

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Otto Stich of
Switzerland

PARTICIPANTS:

U.S.The President
David Gergen, Counsellor to the President
Anthony Lake, Assistant to the President for
National Security Affairs
Michael Polt
Leon Fuerth, Assistant to the Vice
President for National Security Affairs
Jane Holl, NSC NotetakerSwitzerlandPresident Stich
Flavio Cotti, Foreign Minister
Carlo Jagmetti, Ambassador to the United
States
Achille Casanova, Vice Chancellor
Jorge Annaheim, Presidential Assistant
Dominic Martinelli, Counselor to the Foreign
MinisterDATE, TIME January 15, 1994; 6:50 p.m.
AND PLACE: Salon des Nations A

President Stich: Mr. President, I want to welcome you to
Switzerland. I am pleased to have you here at such an important
meeting. (Q)

Switzerland supports your talks with President Asad, but we
believe it is important to make progress in the peace process.
There is a much wider importance, I think, not only for Europe,
but for other areas for the Balkans and for Yugoslavia. Where
peace is possible, we must try and move it forward. A couple of
years ago, none of us thought that Yugoslavia would unfold the
way it did and I think that your trip to Russia has made clear
that a lot of cooperation will be needed if we want to keep
moving the peace process forward. I think your peace efforts are
very important, but we can't move peace without promoting
development as well. We all know that a good deal remains to be
done. (Q)

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My country assists in helping the Central Asia republics. I just returned from a trip and I see how much needs to be done there. I think it's false to say that it is a short-term process. I think it will take years. (S)

I am equally grateful for the efforts you have taken to turn the budget and fiscal situation around in your country. We are having the same problems. If you let these problems get out of hand, they only have a bad effect on the rest of the country. For these different reasons, it is especially nice for us to welcome you. We wish you success. I believe you have a very important mission in the Middle East and I hope for success in your talks with President Asad. (S)

The President: Thank you, Mr. President. Thank you for hosting us and making time available for this meeting and undertaking to host my meeting with President Asad. I realize it has posed some burdens for you. I apologize but I think it's a very important thing we are doing. (S)

I would like to comment on what you said and mention a few other things. I am grateful for our cooperation, both one-on-one and through multilateral institutions. Switzerland has done a great job in maintaining its historic neutrality, but also in assuming greater responsibilities. (S)

We are happy, for example, with our cooperation on money laundering. We are grateful for the generous contribution for the donors conference. The aid that has been provided is important to Israel and to the PLO to help bring the process of peace forward. In many areas of the world, we cannot have peace without development. Gaza is a very poor area. We cannot move forward with President Asad without movement in this area so I am grateful for your help. We are also grateful for your help in the IMF with the countries of Central Asia. I have just come from numerous meetings in NATO, in Central Europe and in Russia and it is clear to me that much of the stability we see depends on this country, but it also comes from these countries making sacrifices. It is clear that extremist candidates such as Mr. Chironovsky are supported because economically and socially these places are in bad shape. So what you are doing in Central Asia is very important to us. (S)

As we seek to integrate Russia and the other states of the former Soviet Union, we must be attentive to the security issues. What will Russia do in the future? And in its near abroad? It's obvious that Russia is compelled to be more active. So the more you can help these countries stabilize their countries, the more the better. I appreciate that very much. (S)

There are just two things I would like to mention. I know you have a lot of refugees from the former Yugoslavia and a lot of your population is native to that land. We discussed this at length in NATO. The prospects for peace is not good. The Bosnian government is interested in winning territory, far more than they were six or eight months ago. And the Croates are

fighting back. We won't get peace unless the parties agree that it is time to stop fighting. If you or your Foreign Minister have any advice, I would welcome that. Secondly, I hope you endorse or consider some level of participation in the Partnership for Peace. We issued invitations not only to former members of the Warsaw Pact, but also to every non-NATO member of Europe. For this reason, we have a chance to do something that has never been tried before. To base our relationships on integration rather than division where we will have respect for individual rights, for basic human rights, for market economies and for the territorial boundaries for each nation. And we will develop new military relations based on cooperation. That's why I resisted impulses from the Visegrad to bring them into NATO. I didn't want to draw a new dividing line into Europe. We should be working for the best possible future for Europe. This seems to be quite consistent with what Switzerland has staked out for itself. No one in the Partnership will have to do more than what it is prepared to do. Some will participate a lot and some only a little. But everyone will have the option for joint planning, training and exercises. So the comfort level of these nations goes up. If we had said no to European expansion, these countries would be nervous and have no security. But if we extended membership, there would be anxiety in Russia and we would push Ukraine and others back into Russia's orbit. So I hope you will consider how to participate and that you will have an impact on other countries who are so much less stable. So I invite you to consider Partnership for Peace, and, if you have any thoughts on Bosnia, I would like to hear from you. (C)

President Stich: Thank you for your statement. The Swiss position on the Partnership for Peace is as follows. It is not a question of whether or not we are for peace, but is a question of whether the Swiss should participate or not. We are very interested in your comments at NATO that boundaries not move. I understand that the countries of eastern Europe are interested in more security. We are interested in doing our share. We won't be joining a military alliance. I think PSP is something that creates trust. We learned something through our assistance to Central Asia. It is important to establish trust, but it can be hard to get to know them. We have to hear more and discuss more. Especially with regard to eastern European states, the dialogue for democracy and market economy is very important. During my trip, the people in these countries are interested in hearing and trying to understand these problems. (C)

Regarding our refugees, Switzerland is the most integrated state in Europe. We have the most foreigners. From Yugoslavia, we have 80,000 refugees, but 300,000 Yugoslavs are working in our population. One thing we have learned, it does not work to try to resolve problems overnight. A crucial point on Yugoslavia is that you can get peace only when people talk to each other and that is not happening in Yugoslavia. There are all kinds of models to look at, but the issue is to get people to follow them. And it only works when people realize that war gets them nothing. We will do everything we can, but others much listen. (C)

Foreign Minister: You asked for our advice, but when we look at the actual negotiation, we see no progress. But no other way is open. We believe that the question of minorities will become one of the main sources of conflicts in the coming years. We have a long tradition of minorities -- I am one of a five percent minority -- we feel quite well treated by our majority. My situation is not easy to compare. In situations where the location of a single ethnic is clear, things are easier. But for Yugoslavia, it's a great mix of cultures. In Geneva, it's completely French-speaking. In Zurich, it's completely German-speaking. In Lausanne, they speak Italian. We intend to improve our assistance with our know-how regarding minority questions. Especially in Yugoslavia, we will concentrate on humanitarian situations, but it is not enough. (C)

Mr. President, concerning your excellent idea of PFP, we appreciate it deeply. We assure you we will be able to participate and not only with humanitarian help. We will have a referendum on blue helmets for the first time. We hope the people say yes. You can imagine how our cooperation will go. (C)

The President: Thank you very much for your comments. I know that you say you are part of a minority, but here you are over-represented in government: here there are four Italian speakers. (C)

President Stich: We treat our minorities right. But they shouldn't become a majority. Thank you, Mr. President. I wish you all the best. I wish you a good night's sleep and much success tomorrow. (C)

The President: Thank you and good night. (U)

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