

cool to that idea.

Y: (He makes a big pitch for debt relief/forgiveness.) Taken globally, we owe \$80 billion and we are owed \$140 billion. We haven't been able to collect because it's from Cuba, Libya and Iraq. And none of the CIS countries have paid one kopek. Could you forgive the difference between \$140 and \$80 billion, or to \$60 billion? It's only morally fair since we took over the debts of the old USSR.

C: We'll have to take that up. Secretary Bentsen has talked about further debt forgiveness.

Y: Fine. What about the CSCE Summit in Budapest. You'll be there, right?

C: I hadn't planned to go because of the Summit of the Americas, but if there is important business to do, I'll go. Are you going to be there?

Y: I'll give the same answer: if there is important work for you and me to do in building a better Europe. Will you go to the Copenhagen meeting in March?

C: I haven't decided. Boutros Ghali has asked me 15 times.

[potus has taken out a cigar to chew on -- yeltsin interrupts himself, "do you smoke?" clinton says no, hillary would kill him, also he's got allergies; he smokes about one a month outside. yeltsin says, "ok, because i'd been told you don't smoke." he gets his "health" intel.]

One last thing: on NATO: Please note, I have never said we shouldn't consider Russia for membership or a special relationship with NATO. So when we talk about NATO expanding, we're emphasizing inclusion, not exclusion. My objective is to work with you and others to maximize the chances of a truly united, undivided, integrated Europe. There will be an expansion of NATO, but there is no timetable yet. If we started tomorrow to include all the Visegrad countries it would still take several years until they qualified and others said yes. The issue is about psychological security and a sense of importance to these countries. They are afraid of being in a gray area or a purgatory. So we're going to move forward on this. But I'd never spring this on you. I want to work closely with you to get through it together.

This relates to everything else. When you did what you did in the Baltics it strengthened your credibility. That's why we have to work through the UN on N-K.

As I see it, NATO expansion is not anti-Russian; it's not intended to be exclusive of Russia and there is no imminent timetable. And we'll work together. I don't want you to think I wake up every morning thinking about how to make the Warsaw Pact countries a part of NATO. What I do think about is how to use NATO expansion to advance the broader, higher goal of European security, unity and integration - a goal I know you share.

X Y: I understand, and I thank you for what you've said. If you're asked about this at the press conference, I'd suggest you just say that while the U.S. is for the expansion of NATO, the process will be gradual and lengthy. If you're asked if you'd exclude Russia from NATO, your answer should be no. That's all.

C: That's already the answer we've given.

. At the President's request, Deputy Secretary Talbott amplifies, citing Secretary

Perry's public disagreement with German Defense Minister Ruehe, in which Ruehe said "never" to Russia in NATO and Perry said, "we're not ruling it out."

Y: Good for Perry. He is smarter than Ruehe.