

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Russian
President Boris Yeltsin (C)

PARTICIPANTS: The President
President Boris Yeltsin

Interpreter: Kyrill Borissow
Notetakers: Bob Ford, Cindy Lawrence,
Andrew Weiss

DATE, TIME June 15, 1998, 1:21 p.m. - 1:57 p.m. EDT,
AND PLACE: Oval Office

PRESIDENT YELTSIN: Hello, Bill. (U)

THE PRESIDENT: Hello, Boris. (U)

PRESIDENT YELTSIN: It seems we agreed on the timing of our conversation; we did well. Well, I understand the major subject is now to be Kosovo. (C)

THE PRESIDENT: Yes, I think we should talk about Kosovo as well as the Russian financial situation. I wanted to get your assessment of where we stand and what we're going to do in the days ahead. (C)

PRESIDENT YELTSIN: Yes, I see. But the most important thing, of course, is Kosovo. Well, as you certainly know, I decided to invite Milosevic to Moscow and he will be arriving tomorrow. I've prepared a plan for tomorrow's conversation with Milosevic. First, we meet one-on-one and then we shall be joined by our power ministers [Defense and Security] as well as the Minister for Foreign Affairs and others, and then I will turn things over to Mr. Primakov to discuss all the details. I am satisfied the Contact Group supported my initiative to receive Milosevic in Moscow. I believe this advances our joint efforts for the soonest possible settlement of the Kosovo problem. And this is also in line with our agreements reached in Birmingham. Frankly

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speaking, I can tell you, Bill, I am planning to have a tough talk with Milosevic. (S)

I shall demand that the disproportionate use of force be stopped, but the most important thing is to get his agreement to negotiations. Any use of force by NATO is inadmissible. I think we should work here together in parallel: I will work to bring pressure on Belgrade, while you press the Kosovar Albanian leaders. And, if we both reach our goals and use all our possibilities, then we shall be able to find a solution to these problems as we have several times in the past. (S)

Of course, if the reaction from Belgrade will be a negative one, then we shall find another way of solving this situation together with the Contact Group and the United Nations. But anyway, Bill, I think it is inadmissible that the Security Council of the United Nations should sanction the use of force against a sovereign state which is trying to solve problems of its territorial integrity. And if there should be a strike by NATO against Yugoslavia without UN Security Council sanction, that would be considered a blow to cooperation between Russia and NATO. (S)

So, of course, we shall be working within the framework of the meeting of the Contact Group in London and the statement they signed there. (S)

And another matter: I don't want you to be upset because the ratification of START II has been postponed until autumn. On the 16th of June in the General Staff there will be a seminar with the participation of the Duma, members of the Duma in favor of the ratification of START II and in this seminar Mr. Primakov and Minister Sergeyev will take part. I believe this will help you personally because you are now getting a lot of pressure from your Congress. (S)

And let's agree that when we release information to the mass media about today's conversation, we shall state the commitment of the leaders of Russia and the U.S. to the ratification of the Start II treaty as we have discussed during today's conversation. (S)

As for India and Pakistan, I believe it should be the subject of a separate discussion. We should probably get in touch with each other at a later time, since I'm working on this matter and I know you're also doing something on this matter, so we can do together a lot of things in this area. (S)

Now, Bill, I am listening to you. (U)

THE PRESIDENT: First of all, Boris, thank you for what you have said. Let me try to respond to each issue, beginning with Kosovo. (U)

We are supporting the territorial integrity of Yugoslavia, but I believe Milosevic is endangering the integrity of Yugoslavia by refusing to have serious negotiations with the Kosovar Albanians. By taking action against the civilian population, he is giving aid and comfort to the separatists and making the situation more radical. (C)

Milosevic has great respect for you and I am encouraged you will tell him he has to end indiscriminate violence and engage in genuine dialogue. If he hears that from you, I believe there's a much better chance he will do it. Let me say also that the Contact Group, which has worked well together, has essentially said he must cease action against the civil population, withdraw security forces used for repression, allow international monitors free access, facilitate the return of refugees to their homes and allow open access for humanitarian organizations and supplies, and then have dialogue with the Kosovar Albanian leadership. I think these are reasonable demands and we must avoid the mistakes we made in Bosnia by waiting too long. I think you are critical to that. I have met here with Kosovar leaders, including Rugova and others, and told them what our position was and we told them they should negotiate for greater autonomy, not for independence. But we have got to stop Milosevic from a new round of ethnic cleansing and a whole new round of refugees. (C)

