This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Documents from this Mandatory Declassification Review were released in full or released in part.

Those documents released with redactions have been restricted under Sections 1.4 (b), (c), and (d) or Section 3.5(c) of E.O. 13526 or (b)(6) of the FOIA.
AMBASSADOR OR DCM: PLEASE DELIVER THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO PRESIDENT YELTSIN. NO SIGNED ORIGINAL WILL BE PROVIDED.

BEGIN TEXT:

DEAR BORIS:

THE CRISIS IN KOSOVO IS REACHING A CRITICAL POINT. A HUMANITARIAN TRAGEDY THAT HAS ENVELOPED TENS OF THOUSANDS OF INNOCENT PEOPLE WILL WORSEN WITH THE ONSET OF WINTER.

ONCE AGAIN THE WORLD IS CONFRONTED BY COMPELLING EVIDENCE OF INDIFFERENT ATTACKS BY MILOSEVIC'S SECURITY FORCES ON CIVILIANS AND SENSELESS MASSACRES. WE CANNOT AFFORD TO WATCH IDLY AS MILOSEVIC LEADS THE BALKANS INTO ANOTHER CYCLE OF BLOODSHED, ATROCITIES AND MISERY.

THE U.S. AND RUSSIA HAVE WORKED CLOSELY TOGETHER TO BRING THE CONFLICT IN KOSOVO TO AN END. THANKS LARGELY TO OUR SUCCESSFUL DISCUSSIONS IN MOSCOW, THE UNITED NATIONS SECURITY COUNCIL UNANIMOUSLY ADOPTED AN IMPORTANT RESOLUTION ON KOSOVO ON SEPTEMBER 23. THAT WORK BUILT ON A LONG SERIES OF REINFORCING EFFORTS BY OUR TWO COUNTRIES. IN MARCH, WE AND OTHER CONTACT GROUP COUNTRIES SPELLED OUT THE PRECISE STEPS THAT MILOSEVIC MUST TAKE TO REGAIN THE CONFIDENCE OF THE INTERNATIONAL COMMUNITY. AT A MEETING WITH YOU IN MOSCOW IN JUNE, MILOSEVIC PROMISED YOU THAT HE WOULD TAKE SEVERAL OF THESE ACTIONS IMMEDIATELY.

IN HIS ACTUAL BEHAVIOR, MILOSEVIC HAS BEEN NOTHING BUT DEFUANT. FOR MONTHS NOW, HE HAS IgnORED THE INTERNATIONAL COMMUNITY'S CLEAR-CUT DEMANDS FOR AN IMMEDIATE END TO ACTION BY SECURITY FORCES AND THEIR WITHDRAWAL; ACCESS AND FREEDOM OF MOVEMENT FOR INTERNATIONAL OBSERVERS; UNIMPEDED ACCESS FOR HUMANITARIAN RELIEF ORGANIZATIONS; AND CLEAR PROGRESS ON A POLITICAL SOLUTION. MILOSEVIC'S COMPLIANCE WITH THESE DEMANDS REMAINS INADEQUATE.

THE DIPLOMATIC OPTIONS AT OUR DISPOSAL ARE QUICKLY RUNNING OUT. AFTER THE UN RESOLUTION, THE CONTACT GROUP MET IN NEW YORK AND GAVE CLEAR INSTRUCTIONS TO OUR AMBASSADORS IN BELGRADE TO UNDERSCORE ONCE AGAIN OUR EXPECTATIONS OF MILOSEVIC. WHEN MILOSEVIC RECEIVED THEM, HE MADE CLEAR THAT
HE PLANNED TO IGNORE THEIR MESSAGE. THE CONTACT GROUP POLITICAL DIRECTORS MET AGAIN LAST FRIDAY IN LONDON. I AM PLEASED THAT WE AGREED ON A UNIFIED PLAN FOR A POLITICAL SETTLEMENT TO PRESENT BOTH TO MILOSEVIC AND THE KOSOVAR ALBANIANS. WE ALL WANT A DIPLOMATIC SOLUTION, BUT WE MUST ALSO BE PREPARED TO ACKNOWLEDGE IF AND WHEN DIPLOMACY HAS REACHED ITS LIMITS.

IN RECENT DAYS, NATO HAS TAKEN SEVERAL STEPS TO DEMONSTRATE TO MILOSEVIC THAT HIS ACTIONS ARE UNACCEPTABLE AND THAT WE ARE PREPARED TO COMPEL HIM TO CHANGE COURSE. WE DO NOT WISH TO USE FORCE TO ACCOMPLISH THIS URGENT TASK, BUT MILOSEVIC'S ACTIONS -- THE CEASELESS VIOLENCE AND THE FLOUTING OF THE WILL OF THE INTERNATIONAL COMMUNITY -- LEAVE US LITTLE ALTERNATIVE. IF HE DOES NOT COMPLY IN COMING DAYS WITH OUR LONG-STANDING DEMANDS, THE INTERNATIONAL COMMUNITY WILL NEED TO RESPOND DECISIVELY.

I AM GRATEFUL FOR THE CLOSE COOPERATION BETWEEN OUR DIPLOMATS AND MILITARY PERSONNEL IN BRINGING PEACE TO THE BALKANS. WE MUST KEEP UP THE REGULAR AND MEANINGFUL CONSULTATIONS BETWEEN OUR TEAMS, INCLUDING EXCHANGES BETWEEN MADELEINE AND IGOR, OUR IMPORTANT DISCUSSIONS AT NATO, AND THE CONTACT GROUP'S ATTENTIVE WORK ON A POLITICAL SETTLEMENT. MILOSEVIC MUST NOT FEEL THAT HE CAN SPLIT US OR THE INTERNATIONAL COMMUNITY OR BELIEVE THAT THE USE OF FORCE IS OFF THE TABLE. WE MUST DO ALL WE CAN TO STOP THE KILLING IN KOSOVO, USING ALL AVAILABLE MEANS, AND SHOW THE ENEMIES OF PEACE THAT THEY WILL NOT SUCCEED. AS IN BOSNIA, I KNOW THAT I CAN COUNT ON YOUR UNDERSTANDING AND SUPPORT AS WE OVERCOME THIS IMMEDIATE THREAT TO PEACE IN THE BALKANS.

SINCERELY,
BILL
CONFIDENTIAL/NODIS

NIACT IMMEDIATE

FROM: THE WHITE HOUSE

TO: AMEMBASSY (MOSCOW)

INFO: SECSTATE WASHDC

SUBJECT: MESSAGE TO PRESIDENT YELTSIN REGARDING THE SITUATION IN KOSOVO

1. AMBASSADOR OR DCM: PLEASE PASS THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO PRESIDENT YELTSIN AT THE EARLIEST OPPORTUNITY. A COPY MAY ALSO BE PROVIDED TO PRIME MINISTER PRIMAKOV’S OFFICE. NO SIGNED ORIGINAL WILL FOLLOW.

2. BEGIN TEXT.

DEAR BORIS:

I WANT TO THANK YOU FOR YOUR RECENT LETTERS, WHICH I READ VERY CLOSELY. I AM GLAD THAT WE HAVE A SHARED RECOGNITION OF THE NEED TO USE EVERY AVAILABLE MEANS TO END THE ON-GOING TRAGEDY IN KOSOVO.

AS I WROTE BEFORE, I DEEPLY APPRECIATE YOUR PERSONAL EFFORTS TO MAINTAIN A STEADY AND PRODUCTIVE RELATIONSHIP BETWEEN RUSSIA AND THE UNITED STATES. I KNOW THAT DURING THESE POLITICALLY CHARGED TIMES, RUMORS AND MISSTATEMENTS CAN SPREAD QUICKLY. I AM PLEASED THAT YOUR TEAM MADE CLEAR ON FRIDAY THAT RUSSIA HAS NOT CHANGED THE READINESS OR TARGETTING STATUS OF ITS STRATEGIC ARSENAL, DEMONSTRATING TO THE INTERNATIONAL COMMUNITY THAT ONE OF OUR LANDMARK ACCOMPLISHMENTS STILL STANDS. LET ME ASSURE YOU THAT NONE OF OUR ACTIONS IN THE BALKANS ARE AIMED AGAINST RUSSIA. I APPRECIATE YOUR ASSURANCES THAT RUSSIA WILL, UNDER NO CIRCUMSTANCES, ALLOW ITSELF TO BE DRAWN INTO MILITARY CONFLICT IN YUGOSLAVIA.

NEEDLESS TO SAY, LIKE YOU, I REMAIN VERY CONCERNED ABOUT THE HUMANITARIAN TRAGEDY IN KOSOVO. I AGREE THAT WE MUST INTENSIFY OUR EFFORTS ON THE DIPLOMATIC TRACK, AND I STRONGLY ENDORSE YOUR SUGGESTION THAT OUR FOREIGN MINISTERS SHOULD MEET QUICKLY. I UNDERSTAND THAT MADELEINE WILL SEE FOREIGN MINISTER IVANOV IN OSLO ON TUESDAY. THEY HAVE STAYED IN ALMOST DAILY CONTACT BY TELEPHONE, AND THEIR DEPUTIES HAVE BEEN MEETING REGULARLY TO
EXCHANGE IDEAS AND WORK TOWARD A COMMON APPROACH TO RESOLVE THIS TRAGEDY.

WE NEED, IF AT ALL POSSIBLE, TO JOINTLY APPLY AMERICAN AND RUSSIAN DIPLOMATIC ENERGIES TO THE VITAL GOAL OF AN ENDURING PEACEFUL SETTLEMENT TO THIS CRISIS THAT THREATENS THE PEACE AND SECURITY OF A REGION THAT IS IMPORTANT TO US BOTH. IT IS SIMPLY UNACCEPTABLE TO ALLOW BELGRADE'S POLICIES, ESPECIALLY ITS BARBARIC ETHNIC CLEANSING AND ATTEMPTS TO DESTABILIZE NEIGHBORING COUNTRIES, TO JEAPORDIZE WHAT YOU AND I HAVE ACCOMPLISHED IN U.S.-RUSSIAN RELATIONS IN SIX AND A HALF YEARS. THEY ALSO THREATEN THE HISTORIC BREAKTHROUGH THAT YOU ACHIEVED IN LAYING THE BASIS FOR A COOPERATIVE, MUTUALLY BENEFICIAL RELATIONSHIP BETWEEN RUSSIA AND NATO.


I KNOW IT IS DIFFICULT TO BE JOYOUS AT A TIME WHEN HUNDREDS OF THOUSANDS OF FELLOW EUROPEANS ARE SUFFERING. BUT I DO WISH YOU, YOUR FAMILY AND THE RUSSIAN PEOPLE THE PEACE OF THE EASTER SEASON. IT IS MY SINCEREST HOPE, WHICH I KNOW YOU SHARE, THAT THIS PEACE WILL COME SOON TO ALL THE PEOPLE OF THE WORLD, INCLUDING ALL OF THOSE SUFFERING IN THE BALKANS. THE CHANCE OF THIS HOPE COMING TRUE DEPENDS MUCH ON THE WORK YOU AND I AND OUR COLLEAGUES DO IN COMING DAYS.

SINCERELY,
BILL

END TEXT.
TELEPHONE CALLS WITH EUROPEAN LEADERS

DATE: October 1, 1998
LOCATION: TBD
TIME: TBD

FROM: SAMUEL BERGER
GENE SPERLING

I. PURPOSE

To secure support for our G-7 proposal to develop a precautionary financing facility and to seek agreement for NATO next Wednesday to authorize military response if Milosevic remains non-compliant, including in the absence of a further UN resolution.

To secure support for our G-7 proposal to develop a precautionary financing facility and to seek agreement on next steps on Kosovo.

II. BACKGROUND

G-7 Initiative

As you know, Treasury and the Fed are currently developing a new type of financing facility which would combine an IMF credit line with a complementary credit line comprising bilateral commitments, principally from G-7 members and (possibly) a private sector component. The facility would strengthen our ability to provide precautionary financing to governments that are pursuing basically sound fiscal and monetary policies.

The Europeans have been resisting Treasury and Fed efforts to develop an approach that would include bilateral financing as well as via IMF. G-7 Deputies are meeting Friday night and will discuss the proposal (with finance ministers likely to take up the topic Saturday). Preliminary conversations with these deputies have evoked resistance from [EO 13526 1.4d] They suspect, incorrectly, that we are trying to undermine the IMF’s role and are looking for a way to avoid pressing Congress for
the quota increase and New Agreement to Borrow (NAB). G-7 Deputies are meeting tomorrow night (Friday) and will discuss the proposal (with finance ministers likely to take up the topic themselves on Saturday). Preliminary conversations with these deputies have evoked some resistance from 14d. While has been supportive, they don't want to get too far in front of their European colleagues. likely share reservations, but in the end are likely to participate.

The typical IMF program, though it can be formulated and put in place quickly, is not well suited to the situation in and a number of other emerging economies. What is needed is some assurance of access to substantial but temporary foreign exchange resources if heavy external pressures arise. Such assurance would help the country resist undesirable alternatives such as trade restrictions or the kind of disruptive capital controls adopted by

Providing large amounts of financing must be done in a way that does not create unacceptable levels of moral hazard. We must be sure that the eligible countries have strong policies in place. And we must, when necessary, insist that private creditors contribute in some fashion so we are not financing their withdrawal.

recently wrote you and other G-7 leaders with his ideas for strengthening international financial stability. These ideas include reinforcing economic cooperation, which he is doing within the EU; building a "new Bretton Woods," with the IMF still playing a central role and a deeper dialogue enhanced by a strengthened decision-making role for the IMF's Interim Committee; to advocate a change in designation for the IMF Interim Committee to that of a Council increased transparency and accountability of world financial systems; hints at some form of capital controls; and, finally, increased development assistance. There are few radical ideas in the letter, aside from the hint at rethinking liberalized capital flows. The one specific measure presented, upgrading the Interim Committee, would not have a meaningful substantive impact and in The primary effect of such a change would be to give what is now an advisory body some decision-making powers. The substantive impact would not likely be very meaningful the and in the end we could
probably support—to satisfy. This may come up in your conversation. While not committing to agree, you should could welcome his thoughts generally as a needed contribution to the critical dialogue on building a new financial architecture. speck in that context to our interest in exploring new and more expansive modes of dialogue.

Kosovo

After the recent atrocities, is with us in moving to air strikes. is also willing to proceed, including if necessary in the absence of a new resolution. However his senior staff is considering whether to “test” Moscow’s willingness to authorize a UNSC presidency statement clearing the way for the use of force. If so, this needs to happen quickly and quietly so that it does not get in the way of our efforts to build NATO consensus.

The Russians continue to oppose use of force. is increasingly uncomfortable with serving as apologist for Milosevic’s brutality, but the Russians have not come to terms with the reality that force is the only way to change Milosevic’s behavior. in public statements, the Russians continued to emphasize that any use of force is inadmissible and requires further UNSC action. This only underscores the importance of our European partners’ keeping a united front with Moscow and pressing the Russians that we are coming close to exhausting diplomatic options with the Serbs. We have proposed a further PJC and are planning further bilateral contacts with Moscow to help keep them on board, while making clear that we will act if necessary without their consent.

After the recent atrocities, is with us in moving to air strikes, including in the absence of a new Security Council resolution. is also willing to proceed, although his senior staff are urging that we first seek a new resolution explicitly authorizing use of force. Your foreign policy team is contacting counterparts to convince them that this would put Yeltsin in an untenable situation vis-à-vis the Duma while reducing the pressure on Milosevic.

The Russians continue to oppose use of force. is increasingly uncomfortable with serving as apologist for Milosevic’s brutality, but the Russians
have not come to terms with the reality that force is the only way to change Milosevic's behavior. In public statements, the Russians continued to emphasize that any use of force is inadmissible and requires further UNSC action. This only underscores the importance of our European partners keeping a united front with Moscow and pressing the Russians that we are coming close to exhausting diplomatic options with the Serbs.

Northern Ireland (Blair only)

Most of the Northern Ireland players were in Blackpool, England this week for the Labour Party's annual congress. Earlier was immovable in talking to Jim Steinberg on willingness to consider an IRA gesture on decommissioning.

During a lengthy phone call last Saturday with Jim Steinberg, showed little willingness to entertain ideas that would involve IRA risk-taking on weapons decommissioning. In line with this, Separately, the British are moving forward with demilitarization. Plans were announced plans yesterday to remove two watchtowers from in Belfast and dismantle a border checkpoint, in addition to the recall of several hundred personal weapons from British military personnel (an oft-repeated Adams' goal).
Both Adams and Trimble will be in the United States in mid-October; Trimble will participate in the Northern Ireland investment road show while Adams has a series of fundraisers on the East Coast. The current presumed deadline for movement on one side or the other is October 31, when the first meeting on the North-South Council is to occur.

Attachments
Tab A  Points to Make for Prime Minister Blair
Tab B  Points to Make for President Chirac
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRIME MINISTER BLAIR

G-7 Financial Initiative

- Deterioration of confidence in financial markets and danger of spreading contagion worrisome.

- Longer-term work on architecture of system is needed, but also need urgent action now to help worthy emerging economies resist contagion.

- We have some thoughts on a package to bolster their international reserves:
  - Agree it should be centered in IMF, and only for economies with strong policies.
  - Recognize it wouldn't work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.

- Typical IMF programs may not be suitable, however.

- Think we need an approach with these elements:
  - First, IMF shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.
  - Second, may need coordinated set of bilateral credit lines (such as from Treasury's Exchange Stabilization Fund) along side of IMF mechanism.
  - Third, may also want to get private lenders' cooperation as needed.
  - G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent that they reach agreement on this kind of suitable approach.

- Need your strong support to help make that happen.
Kosovo

- We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations next Wednesday.

- Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.

