

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

9688

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0133-m (1.17)
5/11/2018 KBH

MEMORANDUM OF CONVERSATION

SUBJECT: President Arpad Goencz and Prime Minister
Gyula Horn of Hungary

PARTICIPANTS: U.S.

The President
Warren Christopher, Secretary of State
Anthony Lake, Assistant to the President for
National Security Affairs
Ambassador Donald Blinken
Assistant Secretary Richard Holbrooke
Erskine Bowles, Deputy White House
Chief of Staff
Ashton Carter, Undersecretary of Defense
Lt. General Dan Christman, JCS
Daniel Fried, NSC Staff (Notetaker)

Hungarian

President Arpad Goencz
Prime Minister Gyula Horn
Foreign Minister Laszlo Kovacs
Ambassador to the U.S. Gyorgy Banlaki
Assistant to the President Zsolt Rabai
Political State Secretary in the Prime
Minister's Office Andras Toth
Administrative State Secretary at MFA
Ferenc Somogyi
Deputy State Secretary at MFA Istvan Pataki
Director General of MFA Istvan Kovacs
(Notetaker)

DATE, TIME December 5, 1994, 12:10-12:35 pm
AND PLACE: Budapest Convention Center

The U.S. and Hungarian press and photographers were admitted into the meeting room in two successive waves. Neither President Clinton nor the Hungarian leaders responded to the several shouted questions. The meeting began following the media's departure.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

President Clinton: It is wonderful to be here in Budapest, even for so short a time.

President Goencz: This is an important day and a useful set of meetings. Short though your visit may be, it is a pleasure to see you. I will be in Washington January 17 in connection with the 50th Anniversary commemoration of Raoul Wallenberg's disappearance and hope to see you then. I now turn to Prime Minister Horn, who will speak for us both.

Prime Minister Horn: This Hungarian Government, like the previous one, seeks membership in NATO. We greatly appreciate what the U.S. has done with respect to NATO expansion. We understand that actual expansion will not take place rapidly. I met with President Yeltsin yesterday to discuss this issue among others. There are significant differences between us: Yeltsin believes that NATO's expansion threatens Russian interests. We, however, believe that it would be in Russia's interest to have as its neighbors stable countries whose security was guaranteed by NATO. We agreed with Yeltsin to continue our dialogue. I believe that Russia should not be allowed to veto NATO expansion; nevertheless, the U.S. and other NATO members should consider Russian views as expansion proceeds.

Hungary also is pursuing membership in the European Union. With this in mind, Hungary is making its economy "transparent," continuing to implement reforms and harmonizing its legal system to correspond to EU norms. All of these efforts would continue.

President Clinton: I want to respond to what you said about the European Union and your economic reforms. We support Hungary's aspirations with respect to EU membership. We also want to encourage and support Hungary in its economic reforms. Hungary is going through a difficult period and the U.S. wants to help -- to rally the international financial institutions to support Hungary's reforms and progress toward EU membership.

You mentioned NATO membership. I have little to add to what I said earlier today. I was a bit surprised at President Yeltsin's outspokenness this morning about NATO expansion. I have not said anything in public with which Yeltsin was not already familiar. The Partnership for Peace was developed to send a signal that we sought to build a united and not divided Europe. Military exercises with Russia and the Partnership for Peace exercise with Poland in September were important steps forward. In 1995 we plan to hold 12 PFP exercises. Following President Yeltsin's speech it is important to make clear that NATO expansion is not an aggressive step aimed at Russia but is a process to support European security. The U.S. and its NATO partners will continue to work along these lines.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3

CONFIDENTIAL

President Goencz: I spoke to President Yeltsin yesterday. The Russians send different messages to different countries. We are sensitive to Russian concerns and will continue to consult with Russia. But Hungary will be guided by its interests. We understand security in a wider context than simple military security; it includes economic and environmental elements. Moreover, security must be European-wide, though with NATO the most important element. The process of European integration includes the EU, NATO and other institutions. It must proceed broadly. In this context, technology transfer to Hungary is important to ensure NATO compatibility and we hope for progress.

I recall expressing support for OPIC (the U.S. Overseas Private Investment Corporation) when we met last June. I was very pleased therefore by the OPIC mission to Hungary you dispatched last October. We seek not assistance but rather U.S. support for trade and investment. It also would be useful in this context to strengthen the Hungarian-American Enterprise Fund. NATO is an important element of Hungarian security but so are our relations with our neighbors. We want to be more active in strengthening these relations and believe that security of borders ought to be confirmed as well as rights of (Hungarian) minorities in these countries. The CSCE has a major role to play in this context, as does the Council of Europe and other multilateral organizations. Finally, I would like to stress Hungary's commitment to a market reforms, even after the elections held earlier this year.

President Clinton: I have two additional points to make. First, I want to thank you for your cooperation in ending arms transfers to Iran. This is an important issue and we can put it behind us. Second, in my United Nations General Assembly speech last September, I proposed establishment of a Law Enforcement Training Academy in Europe. Cooperation to fight organized crime is one element of national security and this Academy could play a major role.

President Goencz: First, the matter with respect to Iran is settled. Second, we are very pleased by your offer of Budapest as a home for this Academy. We know you had considered several capitals and are delighted that you chose Budapest.

Mr. Lake: Can we announce today our agreement on establishment of the Academy in Budapest?

President Goencz: (After consultation with the Hungarian side) Yes, we can accept your suggested draft announcement.

President Clinton: (Ending the meeting) It was a pleasure seeing you again and talking with you.

CONFIDENTIAL

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
4

President Clinton: (Ending the meeting) It was a pleasure seeing you again and talking with you.

(Immediately following the meeting, Mr. Lake approached Foreign Minister Kovac and added that the President had intended to extend to Prime Minister Horn an invitation to meet with him in Washington at some point during the first half of 1995, with dates to be arranged. Foreign Minister Kovac responded that this was good news.

-- End of Conversation --

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~