

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Working Lunch with Wim Kok,
Prime Minister of the Netherlands (U)

PARTICIPANTS: The President
The Vice President
Warren Christopher, Secretary of State
Togo West, Secretary of the Army
Anthony Lake, Assistant to the President for
National Security Affairs
Terry Dornbush, U.S. Ambassador to the
Netherlands
Richard Holbrooke, Assistant Secretary of
State for European Affairs
Alexander Vershbow, Senior Director for
European Affairs, NSC Staff, Notetaker

Wim Kok, Prime Minister
Hans van Mierlo, Deputy Prime Minister
and Minister for Foreign Affairs
Adriaan Jacobovits de Szeged, Ambassador to
the U.S.
Joop Merckelbach, Deputy Secretary General,
Ministry of General Affairs
Joris Vos, Director General for Political
Affairs
Jaap van der Ploeg, Deputy General Director
of the Netherlands Government Information
Service
Ed Craanen, Director, Western Hemisphere
Department
Jan-Meinte Postma, Deputy Director of Trade
Policy Affairs, Ministry of Economic
Affairs

DATE, TIME February 28, 1995, 12:00 noon - 1:15 p.m.
AND PLACE: White House Family Dining Room

The President: We're having quite a debate with the Congress
over peacekeeping. (✓)

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DECLASSIFIED
PER E.O. 13526
2015-0755-M (1.11)
12/1/2017 K8H

Foreign Minister van Mierlo: Senator Dole told us that the U.S. pays more than other countries, but I pointed out that the Europeans pay 38%. To reduce the U.S. share from 31% to 25% would have a serious impact on all the other countries. They would naturally want to reduce their contributions as well. This is a matter of great concern. As we discussed this morning, U.S. leadership is very important and leadership cannot be defined in dollars alone. When the enemy was clear during the Cold War, leadership was as clear as the evil we faced, but now the evil has changed. Instead of the Russian threat, we have the threat of chaos. This chaos makes U.S. leadership even more important than during the Cold War. I can't see any other body playing the role of the UN. Therefore, we need the visible hand of the United States playing a leading role within the UN. This has nothing to do with our own interests as in the Cold War, when we accepted the U.S. as our leader. Now there are global interests. The U.S. position will be decisive for the future of the UN. (S)

Secretary Christopher: We need to distinguish between two things. First of all, in the Contract with America, the Republicans argue that U.S. voluntary contributions to peacekeeping should be subtracted from our UN assessment. Doing this would reduce our assessment from 31% to zero, and it would bring peacekeeping to an end. We are fighting that. We made some headway in the House and changed it from the total cost to the incremental cost of our voluntary contributions. Nevertheless, we are depending on the Senate to correct this. (S)

This proposal needs to be distinguished from reducing the U.S. assessment. The 31% that we pay now is too high and needs to be reduced, at least gradually. Reducing our figure to 25% will not have as devastating an impact as the Republican proposal regarding our voluntary contributions. If we agreed to the latter, other nations with large voluntary contributions would also seek to have theirs deducted and no peacekeeping left. (S)

Foreign Minister van Mierlo: I'm afraid of a decline in support for peacekeeping generally. (S)

The President: Does all of Europe pay 38%? (U)

Prime Minister Kok: 38% is the EU's contribution. (U)

The President: So the EU and the U.S. together contribute almost 70%. (U)

Foreign Minister van Mierlo: To say that the U.S. is paying too much and Europe not paying enough is not true. Dole didn't know the figures. I can understand Congress's feelings about the UN bureaucracy, and it certainly can be improved. But the global

impact if the U.S. cuts its contribution would be terrible. Every state has its problems. Everyone's parliament is asking why they should pay for forces to fight on the other side of the world. But if we start to give in, we will lose the whole framework. (C)

Prime Minister Kok: There are three elements in the discussion. First, in Europe and the U.S., we hear criticism of the UN bureaucracy, and this is justified. We must reform it or our public opinion will punish us (the same applies with regard to reforming the EU and other institutions). The second point is the question of whether there is a fair balance between what different countries pay. Here we need to clear up the misunderstanding. While the U.S. says it pays too much in nominal and relative terms, the facts need to be clearly understood. Otherwise, everyone will want to reduce. The third point is one that is especially important when isolationism is spreading -- and not just in the United States. Those who say that there is no enemy and that we can do less -- who ask why are we paying for the UN and what are we getting in return -- run the risk of falling into a selfish, nationalistic approach. It will be dangerous if this approach gets the upper hand. We have to clear up the misunderstandings about the financial questions. The times ask for more action, not less. I believe we share the same view from our discussion this morning. We need to educate the newly elected Senators and Congressmen. (C)