- We shouldn't put Yeltsin into a box by seeking a further UN resolution authorizing force. That will force the Russian government to either abstain and further weaken position at home, or veto and jeopardize the NATO-Russia Founding Act.

EO 13526 1.4d raises idea of "testing" Russian willingness to authorize a UNSC Presidency statement clearing the way for using force:

- Not convinced Moscow will agree.

- Otherwise there is risk of reducing pressure on Milosevic and complicating a consensus at NATO.

- We've both agreed to act if necessary without further resolution. Need to convince allies over next several days.

Outraged at atrocities committed by Milosevic's security forces. Brutal tactics must stop and security forces withdrawn. Only a credible threat of force — if not the use of force itself — will cause Milosevic to comply.

Pleased that you called for an emergency Security Council meeting, but doubt that Russia will agree to a resolution authorizing force.

Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.
Yeltsin and Primakov have a difficult dilemma: either abstain and further weaken position at home, or veto -- forcing us to go ahead, which does damage to their position at home and to what we've tried to achieve with NATO-Russia Founding Act.

- We shouldn't put them in this box. Instead, we must be prepared to act without a further resolution.

- Also, need to use all available channels with the Russians, including at NATO, to make clear that Milosevic's intransigence leaves us no alternative. Hope that Russia does not put itself in position that isolates it from rest of G-8.

- Need to make this clear in public statements, otherwise Milosevic will believe that promises and partial compliance will protect him from military response.

- We've both agreed to act if necessary without further resolution. Need to convince allies over next several days.

- Finally, we need to ensure that our actions weaken, not strengthen Milosevic. Cannot tolerate him as continuing source of conflict in Balkans. We should ask ICTY to pursue his indictment.

Northern Ireland

- Understand still refusing to offer commitments on decommissioning, and holding back on executive until he does.

- Jim Steinberg spoke last weekend on this without much success.

- Interested in any ideas you might have about how to bridge this divide and avert damaging standoff at month's end. How can we help?
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT CHIRAC

G-7 Financial Initiative

- Worried at deterioration of confidence in financial markets and danger of spreading contagion.

- Your letter on ways to tackle this was a needed contribution to the critical dialogue on building a new financial architecture. We will give it careful consideration.

- Longer-term work on architecture of system is needed, but also need urgent action now to help worthy emerging market economies resist contagion.

- We have some thoughts on a package to bolster their international reserves:
  - Agree it should be centered in IMF, and only for economies with strong policies.
  - Recognize it wouldn't work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.

- Typical IMF programs may not be suitable, however.

- Think we need an approach with these elements:
  - First, IMF shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.
  - Second, may need coordinated set of bilateral credit lines (such as from Treasury's Exchange Stabilization Fund) alongside IMF mechanism.
  - Third, may also want to get private lenders' cooperation.

- G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent they reach agreement on this kind of approach.
Typical IMF programs may not be suitable, however. Thinking of shorter-term money, in line of credit format. Would not be permanent; could have sunset clause.

May need coordinated set of bilateral credit lines (such as from Treasury's Exchange Stabilization Fund) along side of IMF mechanism.

Also want to get private lenders' cooperation as needed.

G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent that they reach agreement on suitable approach.

Need your strong support to help make that happen.

(If raised) Received your letter on the Interim Committee. Have asked Bob Rubin to give it careful consideration. Is in our interest to explore new and more expansive modes of dialogue.

Kosovo

Outraged at atrocities committed by Milosevic's security forces. These brutal tactics must stop and security forces withdrawn. Only a credible threat of force—if not use of force itself—will cause Milosevic to comply.

We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations at its meeting next Wednesday.

Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.

Waltzin and Primakov have a difficult dilemma: either abstain and further weaken position at home, or veto—forcing us to go ahead, which does damage to their position at home and to what we've tried to achieve with the NATO-Russia Founding Act.
we shouldn't put them in this box. Instead, we must be prepared to act without a further resolution.

Also, need to use all available channels with the Russians, including at NATO, to make clear that Milosevic's intransigence leaves us no alternative. Hope that Russia does not put itself in position that isolates it from rest of G-8.

Need to make this clear in public statements, otherwise Milosevic will feel that promises and partial compliance will protect him from military response.

Finally, we need to ensure that our actions weaken, not strengthen Milosevic. Cannot tolerate him as continuing source of conflict in Balkans. We should ask ICTY to pursue his indictment.

We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations at its meeting next Wednesday.

Will need your help in building NATO consensus.

Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.

Seeking a further UN resolution specifically authorizing force would only make matters worse. This would face the Russians with a difficult dilemma: either abstain and further weaken position at home, or veto and jeopardize the NATO-Russia Founding Act.

We shouldn't put them in this box. Instead, we must be prepared to act without a further resolution, while keeping open all available channels with Moscow, including at NATO.

Not convinced Moscow will agree.

Otherwise there is risk of reducing pressure on Milosevic and complicating a consensus at NATO.
THE WHITE HOUSE
WASHINGTON

TELEPHONE CALLS WITH EUROPEAN LEADERS
DATE: October 2, 1998
LOCATION: TBD
TIME: TBD

FROM: SAMUEL BERGER
GENE SPERLING

I. PURPOSE

To secure support for our G-7 proposal to develop a precautionary financing facility and to seek agreement for NATO next Wednesday to authorize military response if Milosevic remains non-compliant, including in the absence of a further UN resolution.

II. BACKGROUND

G-7 Initiative

As you know, Treasury and the Fed are currently developing a new type of financing facility which would combine an IMF credit line with a complementary credit line comprising bilateral commitments, principally from G-7 members and (possibly) a private sector component. The facility would strengthen our ability to provide precautionary financing to governments that are pursuing basically sound fiscal and monetary policies.

G-7 Deputies are meeting Friday night and will discuss the proposal. G-7 Finance Ministers likely to take up the topic Saturday. Preliminary conversations with these deputies have evoked resistance from the EO 13526 1.4d

They suspect, incorrectly, that we are trying to undermine the IMF's role and are looking for a way to avoid pressing Congress for the quota increase and New Agreement to Borrow (NAB). While has been supportive, they don't want to get too far out in front of their European colleagues. while sharing reservations, are likely to participate in the end.
The typical IMF program, though it can be formulated and put in place quickly, is not well suited to the situation in [14d] and a number of other emerging economies. What is needed is some assurance of access to substantial but temporary foreign exchange resources if heavy external pressures arise. Such assurance would help the country resist undesirable alternatives such as trade restrictions or the kind of disruptive capital controls adopted by

Providing large amounts of financing must be done in a way that does not create unacceptable levels of moral hazard. We must be sure that the eligible countries have strong policies in place. And we must, when necessary, insist that private creditors contribute in some fashion so we are not financing their withdrawal.

 wrote you and other G-7 leaders with his ideas for strengthening international financial stability. These ideas include reinforcing economic cooperation, which he is doing within the EU; building a “new Bretton Woods,” with the IMF still playing a central role with a deeper dialogue enhanced by a strengthened decision-making role for the IMF’s Interim Committee; increased transparency and accountability of world financial systems; hints at some form of capital controls; and, finally, increased development assistance. There are few radical ideas in the letter, aside from the hint at rethinking liberalized capital flows. The one specific measure presented, upgrading the Interim Committee, would not have a meaningful substantive impact and in the end we could probably support. You should welcome his thoughts generally as a needed contribution to the critical dialogue on building a new financial architecture.

Kosovo

After the recent atrocities, [ ] is with us in moving to air strikes. [ ] is also willing to proceed, including if necessary in the absence of a new resolution. However, his senior staff is considering whether to “test” Moscow’s willingness to authorize a UNSC presidency statement clearing the way for the use of force. If so, this needs to happen quickly and quietly so that it does not get in the way of our efforts to build NATO consensus.
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT CHIRAC

G-7 Financial Initiative

• Worried at deterioration of confidence in financial markets and danger of spreading contagion.

• Your letter on ways to tackle this was a needed contribution to the critical dialogue on building a new financial architecture. We will give it careful consideration.

• Longer-term work on architecture of system is needed, but need urgent action now to help worthy emerging market economies resist contagion.

• We have some thoughts on a package to bolster their international reserves:
  • Agree it should be centered in IMF, and only for economies with strong policies.
  • Recognize it wouldn’t work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.
  • Typical IMF programs may not be suitable, however, as we think we need an approach with these elements:
    • First, IMF shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.
    • Second, may need coordinated set of bilateral credit lines (such as from Treasury’s Exchange Stabilization Fund) along side of IMF mechanism.
    • Third, also want to get private lenders’ cooperation.

• G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent they reach agreement on this kind of approach.

• Need your strong support to help make that happen.
Kosovo

- We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations at its meeting next Wednesday.

- Will need your help in building NATO consensus. And

Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.

- Seeking a further UN resolution specifically authorizing force would only make matters worse. Russians would face difficult dilemma: either abstain and further weaken position at home, or veto and jeopardize the NATO-Russia Founding Act.

- We shouldn't put them in this box. Instead, we must be prepared to act without a further resolution, while keeping open all available channels with Moscow, including at NATO.

EO 13526 1.4d

- Not convinced Moscow will agree.

Otherwise there is risk of reducing pressure on Milosevic and complicating a consensus at NATO.

Understand that Russian foreign ministry is thinking about testing the Presidency on whether we would go along with a UN Security Council statement. As you know, we've been concerned that this would put Yeltsin in a no-win situation.
I. PURPOSE

To secure support for our G-7 proposal to develop a precautionary financing facility and to seek agreement for NATO next Wednesday to authorize military response if Milosevic remains non-compliant, including in the absence of a further UN resolution.

II. BACKGROUND

G-7 Initiative

As you know, Treasury and the Fed are currently developing a new type of financing facility which would combine an IMF credit line with a complementary credit line comprising bilateral commitments, principally from G-7 members and (possibly) a private sector component. The facility would strengthen our ability to provide precautionary financing to governments that are pursuing basically sound fiscal and monetary policies.

G-7 Deputies are meeting Friday night and will discuss the proposal. Finance Ministers and Central Bank governors will take up the topic Saturday. Preliminary conversations with these officials have evoked resistance from

They suspect, incorrectly, that we are trying to undermine the IMF's role and are looking for a way to avoid pressing Congress for the quota increase and New Agreement to Borrow (NAB). While has been supportive, they don't want to get too far out in front of their European colleagues, while sharing reservations, are likely to participate in the end. The propose of the call is to get to
direct their Finance Ministers to be supportive of this proposal.

1.4d wrote you and other G-7 leaders with his ideas for strengthening international financial stability. These ideas include reinforcing economic cooperation, which he is doing within the EU; building a "new Bretton Woods," with the IMF still playing a central role with a deeper dialogue enhanced by a strengthened decision-making role for the IMF's Interim Committee; increased transparency and accountability of world financial systems; hints at some form of capital controls; and, finally, increased development assistance. There are few radical ideas in the letter, aside from the hint at rethinking liberalized capital flows. The one specific measure presented, upgrading the Interim Committee, would not have a meaningful substantive impact and in the end we could probably support. You should welcome his thoughts generally as a needed contribution to the critical dialogue on building a new financial architecture.

Kosovo

After the recent atrocities, [redacted] is with us in moving to air strikes. [redacted] is also willing to proceed, including if necessary in the absence of a new resolution. However, his senior staff is considering whether to "test" Moscow's willingness to authorize a UNSC presidency statement clearing the way for the use of force. If so, this needs to happen quickly and quietly so that it does not get in the way of our efforts to build NATO consensus.

The Russians continue to oppose use of force. [redacted] is increasingly uncomfortable with serving as apologist for Milosevic's brutality, but the Russians have not come to terms with the reality that force is the only way to change Milosevic's behavior. [redacted] in public statements, the Russians continued to emphasize that any use of force is inadmissible and requires further UNSC action. This only underscores the importance of our European partners' keeping a united front with Moscow and pressing the Russians that we are coming close to exhausting diplomatic options with the Serbs. We have proposed a further PJC and are planning further bilateral contacts with Moscow to help
keep them on board, while making clear that we will act if necessary without their consent.

Northern Ireland (Blair only)

Earlier was immovable in talking to Jim Steinberg on willingness to consider an IRA gesture on decommissioning.

In line with this, the British announced plans to remove watchtowers from Belfast and dismantle a border checkpoint.

Attachments
Tab A  Points to Make for President Chirac
Tab B  Points to Make for Prime Minister Blair
G-7 Financial Initiative

- Worried at deterioration of confidence in financial markets and danger of spreading contagion.
- Your letter on ways to tackle this was a needed contribution to the critical dialogue on building a new financial architecture. We will give it careful consideration.
- Longer-term work on architecture of system is needed, but need urgent action now to help worthy emerging market economies resist contagion.
- We have some thoughts on a package to bolster their international reserves:
  - Agree it should be centered in IMF, and only for economies with strong policies.
  - Recognize it wouldn’t work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.
- Typical IMF programs may not be suitable. Think we need an approach with these elements:
  - First, IMF shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.
  - Second, may need coordinated set of bilateral credit lines (such as from Treasury’s Exchange Stabilization Fund) along side of IMF mechanism.
  - Third, also want to get private lenders’ cooperation.
- G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent they reach agreement on this kind of approach.
- Need your strong support to help make that happen.
Kosovo

- We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations at its meeting next Wednesday.

- Will need your help in building NATO consensus and managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.
G-7 Financial Initiative

- Deterioration of confidence in financial markets and danger of spreading contagion worrisome.

- Longer-term work on architecture of system is needed, but also need urgent action now to help worthy emerging economies resist contagion.

- We have some thoughts on a package to bolster their international reserves:
  
  - Agree it should be centered in IMF, and only for economies with strong policies.
  
  - Recognize it wouldn't work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.

- Typical IMF programs may not be suitable. Think we need an approach with these elements:
  
  - First, IMF shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.
  
  - Second, may need coordinated set of bilateral credit lines (such as from Treasury's Exchange Stabilization Fund) along side of mechanism.
  
  - Third, want to get private lenders' cooperation.

- G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent they reach agreement on this kind of approach.

- Need your strong support to help make that happen.

Kosovo

- We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations next Wednesday.
• Concerned about managing Russian reaction.

• Do not want to put Yeltsin in a box by seeking a further UN resolution authorizing force. That will force the Russian government to either abstain and further weaken position at home, or veto and jeopardize the NATO-Russia Founding Act.

You may wish to raise the idea of "testing" Russian willingness to authorize a UNSC Presidency statement clearing the way for using force and your thoughts on it:

had idea of "testing" Russian willingness to authorize a UNSC Presidency statement. As you know, I’ve been concerned that this would put Yeltsin in a no-win situation.

• If he goes forward, needs to do so quickly so as not to reduce pressure on Milosevic.

• You and I agreed to act if necessary without further resolution. Need to convince allies over next several days.

Northern Ireland

• Understand still refusing to offer commitments on decommissioning, and holding back on executive until he does.

• Jim Steinberg spoke last weekend on this without much success.

• Interested in any ideas you might have about how to bridge this divide and avert damaging standoff at month’s end. How can we help?
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRIME MINISTER BLAIR

G-7 Financial Initiative

- Worried at deterioration of confidence in financial markets and danger of spreading contagion worrisome.

- As discussed, longer-term work on architecture of system is needed, but also need urgent action now to help emerging market economies resist contagion.

- We have some thoughts on a package to bolster their international reserves:
  - Agree it should be centered in IMF, and only for economies with strong policies.
  - Recognize it wouldn’t work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.

- Typical IMF programs may not be suitable, however. Thinking of shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.

- May need coordinated set of bilateral credit lines (such as from Treasury’s Exchange Stabilization Fund) along side of IMF mechanism.

- Also want to get private lenders’ cooperation as needed.

- G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent that they reach agreement on suitable approach.

- Need your strong support to help make that happen.

Kosovo

- Outraged at atrocities committed by Milosevic's security forces. Brutal tactics must stop and security forces...
withdrawn. Only a credible threat of force -- if not the use of force itself -- will cause Milosevic to comply.

- We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations next Wednesday.

- Pleased that you called for an emergency Security Council meeting today. But doubt that Russia will agree to a resolution authorizing force.

- Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic’s behavior.

- Yeltsin and Primakov have a difficult dilemma: either abstain and further weaken position at home, or veto -- forcing us to go ahead, which does damage to their position at home and to what we've tried to achieve with NATO-Russia Founding Act.

- Also, need to use all available channels with the Russians, including at NATO, to make clear that Milosevic’s intransigence leaves us no alternative. Hope that Russia does not put itself in position that isolates it from rest of G-8.

- Need to make this clear in public statements, otherwise Milosevic will feel that promises and partial compliance will protect him from military response.

- We've both agreed to act if necessary without further resolution. Need to convince allies over next several days.

- Finally, we need to ensure that our actions weaken, not strengthen Milosevic. Cannot tolerate him as continuing source of conflict in Balkans. We should ask ICTY to pursue his indictment.
Northern Ireland

- Understand still refusing to offer commitments on decommissioning, and holding back on executive until he does.

- Jim Steinberg spoke last weekend on this without much success.

- Interested in any ideas you might have about how to bridge this divide and avert damaging standoff at month's end. How can we help?
G-7 Financial Initiative

- Deterioration of confidence in financial markets and danger of spreading contagion worrisome.

- Longer-term work on architecture of system is needed, but also need urgent action now to help worthy emerging economies resist contagion.

- We have some thoughts on a package to bolster their international reserves:
  - Agree it should be centered in IMF, and only for economies with strong policies.
  - Recognize it wouldn't work without quota increase and New Arrangements to Borrow (NAB); working hard to get them in next week or so.

