THE WHITE HOUSE

WASHINGTON



MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT:

Telephone Conversation with Russian

President Boris Yeltsin

PARTICIPANTS:

The President

Russian President Boris Yeltsin

Interpreter: Dimitry Zarechnak

Notetaker: Larry Wright, Tom Crowell, Bonnie Glick, James Smith, Sean Rice, Ki

Fort, Jon Elkind

DATE, TIME

May 12, 1998, 11:01 - 11:27 EDT

AND PLACE: Oval Office

President Yeltsin: Hello, Bill. (U)

The President: Hi, Boris. It's nice to hear your voice, and I'm glad we have this chance to talk before we see each other in Birmingham. (U)

President Yeltsin: Yes. It's been a year since we met last, and of course, we have quite a few things to discuss. (U)

The President: Yes, absolutely. Before we get into the conversation, let me congratulate you on your new government. Strobe Talbott and Sandy Berger and Leon Fuerth were there last week, and were very impressed with your team. It sends a strong message that you're committed to economic progress and is good news for our partnership.

President Yeltsin: Yes, thank you, Bill. Indeed we have a very good team, a closely-knit government team, who will continue working with your administration. So I think everything will work out fine.

The President: That's good news. I'm very pleased Sandy Berger and Andrey Kokoshin agreed on a plan to deal with the Iranian proliferation issue. I welcome the recent public statements you

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and others have made pledging that Russia will strictly control exports to prevent assistance to weapons of mass destruction and ballistic missile programs, as well as your agreement that a G-8 statement on export control would be beneficial. I hope we can work this out at Birmingham.

President Yeltsin: Yes, it's a very good thing, and I agree. I accept it fully.

The President: I also agree to find new ways to coordinate our nonproliferation efforts, such as the bilateral "hot line" to exchange information. But I do want to say we're having kind of a hot debate in Congress coming up the week after the G-8. Some are pushing new legislation that could harm our cooperation, and I want to be in a very strong position to beat them back. There are things that I believe are important for Russia to do before Birmingham. I'd like to mention them very briefly:

First, I hope you can approve and issue regulations necessary to implement the January 22 executive order. Second, I hope you can use your executive order to issue official instructions to end all cooperation between Russian entities and the Iranian missile program. And third, I hope that based on previous government decrees you can issue instructions to end nuclear cooperation with Iran other than Bushehr. —(C)

Now, if you can do these things, I will be in a better position to resist pressures for inflexible legislative sanctions here in the United States. I also want to point out there's a real upside here. If there's not a rupture in our relations, the space launches we will do alone will be worth \$3.5 billion over the next five years. I want to be able to focus on our positive future agenda, such as START II and START III, and economic issues.

<u>President Yeltsin</u>: Bill, I agree with you, and would be prepared to proceed with these instructions. Let

The President: That's good news. You know, we've always solved the tough issues together and we have agreed on this before and there is so much we can do in Birmingham and beyond. So that's good news. If you can do these things, I believe I can head off destructive actions in Congress. And I will do my part if you can do yours.

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President Yeltsin: You can already start working in this direction, and resist pressure from Congress, because I am already prepared to sign a document with you. (C)

The President: Thank you. Let me, if I could, say a couple of things. First, thank you for your stand opposing the Indian nuclear test. I've also expressed my deep concern to the Indian Prime Minister, and I've written the Prime Minister of Pakistan urging restraint and that he not follow up with a nuclear test of his own. This is a disturbing development, and it gives more urgency to our efforts to stop the spread of nuclear weapons.

If there's any way the Duma can ratify START II before adjournment, I want to come to Moscow and work on START III. This issue between India and Pakistan puts even more responsibility on us to do the right thing, lessen the threat of nuclear weapons, and set a good example for the rest of the world.

President Yeltsin: You know, this year I'm planning to visit India, and I hope I will be in a position to exercise influence on them concerning that issue. We've a lot of common ground as far as cooperation between Russia and India is concerned, and I don't think they'll be able to refuse and not comply with what I'm asking them to do. (C)

The President: Great, Boris. I just wanted to mention one other thing. A couple of weeks ago, I went down to Houston to see the space center. The ISS (International Space Station) is a real asset in our cooperation. I know you're working to assure the needed funding and I know it's going to work, but my understanding is that funding is not yet on line. It's going to be a tremendous plus for our people in the future, and a lot of people don't realize the big benefits that will come from this.

(C)

That's the only issue I wanted to mention, and I wonder if there's anything you wanted to talk to me about. (U)

President Yeltsin: Well, I already promised you to do everything in my power to make this international space station project a success, so you have no need to worry. We will make our own contribution and comply with all the commitments we have assumed.

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The President: Great. I can't wait to see you in Birmingham.
(U)

President Yeltsin: Okay. (U)

The President: Is there anything else we need to discuss? (U)

President Yeltsin: Well, I think we need an exchange of views on the Balkans. I think what we need to do is compare notes on that issue, so no one can reproach us that we're moving in different directions on the issue. And there's also one question that I want to raise with you, which concerns the destruction of chemical weapons. Unfortunately, there have been problems with (financial) assistance from you, but we very much want to carry out large scale destruction of chemical weapons.

And I also think, Bill, that you and I should find time to define a framework concept for START III. We need to agree to a framework so that subsequent negotiations (on START III) will be based on the understanding that we reach in Birmingham.

The President: I agree we'll have a good long talk on all these things in Birmingham. And I agree we need to stay together on the Balkans. I think the trick on Kosovo is to get negotiations going that will keep Kosovo within the Yugoslav framework, but with some degree of autonomy and work out a balance there. You've had to deal with lots of similar issues like this. We have a Contact Group position that we should apply pressure on Belgrade, while offering incentives leading to an achievable path toward normalizing their relations with the rest of the world.

On chemical weapons, let's talk more in Birmingham, and I'll have work done on that here beforehand and we'll talk about what we can do. You know when we get together, I like to talk about whatever's on your mind, and whatever's on my mind, and we'll talk about START II and the negotiations and all that. (S)

President Yeltsin: Yes, Bill. I agree. It's okay with me and in Birmingham. I'm sure we'll have quite a few things to talk about, and we'll explore your positions and my positions.

The President: Good, Boris. We'll have a nice long talk, and thank you for this conversation before then. (U)

President Yeltsin: Okay, Bill, and say hello to Hillary. (U)

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The President: I will. Give my best to Naina, and I'll see you

in Birmingham. (U)

President Yeltsin: Thank you, and see you in Birmingham. (U)

The President: Goodbye, Boris. (U)

President Yeltsin: Goodbye, Bill. (U)

-- End of Conversation --