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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Russian President Yeltsin on CTBT, Chechnya, Economics, CFE and Russian Election

PARTICIPANTS: The President
President Boris Yeltsin

Interpreter: Dmitriy Zarechnak
Notetakers: James Goldgeier, Carlos Pascual,
Steve Pifer

DATE, TIME May 7, 1996, 8:34-8:55 a.m. EDT, Oval Office
AND PLACE:

President Yeltsin: Good morning, Bill. (U)

The President: Good morning. Hope you're doing well. (U)

President Yeltsin: Well, there's a struggle. We're struggling on. Well, you understand that I've been traveling and meeting and talking with people. My election campaign is like yours in the U.S. Then there is the matter of finances, which is not proceeding very well. (C)

I'd like to share my impressions of China. The visit was a success, and as I promised you I told them that the United States wanted to improve relations with China. Jiang Zemin told me to tell you that they are waiting for practical deeds for improving relations. In this context, he mentioned Taiwan several times. (C)

And the second question was Chinese participation in the CTBT. We discussed the subject with him and he said Beijing would take part in the CTBT. China would support a speedy conclusion to the Treaty. We reflected this in our joint statement where we said China would take part. Therefore, I fulfilled my promise to the Eight to raise this. (C)

The President: Thank you. Boris, as I had promised, I sent you a letter on Chechnya after I spoke with King Hassan. He said he would be in direct contact with you. I hope he can help you and will be able to play a constructive role. (C)

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President Yeltsin: Good. I have not yet seen the letter from you. I don't know why the letter has taken so long to get to Moscow. (S)

The President: I'll check here on my side; maybe you can check with your people. I sent it to you on April 27 right after I spoke with King Hassan. Hassan said he would do whatever he could to help end the fighting and is interested in helping you. I will do whatever I can to help. We have an OSCE representative in Grozny, and I think he's being helpful. (S)

President Yeltsin: Thank you, Bill. I intend to take a risk and fly down to Chechnya. I will try to have all three parties at the negotiating table. When I say all three parties, the troika, I mean the Chechen government, the field commanders -- since there is no Dudayev and no successor now -- and the Federal government, that is, the Chernomyrdin state commission. I hope they'll be sitting at the table by the time I leave. Hassan might be of great help. (S)

The President: That is a very courageous decision. Everyone will see you are trying to bring about peace and restrain the military action. That's good. If there is anything else I can do, let me know. I'm ready. (S)

President Yeltsin: Okay. Thank you for your help with Hassan II, and if anything else can be done, I'll tell you. (S)

And I have another question, Bill. Please understand me correctly. Bill, for my election campaign, I urgently need for Russia a loan of \$2.5 billion. (S)

The President: Let me ask this: didn't it help you a lot when the Paris Club rescheduled Russia's debt? I thought that would have caused several billions of dollars to flow into your country. (S)

President Yeltsin: No. It will be coming in the second half of the year. And in the first half of the year, we will only have \$300 million due to conditions set by the IMF. You know when Mr. Camdessus was here I talked to him. But he said only \$300 million in the first half and \$1 billion in the second half. But the problem is I need money to pay pensions and wages. Without resolving this matter of pensions and wages, it will be very difficult to go into the election campaign. You know, if we could resolve this subject in a way with him providing the \$2.5 billion in the first half, we could perhaps manage. Or if you could do it under your banks with Russian government guarantees. (S)

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The President: I'll check on this with the IMF and with some of our friends and see what can be done. I think this is the only way it can be done, but let me clarify this. I had understood that you would get about \$1 billion from the IMF before the election. (S)

President Yeltsin: No, no, only \$300 million. (S)

The President: I'll check. (S)

President Yeltsin: Okay. (U)

The President: Now if I could raise CFE. I know we made important progress in Moscow on a CFE flank solution. I appreciate your flexibility. It seems to me that we're now down to a final set of issues on numbers: total numbers of armored combat vehicles to be allowed and whether some equipment in the flank area could be exempted from counting against the ceiling. (S)

On Sunday, Mamedov previewed to Pickering the Russian position on counting rules. My experts say there are some problems with the exemptions he suggested; Pickering will get back to him. I hope we can resolve this by May 15. My experts are ready to come to Vienna early to make this happen. (S)

President Yeltsin: (interjecting after the first portion of the President's CFE comments were interpreted; the second portion -- from "On Sunday ..." was not interpreted) Yes, we're ready to move on this. We're ready to discuss both numbers of 3,800 and 4,000. (S)

The President: We'll keep working on this. Pickering will get back to Mamedov soon. (S)

President Yeltsin: Good, Bill. (S)

The President: One more thing before you go -- I know you are very busy. I was very pleased to see that you quickly dismissed the suggestion that the elections be postponed. This election will be the milestone for Russian democracy. I believe you are right to trust in the wisdom of the Russian voters. Your statement is receiving enormous favorable publicity in the United States and around the world. (S)

President Yeltsin: Well, you understand that I am the guarantor of the Constitution and will abide by the Constitution. There cannot be any possibility of postponing the election. Some will express their personal opinion and let them. Maybe they should be fired. (S)

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The President: Every now and then I have people around me who express themselves as well. (C)

President Yeltsin: I have people around me with personal views. (C)

The President: One more thing on your request about the money issue. Who is your principal advisor on this matter? I will get him a detailed report. I know you are busy, so tell us who we should contact with the best information possible on this. (C)

President Yeltsin: Well, you know that my best, trusted, most qualified person is Deputy Chairman Davydov. He knows about it. He's responsible for foreign economic matters. (C)

The President: Fine. I know you're busy. We will be in touch with Davydov soon. (C)

President Yeltsin: Thanks, Bill. (U)

The President: Have a good day. (U)

President Yeltsin: Good-bye. (U)

-- End of Conversation --

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