- Typical IMF programs may not be suitable, however, So think we need an approach with these elements:
  - First, IMF shorter-term money, in line-of-credit format. Would not be permanent; could have sunset clause.
  - Second, may need coordinated set of bilateral credit lines (such as from Treasury's Exchange Stabilization Fund) along side of IMF mechanism.
  - Third, may also want to get private lenders' cooperation.

- G-7 Finance Ministers and Central Bank governors meeting here on Saturday. Urgent they reach agreement on this kind of approach.

- Need your strong support to help make that happen.
Kosovo

• We've begun to prepare Congress and public for air strikes. We intend to ask NATO Council to authorize full range of air operations next Wednesday.

• Concerned about managing Russian reaction. Russians are painting themselves into a corner by opposing any use of force and appearing to excuse Milosevic's behavior.

• We shouldn't put Yeltsin into a box by seeking a further UN resolution authorizing force. That will force the Russian government to either abstain and further weaken position at home, or veto and jeopardize the NATO-Russia Founding Act. [Handwritten note: If raises idea of testing Russian willingness to authorize a UNSC Presidency statement clearing the way for using force.] [Handwritten note: Your thoughts on it?] [Handwritten note: Not convinced Moscow will agree.] [Handwritten note: If you decide to go forward, please do so quickly and quietly. Otherwise there is risk of reducing pressure on Milosevic and complicating consensus at NATO.] [Handwritten note: We've both agreed to act if necessary without further resolution. Need to convince allies over next several days.]

Northern Ireland

• Understand still refusing to offer commitments on decommissioning, and holding back on executive until he does.

• Jim Steinberg spoke last weekend on this without much success.

• Interested in any ideas you might have about how to bridge this divide and avert damaging standoff at month's end. How can we help?

[Handwritten note: CLINTON LIBRARY PHOTOCOPY]
PHONE CALL WITH 
PRESIDENT YELTSIN 

DATE: October 5, 1998
LOCATION: Oval Office
TIME: 11:45 a.m.

FROM: SAMUEL BERGER
       GENE SPERLING

I. PURPOSE

Yeltsin has requested to speak to you. We expect his main issue will be Kosovo, but he could also appeal for economic support. You have three key messages:

• Need to be prepared to use force if and when diplomacy fails to maximize prospects for a political solution.
• Will review reports from Holbrooke, Annan to determine if Milosevic is complying.
• Want to provide economic support, but need strong Russian reform program that keeps money in Russia.

II. BACKGROUND

Kosovo. Yeltsin dispatched Ivanov and Sergeyev to Belgrade yesterday in an attempt to head off NATO air strikes. At the end of the meeting, the two sides declared that Milosevic had made significant "positive steps" toward compliance with UNSCR 1199 and the declaration from Milosevic's June meeting with Yeltsin in Moscow. They further declared that any use of force would be an act of aggression against the FRY.

Dick Holbrooke will be meeting with Milosevic this evening in Belgrade to impress upon him the strict standards that we expect from Milosevic to comply with UNSCR 1199. The UN Secretary General's report on UNSCR 1199 compliance will be
issued today. We expect that USUN reports will make clear Milosevic's failure to come into compliance with the resolution.

*No Economic Plan.* Thus far, Primakov's most constructive statement on economics has been that he has no strategy -- essentially a rebuff to the Soviet-style plan drafted by first Deputy PM Maslyukov. Primakov has been unable to complete his economic team, much less forge consensus on how to emerge from this crisis. And even if he does get consensus on a reasonable program, it is hard to see how he will be able to implement it with the current team.

Our stance should continue to be that we want to support an economic program that works. But we also need to recognize that Primakov and others will be looking to blame continued failure on the West. We need to be sure that the Russians take ownership of their program and that the communists cannot, in six months, claim that the Russia economic distress is due to imposition of Western conditions. Even if the chances are slim, a cautious Western response now will give Russian reformers their best chance to exert greater policy influence several months down the road.

### III. PARTICIPANTS

TBD

**Attachments**

Tab A  Points to be Made
Tab B  October 5 Letter to Yeltsin
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
RUSSIAN PRESIDENT BORIS YELTSIN

- Glad to hear from you. Hope you got my letter on Kosovo today. Appreciate update that FM Ivanov gave us on his trip to Belgrade.

- Concerned that Milosevic is playing his classic game of making false promises designed to remove international pressure. He failed to fulfill promises to you after your meeting in June.

- Am dispatching Dick Holbrooke to Belgrade to emphasize importance of immediate and full compliance with international community’s demands. Stakes are very high.

- Kofi Annan’s report is a graphic account of Milosevic’s defiance of international community. Under clear threat of force, Milosevic has now suspended some operations, but has not fully withdrawn his forces. Most displaced persons still afraid to return home because there is no assurance of their safety.

- Disturbing that Milosevic seems determined to avoid serious negotiations on political settlement. He hasn’t responded to draft settlement package approved by Contact Group on Friday.

- We do not wish to use force. But what happens next depends on Milosevic. Important to take two track approach -- concerted diplomatic efforts backed by credible threat of force.

- Milosevic’s compliance with UN requirements must be verifiable, tangible and irreversible.

- Madeleine will be at NATO on Thursday to work on final steps. She’s ready to meet with Ivanov in PJC or Contact Group format after NAC meets on Thursday.

If Yeltsin argues new UNSC resolution necessary for use of force

- Don’t intend to seek another resolution; UNSCR 1199 provides sufficient basis. Don’t want to put you in difficult position. Russia would have to acquiesce on mandate for use of force or you’d send world signal that Russia is shielding Milosevic.
If Yeltsin asks for ministerial-level Contact Group meeting
• Need to treat situation one day at a time. Will consider request seriously and get back to you.

If Yeltsin complains that Secretary Cohen threatened to strike Milosevic even if he withdraws his forces
• Not aware of any statement along these lines. Think that key to avoiding use of force is full and immediate compliance with all of international community’s demands.

If Yeltsin threatens to end NATO-Russia cooperation in response to NATO use of force
• Important not to let disagreement between us undercut broader relationship. Don’t think it’s a good idea to threaten to pull out of institutions that we’ve worked so hard to build.

Economic Situation, Status of IMF Funds.
• Have been watching closely as Primakov and his team put together economic strategy. Our team at Treasury Department met yesterday with your advisors here in Washington.

• Want to reiterate what we discussed in Moscow. Your legacy could be at stake. Concerned that some strategies being discussed could spark inflation, cause collapse of currency.

• Want to support Russian reform and mobilize international support. To do that, Russia needs strong, credible program. Recognize this needs to be a Russian strategy, but it must also take into account international financial realities.

• Not good for Russia or international community if funds end up in foreign bank accounts as they did with first IMF tranche. When you have comprehensive plan ready, we are ready to listen, discuss.

If Yeltsin mentions he is sending Livshits as special envoy
• Aware he is coming; our team ready to receive him; will listen carefully.
If Yeltsin asks for quick release of IMF tranche

- I want this too Boris, but first need strong economic strategy agreed with IMF. As I said before, can’t afford to have money once again end up in foreign accounts.

If Yeltsin asks for restructuring of Paris Club debt

- Boris, last rescheduling of $40 billion in Russian Paris Club debt was biggest ever. Great resistance in Paris Club to reopen that agreement. When you have credible economic plan, want to consult with you on how to deal with payment problem.

Latvia Referendum.

- Glad that Latvian people voted yesterday to change citizenship laws as recommended by OSCE. They’ve done what was necessary to meet international obligations.

- Appreciate your positive response. We did a lot to achieve this result. Important now to improve Russian-Latvian dialogue and cooperation. Am ready to help.
Glad to hear from you. Hope you got my letter on Kosovo today. Appreciate update that FM Ivanov gave us on his trip to Belgrade.

Concerned that Milosevic is playing his classic game of making false promises designed to remove international pressure. He failed to fulfill promises to you after your meeting in June.

Am dispatching Dick Holbrooke to Belgrade to emphasize importance of immediate and full compliance with international community’s demands. Stakes are very high.

Will look at reports from Holbrooke and Kofi Annan on Milosevic’s compliance. Milosevic has suspended operations, but has not fully withdrawn his forces.

Disturbing that Milosevic seems determined to avoid serious negotiations on political settlement. He hasn’t responded to draft settlement package approved by Contact Group on Friday.

We do not wish to use force. But what happens next depends on Milosevic. Important to take two track approach -- concerted diplomatic efforts backed by credible threat of force.

Madeleine will be at NATO on Thursday to work on final steps. She’s ready to meet with Ivanov in PJC or Contact Group format after NAC meets on Thursday.

Milosevic’s compliance with UN requirements must be verifiable, tangible. Important that Russia not provide political cover for hollow promises.

If Yeltsin argues new UNSC resolution necessary for use of force

Don’t intend to seek another resolution; UNSCR 1199 provides sufficient basis. Don’t want to put you in difficult position. Russia would have to acquiesce on mandate for use of force or you’d send world signal that Russia is shielding Milosevic.

If Yeltsin asks for ministerial-level Contact Group meeting

CLINTON LIBRARY PHOTOCOPY
MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Russian President Boris Yeltsin

PARTICIPANTS: President Clinton
Russian President Yeltsin

Interpreter: Peter Afanasenko

Notetakers: Tony Campanella, Liz Rogers, Robin Rickard, Joel Schrader, Chris Bell

DATE, TIME AND PLACE: October 5, 1998, 12:01 - 12:18 p.m. EDT, Oval Office

THE PRESIDENT: Hello, Boris? (U)

PRESIDENT YELTSIN: Hi, Bill. (U)

THE PRESIDENT: I am glad to hear from you. I understand you want to talk about Kosovo, and I do too. (S)

PRESIDENT YELTSIN: 

EO 13526 1.4b, EO 13526 1.4d

THE PRESIDENT: No, Boris. I hear you fine. (U)

PRESIDENT YELTSIN: 

CONFIDENTIAL
Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify on: 10/7/19
THE PRESIDENT: Thank you very much. First I want to thank you for your efforts. But let me -- (☞)

PRESIDENT YELTSIN: (Interrupting) Thank you, Bill. (U)

THE PRESIDENT: Let me say what my concerns are. First I -- (☞)

PRESIDENT YELTSIN: (Interrupting) Yes, and I think no one should be allowed to endanger the cooperation we have established. (☞)

THE PRESIDENT: Let me say I am concerned that what Milosevic is doing is what he has done so often before in making false promises. He made a promise to you in June, which he didn’t keep. Perhaps OSCE monitoring will help that. I want to say that we don’t want to use force, and it is not inevitable. What happens next is entirely up to him. Our experience is that a credible threat of force is necessary to get him to comply so we don’t have to use it. I think you may have gotten his attention, along with the pressure building up here. I am going to send Dick Holbrooke to Belgrade. Kofi Annan’s report is a graphic account of Milosevic’s continuing defiance of the international community. Many displaced persons are afraid to return home because they have no assurance of safety. He has suspended these operations and made his commitment to you now, but we simply have to know he is going to comply with UN requirements, and compliance has to be verifiable and irreversible. I do not want to use force, and force is not inevitable. If he thinks there is no threat of force, he never does anything. Your report is encouraging, and the OSCE may provide us a useful mechanism, but he has got to come through here, and his actions are what’s important here and will determine what will happen next. (☞)

PRESIDENT YELTSIN: Goodbye Bill. Thank you for this and goodbye. (☞)

-- End of Conversation --
ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Letter to Prime Minister Prodi on Kosovo

Purpose

To urge Prime Minister Prodi to support NATO action.

Background

Prime Minister Prodi is in the midst of a serious political crisis and a dilemma over the right course of action in Kosovo. Prodi and FM Dini sincerely believe that a clearer UN mandate is needed.

If France and Germany decide to proceed without a UN resolution, it would be easier for Rome to agree, although still difficult due to domestic politics.

RECOMMENDATION

That you sign the letter to Prime Minister Prodi at Tab A.

Attachment
Tab A Letter to Prime Minister Prodi
DEAR ROMANO:

I'M SO GLAD THAT WE WERE ABLE TO GET TOGETHER IN NEW YORK. I KNOW THAT YOU ARE IN THE MIDST OF A TREMENDOUS EFFORT TO MAINTAIN SUPPORT FOR YOUR GOVERNMENT. I HOPE THAT YOU WILL SUCCEED AND ITALY WILL CONTINUE TO PLAY A LEADING ROLE IN ADDRESSING THE MANY CHALLENGES BEFORE US.

ROMANO, WE HAVE COME TO THE DECISIVE MOMENT IN ADDRESSING THE BRUTAL REPRESSION IN KOSOVO. WE MUST REACH CONSENSUS AT NATO ON AUTHORIZING AIR OPERATIONS. IT IS NOT AN EASY DECISION FOR ANY OF US, BUT IT IS THE RIGHT ONE. FIGHTING HAS BEEN IN A LULL FOR THE PAST FEW DAYS, BUT MILOSEVIC HAS NOT YET WITHDRAWN SPECIAL POLICE AND MILITARY FORCES, NOR AGREED TO MEASURES THAT WOULD MAKE THE END OF HOSTILITIES VERIFIABLE AND DURABLE. THE HUMANITARIAN SITUATION IN KOSOVO CONTINUES TO DETERIORATE AS WINTER APPROACHES. I HAVE BEEN IN CLOSE CONTACT WITH DICK HOLBROOKE, WHO BELIEVES THAT AUTHORIZING NATO TO ACT PROMPTLY PROVIDES THE ONLY CHANCE OF TURNING MILOSEVIC AROUND.

DURING THE PAST FEW MONTHS, YOU, I AND OTHERS HAVE WORKED HARD TO ADDRESS THE KOSOVO PROBLEM IN THE CONTACT GROUP, THE UNITED NATIONS AND ELSEWHERE. I DO NOT BELIEVE THAT WE NOW NEED ADDITIONAL AUTHORIZATION FROM THE UN SECURITY COUNCIL FOR NATO TO ACT TO HELP BRING THIS CRISIS TO AN END.
MOREOVER, WE HAVE ALL GOTTEN A CLEAR SIGNAL FROM MOSCOW
THAT IT WILL NOT SUPPORT ANOTHER RESOLUTION, AND IT SEEMS
THAT ONLY HARM CAN COME FROM FORCING BORIS INTO A VETO.

IF WE DO NOT ACT TOGETHER, WE WILL RISK CONTINUED INSTABILITY
IN THE HEART OF EUROPE AND DEAL A SERIOUS BLOW TO THE
ALLIANCE'S FUTURE ABILITY TO PROTECT AND PROMOTE PEACE.
UNDER YOUR LEADERSHIP, ITALY HAS ASSUMED A KEY ROLE IN EUROPE
AND THE TRANSATLANTIC RELATIONSHIP, AND I HOPE THAT I CAN
COUNT ON YOU TO JOIN IN AN ALLIED CONSENSUS THIS COMING
WEEKEND AUTHORIZING NATO TO ACT.

SINCERELY,
BILL

FROM:
SITREPRT
I. PURPOSE

To ensure French cooperation in presenting a credible military threat to Milosevic. You will want to persuade Chirac that NATO should decide on an Activation Order (ACTORD) on Saturday, October 10, even in the absence of Russian support.

II. BACKGROUND

EO 13526 1.4b, EO 13526 1.4d

You spoke to Chirac about Kosovo last Friday. In that call...

We now have answers on both counts. Annan's report made clear that Milosevic continues to defy the international community and is not in compliance with resolution 1199. Russia has made it very clear that they will not support either a new UNSCR or a strong political statement by the Contact Group.
In addition to their efforts to bring Russia on board,

1.4b, 1.4d

Attachment
Tab A Points to Be Made
• Since we spoke last week, clear from Kofi Annan’s report that Milosevic still defying international community.

• Holbrooke has had three difficult meetings with Milosevic in past few days. Milosevic is still being evasive and refuses to comply. He claimed that there were no roadblocks even though Holbrooke encountered several himself. His claims about security forces have been equally misleading.

• Essential now that we achieve consensus for NATO decision to authorize force. Essential we do that by Saturday. Believe that all NATO allies moving to the same conclusion.

• Know you’ve been thinking about ways to get Russia on board and that you’ve spoken several times with Yeltsin.

• However, we have all gotten a clear signal from Moscow that they will not support another UN resolution. Don’t think it makes any sense to pursue this any longer -- a veto would only encourage Milosevic and make it harder for allies to support.

• EO 13526 1.4d today’s Contact Group meeting. Also unsure how helpful Russia will be there, but main point is that we agree that NATO will proceed regardless of what Russian position is.

• Also think it important that when we get ACTORD, it should cover the full range of air operations.

If Chirac proposes Contact Group meeting in France after NATO action,

• In principle, not opposed. Let’s have Madeleine and Hubert discuss it. Main thing for now is to convince Milosevic we are serious.

If asked about ground forces to verify compliance,

• Believe we can do it without combat forces.
POINTS TO BE MADE
IN TELEPHONE CALL TO CHIRAC

- Since we spoke last week, clear from Kofi Annan’s report that Milosevic still defying international community.

- Holbrooke has had three difficult meetings with Milosevic in past few days. Milosevic is still being evasive and refuses to comply. He claimed that there were no roadblocks even though Holbrooke encountered several himself. His claims about security forces have been equally misleading.

- Essential now that we achieve consensus for NATO decision to authorize force. Essential we do that by Saturday.

- Know you’ve been thinking about ways to get Russia on board and that you’ve spoken several times with Yeltsin.

- However, we have all gotten a clear signal from Moscow that they will not support another UN resolution. Don’t think it makes any sense to pursue this any longer -- a veto would only encourage Milosevic and make it harder for allies to support.

- [1.4d] today’s Contact Group meeting. Also unsure how helpful Russia will be there, but main point is that we agree that NATO will proceed regardless of what Russian position is.

- Also think it important that when we get ACTORD, it should cover the full range of air operations.

