

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Meeting with Czech Leaders

PARTICIPANTS: The President
 Warren Christopher, Secretary of State
 Madeleine Albright, U.S. Ambassador to the United Nations
 Mac McLarty, Chief of Staff
 Anthony Lake, Assistant to the President for National Security Affairs
 David Gergen, Counselor to the President
 Stephen Oxman, Assistant Secretary of State for European and Canadian Affairs
 Adrian Basora, U.S. Ambassador to the Czech Republic
 Jenonne Walker, NSC Notetaker

Vaclav Havel, President of the Czech Republic
 Prime Minister Klaus
 Foreign Minister Zielenic
 Defense Minister Baudys
 Industry Minister Dlouhy
 Economics Minister Dyba
 Ambassador Zantovsky, Czech Ambassador to the United States
 First Deputy Foreign Minister Vondra
 Ladislav Mravec

DATE, TIME AND PLACE: January 11, 1994, 5:30 - 7:00 p.m.
 Prague Castle

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Presidents Clinton and Havel had a brief private meeting before the expanded U.S.-Czech bilateral in Prague Castle on January 11. President Havel began by raising the possibility of moving RFE to Prague. The President responded that he strongly supports the move and had wanted to announce it on this visit. But to fend off efforts of some in the U.S. Congress to kill the radio entirely, the Administration had agreed to study the whole issue. If he announced a move to Prague now, some on the Hill would say he had broken his word. But, he continued, he thinks it is a good idea and will do what he can to get a positive decision as soon as possible. President Havel noted that buildings already are ready and that a move to Prague would be cheaper than to the U.S. The President offered to say during this visit that he thinks it is a good idea and we are actively exploring it but must wait until the study is finished, but he would hate to raise

false hopes; he thinks it will work but cannot be positive. President Havel said that would be sufficient. Getting the right decision is more important than when it is announced. (S)

President Havel continued that there had been complicated talks with Visegrad partners arranging this week's meetings. All now have agreed to support the Partnership for Peace but all will say that they deem it the first step toward full NATO membership and stress that moving toward that goal depends on how fast each Partner country moves to intensify its relations with NATO. All further had agreed that Havel would speak at the post-lunch press conference Wednesday; he would speak for the Czech Republic, stressing the concurrence of the others but not talking on behalf of a block. "We do not want to act as one body, but to show the agreement that exists." Getting these agreements had not been easy, he continued. Poland's President Walesa is "his own man." But all would turn out right. Havel noted that his personal friendship with neighboring Presidents had helped produce these agreements. (S)

President Clinton said that when we were developing the Partnership for Peace, we had two questions in mind. First, what was immediately possible. And second, what is best for Europe over the long run. On the first point, there is no consensus now among NATO allies to extend formal security guarantees for two reasons. First, it is not clear who could contribute to the common defense. And second, the reaction in Russia could be the reverse of what we want, especially after the last election. (S)

Many NATO allies see the PFP as a compromise between immediate membership and nothing. But, the President continued, looking to the long run he believes it is right on the merits because we should be working for the best possible future for European security as a whole while protecting against a less desirable future. What he especially likes about the PFP, the President said, is that it lets us begin right now joint training and exercising and the introduction of NATO troops into CEE and establish a track that will lead to NATO membership. On the other hand, he continued, it does not draw another line dividing Europe a few hundred miles east. This point is important not only with regard to Russia but also to other states of the former Soviet Union. Ukraine especially does not want to be pushed back into Russia's orbit. Future events may force us to draw a line; nothing we now are doing prevents that. (S)

The President said he was convinced that Russia is not a near-term threat to its neighbors -- because of what has happened to the Russian military and economy; because it is preoccupied with events on its borders, e.g., Georgia; and because he believes Yeltsin will keep his word about respecting borders and the territorial integrity of other states. But if historical trends do reassert themselves, we will have organized ourselves so that we could move quickly not only to NATO membership but other security relations that can serve as a deterrent. (S)

The President expressed understanding of the special sensitivities in this region, but of all countries in the world, the CEE states should understand the damage of dividing lines, of pushing former Soviet republics into Russia's orbit and signaling to Russia that we have assumed a negative outcome to the debates over what kind of country it will be. (S)

For both reasons, the President said, this is the right decision in substance for the long run. He can make clear to all people in CEE that its security is important to the U.S. and to the Atlantic Alliance. In this way, we can leave open the possibility of the best future for Europe and still hope to achieve it. (S)

President Havel expressed understanding of President Clinton's points; he sees the situation the same way. But given sensitivities of the population here, he said, he must emphasize that the PFP is a first step leading to full NATO membership. The President expressed full agreement. (S)

The two Presidents then joined the rest of the party. Other Czech officials present were Prime Minister Klaus, Foreign Minister Zielenic, Defense Minister Baudys, Industry Minister Dlouhy, Economics Minister Dyba, Czech Ambassador to the U.S. Zantovsky, First Deputy Foreign Minister Vondra, and Ladislav Mravec. With President were Secretary Christopher, U.S. Ambassador to the UN Albright, White House Chief of Staff McLarty, National Security Advisor Lake, Counselor to the President Gergen, Assistant Secretary of State Oxman, U.S. Ambassador to the Czech Republic Basora and Jenonne Walker of the NSC staff. (S)