Anthony Lake: Let me make one specific point. Reducing our assessment to 25% is a matter of law. This has to happen by 1996. (C)

The President: Reducing to 25% was the only way we could get Congress to pay back our arrears. We were the biggest debtor to the UN when I took office. (C)

Anthony Lake: Reducing our assessment and reforming the UN are crucial to winning the larger fight. I also would like to say that I don't believe the enemy today is chaos, nor do I believe it is a good argument to say that the UN is our barrier against chaos. There is still evil out there in the world. As we try to spread democracy, democratic ideas are under assault by extremists, terrorists and other groups. Moreover, there are trends like environmental decay and low levels of development. The struggle against these is similar to the earlier struggle against fascism and communism. (C)

Foreign Minister van Mierlo: I agree, there is still the evil of war and other kinds of evil everywhere. (U)

The Vice President: Let me try to bridge the two ways of describing the current situation. During World War II, the enemy wasn't the Germans, but the way of thinking that took root in Germany and led to evil consequences. The true enemy was the way of thinking represented by Nazism. Similarly, today's evils are rooted in ways of thinking that produce evil consequences. When developments like environmental decay, population explosion, the arms race and local wars all coincide, it looks like chaos that is not susceptible to remedy. The lesson is the contrast between what we did after World War II and what we did after World War I. After the Second World War, we unified Europe, spread democracy and provided the basis for the strategy of integration that we ought to pursue with even more vigor now. (X)

Prime Minister Kok: For 40 years, we armed ourselves against a war that never took place. Today we are not armed against the other kinds of war present in all corners of the globe. We are lagging behind our response to the Cold War. During the Cold War, we in Europe didn't develop a common responsibility for foreign policy and security, but left it to the Americans. This was very easy. We were able to suppress our antagonisms for 40 years, but these are now visible again. The U.S. for a long time accepted social problems at home because of the need to fight against the larger evil abroad. Now that evil is gone, or has taken on new form. All parts of the world are now paying the bills of the Cold War. We won the Cold War, but we were not prepared for what came next. (X)

The President: There is nothing we could do about the cut in the U.S. peacekeeping assessment to 25%, if we wanted to get Congress to pay our arrears. (X)

Prime Minister Kok: Peacekeeping activities will have to be reduced. It is an illusion to believe that others will increase their contributions to offset the U.S. reduction. (X)

The President: This is especially true if the European share is also too high. (X)

Prime Minister Kok: No, we don't think our share is too high. We are not complaining. But if the U.S. reduces its contribution, there will be cause to follow the U.S. example. (X)

Anthony Lake: Negotiations are underway in New York on formulas that can get us to 25% without reducing operations. We hope these negotiations will lead to an equitable result. (X)

Secretary Christopher: If I can come back to the central point, our total assessment could be wiped out if we don't deal with the

Republican legislation. I am less pessimistic about the UN's ability to adjust to a 25% U.S. contribution. (S)

Prime Minister Kok: Reducing money for peacekeeping operations is one thing, reducing overall operations is another. If the U.S. goes below 25%, it would have a very adverse impact. I understand why you are doing it, but it is very serious. (S)

Anthony Lake: We just ask that our friends understand that this is only one front in a larger fight. (S)

Foreign Minister van Mierlo: That was the sense we had in our meeting with Dole. (S)

Prime Minister Kok: It is all relative. (S)

The President: We have a year to fight this out. A lot of what is going on now is early scrimmaging. This is different from Bosnia where we will face a battle in the spring. We have six or seven months to go in the fight on peacekeeping. What other questions do you want to discuss? (S)

Prime Minister Kok: The Energy Charter worries me. I had hoped that the U.S. would be in a position to participate before June. But we were told yesterday that the U.S. sees difficulties with the Charter on issues like national treatment. (S)

The Vice President: Our position is that the draft of the Energy Charter is one that we cannot join. But we do want to participate in drafting a new treaty. This is not a new position. We have problems with the way the Charter came out. (S)