If Chirac proposes Contact Group meeting in France after NATO action,

- In principle, not opposed. Let’s talk about it after ACTORD. Main thing for now is to convince Milosevic we are serious.

If asked about ground forces to verify compliance,

- Believe we can do it without combat forces.

- Need to think about. Would need to ensure compliance is verifiable and durable.
MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with French President Jacques Chirac

PARTICIPANTS: The President
President Jacques Chirac
Interpreter: Carol Wolter
Notetaker: Bonnie Glick, George Chastain, Frank Jarosinski, Sean Tarver, James Smith, Joel Schrader

DATE, TIME AND PLACE: October 8, 1998, 12:46 p.m.-1:05 p.m.
Oval Office

President Chirac: Hello. (U)
The President: Hello Jacques. (U)

President Chirac: Oh Bill, how are you? (U)
The President: Fine. It's a pleasure to hear you. (U)

President Chirac: It's a great pleasure to hear from you. (U)

The President: Thank you. It's good to hear your voice. We said we would check in today on the Kosovo situation, so I thought we should talk for a moment. (U)

President Chirac: Hello? Could you repeat---- (U)
The President: We agreed to talk a few days ago about Kosovo. (G)

President Chirac: Bill, I hear you. (U)

The President: Kofi Annan's report makes it clear Milosevic is still defying the international community. Dick Holbrooke has held three difficult meetings with Milosevic in the past few days. Milosevic is still being evasive and is still refusing to comply. He claimed there were no roadblocks even though...
Holbrooke encountered several of them himself. His comments about the security forces have been equally misleading. So I think we are still in a difficult position. I think it is very important now that we achieve a consensus on a NATO decision to authorize the use of force, and that we do it by Saturday. I believe we are all moving in the same direction. I know you were working on ways to get Russia on board and that you have spoken with Yeltsin several times. I think the real problem is that we have gotten a clear signal from Moscow that they will not support another UN resolution. So, I don't think it makes any sense to pursue this any longer -- a veto would only encourage Milosevic and make it harder for the allies to support. I hope we can also get a strong statement from today's Contact Group meeting, and I know you are pushing for it. I am also unsure how Russia will be there, but the main point is that we should agree, I think, that NATO will proceed to authorize action regardless of what the Russian position is. I think if we do that we may not have to use it. If Milosevic thinks force will be used, at least we may not have to use it. (U)

President Chirac: EO 13526 1.4b, EO 13526 1.4d

The President: Just a moment, I can't hear the interpreter.

(U)
The President: First, I thank you for your thoughts. I agree military action will not solve the problem alone, it will only make it clear to Milosevic that his actions will not be tolerated. I agree also though that if we make this decision on Saturday at the NAC committee meeting to authorize force we still have a chance to avoid the use of it.

I think there is some merit to having a meeting after military action. I am certainly not opposed to that because we will have to get everyone together on a diplomatic solution. Perhaps we can have Madeleine and Vedrine agree to discuss that. As for tomorrow, and I will talk on the phone today and I will do my best with them. I don't know exactly what to do about the -- if you have any ideas I would be glad to hear them. I have already spoken to once on this and will be glad to speak to him again.

President Chirac: 

The President: Okay. I will see what I can do. (U)

President Chirac: Okay, Bill. (U)

The President: Let me also say I had a very interesting talk here with your Finance Minister and the head of your central bank. (G)

President Chirac:

The President: Thank you very much. I will be in touch on that. We see some evidence in America and elsewhere that credit lines are tightening up. I am afraid it will happen in Europe and Japan and particularly in Germany where the banks are exposed to
Russian loans. We might have to be more aggressive in coming weeks. Things are moving very quickly and the Japanese situation is still very bad. (G)

President Chirac: 1.4b, 1.4d

The President: Thank you Jacques. I will be back in touch. (G)

President Chirac: Thank you very much, Bill. And give my regards to Hillary. (U)

The President: Thank you friend, I will. Goodbye. (U)

President Chirac: Goodbye. (U)

-- End of Conversation --
TELEPHONE CALL WITH
ITALIAN PRIME MINISTER PRODI
DATE: October 9, 1998
LOCATION: Oval Office
TIME: TBD
FROM: SAMUEL BERGER

I. PURPOSE

To urge that Italy support NATO consensus on ACTORD at the Saturday, October 10, NAC in Brussels.

II. BACKGROUND

We are seeking to achieve NATO consensus on an Activation Order (ACTORD) for limited air options in Kosovo by the end of the weekend.

We could consider waiting until Monday as the ultimate fallback. But even a two-day delay would slow momentum and make it more difficult to maintain allied consensus.

In addition to seeking Italian consensus on ACTORD, we would like approval from Prodi to use Italian bases.

While we might be able to...
launch the limited air option without Italian support, it would be much more difficult and send the wrong message to Milosevic and other Allies. For the phased air campaign, we would certainly need to move aircraft into Italy. Lack of access could therefore cripple our ability to execute this option. [checking w/ JCS]

You should be able to tell Prodi, after your meeting with Chancellor-elect Schroeder and telephone call with Chancellor Kohl, that the Germans are on board for ACTORD on Saturday. Moreover, whether Prodi joins on Saturday or Monday should not affect the political obstacles you understand he must overcome.

Attachment
Tab A  Points to be Made
POINTS TO BE MADE FOR TELEPHONE CONVERSATION WITH ITALIAN PRIME MINISTER PRODI

- Congratulations on surviving vote of confidence in Rome. Knew you'd make it. Italians would be foolish to lose you.

- Milosevic continues to defy international community. Belgrade has not complied with UNSCR 1199, as Kofi’s report makes clear.

- Holbrooke had several difficult meetings with Milosevic over past four days. Milosevic is being evasive and continues to stonewall. For example, he claimed there were no roadblocks even though Holbrooke encountered several himself.

- Milosevic’s claims about security forces have been equally spurious. He hasn’t withdrawn the military or the special police. Their presence continues to intimidate displaced persons from returning home. His forces remain poised to resume killing at any time.

- Contact Group Foreign Ministers met in London yesterday. Clear that Russia would veto a further UNSC resolution. Although would have been desirable, Allies - including - agree another UNSCR not essential under circumstances.

- Essential that we achieve consensus now for NATO decision to authorize use of force. We’ve built up crucial momentum and can’t risk losing it. Need agreement at NATO meeting on Saturday, October 20, on Activation Order (ACTORD).

- All other Allies are on board. Talked yesterday and spent time with today. Both agree that can join consensus on ACTORD on Saturday.

- Know you face difficult situation, risking the support of some of the same folks who voted for you today. Also confident in your leadership ability to persuade people that it’s the right thing to do in face of Milosevic’s brutal repression since February.

- Decision not easy for any of us, but only way to stop tragedy. Simply can’t allow slaughter to continue on NATO’s doorstep.
• Don't want to see Italy out of step with other Allies. Need Italy on board. Your bases and generous support are an essential component of success.

(If asked about delay):

• A delay of two days would undermine momentum we've built up. Holbrooke needs the negotiating leverage of ACTORD on Saturday. Could be just as hard for you on Monday, 1.4b, 1.4d. But delay - even of two days - would create doubts about NATO's determination and credibility.

(If asked about ground troops:)

• Ground troops would be difficult for many of us. Am confident that air options will work.
THE WHITE HOUSE
WASHINGTON

October 26, 1998

PHONE CALL TO
PRIME MINISTER MASSIMO D’ALEMA
AND FORMER PRIME MINISTER PRODI

DATE: October 26, 1998
LOCATION: TBD
TIME: TBD

FROM: SAMUEL BERGER

I. PURPOSE

To tell Prime Minister D’Alema how much you are looking forward to working with him and to touch base with former Prime Minister Prodi.

II. BACKGROUND

At 49, Massimo D’Alema has a reputation as a smart, shrewd and skilled politician. On Friday, he won a vote of confidence in Italy’s lower house by a comfortable margin (333-281), and a vote in the Senate is expected on Tuesday. D’Alema is best known for helping to transform the Italian Communist party into a social democratic party in 1991, and is being hailed as the first “ex-Communist” to lead Italy. His government is composed of several diverse parties, including the center right, the moderate left and the moderate communists who broke away to support Prodi. Because of these different parties and interests, D’Alema may find it difficult to forge a stable government, notwithstanding his considerable personal strengths.

We do not expect major policy changes from D’Alema. He has retained Foreign Minister Dini, who has made clear there will be no change of direction in foreign policy. Treasury Minister Ciampi will also remain, which sends a clear signal that Italy remains firmly committed to sound economic policies and a smooth transition to European Monetary Union. The new Minister of Defense is Carlos Scognamiglio, a former president of the Senate and member of the Center Right.
Former Prime Minister Prodi remains a member of Parliament and has said he will continue to work to support a center left pole in Italian politics. He, along with Helmut Kohl, have been mentioned as possible successors to Jacques Santer.

Attachment
Tab A Points to Make
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRIME MINISTER MASSIMO D'ALEMA

• Mr. Prime Minister, I wanted to follow up my letter of
  congratulations by personally wishing you every success in
  your new position.

• The U.S.-Italy partnership is as strong as ever, and there is
  much for us to do together. I’m thinking of Kosovo in
  particular, as well as supporting the Middle East process,
  addressing the international financial crisis and solidifying
  peace in Bosnia.

• I appreciated your words of support for the Wye agreement. It
  was an incredibly difficult negotiation but we’ve clearly made
  progress. Must keep the momentum going.

• On Kosovo, Secretary Albright talked to FM Dini yesterday. Am
  encouraged ceasefire is still holding, despite some continued
  minor skirmishing.

• But vital we keep up pressure on Milosevic to keep agreement
  he made with SACEUR over the weekend. Need to remain ready to
  act if he does not. Even if he does act, we’ll need to keep
  threat of air strikes alive to ensure sustained compliance and
  deter any backsliding.

• To keep up pressure, we’ll also need to expedite establishment
  of NATO Reaction Force and Air Verification Mission. I
  encourage Italy to contribute to Reaction Force, just as it
  has pledged to do to OSCE Kosovo Verification Mission.

• In closing, let me say how much I’m looking forward to working
  together. Hope to see you at NATO Summit next spring, if not
  before.
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
FORMER PRIME MINISTER ROMANO PRODI

- Romano, I know it's been a tough few weeks. I just want you to know how much I enjoyed working together. You led Italy at a crucial time and did much for bilateral as well as U.S.-European relations.

- Hillary still talks about how much we both enjoyed having you and Flavia visit us in May.

- Want to stay in close touch. Hope that you will remain involved in both U.S-Italian and transatlantic issues.

- Am certain Prime Minister D'Alema would welcome your wisdom and advice. All us will want to seek your expertise as we address the international financial crisis and other challenges before us.
IMMEDIATE

CONFIDENTIAL

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FM THE WHITE HOUSE WASHINGTON DC

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SUBJECT:*** NO SUBJECT FOUND ***

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CONFIDENTIAL NODIS

AMBASSADOR OR DCM: PLEASE DELIVER FOLLOWING MESSAGE FROM
PRESIDENT CLINTON TO PRESIDENT YELTSIN. A COPY MAY ALSO BE
PROVIDED TO ROBERT MARKARYAN IN PRIME MINISTER PRIMAKOV'S OFFICE.
NO SIGNED ORIGINAL WILL BE PROVIDED.

BEGIN TEXT:

DEAR BORIS:

I WAS VERY GLAD THAT YOU WERE ABLE TO COME TO AMMAN, AND I
WAS HAPPY TO SEE YOU THERE. I AM ALSO GRATEFUL FOR THE LETTER
THAT YOU SENT EARLIER THIS WEEK.

AS YOUR LETTER SUGGESTS, WE ARE REACHING A CRITICAL MOMENT
IN THE CRISIS IN KOSOVO. WHAT HAPPENS NEXT DEPENDS ON THE
PARTIES' WILLINGNESS TO MAKE THE HARD DECISIONS THAT WILL
SECURE WHAT YOU CALLED FOR IN YOUR LETTER TO ME -- A SENSIBLE
AND FAIR SETTLEMENT THAT STOPS THE CYCLE OF VIOLENCE.
AMBASSADORS MAYORSKIY, HILL, AND PETRITSCH HAVE BEEN
WORKING CLOSERLY AT RAMBOUILLET TO KEEP THE PRESSURE ON THE
PARTIES TO ACCEPT AN AGREEMENT THAT PRESERVES THE
TERRITORIAL INTEGRITY AND SOVEREIGNTY OF THE FRY WHILE GIVING
THE KOSOVARS THE SELF-RULE THAT THEY DESERVE.

UNFORTUNATELY, WE ARE RUNNING OUT OF TIME. MADELEINE, IGOR
SERGEYEVICH, AND THE OTHER CONTACT GROUP MINISTERS SET A
DEADLINE, WHICH EXPIRES AT NOON TODAY, FOR THE PARTIES TO
COME TO AGREEMENT. THE SERBIAN SIDE SO FAR HAS CHOSEN TO

DECLASSIFIED
PER E.O. 13526

CLINTON LIBRARY PHOTOCOPY
HELD ACCOUNTABLE FOR THE FAILURE OF THE TALKS AND FOR PROVOKING A NEW CYCLE OF CONFLICT AND SUFFERING.

THE UNITED STATES JOINS RUSSIA AND OTHERS IN THE INTERNATIONAL COMMUNITY IN THE VIEW THAT A POLITICAL SETTLEMENT OF THE KOSOVO ISSUE IS ESSENTIAL AND IN HOPING THAT IT CAN BE ACHIEVED WITHOUT THE USE OF FORCE. I UNDERSTAND THAT MILITARY ACTION WOULD POSE DIFFICULT ISSUES FOR RUSSIA. HOWEVER, IT IS CLEAR THAT WITHOUT A CREDIBLE THREAT OF FORCE, THERE IS LITTLE CHANCE THAT BELGRAD WILL SIGN UP TO AN AGREEMENT THAT ALL MEMBERS OF THE CONTACT GROUP BELIEVE MEETS ITS CORE GOALS.

THE THREAT OF FORCE BROUGHT THE SERBIAN DELEGATION TO RAMBOUILLET, AND I HOPE THAT IT WILL, IN THE END, MOTIVATE THEM TO SIGN THE AGREEMENT. MILOSEVIC SHOULD HAVE NO ILLUSIONS THAT NATO STANDS READY TO ACT IF HE DOES NOT.

IN THE HOURS REMAINING BEFORE TODAY'S DEADLINE EXPIRES, I HOPE THAT YOUR GOVERNMENT WILL USE ALL ITS INFLUENCE WITH MILOSEVIC AND TO ENSURE THAT HE KNOWS PRECISELY WHAT IS AT STAKE. I BELIEVE THAT THIS AGREEMENT IS THE ONLY WAY TO PRESERVE THE TERRITORIAL INTEGRITY OF THE FRY.

I APPRECIATED THE COOPERATIVE TONE YOU SET IN YOUR LETTER TO ME. YOU AND I HAVE PERSONALLY CONTRIBUTED TOO MUCH TO BUILDING STABILITY IN THE BALKANS TO LET IT BE SQUANDERED BY SERB DEFIANCE. OUR WORK AT THE MOSCOW SUMMIT LAST SEPTEMBER WAS CRITICAL TO PUTTING A POLITICAL AGREEMENT WITHIN OUR GRASP. TOGETHER YOU AND I HELPED BRING ABOUT THE DAYTON ACCORDS, AND FOR THE LAST TWO AND HALF YEARS, OUR TROOPS HAVE KEPT THE PEACE IN BOSNIA. WE CAN AND MUST DO THE SAME IN KOSOVO. NOW IS THE TIME TO EMPLOY THE GREATEST PRESSURE SO THAT OUR HARD WORK PAYS OFF.

SINCERELY,
BILL

CLI TON LIBRARY PHOTOCOPY
MEMORANDUM FOR SAMUEL BERGER

THROUGH: CARLOS PASCUAL

FROM: ANDREW WEISS

SUBJECT: Reply to President Yeltsin on Kosovo

February 19, 1999

The memorandum at Tab I recommends a Presidential message to President Boris Yeltsin on Kosovo. The message underscores the seriousness of the situation in Kosovo and the need to apply maximum pressure on Milosevic to ensure a successful outcome at Rambouillet.

Concurrence by: Leon Fuerth, Miriam Sapiro

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments
Tab I Memorandum for the President
   - Tab A Message to President Yeltsin
   - Tab B Incoming Correspondence
THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: Message to President Yeltsin on Kosovo

Purpose
Approve a message to President Yeltsin.

Background
President Yeltsin wrote to you earlier today about Kosovo.

Yeltsin's harsh public statement was a spontaneous replay of nearly identical public comments that Yeltsin made last October.

RECOMMENDATION

That you approve the message at Tab A.

Approved by SRB - KfC 2/20

Disapprove ______________

Attachments
Tab A Message to President Yeltsin
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff
1. AMBASSADOR OR DCM: PLEASE DELIVER FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO PRESIDENT YELTSIN. A COPY MAY ALSO BE PROVIDED TO ROBERT MARKARYAN IN PRIME MINISTER PRIMAKOV'S OFFICE. NO SIGNED ORIGINAL WILL BE PROVIDED.

BEGIN TEXT:

DEAR BORIS:

I WAS VERY GLAD THAT YOU WERE ABLE TO COME TO AMMAN, AND I WAS HAPPY TO SEE YOU THERE. I AM ALSO GRATEFUL FOR THE LETTER THAT YOU SENT EARLIER THIS WEEK.

