Withdrawal/Redaction Sheet
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<td>22. Memcon</td>
<td>Meeting with Russian President Boris Yeltsin [SENT FOR AGENCY REFERRAL] (3 pp.)</td>
<td>07/30/91</td>
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Collection:

Record Group: Bush Presidential Records
Office: National Security Council
Series: Memcons, Presidential
Subseries: WHORM Cat.:
File Location: July 1991

Date Closed: 1/10/2001
FOIA/SYS Case #: 2000-0429-F
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AR Disposition: Released in Full
AR Disposition Date: 10/20/2003
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MR Case #: AR Disposition: Released in Full
MR Disposition Date: 10/20/2003

RESTRICTION CODES

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
C. Closed in accordance with restrictions contained in donor's deed of gift.

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(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information
MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Boris Yeltsin, President of the Republic of Russia (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Jack F. Matlock, U.S. Ambassador to USSR
Marlin Fitzwater, Assistant to the President and Press Secretary
Dennis Ross, Director, Policy Planning Staff, Department of State
Ed A. Hewett, Senior Director for Soviet Affairs, NSC Staff
Nicholas Burns, Director for Soviet Affairs, NSC Staff (Notetaker)
Peter Afanasenko, Interpreter
Boris Yeltsin, President
Aleksandr Rutskoy, Vice President
Ivan Silayev, Prime Minister
Andrey Kozyrev, Foreign Minister
Vladimir Lukin, Chairman, Supreme Soviet Committee
Yuri Skokov, State Councilor for Interrepublic Affairs
Gennadiy Burbulis, State Secretary
Viktor Ilyushin, Chief, Presidential Secretariat

DATE, TIME AND PLACE: July 30, 1991, 3:55 - 4:30pm
The Kremlin

President Yeltsin: Mr. President, welcome to the Kremlin. I would like to introduce you to my team (Yeltsin proceeded to say a few words about each). We covered many issues in our private meeting together. Now I would like to welcome President George Bush and the U.S. delegation to the office of the President of Russia. This is the first time ever in the 1000-year history of Russia that there is a democratically-elected President in the Kremlin. There are two flags in the Kremlin -- the Russian flag and the Union flag. This is new and unique. (U)

The President: That is a long time. To those of you who were not with President Yeltsin in Washington, I would like to say that his visit to the U.S. was very good and very helpful. He
conducted himself in such a way that led to an improvement in relations between Russia and the U.S. (U)

President Yeltsin: Thank you very much. I would like to say that there have been twenty-eight days since Washington, since we met, and a lot has happened since then. We agreed there to upgrade relations in the following four areas: food storage and processing; management training; defense conversion; and joint transportation projects. I am happy to say that there has been movement in all four of our working groups in these areas. I would like to commend in particular the Department of Commerce for this progress. I would also like you to know that there is no allergy on Gorbachev's part for this program. (U)

In view of the fact that the Union treaty is no longer a draft -- we resolved the final problem yesterday and initialled an agreement -- there is no longer any obstacle to going ahead. Russia has no more tax problems. So, I would like to see now movement toward formalizing our contacts. Perhaps at our next meeting, since today's is too short, we could move to sign a MOU on the four projects and on our contacts and cooperation. This is based on the Union statement, the Union treaty which says that the Union will coordinate foreign policy of the states of the Union.

I would like to clear up the matter of the tax provision in the Union treaty. This was not a personal issue or feeling on the part of the President of Russia but a strong feeling on the part of the Parliament. We want control of the budget. We want to know where our taxes are going. We want to see the defense budget reduced in very real terms. We want control of expenditures. You have some budgetary control. We do not.

The President: Is this something that has been resolved by your agreement with the center?

President Yeltsin: No. The treaty reached with Gorbachev was a compromise between the two of us. He removed one line and I initialled that page. So there are no more problems on the tax issue. The treaty calls for a fixed Union tax rate to be agreed upon by the republics.

Secretary Baker: Is this figure agreed upon or is it a figure to be agreed upon?

President Yeltsin: For this year, it is agreed at 23.4 billion rubles. For 1992, it will be a fixed percentage rate.

President Yeltsin: No. We have only agreed to agree on a fixed rate in the future. The rate of taxation will differ from one republic to the next. The center will make an estimate of spending for us.

Now, do I understand that you support my idea of formalizing the basics of our relationship?
The President: Which relationship? Do you mean the U.S. and Russia or yours with the center? I am unclear about what you are asking. We do want to look forward to cooperation with you.

Secretary Baker: President Yeltsin, the answer will depend on what the Union treaty says about the authority of the republics to enter into agreements with other countries. We will have to see this new Union treaty.

President Yeltsin: This matter is open for signature; all the Union treaty problems have been resolved. The Union treaty will be open for signature in August and states the following formula: sovereign states can pursue their own independent foreign policy, including foreign economic policy, but coordination of their actions internationally will be vested in the Union which will have responsibility for treaties and strategic relationships. But the specifics of the relationship will be channeled through the republics. This is the way it will be.

The President: Please give us a copy of the Union agreement. When it is finally worked out, we will study it and work within it but not ahead of it. I don't want to plough new ground.

President Yeltsin: I understand. I would not want to hand over an initialled version but will give you a copy when it is final.

The President: In the meantime, please continue your contacts with the Secretaries of Commerce, Treasury and Agriculture. These will be important contacts in the meantime. Well, the Ambassador tells me we are being kicked out.

President Yeltsin: We are not kicking you out, protocol is doing that.

The President: Well, you look very fit. You look good.

President Yeltsin: I play tennis daily.

The President: The Russians have some good tennis players.

President Yeltsin: Yes, Chesnakov, Andrei Chesnakov is very good.

Prime Minister Silayev: I played tennis with your brother and beat him!

The President: Which brother? I have three brothers.

Prime Minister Silayev: I can't remember his name, it was the younger one, I think.

- End of Conversation -