian Federation and NATO, obtain a considerable amount of information on the state of things in the sphere of operative compatibility, draw up priority directions for future cooperation.

In other words we reached a better understanding of each other, now we know in what direction we are moving.

It is understood that not all the differences in our relations have been solved.

You are all well aware of our calmly negative attitude towards expansion of the North Atlantic alliance, including the problem "NATO – Baltics - CFE". What alarms us the most, from the point of view of our own security, is the NATO deployment of means and forces on the territory of its new members. It may become an obstacle in the way of development of further cooperation between Russia and NATO if in the near future these sensitive issues are not solved on the basis of mutual benefit and equality. We all need practical deeds – clear-cut and understandable steps towards the interests of each other. We all need a new level of military and political transparency of functioning of the Alliance; we all need specific actions to remove a new gray zone in European arms control.

I think I should speak out on the last issue in more detail.

Our anxiety over the state of arms control in Europe is based on the fact that the "gray zone" in this sphere has evolved in Europe for the first time in the last fifteen years. We wouldn't like Europe to return to the principles of balance of power, but there may be no vacuum in the military-political situation. Especially if this vacuum is filled with irresponsible statements of nationalistic character.

Frankly speaking, the existence of European states that do not observe standard norms of democracy and human rights is interpreted by Russia as a threat. And this is logical: Russia is a democratic country that is able to protect its democratic achievements. The states deviating from norms of democracy and human rights, as a rule, become a source of threat to their neighbors, because they tend to provoke military and political tension. That is why the Defense Minister is now talking about the state of democracy and human rights in Latvia, Estonia and some other countries – members of the Alliance.

In any case, the ball is now in the court of our European partners, who ought to prove to Russia their devotion to the principles of stability and joint action in European security by their effort to teach some of the new member-countries the elementary foundations of democracy and military-political transparency. We are not satisfied with the situation, when everything comes down to promises and statements. The well-known principle "trust but verify" is ever so actual, mainly as a result of such ambiguities.

The Russian side hopes that the positive experience of naval and peacekeeping cooperation may be extended to other spheres of joint action. In other words, we all need a new, more profound and practical agenda, in Russia-NATO relations.

For example, in the sphere of the struggle against terrorism.

We welcome the fact that the antiterrorist sphere has become an integral part of cooperation between Russia and the North Atlantic Alliance. We have come to share, which is important, a common understanding that any attempt to negotiate with terrorists contradicts the very idea of democracy.

Though even here there is a place for blatant inconsistency: on the one hand European countries at the EU summit issue a declaration on cooperation in fighting terrorism; on the other hand they are pushing Russia to start negotiations with terrorists in Chechnya.

I want everyone to hear this: Russia has never negotiated and will never negotiate with terrorists and bandits. All attempts to impose on us a kind of "reconciliation" with terrorists are doomed to failure. What is more, they show us the insincerity of some of our partners.

Another issue that stirs our anxiety is that some political forces in power keep tolerating the existence on their own territories some structures supporting extremists and don't express clear-cut condemnation of terrorism. It is well known, that international terrorists, wanted by authorities but escaping justice, may find refuge in some of the European countries. Terrorists will do their best to undermine the global antiterrorist coalition, which is the base of today's world order.

Unfortunately, in some of the NATO countries, as well as in Europe as a whole, some politicians are still thinking in terms of the "cold war", when each of Russia's failures was interpreted as their personal victory and when each of Russia's foes automatically became their friend. Beware: such friends tend to bite the giving hand. This is being proved by the new history in Afghanistan and in the Balkans.

I hope that here I don't have to try to convince you of the extreme danger of the terrorist threat, which is the result of the process of globalization that has become a reality of the modern world.

Our common task is to draw up an efficient system of measures to prevent and nip in the bud any act of terrorism, as well as to secure the inevitable punishment of terrorists and their accomplices.