AS YOUR LETTER SUGGESTS, WE ARE REACHING A CRITICAL MOMENT IN THE CRISIS IN KOSOVO. WHAT HAPPENS NEXT DEPENDS ON THE PARTIES' WILLINGNESS TO MAKE THE HARD DECISIONS THAT WILL SECURE WHAT YOU CALLED FOR IN YOUR LETTER TO ME -- A SENSIBLE AND FAIR SETTLEMENT THAT STOPS THE CYCLE OF VIOLENCE. AMBASSADORS MAYORSKIY, HILL, AND PETRITSCH HAVE BEEN WORKING CLOSELY AT RAMBOUILLET TO KEEP THE PRESSURE ON THE PARTIES TO ACCEPT AN AGREEMENT THAT PRESERVES THE TERRITORIAL INTEGRITY AND SOVEREIGNTY OF THE FRY WHILE GIVING THE KOSOVARS THE SELF-RULE THAT THEY DESERVE.

UNFORTUNATELY, WE ARE RUNNING OUT OF TIME. MADELEINE, IGOR SERGEYEVICH, AND THE OTHER CONTACT GROUP MINISTERS SET A DEADLINE, WHICH EXPIRES AT NOON TODAY, FOR THE PARTIES TO COME TO AGREEMENT. THE SERBIAN SIDE SO FAR HAS CHOSEN TO REBUFF THE INTERNATIONAL COMMUNITY AND TO AVOID ENGAGING SERIOUSLY ON THE DRAFT AGREEMENT. IF SLOBODAN MILOSEVIC FAILS TO ACCEPT THE AGREEMENT BY THE DEADLINE, HE WILL BE HELD ACCOUNTABLE FOR THE FAILURE OF THE TALKS AND FOR PROVOKING A NEW CYCLE OF CONFLICT AND SUFFERING.

THE UNITED STATES JOINS RUSSIA AND OTHERS IN THE INTERNATIONAL COMMUNITY IN THE VIEW THAT A POLITICAL SETTLEMENT OF THE KOSOVO
The issue is essential and in hoping that it can be achieved without the use of force. I understand that military action would pose difficult issues for Russia. However, it is clear that without a credible threat of force, there is little chance that Belgrade will sign up to an agreement that all members of the contact group believe meets its core goals.

The threat of force brought the Serbian delegation to Rambouillet, and I hope that it will, in the end, motivate them to sign the agreement. Milosevic should have no illusions that NATO stands ready to act if he does not.

In the hours remaining before today's deadline expires, I hope that your government will use all its influence with Milosevic and to ensure that he knows precisely what is at stake. I believe that this agreement is the only way to preserve Kosovo as a part of Serbia. Without it, there may be no way for the integrity of Serbia to be preserved because of the incredible hostility and anger that has developed.

I appreciated the cooperative tone you set in your letter to me. You and I have personally contributed too much to building stability in the Balkans to let it be squandered by Serb defiance. Our work at the Moscow Summit last September was critical to putting a political agreement within our grasp. Together you and I helped bring about the Dayton accords, and for the last two and half years, our troops have kept the peace in Bosnia. We can and must do the same in Kosovo. Now is the time to employ the greatest pressure so that our hard work pays off.

Sincerely,
Bill

The territorial integrity of the FRY.
MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Jacques Chirac, President of France

PARTICIPANTS:

The President
Madeleine Albright, Secretary of State
Robert Rubin, Secretary of the Treasury
Samuel Berger, Assistant to the President for National Security Affairs
Gene Sperling, Assistant to the President for Economic Affairs
Steve Ricchetti, Deputy Chief of Staff
Felix Rohatyn, Ambassador to France
James Steinberg, Deputy Assistant to the President for National Security Affairs
Antony Blinken, Special Assistant to the President and Senior Director for European Affairs, NSC (Notetaker)
Lael Brainard, Deputy Assistant to the President for Economic Affairs (expanded session and lunch only)
Donald Bandler, Special Assistant to the President for the NATO Summit (expanded session only)
Keirn C. Brown, Director for European Affairs (expanded session only)

Jacques Chirac, President
Hubert Vedrine, Foreign Minister
Dominique Strauss-Kahn, Finance Minister
Jean-David Levitte, Diplomatic Adviser
Hubert Bujon, Ambassador to the United States
Jean-Francois Girault, Technical Adviser
Catherine Colonna, Spokesperson (expanded Session and lunch only)
Jean-Francois Cirelli, Economic Adviser  
(expanded session and lunch only)  
Renaud Vignal, Ministry of Foreign Affairs  
(expanded session and lunch only)  

DATE, TIME AND PLACE:  
February 19, 1999, 11:45 a.m. - 2:15 p.m.  
Oval Office; Cabinet Room; Old Family Dining Room  

Oval Office Session  

The President: Shall we discuss Kosovo first, since that’s the pressing issue? (U)  

President Chirac: Yes.  

EO 13526 1.4b, EO 13526 1.4d
The President: The fact that we have been so strongly together on this is very important. It's impossible to know if Milosevic thinks he needs to absorb some airstrikes so he can make it seem he was "forced" to capitulate or whether this is simply brinkmanship. (€)

There will be a very brief period between the collapse of talks and the start of airstrikes. Then, it might be appropriate for you to make a last appeal. If we do something now, we could give Milosevic an opportunity to send the talks off on a tangent and force a delay. (€)

As to the carrot question and sanctions, let me let Madeleine address that. (€)

Secretary Albright: Yes, there are two layers of sanctions. Those we imposed in relation to Kosovo could be discussed but those imposed before -- what we call the outer wall -- we need to be very careful about. They would be hard to unpack and in any event, it would be premature. But we could do the first layer. (€)

The President: We could present it as a way to work the FRY back into the international community. Sanctions make Milosevic's internal situation more difficult. (€)

Now, through Milosevic's eyes, if he allows a NATO force to back up civil implementation, he will lose Kosovo. We need to make him see that the only chance he has to keep Kosovo within Serbia is to restore autonomy. (€)

Based on past experience, our best course is to hold a uniform line till the deadline. There's still a chance he will come around. At the same time, we need to keep the Kosovars in line. (€)
1.4b, 1.4d

Foreign Minister Vedrine:

The President: That's good. (Œ)

President Chirac:

Secretary Albright: With everyone gathering, it would be hard not to meet. But it must be clear -- no squabbling. Also, after the Contact Group makes a decision, it would be symbolically important to go to Brussels to hand over to NATO. (Œ)

Foreign Minister Vedrine:

Secretary Albright: Let's be clear, NATO has made decisions and Solana has them in his pocket. He must consult informally -- there is no formal decision to be made. (Œ)

President Chirac:

The President: Has he said that? (Œ)

Secretary Albright: No, but others have mentioned it, like Dini. It is not acceptable. (Œ)

Samuel Berger: In the strike scenario, the initial set of strikes must be sufficiently strong and decisive so that Milosevic understands their seriousness. If we pin prick and pause, he may think that he has won. (Œ)
President Chirac:

The President: We're thinking along similar lines. Let NATO do its job on the military side, do the planning for more strikes, the number of days and so on. If during that period, there is an intensive effort to bring Milosevic back, good. We just need to be sure that we do not pause more than 24 to 48 hours — it should be a natural lull that we fill with intense diplomatic efforts without giving Milosevic a chance to drag things out. I'm encouraged by hearing you say a day or two. Any longer and our will could dissipate and we could let Milosevic exploit gaps. (CJK

President Chirac:

The President: It would be a big mistake. When we met with him in Paris after Dayton, we thought we had him going in the right direction. And then Kosovo. If I call, he will see an opportunity to rewrite the terms of the negotiations. He must know that we do not want to bomb but we will. I don't think he thinks we have another agenda -- but he wants to avoid foreign troops in Serbia. (CJK

Foreign Minister Vedrine:
President Chirac: 1.4b. 1.4d

Secretary Albright: 1.4d

The President: We can't be naïve about this; non-compliance by the UCK is a real problem. But I'm also worried that if they think they are getting a bad deal, they will do something to force us to withdraw, provoke Milosevic to commit new atrocities, and then we'd be faced with a free for all. We need to keep disciplined and keep focused on both sides. And one of the reasons we have to be ready to take risks is that there are so many other permutations that would be worse than where we are.

President Chirac: 1.4b, 1.4d

Foreign Minister Vedrine:

The President: Well, the first thing we would have to do is to keep the conflict from spreading. Stabilize Macedonia, see where Albania is, and Bosnia. So stabilizing the perimeter would be first, then focus on the core. We've got to worry about a Balkan echo effect.

By the way, I met briefly with the leaders of Albania and Macedonia at our Prayer Breakfast. They're young, energetic, earnest. And they've been supporting our efforts for their own stability.
Samuel Berger: I don’t want to cut this short but I think it’s time to move into the expanded session and to talk about some of the other items on the agenda. (U)

Expanded Session [Cabinet Room]

The President: Jacques, why don’t we talk about the NATO Summit meeting in April, and also about the international financial system. We’re in no rush, but I would like to talk about Russia and where you are on the Middle East. We saw each other in Amman, but that was only for a brief conversation. I’m happy to start wherever you want. (Ç)

President Chirac: What would you like to begin with? (U)

The President: It’s your choice. Perhaps with NATO? (Ç)

President Chirac: 1.4b, 1.4d

The President: Let me mention a few issues. First, I strongly support the work you and Prime Minister Blair are doing on ESDI, which should be part of the summit results. We need to build on
Berlin but make sure it’s part of NATO. This is important as a practical matter to keep the U.S. and Congress on board as we with problems requiring us send troops into problem areas, as we are planning for in Kosovo. A capable ESDI will be an important development. We’ve already taken one step in that direction through the way KFOR is evolving -- with the Europeans providing 85 percent and the United States 15 percent of the force. So we need to continue to build on the Berlin-framework and to keep ESDI part of NATO. But it’s also a very important next step in terms of European integration and leadership.

On mandates, our goal should always be to act with the endorsement of the UN. The problem is unusual circumstances. We have a real problem agreeing in advance to a blanket requirement when we can’t predict circumstances. What we should do is proceed in terms of the purposes and principles of the UN. We need a formula to allow us to pursue action in consistency with the UN but without giving Russia and China a veto over everything we do.

On Open Door, I agree it must remain open. We need to encourage the Romanians and Slovenes and others. That could change in a year or two. I’m supportive, but we need to wait.

My main problem with getting in is not so much the financial burden for admission but the pressure building up to include the Baltic area as part of a second enlargement tier. There’s a financial burden problem,

So what I’m worried about is how to manage the Baltic issue. It’s the most difficult question. We want them as partners in EAPC, but they still have tensions with the Russians over minorities rights and energy. We don’t want to complicate our efforts to support Russia in restoring stability and growth. But over time, the Balts should be in.
I'm frankly also worried about the political interplay: what we can get through Congress? Which countries should we be pushing? What happens if we create second tier status for others? What do we do about the Balts?

I hate talking about something I don't have an answer to.

President Chirac:

On the last question of missions, there is nothing major.

The President: The OAU argument sounds compelling but there is a logical difference between a regional organization acting in conflict with prior UN action versus NATO taking action not in conflict with existing UN policy. They are not parallel. (My Secretary of State just handed me a note.) Maybe we can go back to something like the '94 Summit language offering to get into
peacekeeping operations 'under the authority and auspices of the UN' and read that as a sort of authority? (G)

President Chirac: 1.4b, 1.4d

Secretary Albright: Another possibility is no language at all. (G)

President Chirac:

The President: Okay, now maybe we can turn to the international economy. Should we go to lunch or continue to talk? (U)

President Chirac: You are the host; whatever you prefer. (U)

The President: Let's go through international financial architecture before we go to lunch. It'll improve the digestion. (U)

President Chirac:
The President: Thank you for a most comprehensive statement. You raised six issues; I will run through each quickly. (U)

On financial reform, it seems to me the problem is we had too much enthusiasm for investing in Asia and Russia and other emerging markets. We all were sufficiently insensitive that these opportunities had to be seen in context of intermediate systems and structures lacking in the countries, not just the investment funds here and the good projects there: central bank, tax laws, securities and exchange commission, and a banking system, so I think the first and most important thing is to have good transparency in the infrastructure of market economy in those countries. (G)

Second, these problems have been aggravated by hedge funds, because people can put up so little and leverage so much. It is appropriate to get our experts to work on this, but the offshore issue will remain a problem -- there's always some place to hide. (G)
Number three is contraction. You mentioned the importance of the social safety net. We agree but we also need to recognize that we need some engine to restore growth. The problem is those countries are burdened with debt and debt servicing — there are no funds available for the safety net. The problem of contraction is how to expand economies with budget deficits and debt servicing without pouring good money after bad and without adequate institutions? In Russia, all of the IMF money has flowed out of the country within 48 hours. Traditional solutions to a recession, like pumping money into the economy, is inconsistent with debts and deficits.

On debt relief, Schroeder has a good idea. I sent you a letter. You really sensitized me to this issue. I am open to more suggestions on debt relief.

I agree with you that Wolfensohn hasn’t got the resources to deal with the problems he faces. We need to be honest about this and concede they don’t have enough funding to do their job. We need to find a way to increase the IFI’s resources.

At the G-7, I hope we can have a private, relaxed conversation about our responsibilities to restoring growth. The problem of contraction in the world economy is disastrous for poor countries. I’m sold on the need for more debt relief. But we’re also facing our largest trade deficit ever. We’ve been willing to absorb exports because our economy is strong and unemployment low. I won’t get protectionist but we can’t allow dumping, like in the case of Japanese steel. Primarily we try to keep our markets, but also enforce our trade laws.

How can we help restore growth in Japan? Is there any way Europe can take great Japanese imports and not slow European growth down? If you slow down, we’ve all got a problem. We need a forum to discuss this that won’t find its way into the newspapers the next day.

On the Euro: Since the time I first ran for the presidency, I’ve always been supportive. I don’t feel we’re threatened or competitive. Any thing that contributes to Europe’s integration and helps people improve their lives is good for us. Anything that makes democracy stronger is good for us. If you’re stronger and can play a more responsible role, I’m for it. Don’t worry about what you see in the papers. There are different issues you’ll have to work out for yourselves, like Spain and Portugal, but I’m for it.
Finally, we need to find a way for leaders to express ourselves to the public on where we’re going. Before we do it, I suggest we meet first at the G-7 to take stock of where we are. Here’s why I think that. When I first started, I thought of the need for Bretton Woods II — a modified role for the IMF, World Bank, and new accounting system in developing countries. We’re doing it incrementally. What we’re left with is the pink elephant in the living room of economic contraction and market economies and democracy failing millions -- with millions falling back from middle class to poverty. The question is how to get growth back, without inflation? We need an international system to prevent the swing from boom to bust. We’ve managed to do it at national levels -- we need to do it internationally. (G)

Robert Rubin: We share the same objectives. The system needs to function better. These questions are extraordinarily complicated and there are conflicting solutions. The most obvious things to do are not always so clear. (U)

I want to underscore what the President said about being positive about the Euro. And also that we need private sector capital for developing countries to grow. We should avoid doing anything that would cut off that flow. (U)

The President: I was talking about the global financial problem as if it were one thing. Actually it is three big things. The global financial architecture. And what to do about contraction. And how to coordinate our efforts. At the end of the day, we need to narrow the band of ups and downs and avoid the pure hell of a South Korea or Indonesian and don’t have countries like Brazil, Argentina and Mexico scared to death about what’s going to happen if the cost of borrowing and capital go through the roof and bring down the economy. What we have are hundreds of millions of individuals getting screwed by contractions. So in Germany, we need to lead with the right architecture. We need a long meeting, see how to go forward. (G)

We need to go to lunch. See, I told you I’d give you indigestion. (U)

President Chirac: 1.4b, 1.4d

The President: Let’s go to lunch. (U)
Lunch Session

[After a conversation in which the President recounted the history of the Old Family Dining Room, stories about the Roosevelts, and efforts to save the American buffalo.]

President Chirac: 1.4b, 1.4d

The President: Any of the three can still win. I'd have to give the advantage to Bibi. 1.4d

So I would see a run-off between Bibi and one of the other two. And the second round is anyone's guess. (G)

President Chirac: 1.4b, 1.4d
The President: If the Europeans were to take that position, it could give Arafat cover. We can’t because we’re party to Oslo. We’ll stay with our position but it would be a very positive development if your plan works. (€)

Secretary Albright: On the language, it would be very helpful if you were to say you will recognize the state ‘that emerges from permanent status negotiations.’ That would show your support for the process. (€)

President Chirac: 

The President: Well, I see a real possibility there, but we need to talk about the specific language. I disagree on Jerusalem -- I think it can be solved by a territorial fix through changing the boundaries. Religious sites will be the toughest part. But the fundamental problem is that the heart of Bibi’s base does not want to give up land. But on your idea, I like it, Europe can take a position different from the U.S. The period from May 4 through May 17 will be high tension. We need to take the pressure off. (€)

President Chirac: 

Foreign Minister Vedrine: 

The President: 1.4d
Secretary Albright: There could also be a national unity government. (C)

The President: Yes, of course, if there is a real split in the voting. And then, we could see progress on peace. (C)

President Chirac:

The President: I have more questions than answers. Does the fact that Assad decided to start the transition make an agreement with Israel more or less likely? Without one, and without good relations with the rest of the world, Syria can not have a long term relationship with a moderately independent Lebanon nor is it likely to stop supporting terrorism. I didn't really talk to Assad in Amman. (C)

President Chirac:
The President: You think he is still willing to make a deal with Israel during this transition? (G)

President Chirac: 1.4b, 1.4d

The President: I'll keep trying to get them together. But the Israeli elections make it difficult. (G)

Jacques, there are a few other important issues we should touch on. We really need to work out these trade disputes — bananas, beef, hushkits. I thought I should mention them. And Iraq. I hope this will not continue to be an irritant. Saddam will exploit our differences. We want to work together. We're open to working toward common positions. (G)

President Chirac:

On Iraq, we will find a solution. We've made proposals for the medium and the long term. For the short term, we need to get out of this crisis. We are open to solutions. (G)

On beef, we're very sensitive because of mad cow disease and because your product is not natural -- we have to be very prudent. (G)

The President: In terms of a new WTO round, we would like to do something in terms of labor standards. (G)

President Chirac:

Let me quickly mention the Sahara, where of course we support the King of Morocco. (G)

Samuel Berger: Mr. President, I gave my word of honor to Ambassador Bujon that we would release President Chirac by 4:00 p.m. He's hosting a reception at the French embassy for 1,000 people and I promised the ambassador. We need to start preparing for the press conference. (U)
The President: We think we should work with Primakov. We hope he stays. He's a stable force. But he's fragile economically and a nationalist. We want a strong Russia. We're better off with a strong Russia. We need to bolster him, give him self-confidence. Primakov's the best we can do -- smart, strong, secure with the Duma. But this is very tricky. (G)

Okay, I don't want to undermine Sandy's commitment to the ambassador. (U)

--- End of Conversation ---
Hasman, Thomas M.