Ambassador Dornbush: Ambassador Kantor said the same thing yesterday. (S)

Prime Minister Kok: I don't know all the details, but here is my political attitude. Might it be possible for the U.S. to accept, participate, and ratify the Energy Charter Treaty in combination with an additional agreement? We can't expect other countries to withdraw from participating in the Charter. If the U.S. needs additional elements, let us be as concrete as possible. Our representative, Ambassador Rutten, should visit Washington. This visit could be helpful in seeing whether there is a way out. I don't want to discuss the technicalities here. (S)

The President: I will follow up. (U)

Ambassador Jacobovits: Would it be possible for the U.S. to sign but not submit the Charter to Congress until the second treaty,

in which your problems would be solved, could be submitted as well? Then you could ratify both at the same time. (X)

The Vice President and Secretary Christopher: We can't do that.
(U)

Prime Minister Kok: Let's follow up later. (U)

The President: I wanted to ask you about money laundering and drug trafficking in the Caribbean. You know we are concerned about the problems in Aruba and Curacao. (X)

Prime Minister Kok: This is a very important issue. We share your concern about the vulnerability of the region to drug trafficking. We all know the facts and have been working hard on the problem. We have, for example, agreements with our partners in the region regarding Coast Guard efforts to prevent the drug trade and to fight the increasing criminality. There has been some bad news, however: the parliament of the Netherlands Antilles took a decision last week that they would not be prepared to cooperate in the present circumstances since it could have a negative effect on their internal autonomy. Our response is that we don't accept this argument. Yesterday the Prime Minister of the Netherlands Antilles mentioned the possibility of a compromise, so we need to move forward in a diplomatic way. Aruba said it is fully ready to participate. More can and will be done. We have good cooperation with the U.S., although it is narrow in scope. Your diplomatic presence might be important.
(X)

Foreign Minister van Mierlo: Our Coast Guard efforts could be affected by budget cutting at home. It will be important for U.S. cooperation to continue in a visible way. A continuing U.S. presence is vital. We also ask that you pay attention to Suriname, a country which is an important factor in the drug trade. Suriname is going to the IMF. We will establish a major investment fund to contribute to its economic recovery. We ask the U.S., in connection with the fight against drugs, to give more attention to Suriname. (X)

Secretary Christopher: We are reviewing the activities of Coast Guards worldwide in order to determine how they can be more effective. But we will take account of your concerns. On drugs, we want to see if there is a way we can be more helpful. (X)

The President: We will try to be helpful on Suriname. (X)

Foreign Minister van Mierlo: We discussed this in detail yesterday with Assistant Secretary Watson. (X)

The President: Let me just mention the extension of the non-proliferation treaty. We need help from all hands to secure an unlimited extension. (S)

Secretary Christopher: We want to work with our special friends. A ten-year extension would just bring the problem back again in a short time. We need an indefinite extension. (S)

Foreign Minister van Mierlo: We worked with Suriname on this question. (S)

The President: What about Indonesia? (U)

Foreign Minister van Mierlo: We have tried. (U)

Joris Vos: They are exceedingly tough. (S)

The President: We have good relations with Indonesia, but we are not doing well on the NPT question. (S)

Foreign Minister van Mierlo: We need to try to persuade Israel to join the NPT, but I am not optimistic. Israel's position will be decisive for a lot of other countries. (S)

The Vice President: If Iran and Iraq stop their nuclear programs, it will be a lot easier for Israel. (S)

Secretary Christopher: If Egypt agrees to a timetable, it would help with the rest of the Arab world. It will be bad if the peace process became frayed over this issue. I will shortly be going to the region again and perhaps I can help encourage them to reach the right conclusion. It should not be seen as an all-or-nothing question. (S)

The President: We are working very hard on the NPT. If we can get Egypt on board, it will move other countries. (S)

Foreign Minister van Mierlo: Is Indonesia a real problem? (S)

Joris Vos: They have the typical "have-not" position, and they are very tough. (S)

Prime Minister Kok: We will try again with Indonesia. We have some new opportunities with respect to a State visit. They may be more prepared to agree now than they were in August. (S)

The President: What about the post-COCOM regime? (S)

Prime Minister Kok: We have been making progress. (S)

Secretary Christopher: What's holding it up is the need to wait for the Russians to come in. This is deadlocked over the question of Iran. The Vice President has been very active on this issue. (X)