You must agree that this is one of those absolutely new tasks, which call for greater unity of NATO louder than the "policy of deterrence", reiterating the non-existing Russian threat to NATO. You know, the aims and priorities of the Alliance, at least as declared openly, have changed de facto. Wouldn't it be logical to give a new sense to the acronym NATO and decipher it as "New AntiTerrorist Organization"?

Russia and its military organization including the Armed Forces play not the last role in the sphere of antiterrorism. In this connection I cannot avoid one question, which, I know, interests many of you.

The question is about the changes, which are under way in the Russian Armed Forces. The Army and the Navy of our country have returned to the normal life of a military organism.

Russia's leaders are well aware of the existing problems and know how to solve them.

Problems are being solved. Permanent personnel cuts and structural reshuffles of different kinds gave way to a full-scale military construction. As a result, we witness a considerable increase in the fighting capacity of the Armed Forces due, among other reasons, to setting up troops of permanent fighting readiness, which is equivalent to your rapid reaction forces. Military alignments have been set up, which are capable of executing tasks at any theatre of war on the perimeter of Russia's territory.

We managed to reveal in time a complex of modern threats that predetermined the arrangement of a system of priorities in military policy and military planning.

The practical realization of a contract service system has begun. This process implies a large number of difficulties, but the main steps have already been taken – the system is working and only needs fine-tuning.

At present, the number of contract servicemen, including officers, makes up virtually half of the total number of personnel. By the year 2008 we expect this number to go up to as high as nearly 70%. Nearly every second sergeant is going to be a contract serviceman.

On our way towards reforming the Armed Forces, we do not regard the contract principle as an end in itself, but as a way of finding better solutions to the problems of increasing the fighting ability of the Armed Forces.

We managed to significantly raise the level of fighting training, step up the number and widen the scale of military exercises.

This was proved by the latest exercise "Mobility-2004", unique in its aims and tasks, during which the troops were trained in strategic mobility.

I can say that we never had such training before. During it we checked the level of liaison between civil and military air controller services, tested the readiness of various services to solve questions of mobilization readiness. The main goal of the exercise – improvement of the Armed Forces mobility – was successfully achieved.

We clearly realize that apart from an improvement of fighting skills the Armed Forces need modern weapons and military equipment. The most important of the latest achievements in this field is the optimization of the arms and equipment delivery system.

Among the main directions in the sphere of military reform is improvement of military science and the system of military education, as well as the social component of the Armed Forces. We have started the practical solution of the acute problem of housing of servicemen by means of a mortgage & savings system and by setting up a fund for official lodging. A new moment, I want to draw your attention to, is the process of overall reorganization of the central bodies of military control with the aim of improving their operative ability to make strategic decisions and to attain a new quality of troop control.

This work is being done on the basis of an analysis of the results of the latest local military conflicts, including the war in Iraq, as well as in the framework of the administrative reform, which is under way in our country.

The Russian Armed Forces have not only got out of the system crisis of the 90-s. We have learned serious lessons from the poor situation that the military organization of our country used to be in.

Nowadays nobody in Russia has illusions as to whether or not a modern country is able to exist without strong power structures.

On the other hand, now we understand better the specific features of the relation between the Armed Forces and civil society, more clearly realize their place in the political structure of Russia, which is following the road towards creation of a strong democratic state.

It is this understanding that provides the basis for further constructive dialogue with all subjects of international politics, including NATO.

At the end I want to emphasize that Russia sees its future relations with NATO as cooperation of professionals, strategic cooperation in the framework of a professional "coalition of the winning", the

members of which are able to overcome the "cold war" thinking inertia and to jointly confront the titanic global challenge to modern civilization.

Ladies and gentlemen!

I think that today we are in a position to set up such an effective system, such a professional coalition, which would fully protect us all against unilateral uncoordinated decisions in the military sphere and in the framework of which we could confront common global challenges and threats.

Everybody is going to benefit from this – Russia, the NATO countries and the world as a whole.

Thank you.