From: Hasman, Thomas M.
Sent: Saturday, February 27, 1999 2:51 PM
To: @CROSS - Cross Hatches
Subject: RE: Package 1357 - Memcon Between President and President Chirac of France

Changes made, diskette updated.

-----Original Message-----
From: Blinken, Antony J.
Sent: Saturday, February 27, 1999 1:18 PM
To: Hasman, Thomas M.; Brown, Keirn C.
Cc: @EUROPE - European Affairs; @CROSS - Cross Hatches; Rice, Edward A.
Subject: RE: Package 1357 - Memcon Between President and President Chirac of France

Thanks, Tom.

1. "u36pts" should be "its". i.e. let NATO do its job.... A bizarre glitch!

2. Should be: "pressure building up to include the Baltic area as part of a second enlargement tier."

Good catches.

-----Original Message-----
From: Hasman, Thomas M.
Sent: Saturday, February 27, 1999 1:10 PM
To: Brown, Keirn C.; Blinken, Antony J.
Cc: @EUROPE - European Affairs; @CROSS - Cross Hatches; Rice, Edward A.
Subject: Package 1357 - Memcon Between President and President Chirac of France

This memcon is in excellent shape. 2 small questions.

1. Page 5, The first time the President speaks (on this page), 1st to 2nd line it reads, "Let NATO do u36pts job on the military side, ..."

Is u36pts right?

2. Page 8, third full paragraph (begins with the words "My main problem ...") The third line down seems to have a missing word(s) -- ("building up to include the ???"). Can you help fill it in?

Thanks.

@Cross - Package is in the hold bin.

<< File: 1357ChiracMemCon2.doc >>
MEMORANDUM OF CONVERSATION

SUBJECT: Official Working Visit with the President and Prime Minister D'Alema of Italy

PARTICIPANTS: The President
Thomas Pickering, Under Secretary of State for Political Affairs
John Podesta, Chief of Staff
Samuel R. Berger, Assistant to the President for National Security Affairs
Gene Sperling, Assistant to the President for Economic Affairs
Antony Blinken, Special Assistant to the President and Senior Director for European Affairs, NSC Staff (Notetaker)
Sim Smiley, Interpreter
Massimo D'Alema, Prime Minister
Lamberto Dini, Foreign Minister
Ferdinando Salleo, Ambassador to the U.S.
Silvio Fagiolo, Chief of Staff to the Staff to the Prime Minister
Francesco Olivieri, Diplomatic Advisor
Marta Dassu, International Affairs Advisor

DATE, TIME AND PLACE: March 5, 10:30 a.m. - 11:00 a.m.
Oval Office

Oval Office/Restricted Session

Prime Minister D'Alema: Mr. President, I am very pleased to meet you. There are many things to talk about. But let me first say that I am convinced that between Italy and Europe and the United States we share a common way of thinking and a common way of solving problems. I heard your San Francisco speech. I thought it was a very good foundation for our discussions. I appreciate the determination of the United States to seek solutions to major problems and to be engaged in a dialogue with
international institutions and countries around the world. I believe that more than ever we need a United States that never considers withdrawing into its own power. We need an outward looking America, but we in Europe must assume responsibility too. (U)

EO 13526 1.4b, EO 13526 1.4d

Samuel Berger: And throughout America too. (U)

Prime Minister D'Alema:

The President: Mr. Prime Minister, you understand that I must be careful in what I say because there are other trials pending. But I think the most important thing I can say is what I have already said: whatever mistakes were made, the United States is responsible and we want to do whatever is possible to make things right. Under our law there is a difference between civil and criminal liability. Some people have already been disciplined and dismissed. It is important now to deal with the trials that are still there and to see through whatever actions are appropriate and to see who is responsible. In terms of Capt. Ashby, the finding was not that he was not responsible but more specifically that he was not criminally responsible. The United States must bear responsibility; when the whole process is played out, you and all the people concerned must feel that justice was done. (Є)
Prime Minister D'Alema: I agree with you. (G)

The President: I agree. (G)

Prime Minister D'Alema: In fact, my term began with many unpleasant things. We had unexpected visitors on our territory. And there was an accident in Moscow when our aircraft was damaged by the Russians. (U)

The President: Thank you, but let me just add I know that it has been a real burden for you especially so early in your term. I feel terrible about this. (G)

Prime Minister D'Alema: On the runway? That's certainly better than in the air. (U)
<table>
<thead>
<tr>
<th>Prime Minister D'Alema:</th>
<th>1.4b, 1.4d</th>
</tr>
</thead>
</table>

CLINTON LIBRARY PHOTOCOPY
The President: You should be proud. I have spent so much of my time arguing with conservatives here that you can grow the economy and still have a strong social safety net. These are not contradictory goals, in fact they are mutually reinforcing. We have been trying to do here in the U.S. what you in Italy and in Europe take for granted. Family and medical leave, childcare, health care. The challenge for us has been how to preserve the social safety net while giving the economy flexibility to grow and create jobs. (U)

I spent years as governor thinking about this problem. In fact, when I was governor I traveled to Italy. I wanted to see how small manufacturers shared facilities, production and distribution -- a system that can be traced to the medieval craft guilds -- as a way of sharing responsibility. Or take France and Germany -- though of course this is a difficult comparison because of the enormous costs of reunification. Without them, I expect German growth would be 7-8 percent. In any event, German labor costs are greater than those in France. But the way each country spends these costs is very different. In France, you get two years unemployment. The Germans focus their resources on retraining. The German system is more expensive but work oriented. In France, I argued with Chirac about the need to move in this direction and he agreed. But really, we on the left need to do it because the right is not trusted on this. You can’t put people on the dole for two years and then complain about unemployment. At the same time, we can’t leave people in the lurch. But what we have to do is change psychologies, to convince people that there is more profit in working than not, more profit in taking risks in starting new businesses than not. In short, how do you build social cohesion but make work and entrepreneurship attractive? (U)
The President: Only a fool would turn down an invitation to come to Italy. We did have good discussions. I know that many people in Italy are struggling with these issues and throughout Europe too. Before me, Wim Kok in the Netherlands. He managed a grand bargain between business leaders and labor unions. They now have the highest percentage of part-time employees. This has created major flexibility. These part-time employees earn retirement benefits and pro rata vacations. And now I think the unemployment rate is something like 6-1/2 percent. I know Jospin in France is trying to come to grips with these issues. France had at least three years of growth of more than 3 percent but still their unemployment is over 11 percent. I know that Italians would never tolerate living without health insurance the way so many Americans do. We are not perfect. So I think it would be good to have an opportunity for all of us to continue discussing how to promote economic success and social cohesion at the same time. I would love to do it if we can find the time. I have very good memories of the time when Italy hosted the G-7 then Mr. Berlusconi was the head of government -- I guess he is the only one who is not in your government now.

(U)

Prime Minister D'Alema: We are friends. (U)

The President: Well, I would like to pursue this idea. (U)

Samuel Berger: Mr. President we don't want to leave our unemployed Ministers in the Cabinet Room too much longer. (U)
The President: Okay. Mr. Prime Minister, why don't we move to the Cabinet Room for our expanded session, but as we do let me ask you one non-business question: Are Italians excited about the success of the movie "Life is Beautiful" around the world and here in the United States? (U)

Prime Minister D'Alema: Yes, very much so. We were especially excited about the prospects of the Oscars. (U)

The President: Well, I have to tell you I love that movie. I laughed, I cried. (U)

Prime Minister D'Alema: Yes, I agree. You know I am a good friend of Roberto Benigni. (U)

The President: Please tell him that I am his number one fan. (U)

EXPANDED SESSION/CABINET ROOM

PARTICIPANTS:
The President
Robert E. Rubin, Secretary of the Treasury
Thomas Pickering, Under Secretary of State for Political Affairs
Louis Caldera, Acting Secretary of Defense
John Podesta, Chief of Staff
Samuel Berger, Assistant to the President for National Security Affairs
Gene Sperling, Assistant to the President for Economic Affairs
James Cunningham, Deputy Chief of Mission
Marc Grossman, Assistant Secretary for European and Canadian Affairs
James Steinberg, Deputy Assistant to the President for National Security Affairs
Lael Brainard, Deputy Assistant to the President and Deputy Director NEC
Donald Bandler, Special Assistant to the President and Counselor to National Security Adviser for the NATO Summit
Antony Blinken, Special Assistant to the President and Senior Director for European Affairs, NSC Staff (Notetaker)
Miriam Sapiro, Director for European Affairs
Sim Smiley, Interpreter
Italian Participants
Prime Minister Massimo D'Alema
Lamberto Dini, Foreign Minister
Ferdinando Salleo, Ambassador to the U.S.
Silvio Fagiolo, Chief of Staff to the
Prime Minister
Francesco Olivieri, Diplomatic Advisor
General Giuseppe Cucchi, Military Advisor
Giampiero Massolo, Spokesman for the
Foreign Minister
Pasquale Cascella, Spokesman for the
Foreign Minister
Marta Dassu, International Affairs Advisor
Claudio Caprara, Press Attache

DATE, TIME AND PLACE: March 5, 11:00 a.m. - 11:40 a.m.
Cabinet Room

The President: Well, Mr. Prime Minister, let me welcome you again in a larger group. We had a good talk about a number of issues in our earlier session, and now I would like to turn the floor to you. We can talk about a couple of issues and then I'll take you to lunch. (U)

I should say it won't be anything like an Italian lunch. I have to tell you I had such a lunch one day in San Gimignagno, sitting in a square with frescoes all around. I loved it. (U)

Prime Minister D'Alema: I'd like to talk about my impression on two issues that I have been studying over a couple of recent meetings. These are rather important issues. (U)
Prime Minister D'Alema:

The President: That's a scene you should script into your next Italian horror movie. (G)

Prime Minister D'Alema:

The President: I'll have to remember to use that line with Congress. That might help me in getting money for Jordan. (G)
Sorry to be so long-winded about this, but it is so terribly important I wanted to go into some detail. (G)

Shall we go on to lunch and finish our discussion there? (U)

LUNCH

PARTICIPANTS:

The President
Thomas Pickering, Under Secretary of State for Political Affairs
Louis Caldera, Acting Secretary of Defense
John Podesta, Chief of Staff
Samuel Berger, Assistant to the President for National Security Affairs
Gene Sperling, Assistant to the President for Economic Affairs
James Cunningham, Deputy Chief of Mission
Marc Grossman, Assistant Secretary for European and Canadian Affairs
James Steinberg, Deputy Assistant to the President for National Security Affairs
Antony Blinken, Special Assistant to the President and Senior Director for European Affairs, NSC Staff (Notetaker)

Italian Participants
Massimo D'Alema, Prime Minister
Lamberto Dini, Foreign Minister
Ferdinando Salleo, Ambassador to the U.S.
Silvio Fagiolo, Chief of Staff to the Prime Minister
Now maybe we can turn to Kosovo. Let me first say that I appreciate very much what you said and the unity of the Alliance. I think we have a real chance to get the Kosovar-Albanians to agree. I appreciate the commitment you've made to an international force if in fact there is one. Now, the big question before us is what if the Kosovars say yes but Milosevic says no? Under the existing policy of NATO, we must be prepared to take air action to reduce his capacity to hurt the Kosovar-Albanians. In the end, I think that Milosevic will agree but only if he believes we are prepared to follow through with our threats. He's got his own tremendous economic problems, nationalist sentiment in Serbia, minority problems. I've argued that the only way Serbia has a chance to keep Kosovo within its territory is to go back to the autonomy that was taken away a decade ago. And the only way to get back to that is for there to be a multinational force to implement the agreement.
Milosevic should not see that as a threat. But in the end, the fundamental reason he will accept is if he concludes that it would be too painful for him if he doesn’t. 

Prime Minister D’Alema: 14b, 14d

The President: You did too, when you were his age. 

Prime Minister D’Alema:
1.4b, 1.4d

The President: In Bosnia, we said no ground forces until there was an agreement. Now, if the worse happens and the scenario you sketched occurs, I believe the Serbs will attack anyway, no matter what we do. We need to strike because we said that we would. If they attack, we will continue. I believe that Milosevic will then accept a multinational force. (C)

The interesting thing is that they have basically agreed on what Kosovar autonomy should look like over the next three years. The sticking point is about NATO. Milosevic may look for a face saving way out. But if he refuses, if he says the hell with peace, we will have to continue to hit him -- the same thing we did in Bosnia which is how we got the agreement. (C)

Prime Minister D’Alema:

Samuel Berger: To underscore what the President said, we face this dilemma either way. If Milosevic says no, and we say there are no consequences, then there is no deterrence on him, he has called our bluff, we walk away, he has a free ride to Pristina. The alternative is to threaten him clearly before there is a failure in the negotiations and then to follow through if there is one that he’s responsible for. That would make it more likely to deter him from an assault because he knows that the consequences would be very serious. (C)

Prime Minister D’Alema:
The President: Thank you, Mr. Prime Minister -- I know we will all keep talking about this in the days ahead. If I may, let me say a couple of brief words about NATO. I read your article in the International Herald Tribune. I thought it was very good. I want to restate my strong support for ESDI and the open door. I hope we can find language to bridge the difference of opinion with the French on the need for a UN sanction of NATO action. We believe in acting consistent with UN principles and purposes. But we don't want to see it become a requirement. Keep in mind that the Charter says that a threat to one is a threat to all. Now especially with expansion, the threat to the security of one NATO member could come even more easily than before from attacks from beyond NATO's borders. I hope and believe we can get around this problem. I believe that we will. (€)

Prime Minister D'Alema:
The President: Let's think about that. It is an interesting idea. Now if you don't mind a few words about Libya and Iran.

Prime Minister D'Alema: 1.4d

The President: Let me first say on Libya that we think we have an agreement on PAM 103 but the Libyans have yet to act. If they do act, we will suspend sanctions. Then there will be 90 days for the United Nations to issue a report on further action. We have come along way on this. I hate to see us fall short, especially with all the other problems in the region. I hope you can help us with this. (G)

Prime Minister D'Alema:
Samuel Berger: The big problem on the table is that the Libyans have to turn over the suspects. (☞)

Prime Minister D'Alema: Of course, I understand. (☞)

The President: Let me make clear that this is not a game or some kind of American obsession. Settling this would help stabilize North Africa. It would be good psychologically. (☞)
The President: I grew up in a church where people were not allowed to drink alcohol. We had communion with grape juice and so we would wink at the fact that Jesus drank wine. You become an expert at social hypocrisy.

Prime Minister D'Alema: 

The President: Tell him we are very enthusiastic about his
Prime Minister D'Alema: It would be good for us too. We agree

1.4b, 1.4d

The President: I hate this. It has been going on for 10 years. We have won this case four times, twice since I have been President. I know that a major problem is European responsibility to the Caribbean Islands which are vulnerable to drug traffic. We have that responsibility too -- I just sent legislation to Congress to ask them for substantially more money for the Caribbean. We have a responsibility to these countries. We must help them diversify their economies. And so I think the United States and countries like France and others with colonial history should take the lead to help diversify these economies and raise the standard of living. I think we can do this with relatively small investments. Keep in mind I have to fight both the left and the right on protectionism in this country. If we don't protect the WTO process, we're going to lose that fight.

Prime Minister D'Alema:

Mr. President, thank you so much for this wonderful lunch. There is one matter I also wanted to raise before we finish and

The President: Yes, I know about the case. (PG)

Prime Minister D'Alema:

The President: I agree that this is an issue for our justice ministers and that they should talk. (PG)

-- End of Conversation --
THE WHITE HOUSE
WASHINGTON

TELEPHONE CALLS WITH
EUROPEAN LEADERS ON KOSOVO
DATE: March 23, 1999
LOCATION: TBD
TIME: TBD

FROM: SAMUEL BERGER

I. PURPOSE

Secure support for next steps on Kosovo.

II. BACKGROUND

Your calls to Blair, and to Chirac and Schroeder (dining together in Berlin) will confirm that, with Ambassador Holbrooke’s departure from Belgrade, we have exhausted diplomatic efforts to find a peaceful solution, and the focus now shifts to Brussels and NATO action. Your call to Solana will confirm that those three key Allies are on board for air operations. By the time you speak to Solana, Ambassador Holbrooke should already have stopped in Brussels to brief him and NATO Ambassadors on his trip. Solana is prepared to authorize SACEUR to execute air strikes after your conversation.

In your calls, you should emphasize that NATO has shown strong unity and determination so far, and that this resolve will be even more important in the days ahead. You could mention that Prime Minister Primakov has decided to postpone his visit to the United States and emphasize that we hope to continue to work closely with Russia, despite its clear opposition to NATO strikes. We share with Russia the ultimate objective -- a peaceful resolution to the crisis.

