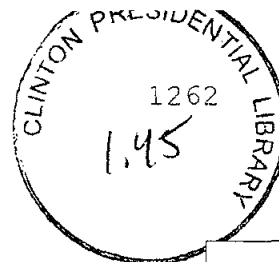


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THE WHITE HOUSE
WASHINGTON



MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with British Prime Minister Tony Blair
Of the United Kingdom

PARTICIPANTS: The President
British Prime Minister Blair

Notetaker: Bonnie Glick, David Higgins,
Robin Richard, Joel Schrader, James Smith

DATE, TIME February 19, 1999, 10:59 a.m. - 11:24 a.m. EST
AND PLACE: Oval Office

The President: How are you? (U)

Prime Minister Blair: Fine. How are you? (U)

The President: Okay. (U)

Prime Minister Blair: Kosovo --

E.O. 13526, section 1.4(b)(d)

Chirac is with you today? (C)

The President: He is here and I will meet with him in a few
minutes.

E.O. 13526, section 1.4(d)

Prime Minister Blair:

E.O. 13526, section 1.4(b)(d)

The President: Let's make sure we are on the same page.

E.O. 13526, section 1.4(d)

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Reason: 1.5(d)

Declassify On: 2/23/09

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E.O. 13526, SECTION 5.3(b)(3)

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DECLASSIFICATION DATE: October 14, 2015

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E.O. 13526, section 1.4(b)(d)

Prime Minister Blair:

[REDACTED]

The President: Well, I agree with that. The trick is to give him some chance to come around and not seem like we're going on unlimitedly.

E.O. 13526, section 1.4(d)

Prime Minister Blair: I agree with that.

[REDACTED]

You had Schroeder there, didn't you?

What was he like? (C)

The President:

E.O. 13526, section 1.4(d)

(C)

Prime Minister Blair:

[REDACTED]

E.O. 13526, section 1.4(b)(d)

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E.O. 13526, section 1.4(b)(d)

[REDACTED]
(C)
The President: I agree with that. That is good. I think we are doing all right on getting the enabling force together. I don't know if Milosevic is playing brinkmanship or not. He seems to believe he loses Serbia if he lets NATO in there. (C)

Prime Minister Blair: Yeah. [REDACTED]

The President: Let me ask you a couple of questions. What is your sense on KVM? I know the EU is interested in a new structure, [REDACTED]

E.O. 13526, section 1.4(d)

I think that can be accomplished by the OSCE maintaining the lead with civilian implementation. [REDACTED]

E.O. 13526, section 1.4(d)

I like the idea that the Europeans have been so forthcoming, and I want to be supportive, but I don't want to screw it up. (C)

Prime Minister Blair: [REDACTED]

The President: That's right. (C)

Prime Minister Blair: [REDACTED]

Is there anything else? (U)

The President: No, I don't think so. What about Northern Ireland? Jim Steinberg had a good meeting with Ambassador Christopher Meyer yesterday on the outlook for the next two months. We are working on some ideas to complement your strategy for a push by the first anniversary of the Good Friday Agreement. I am ready to do my part around St. Patrick's day here and look forward to seeing Mo Mowlam. You have made a lot of progress and seem to have gotten it back on track. (C)

Prime Minister Blair: [REDACTED]

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E.O. 13526, section 1.4(b)(d)

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E.O. 13526, section 1.4(b)(d)

[REDACTED]

The President: I'm with you. It could boomerang on us but we have no choice. (C)

Prime Minister Blair: [REDACTED]

The President: I agree. (C)

Prime Minister Blair: [REDACTED]

Obviously you and I should speak before St. Patrick's day. (C)

The President: I think that's right. (C)

Prime Minister Blair: So there it is, I think. So Bill, let's keep in close touch on things. [REDACTED]

E.O. 13526, section 1.4(b)(d)

The President: I agree, [REDACTED]

E.O. 13526, section 1.4(d)

[REDACTED] Six months or so ago when I spoke to you, I was in a big fight with my Treasury guys about the need to have leaders get together on it and chart a course where we change the orientation of the IMF a little bit and get into the necessity for international standards for banking. We really are moving in steps, in increments towards a Bretton Woods II arrangement. I think we realized we rushed into getting money into them without them having the internal protection they needed. But a lot of Treasury folks treat this like Einstein looking for the theory of relativity or biologists looking for the cure for cancer: when they find it they will tell us. I felt our Treasury kept resisting a big meeting six months ago because markets were so shaky that if we met and did not come up with an answer it would foster instability. They don't feel that way anymore. (C)

We have to find a way around the G-7 or otherwise try to get this thing kicked off. [REDACTED]

[REDACTED] We do need some forum in which leaders can clearly articulate where we are, what we have done, and where we are going. [REDACTED]

[REDACTED] A lot of people are upset about the composition of the committee of the 25 nations (G-22) meeting because they are not a sanctioned IMF type group. Maybe the G-7 cuts a lot of people out of the loop and a lot of those nations think Europe is over-represented. I am not hung up on that myself but, we do need to find a way to have higher visibility to let the world know we are working toward a more stable position. We ought to try to resolve this when the G-7 meets in Germany. [REDACTED]

E.O. 13526, section 1.4(d)

Prime Minister Blair: [REDACTED]

E.O. 13526, section 1.4(b)(d)

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E.O. 13526, section 1.4(b)(d)

The President: Yes, I like that. What do you think Chirac will say? (C)

Prime Minister Blair:

The President: I got it. I'm with you. I think we are on same track, but we need to figure out how to keep going. I may call you back after I talk to him, but I will try to get him in the right frame of mind. (C)

Prime Minister Blair:

The President: I am worried about Russia as well. Sandy and I have spent some quite intense discussion time on this.

E.O. 13526, section 1.4(d)

The Russians have no tax system. I don't know what to do about all that either, but we should talk about it. Its almost like a psychological problem, in part, as well as the obvious political problem. We may need to put a little more money on the table for them to do that. (C)

Prime Minister Blair: You and I can talk about it later.

E.O. 13526, section 1.4(b)(d)

The President: All right, I'll follow up. I'm going to meet with Jacques right now. (C)

--End of Conversation--

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