The Vice President: The Russians took an important step forward in providing information on Iran for discussion. We believe it could help resolve this piece of the problem. (X)

Foreign Minister van Mierlo: What do you think of the Willy Claes affair? Will it have an impact? (X)

The President: I don't have an answer. (X)

Secretary Christopher: At the present time we should be fully supportive. He has been an excellent Secretary General and a vital force for the Alliance. You may have more details than we do, but he has to have the benefit of the doubt. What is your perception? (X)

Prime Minister Kok: We are closer to Belgium. The difficult question is to arrive at the facts. We are reluctant to say anything despite the fact that some Dutch politicians have called on Claes to step down temporarily. I don't agree. The facts will show what he should do. In the meantime, we should not indicate that he doesn't have our confidence. (X)

The President: This country has never been brought to a halt by the discovery of one item that was bad in someone's life. We are going through this with our nominee for Surgeon General. If there is something disqualifying, then he should quit. Otherwise, he should stay. I am inclined to support him. We have been through this for two years. The Administration has developed a hardy attitude. We shouldn't overdo it in the case of Claes. (X)

Prime Minister Kok: Speaking confidentially, this scandal could reach the point where Claes himself concludes that he can no longer function. Another possibility is that his action could prove to have been really improper. But we shouldn't make it impossible for him to do his job now. (X)

The President: I am with you on that. (X)

Anthony Lake: We need to be precise in speaking about our confidence in his doing his job as Secretary General, and not get into the domestic affair. (X)

The Vice President: I saw Claes yesterday, and he was in good spirits. We had a lengthy meeting and then a meeting with the 16

Allies. He ran the gauntlet of the press." There is a feeding frenzy in the Belgian press that rivals our own. He took me aside privately and said, "Look, I am okay. There is nothing else in the story." If the only thing that comes out is his lack of candor about what was offered and not accepted, then he will likely survive. I agree we should stand by him. (S)

The President: We should be guided by the facts. Otherwise, we should uphold the institution of Secretary General. (S)

Anthony Lake: We should not be the ones who judge the facts. We support him as NATO Secretary General. As far as the Belgian political situation is concerned, we will see what happens. This is the stance we should maintain publicly. (S)

Prime Minister Kok: Yes, that is the right line to take in public. But among ourselves we need to be clear that some new facts could impair his ability to lead the Alliance. (S)

Foreign Minister van Mierlo: The question is not whether he accepted money, but whether he could have forgotten what happened. There is a question about how things were reported to the three people involved in his party. But we have to await his comments. He initially said that he knew nothing, but later said he had begun to remember. There is a question of his dealing with the truth. (S)

The President: How long ago was this affair? (S)

Prime Minister Kok: Four or five years ago. Speaking of all of these positions, the head of the World Trade Organization will need to be solved. The lack of leadership is embarrassing. We discussed this yesterday with others in the Administration. I don't want to take much time here, but we can't understand your position on Ruggiero vs. Salinas. Sometimes we hear that the arguments are not political or personal, but regional and geopolitical. Can you explain what your position is? (S)

The President: We are simply for someone else. We are not against Ruggiero. (U)

The Vice President: The reasons are not regional, geopolitical, or... (S)

The President: You've heard all the arguments already. (S)

Secretary Christopher: Did you discuss this with Mickey Kantor? Our concern is that the choice should be made not just by 51%, but by a strong consensus. It is significant that Ruggiero has not gained more than 45% to 49% despite an extraordinary amount

of arm-twisting. So far none of the candidates has got a dominant percentage. But we agree that we need to conclude this so that the institution can get off to a good start. (Ø)

Prime Minister Kok: We are not going to solve it this afternoon.
(U)

The President: The thing that I like about Salinas is that he is a highly esteemed head of state from a developing country that is committed to market economics. A big problem is how countries like Mexico can be kept on course. After the Mexican crisis, we risk seeing a similar problem in Brazil, Argentina and Central Europe. How are we going to keep great segments of the globe open to trade and not become mercantilist again? I had hoped that the ideal candidate could symbolize the future we are trying to build. That is why we were interested in Salinas from the beginning. This is why I have spent so much time with APEC -- to stop those countries from being mercantilistic. That is the substance of our position. Are there other subjects you want to talk about? (Ø)