Attachments
Tab A Points to make for Prime Minister Blair and Chancellor Schroeder
Tab B Points to make for President Chirac
Tab C Points to make for Secretary General Solana

DECLASSIFIED
PER E.O. 13526

CLINTON LIBRARY PHOTOCOPY
DEAR MR. PRESIDENT:

AS YOU WILL HAVE NO DOUBT HEARD DURING YOUR MEETINGS WITH EUROPEAN LEADERS, FOR MANY WEEKS THE UNITED STATES, EUROPE AND RUSSIA HAVE BEEN WORKING INTENSIVELY THROUGH DIPLOMATIC CHANNELS TO BRING ABOUT A PEACEFUL RESOLUTION TO THE CRISIS IN KOSOVO. THIS CRISIS WAS BROUGHT ON BY THE GOVERNMENT OF THE FRY, WHICH HAS DEPRIVED THE PEOPLE OF KOSOVO OF THEIR CONSTITUTIONAL AUTONOMY AND WAGED A BRUTAL CAMPAIGN OF REPRESSION; BURNING VILLAGES AND KILLING INNOCENT CIVILIANS. THANKS TO OUR WORK TOGETHER AT THE UN, LAST YEAR THE SECURITY COUNCIL ADOPTED UNSCR 1199, UNDER CHAPTER 7 OF THE UN CHARTER, WHICH AFFIRMED THAT THE CRISIS IS A THREAT TO PEACE AND SECURITY IN THE REGION AND CALLED ON THE FRY TO CEASE REPRESSION OF THE CIVILIAN POPULATION, HALT HOSTILITIES, OBSERVE A CEASE-FIRE AND IMPROVE THE HUMANITARIAN SITUATION. ALTHOUGH OUR EFFORTS LED TO A TEMPORARY EASING OF THE CRISIS IN OCTOBER, REGRETTABLY, THE FRY GOVERNMENT HAS RETURNED TO ITS OFFENSIVE CAMPAIGN, THREATENING A HUMAN CATASTROPHE AND A WIDER INTERNATIONAL WAR.

UNDER THESE CIRCUMSTANCES, THE UNITED STATES, FRANCE, GREAT
BRITAIN AND OUR OTHER NATO PARTNERS CONCLUDED THAT WE HAVE
NO CHOICE BUT TO USE CAREFULLY FOCUSED AIRSTRIKES AGAINST
THOSE FORCES OF THE FRY GOVERNMENT THAT ARE RESPONSIBLE FOR
THE OFFENSIVE. I AM AWARE THAT YOUR GOVERNMENT DOES NOT
FAVOR THE USE OF FORCE, BUT WE ARE CONVINCED THAT WE HAVE NO
CHOICE BUT TO ACT NOW TO AVOID A FURTHER, WIDER DISASTER. WE
REMAIN PREPARED AT ALL TIMES TO RETURN TO DIPLOMACY IF THE
FRY GOVERNMENT MAKES CLEAR THAT IT IS PREPARED TO ACCEPT
PROPOSALS, PRESENTED BY THE CONTACT GROUP DURING THE
NEGOTIATIONS IN FRANCE, OF THE US, EU AND RUSSIA.

I WISH YOU WELL DURING YOUR TRAVEL IN EUROPE. I LOOK FORWARD
TO THE VISIT OF PREMIER ZHU NEXT MONTH AND TO CONTINUING OUR
CLOSE CONSULTATIONS ON KOSOVO AND THE MANY IMPORTANT ISSUES
ON WHICH WE HAVE BEEN WORKING.

SINCERELY,

WILLIAM J. CLINTON

DECL: X1
THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
3-24-99

Moty

PHOTOCOPY
WJC HANDWRITING

CLINTON LIBRARY PHOTOCOPY
Milosevic gave Ambassador Holbrooke no indication that he has any intention of negotiating a peaceful solution to the crisis in Kosovo.

He refused even to agree to a cease-fire and continued to reject an international military presence to implement agreement, without which it is unenforceable.

His posture was threatening and belligerent. We've concluded his only intention is to unleash greater violence in Kosovo.

Only course of action now is NATO preparations for air operations. I've just been briefed by my military and foreign policy team. I am ready to support NATO fully and understand that you are as well.

Also want you to know that Prime Minister Primakov has postponed his trip to Washington. Best outcome under circumstances but want to continue to work closely with him. Share ultimate objective: a peaceful solution to the crisis.
Milosevic gave Ambassador Holbrooke no indication that he has any intention of negotiating a peaceful solution to the crisis in Kosovo.

He refused even to agree to a cease-fire and continued to reject an international military presence to implement agreement, without which it is unenforceable.

His posture was threatening and belligerent. We've concluded his only intention is to unleash greater violence in Kosovo.

Heard your press comments noting diplomatic solution has failed and necessary conclusions will be drawn in light of the plans that have been prepared.

Only course of action now is NATO preparations for air operations. I've just been briefed by my military and foreign policy team. I am ready to support NATO fully and understand that you are as well.

Also want you to know that Prime Minister Primakov has postponed his trip to Washington. Best outcome under circumstances but want to continue to work closely with him. Share ultimate objective: a peaceful solution to the crisis.
ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM: GREG SCHULTE

SUBJECT: Presidential Message to French President Chirac

Attached at Tab I is a Presidential message to French President Chirac per your request. Also included in the message is optional language on Phase III if you wish to include it.

RECOMMENDATION

That you authorize the transmittal of the message at Tab I.

Approve □ Disapprove □

Attachment

Tab I Draft Presidential message
SECRET

FROM: THE WHITE HOUSE
TO: AMEMBASSY PARIS
INFO: SECSTATE WASHDC

SUBJECT: MESSAGE TO PRESIDENT CHIRAC RE SITUATION IN KOSOVO

1. AMBASSADOR OR DCM: PLEASE PASS THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO PRESIDENT CHIRAC AT THE EARLIEST OPPORTUNITY. NO SIGNED ORIGINAL TO FOLLOW. PLEASE REPORT TO WHITE HOUSE SITROOM (202-456-9431) WHEN MESSAGE IS RECEIVED AND WHEN DELIVERED.

BEGIN TEXT

DEAR JACQUES:

I PLANNED TO CALL YOU THIS EVENING BUT DECIDED TO SEND YOU A NOTE WHEN I LEARNED THAT YOU HAD RETIRED FOR THE EVENING. I WANT TO SHARE MY THINKING ABOUT KOSOVO, WHERE, AS YOU KNOW, MILOSEVIC CONTINUES HIS SYSTEMATIC CAMPAIGN OF TERROR AND EXPULSIONS.

YOUR SPEECH TO THE FRENCH PEOPLE WAS CARRIED LIVE BY CNN. IT WAS TERRIFIC. I AGREE WITH YOUR STATEMENT THAT THERE IS NO ROOM IN EUROPE FOR BELGRADE'S POLICY OF ETHNIC CLEANSING, MURDERS AND MASSACRES. I ALSO AGREE WITH YOUR STATEMENT THAT NATO'S ACTION NEEDS TIME AND DETERMINATION AND THAT AIR STRIKES MUST BE SUSTAINED IN ORDER TO REDUCE BELGRADE'S MEANS OF AGGRESSION.

YESTERDAY, IN IMPLEMENTING PHASE II OF NATO'S OPERATION, ALLIED AIRCRAFT SUCCESSFULLY HIT SOME OF THE FORCES CARRYING OUT THESE ATROCITIES. I HOPE FOR MORE SUCCESS TONIGHT. BUT WE CANNOT COUNT ON THE TACTICAL USE OF AIRPOWER ALONE TO STOP THE SERB FORCES. FOR THIS REASON, I THINK WE NOW NEED TO AUTHORIZE PHASE III. MILOSEVIC MUST UNDERSTAND THAT WE ARE PREPARED TO HIT HIM NOT ONLY IN AND AROUND KOSOVO, BUT ALSO THROUGHOUT THE REST OF SERBIA AND AGAINST KEY TARGETS IN BELGRADE ITSELF.

IT IS IMPORTANT THAT WE STAY IN CLOSE TOUCH ON THE DIPLOMATIC TRACK AS WELL. IT IS VERY POSSIBLE THAT MILOSEVIC WILL OFFER PRIMAKOV SOME MODEST CONCESSIONS, SUCH AS A CEASE-FIRE IN PLACE
IF NATO AIR STRIKES STOP. OR HE MIGHT OFFER TO RESTART NEGOTIATIONS ON THE POLITICAL CHAPTERS OF THE RAMBOUILLET ACCORDS. IT WILL BE VERY IMPORTANT THAT WE REMAIN FIRM AND UNITED IN WHAT WE EXPECT FROM MILOSEVIC: A PULL-BACK OF HIS FORCES AND AN INTERIM SETTLEMENT BASED ON THE RAMBOUILLET FRAMEWORK. IF MILOSEVIC REMAINS DEFIANT, NATO'S AIR STRIKES MUST CONTINUE.

I LOOK FORWARD TO TALKING WITH YOU IN THE COMING DAYS.

SINCERELY,

BILL

END TEXT
SECRET

PREC: IMMEDIATE NIACF

FROM: THE WHITE HOUSE

TO: AMEMBASSY PARIS

INFO: SECSTATE WASHDC

SUBJECT: MESSAGE TO PRESIDENT CHIRAC RE SITUATION IN KOSOVO

1. AMBASSADOR OR DCM: PLEASE PASS THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO PRESIDENT CHIRAC AT THE EARLIEST OPPORTUNITY. NO SIGNED ORIGINAL TO FOLLOW. PLEASE REPORT TO WHITE HOUSE SITROOM (202-456-9431) WHEN MESSAGE IS RECEIVED AND WHEN DELIVERED.

BEGIN TEXT

DEAR JACQUES:

I PLANNED TO CALL YOU THIS EVENING BUT DID NOT WHEN I WAS TOLD THAT YOU HAD RETIRED FOR THE EVENING. I WOULD HAVE WANTED TO TALK ABOUT KOSOVO, WHERE MILOSEVIC CONTINUES HIS SYSTEMATIC CAMPAIGN OF TERROR AND EXPULSIONS.

FIRES ARE BURNING IN TOWNS AND VILLAGES THROUGHOUT KOSOVO. SERB SECURITY FORCES ARE CONDUCTING MASS EXPULSIONS ON A SCALE WELL BEYOND THAT OF LAST YEAR. THIS MORNING THE OSCE REPORTED A "RIVER" OF REFUGEES FLOWING INTO ALBANIA, ARRIVING AT A RATE OF OVER 20,000 AN HOUR. OVER 20,000 ETHNIC ALBANIANS HAVE FLED INTO MACEDONIA OVER THE LAST FEW DAYS, AND THOUSANDS MORE ARE COMING EACH DAY. AND WE ARE RECEIVING MOUNTING REPORTS OF ATROCITIES, INCLUDING THE DELIBERATE KILLING OF ETHNIC ALBANIAN POLITICIANS AND INTELLIGENTSIA.

YOUR SPEECH TO THE FRENCH PEOPLE WAS CARRIED LIVE BY CNN. IT WAS TERRIFIC. I AGREE WITH YOUR STATEMENT THAT THERE IS NO ROOM IN EUROPE FOR BELGRADE'S POLICY OF ETHNIC CLEANSING, MURDERS AND MASSACRES. I ALSO AGREE WITH YOUR STATEMENT THAT NATO'S ACTION NEEDS TIME AND DETERMINATION AND THAT AIR STRIKES MUST BE SUSTAINED IN ORDER TO REDUCE BELGRADE'S MEANS OF AGGRESSION.

OPTIONAL LANGUAGE ON PHASE III: YESTERDAY, IN IMPLEMENTING PHASE III OF NATO'S OPERATION, ALLIED AIRCRAFT SUCCESSFULLY HIT SOME OF THE FORCES CARRYING OUT THESE ATROCITIES. I HOPE FOR
MORE SUCCESS TONIGHT. BUT WE CANNOT COUNT ON THE TACTICAL USE
OF AIRPOWER ALONE TO STOP THE SERB FORCES. FOR THIS REASON, I
THINK WE NOW NEED TO AUTHORIZE PHASE III. MILOSEVIC MUST
UNDERSTAND THAT WE ARE PREPARED TO HIT HIM HARD NOT ONLY IN AND
AROUND KOSOVO, BUT ALSO THROUGHOUT THE REST OF SERBIA AND
AGAINST KEY TARGETS IN BELGRADE ITSELF.

WE UNDERSTAND FROM YOUR OFFICIALS THAT YOU HAVE SPOKEN TO PRIME
MINISTER PRIMAKOV ABOUT HIS IMPENDING TRIP TO BELGRADE. I TRUST
THAT YOU EXPLAINED TO HIM THAT MILOSEVIC HAS GIVEN NATO NO OTHER
CHOICE BUT TO EMPLOY MILITARY FORCE. I ALSO TRUST THAT YOU
EXPLAINED TO HIM THAT RUSSIA STILL REMAINS IMPORTANT TO THE
ALLIANCE AND ITS MEMBER STATES.

IT IS VERY POSSIBLE THAT MILOSEVIC WILL OFFER PRIMAKOV SOME
TOKEN CONCESSIONS. HE MIGHT OFFER A CEASE-FIRE IF NATO AIR
STRIKES STOP, OR HE MIGHT OFFER TO RESTART NEGOTIATIONS ON THE
POLITICAL CHAPTERS OF THE RAMBOUILLET ACCORDS. IT WILL BE VERY
IMPORTANT THAT WE REMAIN FIRM AND UNITED IN WHAT WE EXPECT FROM
MILOSEVIC: A PULL-BACK OF HIS FORCES AND AN INTERIM SETTLEMENT
BASED ON THE RAMBOUILLET FRAMEWORK. IF MILOSEVIC REMAINS
DEFIANT, NATO'S AIR STRIKES MUST CONTINUE.

PLEASE CALL ME TOMORROW IF YOU WISH TO DISCUSS THIS FURTHER.
OTHERWISE, I AM SURE THAT WE WILL BE IN CONTACT IN THE COMING
DAYS.

SINCERELY,
BILL

END TEXT
D'Alema points

Appreciate your statements and the vote of the Italian parliament. Know that there are a lot of contending voices for you to manage.

Milosevic is intensifying his offensive, and there are credible reports of atrocities. Not a surprise; the reason we launch our strikes is because we knew he was poised to attack with 40,000 troops in and around Kosovo.

Important that NATO show Milosevic that our resolve is firm. Best way to assure that we can keep the military operations short is for him to understand that we will keep up at it as long as necessary. If he thinks we are wavering, he will wait us out.

Clark and Solana believe that we need to transition from Phase 1 to Phase 2. This will allow us to have a more direct impact on the Serb forces that are attacking the Kosovars. In light of the intensifying offensive, need to show Milosevic that we are responding to his defiance. I strongly agree; I believe that our NATO colleagues share this view.

(if he says we need a pause between Phase I and Phase II):

If we pause now, while he is escalating, we will send the wrong message at a key moment.

If he says we need more diplomacy

Madeleine will be consulting with Dini and other NATO foreign ministers about how to sustain the diplomacy. We are continuing to make clear that we prefer a peaceful outcome. But no sign from Milosevic that he's prepared to do anything except continue the killing.
Point for Telephone Call to Prime Minister Blair
April 3, 1999

Purpose

To review current situation in Kosovo, stress need to sustain and intensify air operations and ask for help in convincing EU countries to receive refugees crossing into Macedonia.

Background

Blair today made a strong statement calling for sustained air strikes and making clear that last night's strikes into Belgrade set a pattern for further operations. He will want to talk targeting, and how best to send a strong signal to Milosevic.

Points to be made

- Belgrade has not yet felt the full weight of NATO's air strikes, either in and around Kosovo, or against high-value targets elsewhere, including in Belgrade. Calling Chirac today to stress need for expedited targeting procedures.

- Hope you can help convince Chirac and other allies of need to intensify air strikes and widen targeting. Need to hit not only military forces and air defense, but command and control, infrastructure and broadcast facilities used for directing, supporting and inciting the violence.

- Wes Clark would like to hit following targets as soon as tonight:
  - first Army headquarters in downtown Belgrade
  - presidential residence
  - army barracks downtown
  - two Belgrade electrical power distribution centers
  - Socialist Party Headquarters with TV transmitter downtown.

- Hope you can support and convince Chirac and others to agree.
• Worried Milosevic will complete ethnic cleansing campaign in next few days, then declare cease-fire and make some partial offer. To head this off, we need to substantially increase weight of attacks over next few days, and also prepare other allies to sustain strikes beyond a Serb cease-fire.

• Also worried about Macedonia closing the border. Intend to call Gligorov and ask him to reverse this decision. Strobe Talbott is going there today to urge a re-opening of the border and to offer assistance.

• We need to give Gligorov some assurance that Macedonia will not be saddled with all these refugees indefinitely and at great economic cost. Need your help in getting EU countries to immediately inform Macedonia that they will assist in the current crisis and accept a substantial portion of the refugees.
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT JACQUES CHIRAC

• Great appreciation for what you and your government have said and done. Alliance unity and determination is strong.

• Much at stake for Europe, the European Union, the United States and NATO. We cannot fail.

• However our military response is being perceived as ineffective -- not only by our publics, but also by the leadership in Belgrade. Not just the weather -- targeting process has also been broken.

• If we don't hit hard now, Milosevic will feel immune from any penalty. He will seek to complete his ethnic cleansing before NATO further escalates.

• We are striking a few targets a night and not having the impact we need.

• We need to continue striking high-value targets, including in Belgrade -- not only military forces and air defense but command and control, infrastructure and broadcast facilities that are directing, supporting and inciting the violence.

• Striking a wider range of targets will damage Belgrade's capability to conduct his offensive. And by imposing an increasingly unacceptable cost, it will force Milosevic to reconsider his refusal of an agreement.

