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<td>07. Memcon</td>
<td>Memorandum of conversation between George Bush and Alexander Yakovlev, senior advisor to the President Gorbachev of USSR (7 pp.)</td>
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Office: National Security Council
Series: Burns, R. Nicholas and Hewett, Ed
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WHORM Cat.: USSR Chron File: December 1991 [1]

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- 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]
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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Alexander Yakovlev, Senior Advisor to President Gorbachev of USSR

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
Ed A. Hewett, Senior Director for Soviet Affairs, NSC Staff (Notetaker)
Dennis Ross, Director of Policy Planning Staff, Department of State

Alexander Yakovlev, Senior Advisor to President Gorbachev
Victor Komplektov, USSR Ambassador to U.S.
Nikolai Kosolapov, Assistant to Yakovlev
Yevgeniy Zolotov, Interpreter

DATE, TIME AND PLACE: November 19, 1991, 3:10 - 4:00pm Oval Office

Mr. Yakovlev: Thank you very much for receiving me. First I wish to hand you a letter from a good friend of yours. (U)

The President: (reading from the letter) Gorbachev met with Lew Preston, and signed an agreement with the World Bank. He visited with Strauss. He comments on the Crowder/Hewett mission. I won’t read it all now, but I’m delighted to have it. (U)

Mr. Yakovlev: Mikhail Gorbachev asked me to inform you on our country now. The last meeting of our State Council was radically different from previous ones. Either life makes us smarter, or.... It is probably so. (C)

In any event, this meeting of the State Council began to address the essence of issues, rather than posturing as if it were a mass meeting. At the meeting -- and its members asked me especially to report to you about it -- they agreed rapidly about the basis of joint policy:

-- There will be a single foreign policy.
-- They approved 26 supplements to the economic treaty.
-- Many were of a technical character.

-- But some were more substantive, for example, on the banking system. (§)

It was a dramatic change in mood. I was not particularly anxious to be present at earlier meetings because I didn't want to be disappointed. I said that to Mikhail Sergeyevich, and he told me to be patient. (¢)

This meeting was much different. The question of nuclear weapons, was resolved. Yeltsin took a very constructive position. He spoke on the economic treaty, and also on defense policy. He agreed that there would be no republican armies. He spoke on foreign policy, and changed his previous position. (§)

Yeltsin was named as head of a working group to submit a proposition for changing the foreign affairs apparatus, combining foreign economic and foreign affairs departments. Before I left for this trip he had presented to the State Council a proposal to sharply decrease the staff of the foreign affairs bureaucracy by:

-- closing trade representations, moving instead to have enterprises themselves handle trade representations;

-- cutting diplomatic staff by 32% - 33%, both at home and abroad; and

-- changing the policy process by including people from the union republics in the process. (§)

The President: How will you decide what republics get what embassies? (¢)

Mr. Yakovlev: By different means. Some republics want a minister in the Soviet embassy -- Russia, for example. The embassies will have a Russia department. (§)

The U.S. is a special case here, since all republics are interested in being represented in the U.S. Beyond that, the southern republics are more interested in the muslim world. (¢)

The position of the center is strengthening a little bit, within reasonable limits. The announced decision to close 70 ministries was a shock. But then we began to receive from republics proposals to maintain one ministry or another. That's psychology. (¢)

We'll make use of that psychology. All republics agreed to a single committee on culture. That's really strange to me. I would have closed that one first. But the republics thought differently. (¢)
About mood: Mikhail Gorbachev’s mood on November 11 was much improved. Of course, he was always an optimist. But I know what’s in his mind. Now his mood is really improving. Of course he is really worried about Ukraine. Something unreasonable might embarrass him. (§)

The President: What will happen after the elections in Ukraine? (U)

Mr. Yakovlev: They signed the economic treaty, the food treaty, and have worked with the G-7. But I want to say something else. Mikhail Gorbachev must have discussed the national question with you: there are 12 million Russians in Ukraine out of 50 million. Donetsk has declared its autonomy. The Crimea has the intention to have a referendum on becoming a republic independent from Ukraine. All industrial areas of Ukraine are populated by Russians -- Donetsk, and Kharkov. Chornovil wants to be independent. (§)

The President: (8)

Mr. Yakovlev: (8)

The President: (8)

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The President: (8)

Mr. Yakovlev: (8)

The President: (8)

Mr. Yakovlev: (8)

Secretary Baker: But some troops have moved over to the republics. (8)

Mr. Yakovlev: I know some of the colonels may talk very demonstratively. This doesn’t mean they actually will act as they talk. (8)

There may be a solution to this. Maybe we can discuss it at some level in the future. We probably can destroy some types of weapons in Ukraine. (8)
The President: That would be logical... (U)

Mr. Yakovlev:

The President: I have a high regard for the Armenians. (U)

Mr. Yakovlev:

The President: Domestic considerations are important here. The Baltics were a powerful issue. Now it’s Ukraine. There are a lot of Americans with great interest. Also, we’re getting it from Croats. They want us to go to "general quarters." (S)

Secretary Baker: What happens when Ukraine declares independence? Do the Russians say no? Next is Armenia’s declaration of independence. (S)

Mr. Yakovlev: It will be a mess. There probably will be no civil war in Ukraine. (S)

Secretary Baker: Are you talking of the Russians in Ukraine? (S)

