

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Luncheon Plenary Meeting with the Heads of State and Government of Poland, Hungary, Slovakia and the Czech Republic

PARTICIPANTS: The President
Warren Christopher, Secretary of State
Madeleine Albright, U.S. Permanent Representative to the United Nations
Mac McLarty, Chief of Staff
Anthony Lake, Assistant to the President for National Security Affairs
Leon Fuerth, National Security Advisor for the Vice President
Adrian Basora, Ambassador, Czech Republic
Stephen Oxman, Assistant Secretary of State for European and Canadian Affairs
Daniel Fried, NSC Notetaker

President Lech Walesa, Poland
Premier Waldemar Pawlak, Poland
Foreign Minister Andrzej Olechowski, Poland
President Arpad Goencz, Hungary
Premier Peter Boross, Hungary
Foreign Minister Geza Jeszenszky, Hungary
President Michal Kovac, Slovakia
Premier Vladimir Meciar, Slovakia
Foreign Minister Jozef Moravcik, Slovakia
President Vaclav Havel, Czech Republic
Premier Vaclav Klaus, Czech Republic
Foreign Minister Josef Zieleniec, Czech Republic

DATE, TIME AND PLACE: January 12, 1994, 12:15 - 2:00 p.m.
Ambassador's Residence, Prague

The President opened the meeting by welcoming his guests and noting that he had enjoyed his bilateral meetings with the leaders of each country. He was pleased that all the countries had expressed their support for the Partnership for Peace (PFP) initiative. Military leaders of NATO and the U.S. now would get down to work with potential partner countries to make the PFP a reality, and the President was ready to discuss additional details if the Visegrad leaders wished. He also was ready to discuss regional or economic questions, or other questions of interest. He was open to discussing Bosnia, though he hoped it would not dominate the meeting. (C)

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Bosnia/former Yugoslavia

Foreign Minister Jeszenszky raised Bosnia, noting that a stalemate currently existed with respect both to Bosnia and the entire south Slav crisis. The time to put an end to the issue in a satisfactory way was two years ago; this was no longer possible. What, then, was to be done? No side to the Bosnian conflict was ready to make the concessions necessary to end the war. Meanwhile, the process of trying to deal with the conflict was wearing on. "We know" who is the major culprit in the war and Hungary supports sanctions against Serbia -- the only country to do so systematically. Serbia knows of Hungary's role in sanctions and has means to put pressure on Hungary: through partial control of Danube shipping and against the Hungarian minority in the Vojvodina. Hungary would be delighted if the war would end, but this is unlikely so Hungary will soldier on. (S)

Premier Boross picked up Jeszenszky's theme, observing that sanctions had cut into Serbia's economy very deeply without, however, crippling its war-making potential. Sanctions had their greatest effect on the population at large and on Serbia's neighbors -- such as Hungary. Nevertheless, sanctions, and perhaps the prospect of action by the War Crimes Tribunal, represented "the only opportunities" at present. President Goencz interjected that the danger for Hungary was not so much its sanctions-related losses -- which he put at \$1.3 billion -- but the prospect of massive inflows of refugees from the Vojvodina should conditions there deteriorate. (S)

Foreign Minister Zieleniec stressed that military victory in the Balkans was impossible, and in any event parties outside the conflict had not demonstrated a will to take the limited military actions that might have an effect on the conflict. In the meantime, Russian influence could be felt in Serbia. Jeszenszky agreed, noting that through Serbia, Russia could reenter Central and Eastern Europe, gaining an outlet on the Adriatic through Serbia-Montenegro. (S)

President Walesa stressed that the time had come for decisive leadership to put an end to the conflict in Bosnia. All should contribute to a solution, even a military solution; Poland was prepared to do its share. President Kovac noted that a lack of unity had contributed to the world community's failure to find a solution to the Yugoslav conflict; the priority task was to determine what settlement was achievable and then to decide upon means to achieve, including military means if necessary. President Meciar wondered what military solution could be achieved. Three separate peoples were involved in Bosnia and the terrain was mountainous. A political solution had to be determined before military means were discussed, and it inevitably would involve partition. But when it came time to implement a solution, Slovakia too would be willing to help. (S)