Foreign Minister van Mierlo: There is very little time left, but we have not discussed European security architecture. It is too big to tackle in a few minutes. (Ø)

The President: We are very interested in the subject, obviously!
(U)

Prime Minister Kok: You have well prepared the schedule for NATO enlargement, taking into account the strategic events that will occur during 1995 and 1996, including the Russian presidential elections. How do we convince the Russians that NATO enlargement is not a threat but a contribution to stability? They certainly do not have the final say over enlargement, but we need to reassure them. In Western Europe we need work out the content of European pillar of defense in preparation for the 1996 Intergovernmental Conference -- how we develop a European defense identity without harming the transatlantic partnership. The Netherlands is very much in favor of European cooperation in defense, but not at the expense of the transatlantic partnership. We are convinced Europeans, recognizing the need for the parallel development of EU enlargement and NATO enlargement. We need to show that we can do this on the basis of continued strong transatlantic cooperation. We need U.S. leadership. There will be political tensions as we tackle a number of strategic questions in connection with the IGC regarding how the security architecture will become more concrete. (Ø)

The President: We have supported the integration of Europe and the strengthening of the EU, including the security dimension.

We see it as evolving in parallel with cooperation in defining NATO's new role. On NATO enlargement, we have made the same arguments to Yeltsin. The Vice President met with him in his hospital room in December. He said that we don't seek to undermine Russian security and that we need a parallel enhancement of relations between NATO and Russia as we expand NATO, so that expansion is not seen as undermining Russian security. It will be difficult, but at least in principle I think Russia can be bought off. We promised them that there will be no surprises, that everything will be done in the open. We don't pretend it will be easy. The Russians are still uneasy, but if we make the most of Partnership for Peace and show good faith in dealing with Russia, then we can make progress on the timetable we have set. (C)

Secretary Christopher: The Prime Minister made a good point that we need to recall. We sometimes have a U.S.-centric view. But we need to remember that 1996 is also a year of a major conference that will define the future of the European Union. (C)

Foreign Minister van Mierlo: We are preparing a report now. (C)

The President: Our thinking is that we need to use this unique moment in history to support continued integration of Europe as much as possible. There has never been a time since the emergence of the nation-state when Europe was not divided in some way. We now have a chance to write a new chapter in the history of the world and, in so doing, to change the chemistry of how things will develop in other parts of the world for the next 30-40 years. I never understood the reluctance in the U.S. toward European unity before I came into office. I believe we should be cheering from the sidelines. (C)

Foreign Minister van Mierlo: You have done more than you think. The U.S. didn't oppose a European defense at the beginning. George Kennan and John F. Kennedy proposed it, but the Europeans rejected it. We need to make room in the Alliance for European defense as a way of reinforcing the Alliance. To save the Alliance we need to change it and make room for Europe. (C)

The President: There are a lot of hard questions that we have not worked through today, such as Bosnia. Bosnia is a frustrating problem. Is it a European problem? Or is it for the UN to solve? Is NATO the answer? Are European troops threatened? Congress sees the U.S. as a fourth independent entity. (C)

Assistant Secretary Holbrooke: I would like to suggest that, based on the elegant comments by the Prime Minister and the

Foreign Minister, American leadership on Europe is more recognized in the Hague than in Washington. It would be helpful if you could make these points in meetings with the Congress. The President has made four trips to Europe in the past year. You have supported us in the Alliance, and you need to help us convince the chattering classes that we are on the right track. On NATO enlargement, the Russians are getting used to it. Our plans for 1995 are in place. The President's meeting with Chancellor Kohl put us on the same line with Germany. (X)

The President: Any contacts that you can make with the Congress are a plus. (X)

Anthony Lake: Let me raise one last item, the Korean Energy Development Organization (KEDO). Any contribution you could make would be helpful in convincing Japan that there is international cover for its contributions. (X)

The President: Politics in Japan are very uncertain. We have had four Japanese Prime Ministers in the two years I have been in office. Things were in good shape until the earthquake. They are very sensitive to being seen as if they are the bank. There is strength in numbers here even if you can't provide a lot of money. The Japanese need psychological support in order to do what they privately want to do. (X)

Prime Minister Kok: We've have responded positively to your letter and will provide support ... (X)

Foreign Minister van Mierlo: ... on a commercial basis. (X)

Joris Vos: We will also join the preparatory committee. (X)

-- End of Conversation --