THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT:

Memcon with President Boris Yeltsin of Russia

(U)

PARTICIPANTS:

The President

Warren Christopher, Secretary of State Lloyd Bentsen, Secretary of the Treasury Samuel Berger, Deputy Assistant to the President for National Security Affairs Strobe Talbott, Ambassador at Large and

Special Adviser to the Secretary on the New

Independent States

Nicholas Burns, Acting Senior Director for

Russia, Ukraine and Eurasia Affairs,

NSC staff (notetaker)

President Boris Yeltsin

Andrei Kozyrev, Minister of Foreign Affairs

Boris Federov, Minister of Finance

Viktor Ilyushin, First Assistant to President

Yeltsin

Dmitri Ryurikov, Assistant to President

Yeltsin

Sergey Glaziev, Minister of Foreign Economic

Trade (Notetaker)

DATE, TIME AND PLACE:

July 10, 1993, 7:45 - 9:15am Ambassador's Residence, Tokyo

The President: Let me begin now, so we don't run out of time. I would like to speak about three matters today. First, I thought it would be helpful to provide a review of the issues from our Vancouver meeting. Second, we should discuss the dispute we have on the missiles issue. Third, I also want to discuss a few foreign policy issues. (\mathscr{C})

Let me begin by saying that in Vancouver you invited me to visit Russia. If it is acceptable to you, it now appears that I could come in the autumn. $(\cancel{\mathcal{D}})$

President Yeltsin: Is this September or October? (%)

The President: We could work out the dates later at a time convenient to you and me. If it is better for you to wait, I am flexible.

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President Yeltsin: Very good. (U)

The President: On the \$1.6 billion package I announced in Vancouver, we have already obligated 65% of the money. It is either already out there or coming out soon. (2)

President Yeltsin: Good. (U)

The President: We'll stay on top of that. On your request for Cold War legislation and the COCOM regime, we've first prepared a very long list of Cold War legislation to repeal. We have the support of both political parties in the Congress. We'll start this when I go home. On COCOM.... (8)

President Yeltsin: How long will it take? (U)

<u>Secretary Christopher</u>: It will probably be done before the Thanksgiving recess. (\mathcal{Z})

The President: This year. (U)

President Yeltsin: Not bad. (U)

<u>Secretary Bentsen</u>: That is a very fast schedule for our Congress. (U)

President Yeltsin: This is why I said it's good. (U)

The President: Congress may act faster for you than for me! On COCOM, of course this involves other countries, we will support a reorganization of COCOM for new business. We already have a long list of items we want to see liberalized -- machine tools, computers and telecommunications such as fiber optics. These are things you are interested in. (2)

<u>President Yeltsin</u>: It would be good if we could take part in this new organization. (\mathscr{L})

The President: How long will it take for us to act? (2)

<u>Secretary Christopher</u>: The review of COCOM will be complex and will take a lot of time. It involves negotiations with other countries which will be deliberate. (\mathscr{L})

President Yeltsin: Yes. (U)

The President: We will do what we can to speed it up. (U)

On Jackson-Vanik, you and I have talked about cases you have processed. I went back to the people in the U.S. and we have 65 cases of people who want to leave. I would like to give you that list and make judgments about each case. (8)

<u>President Yeltsin</u>: You mean new persons? A new list is being set up? (8)



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<u>The President</u>: Apparently, we have a difference of opinion on the numbers. (8)

President Yeltsin: Well, after we discussed this, I checked with the Security Ministry. They told me there were only 17 people, of whom only 6 remain now. Your list is new. I will study it and give you my opinion. (%)

The President: As we move to graduate you out of Jackson-Vanik, from time to time there will be other cases. You and I don't need to discuss this every time. I suggest there be a process so we don't have to discuss it every time. We can refer the cases to this process. (%)

President Yeltsin: I set up a commission on this -- the Lavrov Commission. He is a Deputy to Kozyrev. Thus, if any questions arise, Lavrov will discuss them. (%)

The President: We want to close the deal on HEU. We have an agreement on the value -- \$12 billion. But we need you to negotiate an agreement with Ukraine and Kazakhstan on the funds. We want to close this deal. (8)

President Yeltsin: As for Belarus, this is Russian property. As for Ukraine, the process is complicated. We have agreed that warheads with weapons grade uranium will be dismantled and returned to Russia. We will then send back enriched uranium to Ukraine for their nuclear power stations. But you understand that it is always difficult to deal with Ukraine. Today they agree, tomorrow they backtrack. So I ask you to press Ukraine on this. (8)

The President: It's the same case with us. (%)

I have a couple of other issues to mention. First, I am pleased that we apparently have your support on nuclear testing and a move toward a Comprehensive Test Ban treaty. I thank you for your leadership on this.

<u>President Yeltsin</u>: Okay. You mean an agreement with all five? (\mathscr{S})

The President: Not with China but with the UK and France. (%)

President Yeltsin: Not China? (%)

The President: Maybe you can get them to move. (87)

President Yeltsin: China is observing. (ST

The President: They are now. Maybe you can get them to agree.

