

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Expanded Meeting with President Vaclav Havel
of the Czech Republic (U)

PARTICIPANTS: United States
The President
The Vice President
Madeleine Albright, Secretary of State
William Cohen, Secretary of Defense
Samuel Berger, Assistant to the President
for National Security Affairs
Gene Sperling, Assistant to the President
for Economic Policy
Jenonne Walker, Ambassador to the Czech
Republic
Marc Grossman, Assistant Secretary of State
for European Affairs
James Steinberg, Deputy Assistant to the
President for National Security Affairs
Leon Fuerth, Assistant to the Vice President
for National Security Affairs
Stephen Flanagan, Special Assistant to the
President and Senior Director for Central
and East European Affairs, NSC Staff
(Notetaker)
Michael Borek, Interpreter

Czech Republic
Vaclav Havel, President
Jan Kavan, Minister of Foreign Affairs
Vladimir Vetchy, Minister of Defense
Josef Tosovsky, Governor of the Czech
National Bank
Alexander Vondra, Ambassador to the
United States
Jaromir Novotny, First Deputy Minister
of Defense
Ladislav Spacek, Presidential Spokesman
Jiri Pehe, Director of the Political
Department, Office of the President

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Political Section,
Ministry of Foreign Affairs
Roman Leszczynski, Director General of
the Secretariat, Czech National Bank
Antonin Hradilek, Deputy Chief of Mission
Embassy of the Czech Republic, Washington
Lucas Martin, Political Department, Office
of the President
Alexandra Brabcova, Interpreter

DATE, TIME September 16, 1998, 11:00 - 11:50 a.m.
AND PLACE: Oval Office

The President: I just want to say a few things and then I want to hear what you and your colleagues have to say and to allow some of the others on my side of the table to address some issues. (U)

First, I want to turn to Kosovo. We are really at a turning point in this crisis. We have 50-100,000 or more internal refugees and we need to address their situation before winter sets in. We need to create the security conditions that will allow people to return to their homes soon. (S)

Secretary Cohen will talk a little more about NATO's plans on Kosovo. Ambassador Hill has had some success in working with the parties to begin serious negotiations on a settlement. (S)

We spoke earlier about the Asian financial crisis spreading to Latin America and further. We are working hard with a broad array of countries to head this off. (S)

On NATO, I recall that you were about the first person, well certainly the first non-American, to mention the idea of NATO enlargement to me. You were my conscience. Now we are going to atone for this advice. (Laughter) (U)

President Havel: America is the essential guardian of freedom, whether this country likes it or not. You have a great responsibility for what happens in the world. This is a point I am going to repeat at the press conference. This is a remarkable time. In the bipolar era, Americans had an easier time. You could maintain order and your interests by keeping up in the military competition with the Soviet Union. It's much more complicated now. There are great challenges to winning the peace. But the United States has an irreplaceable role to play.

You are the only country that can provide moral leadership in this complicated world and you must not shy away from difficult questions. (U)

The President: I have only one hard question for the Czech side. Your country has been a beacon for freedom and tolerance. As a friend, I have to say we have been distressed to see the stories about the mistreatment of the Gypsies (Roma). We would like to see the headlines change and hope all the political leaders in your country will speak out forcefully on this issue. I would also like to ask how you are coping with the Russian financial crisis. (U)

President Havel: We welcome such candid talk among friends. We need to move more vigorously in the struggle against racism. It helps me to hear this admonition from you. This government has set up a special office of Human Rights, which has made progress over the previous government. But implementation of various legislation has not been pursued enough. One of the parties has proposed the creation of an ombudsman for such issues, which I would favor. Hearing from more critical voices abroad will help us. Mr. Tosovsky could answer your second question. (U)

Mr. Tosovsky: We are working to address this problem. Our economy is small and relatively well-insulated from some of the initial shocks. We are trying to sort out the direct and indirect effects. We are slightly optimistic about our ability to manage the direct effects. We feel greater impact from the effects this global slowdown has on the EU and the United States. These secondary ripple effects have a greater impact on us. (U)

