

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Russian President
Yeltsin (S)

PARTICIPANTS: The President
President Yeltsin

NOTETAKERS: Jenny McGee, Robert Ford, Michael T. Manning,
Roger Merletti, Jim Smith, Andrew Weiss

INTERPRETER: Kyrill Borissow

DATE, TIME September 8, 1999, 11:42 a.m. - 12:21 p.m.,
AND PLACE: OEOB

The President: Hello, Boris? (U)

President Yeltsin: How are you, Bill? (U)

The President: I'm fine. It's good to hear your voice. (U)

President Yeltsin: I am also fine, except for international relations. We cannot as yet agree fundamentally on the Russian-U.S. relationship. Certainly after our meeting in Cologne, a lot has been achieved. We have moved ahead on START, ABM, and have done several things regarding regional problems in a cooperative spirit. Certainly, there will be new contacts and meetings between yourself and Mr. Putin, chairman of our government, in Auckland, New Zealand; and there will be other meetings, including with Ivanov, our Foreign Minister, and Secretary Albright and with others. (S)

Bill, I have to speak, unfortunately correctly that the U.S.-Russian relationship increasingly suffers from the fact that pre-election campaigns are in progress in our two countries. I believe it is our task, yours and mine, to try our best to protect and limit interference in our relationship from attempts to play out political domestic cards and intrigues. There are some who even try to think of using these in order to affect international relationships. I am sure that you and I will continue to be above those attempts made in this area, and we'll deal with

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this issue in the spirit of cooperation in order to counter such intrigues or rebuff these challenges. (S)

In this connection, as always, I will be direct and will state my deep concern over reports in the mass media that there were some attempts to launder money through the Bank of New York with Russian participation. This scandal has a clear political underpinning and motive. We need to jointly and quietly sort it out without heating up these passions. (S)

Our Interior Minister has agreed with the Director of the FBI that on 13 September we will send a high-ranking delegation to Washington to look into that matter, and that delegation will include representatives of the Foreign Intelligence Service, the Minister of the Interior, and the Tax Police. So, now we must let them jointly look into the matter, and subsequently we will work out further initiatives. (S)

Now, for the fourth question on my agenda. I am aware that, in the U.S., concern has been expressed regarding the Russian bill being put together to counter money laundering. There is no ground for concern here. There is a need to counter corruption in Russia. Unfortunately, our Federal Assembly has adopted a not quite satisfactory law on this score, which I had to reject. Several articles directly contradict constitutional provisions of the Russian Federation and its international trading commitments. After all these contradictions are sorted out and amended, I will necessarily endorse this very important bill. (S)

I believe the issues regarding security and disarmament deserve close attention. It is important for the two of us this fall to try to ratify the START II Treaty, which would significantly help with the START III Treaty and also the ABM Treaty. You understand that there is not much progress in this area. You may recall on several occasions that I tried to make arguments that we need to shore up START III, which would be helpful regarding the ratification of START II. (S)

I will be frank with you again. I know the situation fully well regarding ideas in the U.S. to fundamentally undermine the ABM Treaty. This concern of mine is shared by other countries, including China, France, and others. As of yet, I have not received any reaction to my initiative in Cologne about setting up a global missile system for monitoring missile technologies, and I think that it would be helpful with respect to START and ABM if you did so. (S)

Shortly, in the next few days, you will have a meeting with Mr. Putin. Briefly at this time, I would like to tell you about him so you will know what kind of man he is. It took me a lot of time to think who might be the next Russian president in the year 2000. Unfortunately, at that time, I could not find any sitting candidate. Finally, I came across him, that is, Putin, and I explored his bio, his interests, his acquaintances, and so on and so forth. I found out he is a solid man who is kept well abreast of various subjects under his purview. At the same time, he is thorough and strong, very sociable. And he can easily have good relations and contact with people who are his partners. I am sure you will find him to be a highly qualified partner. I am very much convinced that he will be supported as a candidate in the year 2000. We are working on it accordingly. (S)

Now, the question of Chechnya and Dagestan. That is like a dessert in our conversation, last but not least. It has increasingly become the international center of terrorism. Billions and billions of dollars are thrown to it from different parts of the world. We can no longer be impatient with that situation. We have to respond after what they did in Dagestan. We had to counter those terrorist activities, and we threw them out of that territory. (S)