The President stressed that the United States recognized that sanctions were burdensome, especially for Hungary. Nevertheless, sanctions had a good deal to do with Serbia's willingness to

discuss peace at all. Meanwhile, the Moslems were on the attack in Central Bosnia. What would be the objectives of military action? What would intervention lead to? The possibility of a negotiated settlement made it very hard to accept options of continued warfare. (S)

President Goencz again observed that Russia was deeply involved in the Balkans; he wondered whether PFP could be used as a means for Russia to play a constructive role in the Yugoslav conflict. (S)

The President said he would consider this last point during his talks in Moscow. He then summed up the discussion: the fact remained that 1991-92 was the best time to try to end the conflict in former Yugoslavia. The international community failed then and the use of military power now was vastly more complex. Steps such as sanctions, air drops and diplomatic pressures might have an effect on the Serbs to make necessary concessions to achieve peace; it was hard to imagine pressuring the Bosnian government. (S)

Premier Klaus added that the issue was one of the West's credibility with factions in Bosnia who wished to continue fighting. The President asked Klaus whether he thought Serbia believed U.S. threats of military action linked to U.N. decisions (e.g., the August 9 warnings) were viable. Premier Klaus answered indirectly, noting that the point was not to move against any single party to the conflict, but to move against all in accordance with a concept of a settlement at the end of the day. (S)

PFP and Economic Issues

Foreign Minister Olechowski observed that credibility was always an issue for Eastern Europeans contemplating Western initiatives, including the PFP. Still, most believed economics held the key to reform's success in the region, and Olechowski noted the President's call (in Brussels) for Western Europe to buy more exports from Central and Eastern Europe. In addition to its other objectives, could the PFP be an additional vehicle to allow CEE's to compete for sales of defense articles to the West? In practice, NATO members held the monopoly on sales to other NATO members, and internal U.S. DOD military procurement rules kept Polish products out of the U.S. defense market. (S)

The President said he would look into the question of procurement. With respect to the larger question about PFP, the President stressed that he had spoken to NATO Secretary General Woerner and SHAPE Commander General Joulwan personally about getting PFP off the ground fast. (S)

President Havel took the floor and drew from the Czech prepared national statement, noting that the Czech Republic was prepared to accept PFP immediately and in this context the other CEE countries represented had very similar views ("surely a gratifying circumstance"). The Czech position on PFP was derived

from Czech support for the values of Western civilization and its desire, through NATO membership, to defend these values. (S)

Premier Pawlak noted Poland's acceptance of PFP but added that it should become, in the longer-term, a "Partnership for Development." The Visegrad countries had worked together to develop a free trade area and this meeting would contribute to their cooperation across the board. The President's call for more open Western markets for CEE exports was an important contribution; Pawlak said he hoped this would be matched by U.S. support for Poland's and other CEE country's negotiations with the GATT and accession to OECD. (S)

Picking up a theme from his earlier bilateral meeting with the President, President Walesa observed that Poland would not flood the West with goods; its economic cooperation would grow with the East where it was more competitive. Indeed, Polish cooperation with Western firms to exploit the Eastern market had great potential (repeating an old refrain, Walesa noted that Poland needed American generals: General Motors and General Electric). Poland looked to economic cooperation and not hostility with Russia. Still, the problem of Kaliningrad Oblast remained, where the 350,000 Russian troops gave that enclave between Lithuania, Poland and the Baltic Sea the highest troop concentration in the world. This was a potentially dangerous situation. (S)