President Havel began the expanded meeting by asking President Clinton's views on the European security situation against the background of the NATO Summit. The President delivered the same message: that Czechs and others in CEE states should be very encouraged that NATO strongly believes that the security of their region is essential to the security of Europe and the U.S. He described the PFP concept not as a way to keep the CEEs out of NATO but rather as a way to work with them to move toward their membership. It will enable us to build a genuine military and security partnership through joint training and operations. It enables a large number of countries to begin immediately, without prejudging which ultimately will wish to join NATO. It lets NATO make a concrete demonstration of the CEE states importance, without drawing yet another line a few hundred miles east. By pushing NATO expansion this way we leave open the best possible future for Europe, including a Russia that is democratic and market oriented and committed to respect the territorial integrity of its neighbors. But, he stressed, we should begin immediately working on joint security relations that would permit us to take a different course if developments in Russia or elsewhere so dictate. I think we agree, he said, that it is better for all of Europe if we do not have to draw a line than to repeat the past. He expressed conviction that he spoke for the entire Alliance in saying that the Partnership is not a limited

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concept but the real beginning of a substantive security relationship that will make a concrete difference. (S)

The President then stressed that in addition to military factors, CEE security interests also depend on broader and better economic relations with both the European Union and the U.S. So, he said, he hoped he and CEE leaders could discuss what could be done to increase trade and investment and how the U.S. in particular can provide other kinds of specific assistance to help build strong economies. The real danger, he noted, comes from within as well as from without -- as recent elections in Poland as well as Russia have demonstrated. He urged his hosts to be candid in this meeting and Wednesday on this issue. He noted some perplexity that, although our analysis shows that the U.S. has done a better job than Europe in lowering barriers to CEE trade, CEE exports to Western Europe were growing while those to the U.S. were declining. He wanted, he said, to know what we can do to change that. Earlier that day, he continued, Secretary Christopher, Chief of Staff McLarty, and Special Trade Representative Kantor and he had met with all the American businesses in Brussels and he had both described the PFP and specifically urged them to increase trade and investment in CEE.

(S)

In response, President Havel noted that the Czech Republic considers itself to be part of Western civilization; thus the wish to join NATO is not just to get security guarantees but for deeper reasons, to make clear that it is committed to Western values and prepared to share in the protection of those values. NATO is not just a guarantee but the beginning of active partnership. He welcomed the PFP as "a fortunate idea" and pledged that the Czech Republic will not only accept it but also move as fast as possible whenever NATO fills it with tangible content. He appreciated especially that while it is open to all, there is a possibility for differentiation based on the willingness and interest of each Partner; thus it is a very balanced solution. But, he repeated, it must be the first step toward membership. (S)

He noted that people in CEE are understandably upset with developments within Russia, given the historical experience. He understood that good relations between NATO and Russia were desirable; that would provide the background against which NATO could expand. The PFP could provide that. But Russia could not decide whether any other state could join. President Clinton agreed. (S)

President Havel then asked Prime Minister Klaus to comment on economic issues. The Prime Minister expressed appreciation for the stress President Clinton had placed on broader political and economic issues, and claimed that these issues marked perhaps the biggest difference between the Czech Republic and the rest of the ex-communist world. Czechs know, he said, that they themselves must complete the task of economic transformation. They are doing their best and doing well compared to their neighbors. On the other hand, he continued, they do need something from the

rest of the world and especially the U.S. as the world's leader. They usually do not ask for aid. But they really do need U.S. pressure to ensure free trade and fight protectionism. That is why the Uruguay Round results were so important to the Czech Republic and why American pressure on the EU would be "directly, directly" helpful. He expressed happiness with trade opportunities with the U.S.; some 400 American firms are in the Czech Republic. (S)

I must mention the Temelin nuclear power plant in the Czech republic, Havel said, saying that in a few days Congress will decide on ExIm financing. Havel echoed the point, remarking that he had raise the issue in Washington last spring. (S)

Havel again reverted to the PFP, stressing that the Czech republic knows that it involves military engagement and wants to work in all areas. A Czech effort will be required and they are eager to begin talking specifics. The PFP addresses each nation individually; "we cannot hide behind pseudo blocks. But we are willing to pursue regional cooperation. We understand that the Partnership for Peace has regional aspects. We must live and work with the people who will remain our neighbors." (S)

Secretary Christopher expressed understanding that several east European states want a direct relationship with NATO, not to be confined to dealing with NATO only through a group. He confirmed that no country would have a veto over the participation of any other. (S)

Klaus, continuing the discussion of relations with neighboring states, said he was unhappy when the Western press claims that the Czech Republic is not willing to cooperate. History makes Czechs sensitive to cooperation imposed from above, but they do want to cooperate and there is a lot of regional cooperation. It was Prague that proposed a regional free trade zone. (S)

President Clinton responded to Czech expressions of eagerness to hear from NATO immediately. Secretary General Woerner had instructed SACEUR to immediately make contact with the military leadership of every country that expresses interest in joining. If that does not happen "within a matter of days," the Czechs should get in touch with Ambassador Basora. (S)

On economic issues, President Clinton announced that there will be a conference this year devoted to increasing trade and investment with CEE. He also said that OPIC would be committing greater resources in the area. He expressed belief that we are in an excellent position to get lots of American investment across the broad span of economic activity. (S)

The Czechs themselves have some difficult decisions to make about allowing foreign companies in sensitive economic sectors. But, he noted, the more American investment there is in the Czechoslovakia, the more the political climate in the U.S. will support the country's security. (S)

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We were glad, the President continued, that we had been able to remove the Czech Republic from the COCOM list this year. He expressed appreciation for the Czech decision not to sell radars and a reactor to Iran. The U.S. more than any other country has a responsibility to lead a disciplined effort to slow the spread of weapons of mass destruction and sensitive technologies. Thus from time to time we will be asking for Prague's cooperation. We face similar problems; they come across his own desk daily and there are no simple, easy answers, but long-range, highly destructive non-nuclear technology can threaten all of us. Havel said that next month the Czech Parliament will pass strict export control legislation. (S)

In closing, President Havel thanked the President for sending Ambassador Albright and General Shalikashvili to the CEE states. Their advance work had been a great help in preparing for the President's own meetings. (S)

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