What they are doing now is again and again trying to collect money and arms to prepare mercenaries in special training camps in Pakistan, Saudi Arabia, and other places. We are talking about mercenaries, murderers, and killers. Yesterday, we had a meeting of our Council of Defense where we decided to give them a very strong rebuffing. This is not about war. This is merely an opportunity to withdraw those bandits from our territory. (S)

I want you to support us morally, also politically. Obviously, we will appeal to the UN since we want to put an end to Chechen terrorism. I am well informed regarding your state of affairs and understand everything is moving smoothly, and I'm happy to know that. I am finished, Bill, and am all ears. (S)

The President: First of all, Boris, I want to thank you. This has been for me a very helpful review. I do support your efforts to stand up against terrorism in Dagestan and will continue to cooperate with you against terrorism and groups like Usama bin Ladin that train these people. I will do everything I can to help you stand against common threats. (S)

I know your biggest challenge will be to avoid hurting innocent civilians who will be caught in the crossfire. You

have to stand against terrorism, and you have to stand firm against the terrorists, and I will support your efforts. I still believe that over the long run, Russia will have a firmer position in Dagestan and Chechnya and with the Muslim minorities if more can be done to resolve problems between Azerbaijan and Armenia and Georgia. If there is anything I can do to help, I will. But I think we need to take away all these excuses terrorists may use. (S)

President Yelstin: That's very good. Thank you, Bill. (U)

The President: On the bilateral issues, let me say that I know Strobe Talbott is in Moscow talking with Mamedov. Madeleine is working with Ivanov, and Cohen is with Sergeyev working on START, ABM, and CFE issues. I hope we will get a CFE Treaty soon. We're making good progress. I will work with our people to get START III done. I'm trying to get to the point where the two of us can reach an agreement when the time comes, and I will do everything I can to do that. (S)

On the ABM Treaty, our people obviously are talking about that. I think the critical issue is to see if we can work out some way to share the benefits of any work on missile defense, which we both can use in the future against rogue states and terrorists. I want to find a way to share the benefits. Both our people are talking about this, and we need to continue the process. (S)

President Yeltsin: Bill, I believe we need to discuss this issue when we meet and have a one-on-one. I am waiting for you to come at any time you find convenient. (S)

The President: Thank you. I want to say a word about Kosovo. I think your troops are working well there, and we all are working together, just as I hoped. If we keep working there, we will have success just as we had in Bosnia. (S)

President Yeltsin: Yes, Bill. This has worked out just right. (U)

The President: Yes. Now on these charges about money laundering and corruption, I agree with you. I think people are trying to make a big issue out of it. Specifically, what they are saying here is that Gore and I lost Russia because we were too close to you and your administration. That is the attack. I know you have been briefed on this. We have counterattacked vigorously that the relationship we've had is good for the U.S. and for the security of the world. (S)

President Yeltsin: That's correct. I agree with you. (S)

The President: But I think the best response for us, as always, is to deal with the issues in a forthright way, as you suggest. We need to show that we are taking the right steps to fight crime and corruption. I think the fact the high-level team will be here next week is good. The Moscow G-8 meeting on crime will help energize other partners, and we've got this bilateral working group on crime and corruption. The news you gave me today on the money laundering law is good news because a lot of people are trying to use your veto as evidence that Russia doesn't care about this issue. So if you can get a bill and get it signed soon, that will help a great deal. (S)

President Yeltsin: Bill, you might recall what happened last time regarding the law on religion. You might recall again that that was a very similar situation when they introduced provisions that went counter to the Constitution. That was done deliberately in the State Duma at the time. I also had to veto that bill, and we have the same story again. I have introduced certain changes that will do away with those provisions that are unconstitutional. In general terms, I support these laws. And when these elements will be cleared up, I stand ready to sign it and won't have any other problems with this law. (S)

The President: That's very good news. The only other thing I wanted to say was that we have had good contacts with Mr. Putin so far, and I look forward to meeting with him in Auckland. After that, we will stay in very close touch. I thank you for calling, Boris. (S)

President Yeltsin: Thank you, Bill. I think this has been very helpful. The only thing is that sometimes they really need to connect us promptly. Otherwise, we will have a one- or two-day delay, and that does not help us address the global issues. (S)

The President: I agree, and I'll do better with that. (U)

President Yeltsin: Very good, Bill. Thank you. We will talk again. (U)

The President: Goodbye, and tell Naina I said hello. (U)

President Yeltsin: And best greetings to Hillary, too. Thank you. (U)

The President: Thank you. Goodbye. (U)

-- End of Conversation --

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