• NATO's political authorities cannot micromanage NATO targeting on a day-to-day basis. Instead, we need to give our commanders authority to strike a broad range of targets as long as the civilian casualties can be kept low.

• I understand that our military advisors have discussed a targeting review process that would expedite targeting, while ensuring appropriate political review of targets that could cause a large number of casualties or that are of national significance. I am satisfied with the procedures, and hope that you can also accept them.
Russia

- Contacts with Russians mixed. Albright talked to Ivanov. Said we welcome any/all proposals to solve the conflict diplomatically. But before any meeting takes place, need to ensure it has a productive outcome.

- She outlined areas of common ground based on concessions Russia got from Serbs last June and U.S.-Russian agreements:
  - no repression of civilian population; withdraw Serb security forces to permanent locations; unhindered return of refugees and displaced persons; unhindered access by humanitarian organizations; international civilian implementation force.
  - Areas where we disagree are use of force and international security presence.
  - Key point: if we can reinforce common principles and agree on an *international security presence*, we might have the basis for an effective meeting.
  - Ivanov seemed intrigued, but responded Friday with disappointing nonpaper. Although he backed off insisting on G-8 meeting, he denied Milosevic is repressing civilians and called for KLA to be disarmed.
TELEPHONE CALLS WITH PRESIDENT CHIRAC; PRIME MINISTER AZNAR;
PRIME MINISTER CHRETIEN; PRESIDENT GLIGAROV; HILL LEADERS
DATE: April 3, 1999
LOCATION: TBD
TIME: TBD
FROM: SAMUEL BERGER

I. PURPOSE

Chirac, Aznar and Chretien: Secure their support for an intensification of the NATO air campaign and the widening of the targets involved. For Chirac: Ensure his support for an expedited target approval process.

Gljarov: To reassure President Gljarov of our commitment to help Macedonia maintain their security and deal with enormous refugee problems.

Hill Leaders: To update the Leaders on status of the air campaign, our humanitarian response, and our detained soldiers.

II. BACKGROUND

Chirac is outside Paris for Easter. He and Jospin continue to make strong public statements about the righteousness of NATO’s cause and the challenge Milosevic poses to the construction of a peaceful, free and democratic Europe. [Jospin this week moved swiftly to keep his coalition in line, rebuking the Greens, Communists and Interior Minister for questioning NATO’s campaign in public.] Public support for NATO is holding steady at about 50 percent. There is deep concern about the humanitarian plight of the Kosovars; France announced $15 million in bilateral aid for refugees, and contributed to a $40 million EU package. Increasingly, French commentators are speculating about ground troops. Chirac continues to insist that is not an option.
Aznar is spending the Easter Holiday in Southern Spain. He will travel on Monday to Hungary and will spend next weekend with Tony Blair at a country estate in the UK. He had planned to travel privately to the U.S. this week and had explored the possibility of an informal visit with you. His plans changed and he withdrew this request in mid-March. He will appreciate hearing that you look forward to seeing him at the NATO Summit.

Spain has been a staunch supporter of Operation Allied Force. In addition to two F-18s and a C-130 tanker participating in the air campaign, Spain has opened its bases at Rota and Moron to us for aircraft beddown and refueling operations. Madrid also has allocated $1 million in refugee assistance and dispatched 10 tons of humanitarian supplies to Albania. In addition, the Spanish Red Cross has contributed 30 tons of aid, including blankets, first aid kits and generators.

Aznar has been consistently strong in his public statements on Kosovo. In a speech to Parliament this week, he said Spain's involvement was vital — we cannot sit idly by to watch the "extermination" of Kosovo's Albanians. Despite a general aversion to using force, Spain's major political parties, including the opposition Socialists, have given Aznar their support.
Chretien asked you to call him; he flew from Canada’s newest territory, Nunuvak, to Florida, to visit his granddaughter who was badly injured this week in a riding accident. The Canadians have “wobble-free” in supporting NATO’s actions in Kosovo — you should acknowledge this. They contributed a number of combat aircraft -- CF-18’s, and considering sending more, in addition to $10 million in aid.

You should be aware that Madeleine had to postpone a meeting with Axworthy on the New York-Canada peace bridge at Niagara that was to highlight our extensive border cooperation. Should Chretien raise, you should agree that it be rescheduled as soon as Madeleine’s and Axworthy’s schedules allow.

Gligarov is concerned about the huge influx of Kosovar Albanian refugees into Macedonia and the impact that this is having on Macedonia’s fragile economy and uneasy ethnic balance. (There are 400,000 ethnic Albanian citizens in Macedonia, comprising about 20 percent of the population.) Gligarov is also worried that Macedonia might become engulfed in a wider Balkan war. Ambassador Chris Hill summarizes the situation as follows: “Macedonia is in the fight of its short life, and needs every bit of encouragement we can provide.”

You should reassure Gligarov of our support for Macedonia as demonstrated by the provision of increased humanitarian and economic assistance, Strobe’s trip, and NATO’s decision to support the humanitarian relief work there in anyway it can. Along with the additional $50 million in humanitarian relief support to the region, Strobe will announce a $50 million economic assistance package, of which $29 million will go to Macedonia.
Attachments
Tab A Points to be Made to President Chirac
Tab B Points to be Made to President Aznar
Tab C Points to be Made to Prime Minister Chretien
Tab D Points to be Made to President Gligorov
Tab E Points to be Made to the Hill Leaders
Points to Be Made for Telephone Conversation With President Jacques Chirac

What's happening in Kosovo immoral and outrageous. We cannot tolerate ethnic cleansing this last year of the 20th century.

Much at stake for Europe, the European Union, the United States and NATO. We cannot fail.

However our military response is being perceived as ineffective -- not only by our publics, but also by the leadership in Belgrade. Not just the weather -- targeting process has also been broken.

We agreed to expand the range of targets on Tuesday, but only on Friday night did we hit the type of targets to make Milosevic think twice.

We need to continue striking high-value targets, including in Belgrade -- not only military forces and air defense but command and control, infrastructure and broadcast facilities that are directing, supporting and inciting the violence.

Striking a wider range of targets will damage Belgrade's capability to conduct his offensive. And by imposing an increasingly unacceptable cost, it will force Milosevic to reconsider his refusal of an agreement.

If we don't hit hard now, Milosevic will feel immune from any penalty. He will seek to complete his ethnic cleansing before NATO further escalates.

NATO's political authorities cannot micromanage NATO targeting on a day-to-day basis. Instead, we need to give our commanders authority to strike a broad range of targets as long as the civilian casualties can be kept to a minimum.

I understand that our military advisors have discussed a targeting review process that would expedite targeting, while ensuring appropriate political review of targets that could cause a large number of casualties or that are of national relevance.
significance. I am satisfied with the procedures, and hope that you can also accept them.

- With Milosevic's thugs packing trains with Albanians, we must not undercut the military and political impact of NATO's operations. Instead, we must show our determination and resolve by intensifying our strikes.

Russia

- Contacts with Russians mixed. Albright talked to Ivanov. Said we welcome any/all proposals to solve the conflict diplomatically. But before any meeting takes place, need to ensure it has a productive outcome.

- She outlined areas of common ground based on concessions Russia got from Serbs last June and U.S.-Russian agreements:

  - no repression of civilian population; withdraw Serb security forces to permanent locations; unhindered return of refugees and displaced persons; unhindered access by humanitarian organizations; international civilian implementation force.

  - Areas where we disagree are use of force and international security presence.

  - Key point: if we can reinforce common principles and agree on an international security presence, we might have the basis for an effective meeting.

- Ivanov seemed intrigued, but responded Friday with disappointing nonpaper. Although he backed off insisting on G-8 meeting, he denied Milosevic is repressing civilians and called for KLA to be disarmed.

- Want to keep Russians engaged diplomatically, but have to impress on them that they cannot continue to deny ethnic cleansing. They're isolated, look terrible internationally.

- Our foreign ministers called for Contact Group meeting Wednesday at political director level. Seems like right step to me. Expect Russians will insist on a cease-fire, but have to stay firm that cease-fire depends on Milosevic.
THE WHITE HOUSE
WASHINGTON
April 10, 1999

ACTION
MEMORANDUM FOR THE PRESIDENT
FROM: SAMUEL BERGER
SUBJECT: Message to President Yeltsin on Kosovo

Purpose
Approve a message to President Yeltsin.

Background
President Yeltsin wrote to you twice this week about Kosovo. Yeltsin's second letter was an impassioned plea for working together to end the crisis. The message reviewed your joint accomplishments, emphasized Yeltsin's belief that NATO will not be able to fix the Kosovo problem with one strike -- and then came to the underwhelming punchline of: let's have our Foreign Ministers meet.

In light of the Orthodox Easter holiday and Madeleine's Tuesday meeting with Foreign Minister Ivanov, it would be useful to send Yeltsin a brief response. The message reviews our concerns about Milosevic's continued brutality and thanks Yeltsin for his public defense of the U.S.-Russian relationship and assurances that Russia will not be drawn militarily into the Yugoslavia conflict. You also highlight the importance of Kofi Annan's statement on Kosovo and ask Yeltsin to embrace it as a constructive approach toward a political solution.

RECOMMENDATION
That you approve the message at Tab A.

Approve / Disapprove

Attachments
Tab A Message to President Yeltsin
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

Reason: 1.5(d)
Declassify On: 4/9/09
I. PURPOSE

Annan: welcome his strong statement on Kosovo; urge him to encourage Moscow to pressure Belgrade and cease all support; explain strategy; lay down markers on Iraq.

Blair and Chirac: review the road ahead on Kosovo, including Monday's foreign ministers meeting in Brussels, intra-alliance relations, managing Russia and helping the frontline states. With Blair, you also should seek support for increased economic pressure on Belgrade.

II. BACKGROUND

Annan issued a statement on Friday expressing his deep distress at the humanitarian situation in Kosovo and urging a resumption of political negotiations at the earliest possible moment. He called on Belgrade to make a series of commitments, including an end to its "campaign of intimidation and expulsion", a withdrawal of forces, unconditional acceptance of refugee return and the deployment of an "international military force." Thanks to phone calls from Madeleine and Tom Pickering, Annan's requirements are essentially the same as our own. The one major difference is that Annan calls for NATO to suspend air strikes once Belgrade commits to these steps, rather than beginning to implement them. We are now trying to use Annan's statement in our efforts to make the Russians be a constructive part of our diplomatic strategy.
Mrs. Ogata, the UN High Commissioner for Refugees (UNHCR), and
the lead coordinator of refugee protection and assistance
efforts, was overwhelmed by the magnitude of the Kosovo crisis
and slow to accept a strong NATO role in assisting with relief.
She has now acknowledged that the NATO role is critical, and we
are beginning to reach most of the refugees with assistance.
Mrs. Ogata, is currently in the region, visiting the camps.

Both Blair and Chirac remain rock solid on Kosovo, and continue
to enjoy strong public support for NATO’s airstrikes. Indeed,
as images of dispossessed Kosovars and reports of atrocities
multiply, editorial and even public support for ground troops is
growing in both countries.

You will want to bring both leaders up to date on your
conversation with D’Alema and convey your basic satisfaction
with Kofi Annan’s statement of conditions. The NATO ministerial
on Monday will signal Allied resolve and offer an opportunity to
make smaller allies feel more involved. At the same time, we
must make Milosevic feel there is no end in sight if he
continues to hold out. This will require additional military
resources and increased economic pressure. You might also
compare notes on our common efforts to help the refugees, assist
frontline states, and channel Russian initiatives in positive
directions.

Attachments
Tab A  Talking Points for Phone Call with Chirac
Tab B  Talking Points for Phone Call with Blair
Tab C  Talking Points for Phone Call with Kofi Annan
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
FRENCH PRESIDENT CHIRAC

• Want to review where we are on Kosovo; my conversation with D'Alema; Kofi's statement, the military campaign; the humanitarian effort; and Russia.

D'Alema

• Spoke to him Friday. He's doing a great job navigating a difficult political situation at home and seems solidly behind continued air operations. No mention of "pauses" or diplomatic initiatives.

Kofi's Statement

• Pleased by Kofi Annan's statement on Friday. His conditions are identical to our conditions. The only difference is that he asks NATO to suspend air strikes once Milosevic commits to the conditions, whereas we would certainly want to see some clear signs of implementation first. But Kofi's statement gives NATO's stance adds additional international legitimacy to our position and provides a good hook for the Russians.

• Also very encouraged by G-8 political directors statement because the Russians signed on. Hope we can lock that in at the highest levels.

• I hope that we can use his statement to help in our effort to get the Russians to engage constructively on the diplomatic track.

NATO Ministerial

• Madeleine and Robin/Hubert will be meeting with their NATO counterparts on Monday in Brussels. This is important for two reasons. First, to signal NATO's determination to stay the course. And second, to make all the allies feel involved. There is some resentment among the smaller allies about the regular contacts between the Contact Group allies. The meeting of all 19 Foreign Ministers should help, and I am also making a point of calling the leaders from non-Contact Group countries, particularly those who are contributing forces.
Next Steps

- We must make Milosevic feel that there is no end in sight if he doesn't accept our conditions. I understand that General Clark will shortly be asking all of us to commit additional military resources, and we will need to look at this very carefully.

- We also need to supplement our military operations with increased economic pressure on Milosevic and his war machine. We're encouraging neighboring countries to stop oil supplies to Serbia. This is also a good moment for the EU to take a serious look at tightening its sanctions regime.

Easter Pause [if asked]

- [SACEUR was very careful in his targets over the past 24 hours. Expect that the NATO spokesman will mention this at his briefing today.]

Help for the Refugees

- Our estimates are that some 800,000 Kosovars are now displaced. The world is now responding but we've got to do more.

- Just formed a national coordinating council here to run our response to the refugee crisis. We are airlifting relief supplies into the region and have just added another $50 million in aid.

- The Macedonian government is so overwhelmed that we have to relieve the pressure by moving some of the refugees to temporary safehavens elsewhere. Grateful for what you're doing. Hope we can increase aid to the international organizations in the region.

Assistance for the Frontline States

- Also need to step up efforts to help other frontline states.

- Need to be thinking about post-conflict efforts. We'll need a comprehensive plan for Kosovo and Yugoslavia -- a resettlement and recovery program.
Russia

- Important we all stay engaged to channel Russian initiatives in positive direction. Have emphasized we can't let Milosevic drive a wedge between Russia and United States and almost all of Europe. Recognize that Kosovo is difficult for them, but have too much important work to do.

- Need to encourage Russians to uphold Yeltsin's pledge to stay out of conflict. Have reason to believe that people in Ministry of Defense and other government entities are preparing shipments of military equipment to Yugoslavia. Should make sure Boris and Primakov understand that intel sharing or military cooperation with Serbs would be a very big mistake.

- Hungary and Romania carrying burden of inspecting humanitarian shipments. Should help them however we can.

- Also ask that you encourage public information agencies to get real news into Russia, Ukraine other NIS. USIA started getting TV feeds in this week; already see some shifts.
POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRIME MINISTER BLAIR

- Want to review where we are on Kosovo, my conversation with D'Alema, Kofi's statement, the military campaign and the humanitarian effort. Also like to have a word about Iraq.

D'Alema

- Spoke to him yesterday.

Kofi's Statement

- Pleased by Kofi Annan's statement on Friday. His conditions are identical to our conditions. The only difference is that he asks NATO to suspend air strikes once Milosevic commits to the conditions, whereas we would certainly want to see some clear signs of implementation first.

- Kofi's statement gives NATO's stance that much more international legitimacy. I hope that we can use his statement to help in our effort to get the Russians to engage constructively on the diplomatic track.

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Next Steps

- We must make Milosevic feel that there is no end in sight if he doesn't accept our conditions. I understand that General Clark will shortly be asking all of us to commit additional military resources, and we will need to look at this very carefully.

- We also need to supplement our military operations with increased economic pressure on Milosevic and his war machine. Anything that you can do to block Milosevic's access to offshore accounts, particularly in Cyprus, would be most important. We're encouraging neighboring countries to stop oil supplies to Serbia. This is also a good moment for the EU to take a serious look at tightening its sanctions regime.

Easter Pause [if asked]

- [SACEUR is looking at possibility of directing strikes away from Belgrade and other urban areas on Saturday night, during the late night resurrection mass.

- We don't think NATO needs to announce this in advance. But we could suggest that the NATO spokesman describe this restraint at his press briefing on Sunday.]

Help for the Refugees

- Our estimates are that some 800,000 Kosovars have been displaced. The world is now responding but we've got to do more.

- Just formed a national coordinating council here to run our response to the refugee crisis. We are airlifting relief supplies into the region and have just added another $50 million in aid. Hillary went over Friday to see the departure of some humanitarian rations.

- The Macedonian government is so overwhelmed that we have to relieve the pressure by moving some of the refugees to temporary safe havens elsewhere. Grateful for what you're doing. Hope we can increase aid to the international organizations in the region.
Assistance for the Frontline States

- Also need to step up efforts to help other frontline states.
- Need to be thinking about post-conflict efforts. We'll need a comprehensive plan for Kosovo and Yugoslavia -- a resettlement and recovery program.

Russia

- Important we all stay engaged to channel Russian initiatives in positive direction. Have emphasized we can't let Milosevic drive a wedge between Russia and United States and almost all of Europe. Recognize that Kosovo is difficult for them, but have too much important work to do.
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- We also need to supplement our military operations with increased economic pressure on Milosevic and his war machine. We're encouraging neighboring countries to stop oil supplies to Serbia. This is also a good moment for the EU to take a serious look at tightening its sanctions regime.

Easter Pause [REDACTED]

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• Also ask that you encourage public information agencies to get real news into Russia, Ukraine other NIS. USIA started getting TV feeds in this week; already see some shifts.