(8)

<u>President Yeltsin</u>: I think that when the big four sign the treaty, China will have to comply. Anyway, technologically, they are not advanced so they don't represent a threat. We are

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testing the most modern technology and they don't have this technology. (8)

The President: I'm on my way to Korea. Things are tense with North Korea. We question whether they will let inspectors in and join the NPT. We have had good cooperation on this issue. I hope our cooperation can continue. It is a big issue. Many Japanese brought it up with me. They don't want to be a nuclear power. But there is a serious debate here on this. So, I hope we can continue our cooperation on this.

There are a couple of other issues. We are very concerned about Iran and the things we see them doing. We know they have had some discussions with you about the sale of reactors. We hope you don't do that. We discussed this in Vancouver.

President Yeltsin: No, we discussed the sale of nuclear submarines to Iran. We have already discussed the fact that we sent them the hull of a sub without the nuclear reactor. And this reactor for the sub will not use heavy water but material under IAEA guarantees. It can't be used as a weapon, only as an engine. You understand that this reactor can be verified not only by the IAEA but by experts in your own country. Before Vancouver, we had an agreement to sell two submarines. After Vancouver, we canceled the second sale. If you want to send a representative to verify that reactor, you can do it.

The President: We would like to do so. (8)

President Yeltsin: By all means. (8)

The President: There is another issue. Every time I see you, I get pressure at home on the Lubavitcher Library. We discussed this before. I would like to name someone who works for me to work with someone who works for you. So, then I can tell Congress about this -- they vote on Russia aid. I would like to name someone who works for me and you can name someone.

President Yeltsin: I promised in Vancouver to do something and I've done it. I opened up the public library to them so they can see the books. I said they could copy the samples. So, they now have this right. They can come anytime to look at it. In the past it was closed to the public. Today, it is open. (8)

The President: We went at this before. The dispute is about who owns the books. (8)

<u>President Yeltsin</u>: Let's do it this way. Our Minister of Culture, Mr. Siderov, will deal with this.

The President: And I will assign Leon Fuerth who is on our staff. (8)

President Yeltsin: So, let them cooperate. (8)



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Minister Kozyrev: About every three months, a family of Lubavitchers prays outside my office. (%)

The President: Let's talk about the missile issue. I know this is a difficult issue for you. I understand that now even though in Vancouver I thought we had agreed to terminate the India deal. I understand this is a difficult matter. But it seems to me that there is a lot to be gained by Russia in Space Launch and Space projects to be discussed. (8)

President Yeltsin: The Freedom project. (8)

The President: I want to avoid restrictions under our law and in our policy which require sanctions. So I thought I would give you a chance to comment to see how we can work it out. (5)

President Yeltsin: No. There should be no sanctions between friends. I cannot imagine sanctions between us. We're friends. I would say that Mr. Talbott did a good job. But our component of the commission did a very bad job. We said our negotiators couldn't stop the deal with the Indians or declare a moratorium on the deal. We might have suggested that both India and Russia join the MTCR. Now I am changing our Commission. They got bad marks. They are fired. Now Koptiev will be in charge. Talbott knows him. He is a professional expert in space. At least when we launch spaceships, his is the first signature. (8)

I know you understand this and I would like to propose the following. India opposes a change. They will try to gain something from us and from you. I suggest the new commission have until the New Year to agree with India to stop the deal. At the same time, there would be a moratorium on your sanctions. The law can't be retroactive. You passed your law after the USSR signed the deal with India. So, a double moratorium to January 1. We will provide no technology during this time. And for you, it will mean no sanctions until January 1. This sounds reasonable.

The President: Let me make a counter-proposal which is not inconsistent with what you have said. Since you have a new group, why don't you send them to Washington next week. Under our law and policy, we need to be able to say progress is being made. You send your team, and then I'll have the basis to extend the deadline because I believe you'll negotiate in good faith. In the meanwhile, I have another suggestion. (8)

President Yeltsin: Yes. (U)

The President: Your team could put your proposal on the table and mine could too. (2)

President Yeltsin: For a moratorium. (2)

The President: We will put another proposal on the table and if you agree, we would like to involve Ambassador Pickering in an effort to resolve the problem with India. He was in India before





Moscow. We may be able to do something for India which is good for them and for us. (8)

President Yeltsin: Very good. Agreed. (U)

The President: It is important that they come on Monday due to the deadline. We need to show the world. We have to try as hard as we can not just with you but with India, China, Pakistan to stop the nightmare of the 21st century. You must understand that this is a very important issue. I feel it is a very important issue -- one of my jobs for the whole world. You send your team and we'll talk. (%)

<u>President Yeltsin</u>: Okay. They will be in Washington on Monday. (\mathscr{S})

The President: Now, can we reschedule Gore-Chernomyrdin for this summer? (\mathscr{C})

President Yeltsin: Yes. When? (U)

The President: Anytime this summer. (U)

President Yeltsin: August is fine. (U)

The President: A lot of good things can come out of this
meeting. (U)

President Yeltsin: Okay. (U)

The President: There are two energy projects which we believe will be good for you and for us. First is the \$10 billion Sakhalin project. The other is the Texaco project in the Arctic Circle. Can you give me some idea on the status of these?

