MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT:  Telcon with President Boris Yeltsin of the Russian Federation  
          (U)

PARTICIPANTS:  The President
               President Yeltsin
               Interpreter:  Demitry Zarechnak
               Notetaker:  Beth Sanner

DATE, TIME AND PLACE:  September 7, 1993, 11:40 am - 12:10pm
                        Oval Office

The President:  Hello Boris.  (U)

President Yeltsin:  Greetings Bill.  (U)

The President:  I just wanted to call and check in with you.  I
          haven't talked with you since the G-7 summit.  I know you are
          going through some difficult times.  I just want you to know that
          I'm thinking of you in these difficult times and to tell you
          still have my support.  (C)

Prime Minister Chernomyrdin was just here.  It was a great visit.
He and Vice President Gore got off to a great start on the
Agreement on Space Cooperation and the Joint Commission on Energy
and Space.  (C)

President Yeltsin:  Bill, I am also satisfied that at last I have
          a chance to talk and to have discussions on a number of
          questions.  I am also satisfied with the results of visit of
          Prime Minister Chernomyrdin and the first results of the Gore-
          Chernomyrdin Commission, if I can call it that.  (C)

The President:  I am as well.  I hope we can move forward and do
          more work on energy projects and environmental cleanup.  These
          are areas that U.S. companies are anxious to participate in.
          There are a number of large projects pending approval in the oil
          and gas sector.  Prime Minister Chernomyrdin said he would speed
          the process.  Texaco has been in touch with me concerning their
          deal at Timon-Pechora.  I hope we can make progress on these
          things because I think they can be a help to the Russian economy.
          (C)

President Yeltsin:  I agree.  We will take the necessary steps.
          It's a pity we couldn't sign the contract on Highly Enriched
Uranium. We must move promptly and settle the Ukrainian aspect of this problem. (S)

The President: I will do what I can to support resolution of that. I understand you had a successful meeting with President Kravchuk. Did you reach agreement on early deactivation of missiles in Ukraine and transfer to Russia? (S)

President Yeltsin: I must tell you about Crimea. This was one of the most productive meetings we have had with Ukraine, with Kravchuk. We finally reached agreement on strategic nuclear weapons. The agreement calls for the total removal in 24 months of nuclear warheads to Russia for their elimination. As a trade off, we will give Ukraine Low Enriched Uranium for use at nuclear power plants. (S)

Of course they are aware of U.S. willingness to provide $175 million in compensation. But they are not satisfied with that figure. And they would like to obtain more from you. I told them that they would need to resolve that with the U.S. I said that now that Ukraine has relations with the U.S. it is up to the two sides to resolve this matter. (S)

We also resolved the Black Sea Fleet matter, finally. As Ukraine owes $2.5 billion to Russia, we will get their part of the fleet as payment for this debt. With this eventuality, all the fleet will belong to Russia and we will keep the base at Sevastopol. I believe the Crimea trip has been highly productive. (S)

The President: Thanks. How do you assess the position of Kravchuk at home? Is he in better shape? (S)

President Yeltsin: No worse off. (S)

The President: Same with all of us maybe. (S)

President Yeltsin: Well in the first place, the situation concerns the state of the economy. They have gotten off to a late start for economic reform, compared to Russia. Because of this, they are in bad economic shape. (S)

The President: I understand that. Congratulations on your decision to withdraw your troops from Lithuania. I know you face domestic opposition. But the decision you made was courageous and the right thing to do. I was wondering about your plans for Estonia and Latvia? (S)

President Yeltsin: In the first place, next week we will pull out all our troops from Poland. (S)

The President: Great. (U)

President Yeltsin: In Latvia and Estonia it is more difficult because of their failure to comply with the human rights of ethnic Russians living there. (S)
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The President: Is there anything we can do to push that? (5)

President Yeltsin: Only in the sense that you can try to exert influence on them so that they can change their legislation, especially in the sense that it affects Russia. We pulled out from Lithuania because their legislation does not adversely affect Russians living there. We would be prepared to pull out from Latvia and Estonia provided there are no discriminatory attitudes toward Russians there. We are taking queue from the U.S. because you have been working quite well in the area of protecting your minorities. (5)

The President: I wanted to raise a few other issues with you. Congress is back in session today. I want you to know we will be working hard on passing the $2.5 billion assistance package for Russia. It is now before the Senate; it has already passed the House. It will be a difficult fight but I think we will win it. It is difficult not because there isn’t support for Russian aid, the difficulties are because of our own budget problems. But I’m confident we will win it. (5)

We also are planning on passing a law this fall to eliminate the legislative remnants of the Cold War system. We also are working on transforming COCOM with our allies and we hope to get a new system where you could be members. (5)

We are very encouraged about the recent breakthrough in the Israeli-Palestinian negotiations. We look forward to working with you on this important issue. Secretary Christopher recently talked to Foreign Minister Kozyrev about coming to Washington for the signing ceremony. I hope to find out in the next couple of days that this will come about. (5)

President Yeltsin: I am very appreciative of your stand on granting us $2.5 billion and your efforts with the Congress on enacting this package. I know this is an uphill battle. But I know you will win and also on the repeal of the 60 pieces of legislation you just mentioned, as well as on COCOM reform. In respect to the Middle East and Palestine, I wish to congratulate you on this victory and of course Kozyrev will go there. I will instruct him appropriately. (5)

We still have the question of Yugoslavia to discuss. Here we will have to work jointly with the Serbs so we can finally have resolution on this issue. (5)

The President: Thank you. I hope we can resolve this through the peace talks. The Serbs and Croats seem more willing to negotiate for peace recently. If there is anything you can do to help resolve this issue we would very much appreciate it. We seem fairly close on the land issue. I hope we can resolve the negotiations before winter. I am worried about going through another winter over there without peace. (5)

President Yeltsin: Bill, I can simply assure you that we will continue to work very hard with the Serbs. Before coming to the
U.S., Kozyrev will fly to Sarajevo so he can do something and put more pressure on the Serbs. (S)

Bill, I am very happy we had this chance to talk. I am quite appreciative of the fact you called first this time. (S)

**The President:** It won't be long till we talk again. Please call me anytime. If I don't hear from you soon, I will call you in a couple of weeks. (S)

**President Yeltsin:** I'll call you within a very short time, especially in connection with questions about our domestic life and the situation in parliament. I'm right now engaged in a bit of fighting with parliament which is moving away from reforms and the changes we are trying to make. But I hope that in the long run I will prevail. (S)

**The President:** I surely hope so. We will be pulling for you. (S)

**President Yeltsin:** Thank you Bill. I am very glad to have had this conversation and to hear your voice. (U)

**The President:** Thank you Boris. Good bye. (U)

**President Yeltsin:** Goodbye. (U)

--- End of Conversation ---