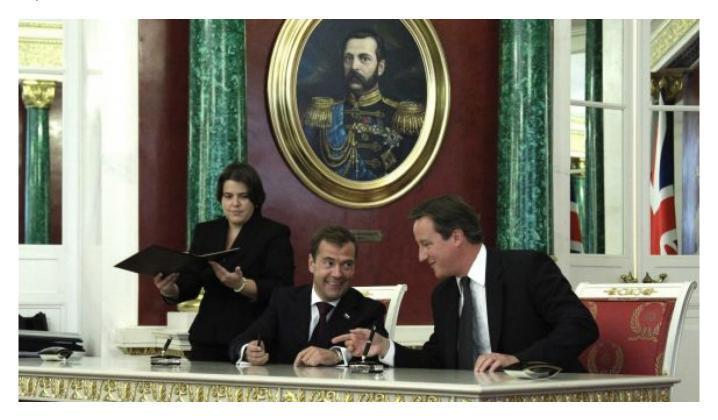


Cameron Sees Past Differences for \$340M

By Nikolaus von Twickel

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President Dmitry Medvedev and British Prime Minister David Cameron in the Kremlin on Monday. The portrait depicts "Tsar Liberator" Alexander II. **Mikhail Klimentyev**

British Prime Minister David Cameron on Monday brushed aside questions about the Litvinenko case and made clear that his historic visit to Moscow was necessary to revive economic ties with Russia and promote global stability — as evidenced by \$340 million in business deals signed during his visit.

But Cameron denied that he was putting trade before human rights by holding the first direct top-level Russian-British talks in Moscow since 2006.

"The [Litvinenko] issue has not been parked. The fact is that the two governments don't agree. ... It remains an issue between Britain and Russia ... but that does not mean that we freeze the entire relationship," Cameron <u>said</u> at a joint televised news conference with President Dmitry Medvedev in the Kremlin.

Dissident and former KGB officer Alexander Litvinenko died after being poisoned by radioactive polonium in London in 2006, following a deathbed statement in which he accused Vladimir Putin, who then was president, of authorizing his killing.

The murder prompted a chill in ties between both countries not seen since the end of the Cold War, as Moscow refused to extradite the prime suspect, State Duma Deputy Andrei Lugovoi.

Moscow has also bristled over London's refusal to extradite some Russian businessmen, first and foremost former oligarch and Kremlin power broker Boris Berezovsky.

Cameron said Foreign Secretary William Hague had spoken to Litvinenko's widow, Marina, prior to the delegation's departure for Moscow and was adamant that "difficult issues" would not be ignored: "We can't pretend these don't exist. We must continue to have frank discussions about them as we've had today," he <u>said</u>.

The British Prime Minister also signaled that human rights remained a key element in his Russia policy by meeting a small group of activists Monday afternoon.

Medvedev agreed that remaining differences should not hinder rebuilding relations.

"You can tell by our faces that our relations with David are not cold — actually they are quite warm," he said, laughingly.

The president downplayed the Litvinenko case by arguing that it was dependent on two different legal systems and that Moscow would never hand over Lugovoi because the Constitution prohibits the extradition of Russian citizens.

"This will never happen, no matter what the circumstances. We all have to learn to respect our legal frameworks," he said.

Medvedev also said both countries have more things that unite them than keep them apart, and that differences should not be "overdramatized."

In an effort to demonstrate a relaxed atmosphere, both leaders cordially addressed each other by their first names and joked about what Cameron believes was a KGB attempt to recruit him during a 1985 trip to Soviet Russia.

"I'm sure David would have been a very good KGB agent. But then he would have never become prime minister of Britain," Medvedev said.

Cameron, who oversaw the signing of business deals worth some \$340 million, said strengthening ties was good for both countries. "We both need to see growth in trade and investment and jobs. We both want to see progress and stability in the Middle East. We both want to deal with issues like nuclear proliferation and the danger of arms getting into the wrong hands," he said.

The prime minister also told Medvedev that oil giant BP, which failed to consummate a deal with state-owned Rosneft earlier this year, is still interested in actively continuing its work in Russia, Interfax reported, citing Medvedev's aide Sergei Prikhodko.

Later in the afternoon Cameron met Prime Minister Putin for talks in the White House.

The meeting was behind closed doors, but reporters were allowed to follow the beginning of the talks with Putin on a live screen in the Cabinet building.

Putin did not wear a cordial smile when he welcomed his British counterpart, and Cameron also looked reserved as the two exchanged ritual pleasantries.

"It's a good opportunity for Britain and Russia to try to build a stronger relationship," Cameron said.

He added that their discussion could cover Russia's bid to join the World Trade Organization, the role of both countries as Olympic hosts, and technology cooperation.

Putin mentioned that as they spoke, First Deputy Prime Minister Igor Shuvalov was meeting British business leaders.

"I hope that meeting will be successful," he said.

Hours earlier, state nuclear energy corporation Rosatom and British industrial giant Rolls-Royce signed a memorandum of understanding about the joint production of computerized control systems for power reactors, part of Moscow's efforts to capture a greater share of the global civilian nuclear power market.

Another British company, the Kingfisher do-it-yourself chain, announced Monday that it would invest \$182 million to open nine more Castorama outlets over the coming two years, bringing the overall number of stores in Russia to 26.

Both Rolls-Royce chairman Simon Robertson and Kingfisher CEO Ian Cheshire were among a 24-member business delegation accompanying Cameron.

British exports to Russia increased 63 percent to £2.1 billion (\$3.3 billion) in the first half of this year. Bilateral trade stands at almost \$19 billion and is accelerating, Cameron said.

Prior to seeing Putin, Cameron met with five human rights activists and Novaya Gazeta editor Dmitry Muratov in the Sakharov Center. The purpose of the closed meeting was "to hear directly from Russian NGOs about their work and their assessment of the current human rights situation in Russia," the British Embassy said in an e-mailed statement.

Among the attendees was Anna Sevortian, head of Human Rights Watch's Moscow office.

Speaking by telephone afterward, Sevortian said the talks covered the majority of issues that worry activists most, including the trials of Yukos founder Mikhail Khodorkovsky and the prison death of Hermitage Capital lawyer Sergei Magnitsky.

She said that while she could not reveal any of Cameron's comments, she was positive about the meeting. It was an important signal of his attention to these questions in that he found the time to stop by at the Sakharov House between meeting with Medvedev and Putin, she said.

In a <u>speech</u> at Moscow State University earlier Monday, Cameron argued strongly for reforming the country's justice system. Foreign businesses, he said, "need to know that they can go to a court confident that a contract will be enforced objectively and that their assets and premises won't be unlawfully taken away from them."

BP's local office was searched by court marshals earlier this month, on the orders of a Tyumen region arbitration court looking at a suit filed against BP by minority shareholders in TNK-BP.

With reference to the Litvinenko case, Cameron suggested that the government needs to ensure the courts' impartiality. "The accused has a right to a fair trial, the victim and their family have a right to justice — it is the job of governments to help courts do their work and that will continue to be our approach," he said, according to a transcript on his web site.

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