<u>President Yeltsin</u>: As to the Sakhalin project, the competition is ended. A number of firms prepared technical material. It was very useful. Japan and South Korea will profit from this. But the pipeline must go through North Korea and this is a most difficult path for a pipeline at the bottom of the bay. The U.S. firms won this competition. As to the other project, we have just finished prospecting for reserves. I would say that the Academy of Sciences has depicted what this project would look like.

The President: When we were in Vancouver, we discussed the inspection teams for the biological weapons sites. I have been told that our teams were not allowed to visit. I wanted to raise this to see if we could work out a visit. (5)

<u>President Yeltsin</u>: Yesterday I was told there was a technical mishap in planning the visit. I will give my instructions on this as soon as I return to Moscow. All the sites are closed. You can check this anytime. These are old bureaucrats doing this. Kuntsevich is the Chairman of our special committee. If





he is responsible for this delay, he will be fired immediately. (\mathscr{S})

The President: You were forthright yesterday on the Baltics and on the problems of the Russians in Estonia. We have been pressing Estonia to make them more sensitive to this problem. We believe it is important for them to respect the rights of the Russians but also for you to withdraw your troops. We are willing to do more on the Baltic issue if you have suggestions. If it would help, we will do more. (8)

<u>President Yeltsin</u>: I would like you to make a legal investigation of the laws to show how they discriminate. Whatever we tell them about this, they disagree. (%)

The President: I'll see what we can do. (8)

On Georgia, before you came in yesterday, the G-7 agreed to help economically. I hope you will do what you can to help bring an end to the Abhaz rebellion. Shevardnadze is our friend. We want to help him. I wonder who would be there if he is not. We just need to help him. We received a letter from him on his problems and he's almost not the same person. We will do more. I hope you can use your influence with the Abhaz.

<u>President Yeltsin</u>: Yesterday, we supported the UNSC resolution to send observers to Georgia. Let's begin with that. Let's consider what else to do. As for Eduard Shevardnadze, I treat him with great respect. I don't know either who could replace him. (8)

The President: On Japan, I want to be helpful and to do what we can to help your relationship. Of course, I have mixed feelings about this since they may push us out of business opportunities in Russia! But it is important for you to have a good relationship with Japan. There is a limitation on their military power. The only way they can be a world power is through investment. This trip helped your stature. Miyazawa talked about it over and over last night. You should work out the details of your trip here in the autumn. Anything we can do to help we will do. I believe that Japan can help Russia to develop more quickly. (8)

<u>President Yeltsin</u>: Thank you for your part in this. We agreed on October 12-14 for the visit. Of course you understand the difficulties I will have in arriving at an optimal decision on the islands by October. (8)

Now you have gone through the list of all my issues to raise. (U)

The President: We can't joke about the Japanese. That wasn't your fault, though. It was the Canadian press. (8)





<u>President Yeltsin</u>: You have gone through all my list of issues. There must be two copies of the list of issues, one in English and the other in Russian. (U)

The President: I can see a scandal emerging -- Bill Clinton and Boris Yeltsin have the same staff! (2)

<u>President Yeltsin</u>: You have your CIA. We have Russian Foreign Intelligence. They both have to earn their money! (&)

On Nagorno-Karabakh, we should raise the level of our cooperation. (8)

The President: I agree. (U)

<u>President Yeltsin</u>: Secretary Christopher and Kozyrev discussed this. They should cooperate more. We can't ignore the bloodshed there. (8)

On Ukraine, yesterday our Supreme Soviet said that Sevastopol is a Russian city. It is a peculiar situation. Sevastopol is on Ukrainian territory. It is a very odd decree. When I get back, I will have to work on relations with Ukraine. Thank God no one takes the Supreme Soviet seriously! (8)

Perhaps we could tell Ukraine that it would be good for the three of us to have a signed agreement on nuclear weapons. (%)

The President: Good. (U)

President Yeltsin: So let's prepare our instructions. (U)

The President: They (referring to Secretary Christopher and Ambassador Talbott) say we have to talk about this.

How do you say if looks could kill in Russian! (after Yeltsin glared theatrically at Secretary Christopher)

President Yeltsin: I want to extend the IAEA functions. (2)

The President: To do what? (U)

President Yeltsin: For verification and monitoring. I suggest that we extend their prerogatives for nuclear power. (%)

Minister Kozyrev: The answer is positive, right? (2)

The President: Very. I believe in this. We have to keep trying. We need to work to expand it. In this case, as the Secretary of State points out, the IAEA is underfunded and understaffed. (8)

<u>President Yeltsin</u>: Okay. (U)

The NPT treaty ends in 1995. We favor an indefinite duration.

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The President: We do too. This is a big issue in Korea. That's also why the North Korea issue is important in Japan. The Japanese are looking at 1995. All the older Japanese politicians who remember World War Two and who want Japan to be a great economic power want the NPT to be maintained. They trust the U.S. But if North Korea hangs out, some of the younger Japanese may argue for a different tactic. (8)

-- End of Conversation --