Mr. Yakovlev: There are 12 million of them -- many in mixed marriages. There are 25-30 million mixed marriages. What sort of war could it be? (S)

Secretary Baker: A normal war. What happens when Russia starts charging Ukraine the world market price for oil? (S)

Mr. Yakovlev: This is "rope pushing" now. Yeltsin learned that Ukraine was selling oil for dollars. So Yeltsin cut oil production. (S)

[Yakovlev and the President look at a map]

Mr. Yakovlev: Ukraine will be very small. (S)

Dr. Hewett: Will Russia recognize Ukrainian independence. (S)

Mr. Yakovlev: Yes. (S)
Dr. Hewett: And the State Council? (§)

Mr. Yakovlev: Let’s see. I have a feeling that peoples’ minds will become more sober. They are not ready now to democratize; it is very difficult now. This is why Gorbachev and I are saying that the coming weeks will be very difficult... (§)

It will take years to bring about significant change:

--- land reform; and

--- deeper and far reaching economic reforms. (§)

I frankly don’t see what liberalizing prices will bring us. I said to Yeltsin that freeing prices without competition is dangerous. Yet demonopolization is not moving ahead. The problem is what happens after the ministries are disbanded. Take, for example, the metallurgical industry with 1100 enterprises. None of them have started to restructuring yet. They’re still producing the same old products, but selling at prices three to four times higher than before. (§)

That means economic laws won’t work. And in the current social and economic conditions, it is especially difficult. The peasants don’t need money, so they won’t sell. There are no goods. (§)

Yeltsin did what Ryzhkov did: he announced price changes ahead of time, and people hoarded. Yeltsin understood what he did after the fact, which is too late. (§)

I am especially concerned about Moscow. All revolutions begin in the capital, as do all counter-revolutions. The law of political dynamics suggest that if this fails, a dictatorship will appear. I said this on Soviet television. (§)

The President: What about Yeltsin’s frame of mind? Is he worried now? (§)

Mr. Yakovlev: Yes. He understands the situation better now. I meet with him personally. For the first time he is criticized as sharply as Gorbachev. He ’ s not used to it. When he was criticized by the party press, he was proud. Now it is a different matter. (§)

But he feels strong now. It was a big disappointment that the Congress of People’s Deputies did not support him on Chechen-Ingushetia. (§)

In short, he is facing the reality Gorbachev faced long ago. It has brought them close. They talk every day; seek each other’s advice. They have frank conversations (I see them). (§)

The President: We’re trying hard from here to deal with both. I’m not writing off Gorbachev; nor am I either elevating or
downgrading Yeltsin. I'm not intervening. I want to have respectful relations with both -- and not blind-side one of them. Here I am criticized for being too much for Gorbachev. I don't want the Russian people to misunderstand.... It is a delicate matter. (§)

Mr. Yakovlev: I know. You told us before... (U)

The President: I hope its properly perceived by Russians. I'm trying to be balanced. (§)

Mr. Yakovlev: Gorbachev and Yeltsin will never be friends. But that's not necessary. They can have good business-like relations. (§)

I have good relations with Mikhail Gorbachev and Yeltsin. We had differences some time ago, but not now. (§)

The President: Does Shevardnadze have close relations with Yeltsin as well as Gorbachev? (§)

Mr. Yakovlev: I don't think I would call Shevardnadze's relations with Yeltsin close, but they respect each other. They are both strong characters, and both have a strong hand. (§)

Yeltsin was somewhat nervous about Shevardnadze's candidacy, but eventually agreed. This appointment does not mean that Pankin was inefficient as a minister. Nothing of the sort. That is why Mikhail Gorbachev had a difficult time talking with him (about his replacement). The return of Shevardnadze was a political appointment. (§)

Secretary Baker: Pankin did a good job. It was a difficult brief. A great deal was happening. (§)

Mr. Yakovlev: He is a clever man. (§)

The President: When will the coup leaders go on trial? (§)

Mr. Yakovlev: It has been promised that the investigations will be completed in December. So far Lukyanov has said nothing. There is very contradictory data on when the preparation started. Some say it was on August 18. Others say earlier. Probably some of the preparation started earlier. The trial will not be easy. (§)

Secretary Baker: Did the planning begin before July 31st when we were there? (§)

Mr. Yakovlev: I felt something in the making. The atmosphere had something about it. That's why I resigned. I talked with Gorbachev before his arrest for four hours about all of them. I was concerned. I talked with him several times.
SECRET

Secretary Baker: Final question. Is the situation such in Moscow that we could have the next session of the Middle East Peace process in Moscow? We could be talking about 30-34 nations. (3)

Ambassador Komplektoy: It’s possible. We’ve been discussing it. (3)

Mr. Yakoulev: ____________________________

The President: It is good to see you. It hate it that you have all these difficult problems. I wish that we could do more. We will help. (3)

Please pay my respects to Gorbachev and Yeltsin. I think the developments with Shevardnadze and his position are positive. We’ll have to see where we go. I know it will work out. (3)

I wish you well, I repeat. We want you to succeed. We will try to help. If you need to be in touch... (3)

There is a mood of isolation now in people. It’s stupid; not in our interest. Pull back America -- it’s almost 1938. I’ll be caught up in the election the whole year. It makes it a little more difficult to help. (3)

We’ll stay engaged with you, and develop our bilateral relations. (3)

-- End of Conversation --