As to your comments about NATO. Let me say, first of all, that I think we should work together through the UN. Your support for the UNSC resolution would show our unity and if we are together, I think we can avoid having this situation require any intervention. A united effort will make it clear to Milosevic that he must take the lead in any negotiated solution, and if he does that, it will reduce the sense of the rest of the world that he is once again practicing ethnic cleansing. In terms of NATO, I very much hope no NATO action will be necessary. I think we should make sure the Permanent Joint Council between NATO and Russia is working together on this and being honest and open and candid. If we work together as we did in Bosnia, and if we act sooner, we can avoid a situation requiring any kind of intervention. I know Kokoshin is here and perhaps we will

discuss this more with him. The last thing I want to say about Kosovo is I am very grateful to you for seeing Milosevic, and after your meeting with him if you want to talk again, I would be available Tuesday or Wednesday at your convenience. It's up to you, but if you want to, I will certainly be available. (C)

PRESIDENT YELTSIN: Yes, I shall call you, by all means. (U)

THE PRESIDENT: That's great. Very briefly, I agree with everything you said about START II and the statement you want to make, and if there's anything else I can say or do to help you lobby the Duma, I will obviously be ready to do so. Also, I assure you I have been supporting more IMF and World Bank funding for Russia if necessary. I know your people are engaged now in talks with the IMF, and I hope they can be completed swiftly and successfully. From what I have been able to learn, the key elements will be better cooperation between your new reformist government and the Central Bank, a better tax collection system, and more open information for investors. If we can make progress, more money will flow, but more important, more private investment will flow. Your new government is very exciting to people. If we make a little progress on these fronts, we can turn this situation around. A lot of what's happened in Russia with investments and stocks is a function of what's going on in Asia spilling over. You just have to push back the other way and show the leadership and character of your government, which is evident to me. You can do it, and I will continue to support it. (C)

PRESIDENT YELTSIN: Okay, well, I believe your understanding of our situation is correct. We are holding on for now, but of course, the situation is rather complicated. What is in question is not a very large amount of money, something around \$5 billion dollars. The most important thing here is that the G7 statement reflects the confidence of leading countries that Russia will be able to deal with the situation so investors can have no fear investing in the Russian economy. (C)

THE PRESIDENT: That's good. Good luck with your meeting with Milosevic and I look forward to hearing from you. (U)

PRESIDENT YELTSIN: Yes, I shall call you myself. (U)

THE PRESIDENT: Thank you, Boris. (U)

[After a brief technical problem during which President Yeltsin's comments were inaudible, the conversation resumed.]

PRESIDENT YELTSIN: Then we shall be joined by our power ministries, including the Minister for Foreign Affairs, and then solve these problems together, and at this third stage, let Primakov and others discuss all the details. Of course, you know that Milosevic is a stubborn person, so it will not be easy for me to deal with him tomorrow. I shall act along the lines we agreed with you, so as to bring pressure to bear on Milosevic and try to get agreement from him to negotiations with the Kosvar Albanians, and on your side, you pressure the Kosovar Albanians and get from them an unequivocal statement also, saying they will seek a seat at the negotiating table. (✓)

Of course, I shall do everything to ensure our mutual interests. And for financial matters, of course we shall resist as long as we can and try to find solutions and take measures so as to bring us to a successful result. If it gets too hard for us, I shall call you. (✓)

THE PRESIDENT: That is great, Boris. I'll talk to you in a couple of days. (U)

PRESIDENT YELTSIN: I was also glad to talk to you, Bill. Thank you for your initiative of this conversation. Please accept my hugs and all the best to you. (U)

THE PRESIDENT: Alright. Thank you, Boris. Goodbye. (U)

PRESIDENT YELTSIN: Goodbye. (U)

-- End of Conversation --