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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Russian President Yeltsin (U)

PARTICIPANTS: The President
President Boris Yeltsin

Interpreter: Dimitry Zarechnak
Notetaker: Jessica Stern

DATE, TIME: October 5, 1993,
AND PLACE: 10:30-11:00am, Oval Office

President Yeltsin: Hello Bill. (U)

President Clinton: Hello Boris. (U)

President Yeltsin: I'm very glad to hear your voice. (U)

I wish to express to you on my behalf and on the behalf of Naina our gratitude for all the attention shown to us during our visit. I would say that the Washington summit proved a success, something that the people of Russia see in a very positive light. (U)

I talked with Chernomyrdin concerning the agenda of the Gore Chernomyrdin Commission. (U)

As you recall I promised that within 2-3 days I would call you and inform you about the contracts signed by the FSU with Iran. I looked at them personally. They include an agreement dated November 5, 1989, and another May 17, 1990, and also an agreement signed November 13, 1991. These were all signed by Former Minister of Foreign Economic Relations -- the total is \$4 billion. (U)

I wish to confirm to you once again that we will comply with the obligations undertaken by the FSU with respect to Iran, but we intend to conclude no further contracts with Iran. I want you to be quite clear on this and to have confidence in the decision I have taken to that effect. This is the main topic I wanted to discuss with you during this conversation because I promised I would call you about this issue. (U)

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My second point concerns Bosnia. I am troubled by what is happening -- it is not what we agreed to. Milosovic must be given more time to be able to work with the Palais. The use of force would be the beginning of yet another war in Europe. However, strange it might seem this reliance on force began right after my visit and the agreements we reached. (S)

Now I want to tell you that the situation in Russia is quite normal but the opposition, as promised, is rearing its head, but that is just a mosquito bite. (S)

So much for what I wanted to tell you at this particular moment. How are things with you? (U)

President Clinton: I'm doing fine. First of all I want to thank you very much for what you said in your press conference -- which was very much like what I said about the summit -- that it was business-like, practical, but at the same time friendly. Hillary and I liked having you and Naina here. (U)

President Yeltsin: Thank you. (U)

President Clinton: On Bosnia we now have a window of 5-6 months because of the delay on the lift of the embargo. This will give Milosovic more time -- and the rest of us also. I've asked Christopher to look into what else we can do with Kozyrev. (S)

President Yeltsin: Yes, I see. (U)

President Clinton: On the arm sales to Iran first of all I appreciate your personal attention to it and your prompt response. When we discussed this before you said that in order to proceed to a Cocom successor regime you would share with us what arms are being sold to Iran and the time table, and that we would work the details out in the Gore-Chernomyrdin context. This is very important. I strongly believe that Russia should be one of the founding members of the Cocom successor regime. You said today that there will be no further sales to Iran. I'm encouraged by this but I think we need to work out the rest of this at the Gore Chernomyrdin Commission and then we can go on. (S)

President Yeltsin: I said no new contracts will be signed. I said no new contracts will be signed, but we will deliver on old contracts signed by the FSU. Russia has no intention to sign any new contracts. I agree with your idea. Let Gore and Chernomyrdin discuss the composition of the contracts signed by the FSU. (S)

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President Clinton. If you have time I'd like to raise two issues. The first one I want to discuss...when you were here I think you agreed that Prime Minister Chernomyrdin would meet soon with Mr. Derr of Chevron concerning the Caspian pipeline consortium. I know that Mr. Derr would have time to fly to Sochi now to meet with the Prime Minister while he is there. I think this should happen soon. We've talked about this but it hasn't happened yet. (S)

President Yeltsin: Well, I personally had a chance to talk with Chevron President [sic] and he confirms our agreement, our basic understanding, but I agree with you it's a good idea for Mr. Derr to visit Prime Minister Chernomyrdin in Sochi. I'll mention it to the Prime Minister tonight. (S)

President Clinton: Thank you very much. Let me ask about Azerbaijan. We're very concerned about the political instability there. I understand that Aliyev announced an agreement with one of his opponents. We seem so close to peace. But we are worried about the situation there, that peace will be undermined. What is your evaluation of the situation? (S)

President Yeltsin: Indeed, last night we witnessed some events there. There seems to be some unrest in the military. But 200,000 people took to the streets there in support of Aliyev. I conferred with Aliyev through Primakov. Aliyev says that he does not want us to come to his aid but he would welcome a statement by the Russian government in support of Aliyev. We'll issue a statement tonight. (S)

President Clinton: That's very good. (U)

I think that will make a big difference for him. I would like to say a word about Nagorno-Karabakh before I sign off. When we talked last week we agreed to keep working on this. If a peace agreement is reached America is ready to put some civilian monitors there. I would like to have a formal cease-fire; confidence building measures like partial withdrawal; a CSCE economic incentives program; and negotiations on the political status of Nagorno-Karabakh. (S)

We did not agree on the role of other CSCE countries in the peace-keeping force which is 3,500-4,000 troops. I want to raise this issue with you again. I am prepared to work with you on this to create stability. However, I'm concerned about instability in Azerbaijan. We should resolve this issue sooner rather than later. I know you'll be discussing this later this month. I have worked a lot on this since you returned to Moscow. You said you did not believe that the other CSCE countries could contribute anything to this. I still believe that they could

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play a role. Just as the UN is participating in Haiti, Russia would have a more positive image in the international community and in the region if you were the leader of a peace-keeping force that was half Russia and half from other CSCE countries. I still think that this can be done. We can do this if you let us. I hope we can continue to discuss this. (C)

President Yeltsin: As you recall during our conversation on this subject I mentioned that there needs to be agreement between Armenia and Azerbaijan. Mindful of the current situation in Azerbaijan, I did not mention this to Aliyev [yet]. But I will mention this to Aliyev after things quiet down and I will talk with Ter-Petrosyan as well. We will be prepared to work with you along the lines we discussed. Do you agree with this? (C)

President Clinton: I understand the reply and I agree we should let the situation settle in Azerbaijan for a few days and then you can speak to them. And then we can talk about this again. (C)

This is an area where I hope we can eventually come to agreement. You can take the lead to end one of the most troubling conflict in the world. You can put your stamp on this as a peacemaker and greatly increase the chance of economic development and stability in the entire region. (U)

I will work on this and you will work hard on it. (U)

President Yeltsin: I agree Bill. (U)

President Clinton: OK. Thank you, Boris. (U)

President Yeltsin: Good-bye, and all the best to you and Hillary on my behalf and on Naina's behalf. (U)

President Clinton: Thank you. Good-bye. (U)

-- End of Conversation --

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