In Russia, people were not so prepared for the great changes as they were in the Czech Republic. Russia moved much quicker on privatization than anyone would have expected, but market institutions were not ready. It will take some time to correct. (U)

We are strongly in favor of continued liberalization, but without growth, it will be difficult to maintain support for reforms. Russia needs some breathing space. (U)

President Havel: I would ask the foreign minister to take the floor on the new government's efforts to deal with the Roma issue. I hope this government will be able to accomplish something quickly. I also hope that we can learn something from you on how to deal with prejudice. (U)

Minister Kavan: We have enacted new legislation to deal with employers who discriminate. We also have a commission to deal with discrimination in housing. The coalition has talked of tougher legislation and education on human rights. We want to deal with this problem of intolerance in a very forthright way. (X)

President Havel: We are becoming one of the most diverse countries in the world. We are determined to make the 21st century one of greater tolerance. (U)

The President: Can I ask Mr. Tosovsky if the Russians have approached you to discuss lessons you have learned in the transformation of your economy? (X)

Mr. Tosovsky: I have not had direct contacts with my Russian counterpart, but will see him at the IMF/World Bank meetings. (X)

The President: I have a little idea that maybe at the IMF/World Bank we could see if we could get the Russians to agree to systematic consultations with the Western countries and some of the countries like the Czech Republic that have successfully navigated the transition process. They could learn some valuable lessons from your experiences. (X)

I'd like Secretary Cohen to speak a bit about your military preparations for NATO. (U)

Secretary Cohen: I, too, remember well my first meeting with President Havel at the time of his historic address to a joint session of Congress. We truly appreciate your government's contribution to IFOR and SFOR in Bosnia -- also your support on Iraq, including your offer of a field hospital. You were among the first to support our strikes against terrorism in Afghanistan and Sudan. You are clearly behaving like an ally even before your accession has taken place. (X)

I told you last year that you needed to rally people to stay with a serious defense program, even in periods of fiscal austerity. Your defense budget must be protected to ensure that NATO obligations can be met. Secretary Albright and I went to the Hill and assured the Congress that you would continue to move toward the goal, in annual increments, of devoting 2 percent of GDP to defense by 2000. This commitment must be sustained. (X)

There will be temptations to look for modern equipment, but it is important that you focus on restructuring your armed forces. You need to stay focused on developing a corps of non-commissioned officers (NCOs), pursuing items in your response to NATO's Defense Planning Questionnaire (DPQ), fulfilling force goals and undertaking a planning process to ensure effective allocation of resources. (S)

Minister Vetchy: We shall meet all these NATO obligations. We are now devoting 1.9 percent of our GDP to our defense budget. We are also making great strides in military education. We have one National Defense University and one secondary school for the training of NCOs. We are also making improvement of the living and social conditions of soldiers and officers a top priority. As for the Iraqi contingency, our chemical decontamination units will be ready whenever the call comes. (S)

Secretary Albright: Political developments in Slovakia remain troubling and we know it is difficult for the Czech government to take too forceful a stance on this issue given historical sensitivities. We have been actively engaged in monitoring the entire electoral process. After the elections, we will need to work together to think through next steps. Slovakia has been a bit of a black hole in the middle of Europe, however, it is dangerous for such a black hole to remain indefinitely. (S)

President Havel: No people are more aware of the Slovak situation than we are. We have spoken the same language for centuries and have many personal ties. Poland has been in a better position to speak out on this, but we have maintained an active dialogue with Warsaw on this issue. After the elections the first ten days will be critical. We will need to see what kind of government emerges and we need to have a dialogue on some of the problems that emerged after the breakup (of Czechoslovakia). It remains our priority to bring Slovakia into NATO and the EU and we will do everything possible to advance this goal. (S)

Deputy Minister Novotny: On the defense side, we have had joint staff exercises with the Slovak armed forces in Slovakia. (U)

The President: This is all very encouraging. We see eye-to-eye on most issues. But I'm afraid we have run out of time. (U)

-- End of Conversation --