Russia/Ukraine

The President asked whether any had questions or comments in advance of his imminent departure for Kiev and Moscow. Foreign Minister Jeszenszky expressed agreement with Walesa's point about Russian troop concentrations in Kaliningrad Oblast. Russian efforts to modify CFE restrictions were troubling as well. President Walesa stressed that Russia had signed many agreements, but its word was not always good: one hand held a pen; the other a grenade. Yeltsin told the Poles in Warsaw last summer that Russia had no objection to Poland's membership in NATO; he, Walesa, had a paper with Yeltsin's signature to prove it. But Yeltsin had changed in his mind. The Visegrad countries here represented, Walesa continued, kept their word; they had a Western culture. Russia did not. (S)

President Havel, again drawing from his statement, noted that it was neither possible nor desirable to isolate Russia. The task was to develop a relationship between NATO and Russia that would respect Russia's position. There should be no Russian veto over NATO decisions nor over the decisions of sovereign nations in Central Europe. Expansion of NATO would not bring an enemy closer to Russia but rather a zone of stability and democracy. The President said he agreed with President Havel: there was and would be no Russian veto over NATO decisions. NATO was a defensive alliance that guaranteed its members' borders and NATO could and would develop the right relations with Russia. (S)

The question was also one of Russia's internal development, Premier Klaus observed. Russia's foreign affairs were a function

of its economic and democratic evolution and Russia was at a far earlier stage than CEE. (S)

Foreign Minister Olechowski urged the President to remember the concerns and fears in Central and Eastern Europe. Would the U.S. "cut a deal" with Russia over their heads by accepting a new sphere of influence understanding with Moscow? Or would the U.S. work with Russia to put into effect a new security system? The President rejoined that the U.S. would not draw a new line in Europe or contribute to such a process by giving anyone the excuse to do so. Russia was not threatened by PFP, though any "imperialistic tendencies" might be. Foreign Minister Olechowski noted that if the President took such a stance in Moscow, he would establish the validity of PFP. The President said he would remember that point. (S)

The President asked whether it was worthwhile devoting time and resources to support the independence of some of the non-Russian post-Soviet states, such as Ukraine. Jeszenszky responded that it certainly was, and all at the table would likely agree. Ukraine was essential to European security as a buffer state. Yet Ukraine's economy was in shambles and this constituted a genuine danger to the country's viability. Poland and Hungary knew Kiev well, understood the problem and maintained excellent political relations, but lacked the economic resources to help. The President added that if he could conclude the agreement on nuclear weapons, the U.S. might be able to mobilize resources to help. (S)

President Goencz underscored Jeszenszky's points: Ukraine could be a major problem if it were neglected; it might be reabsorbed by Russia or conflict could break out. Kravchuk understood the danger as well. The question was not whether to support Russia or Ukraine, but how to support both to the benefit of all. President Walesa expressed his agreement with Goencz, adding that assistance to Ukraine should be rendered through CEE, whose economies were not dominated by Russia as was Ukraine's. The wave of democracy and reform should spread to Russia and Ukraine from the West, across CEE -- not a wave against Russia but for reform and democracy. (S)

President Kovac also agreed that Ukrainian independence was key to European security, and that Ukraine's economy was the greatest threat to its independence. If the world wanted an independent Ukraine, it needed to provide more economic assistance. Foreign Minister Moravcik added that support for Ukraine's economy meant support for Russian democracy because an independent, viable Ukraine would thwart the agenda of the Russian imperialists. (S)

The President sought to sum up this portion of the discussion. First, recalling Jeszenszky's earlier point, the President expressed U.S. opposition to attempts to reopen CFE through reallocations. Next, the President reiterated the point that CEE security was tied to America's own security. The U.S. sought an integrated Europe "as large as we can make it." The U.S. and President Clinton personally were prepared to work with CEE and

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6

its leaders, because, among other things, "few parts of the world are as important as your four countries." Finally, the President expressed thanks to the CEE leaders for having met with him. As the meeting broke up, President Walesa joked that the countries assembled would be glad to guarantee American security, if that's what a new European security required. (C)

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