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THE WHITE HOUSE

WASHINGTON

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10/2/2018 KBH

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Kebich of Belarus
(U)

PARTICIPANTS: The President
Warren Christopher, Secretary of State
David Swartz, U.S. Ambassador to Belarus
Mack McLarty, Chief of Staff
Anthony Lake, Assistant to the President for
National Security Affairs
Strobe Talbott, Deputy Secretary of State
(Designate)
Leon Fuerth, Assistant to the Vice President
for National Security Affairs
John Beyrle, Director for Russia, Ukraine and
Eurasia Affairs, NSC (Notetaker)
Dmitriy Zarechnak, Interpreter

Vyacheslav Kebich, Prime Minister
Mikhail Myasnikovich, First Deputy Prime
Minister
Mr. Lyng, Deputy Prime Minister for Economics
Petr Kravchanka, Foreign Minister
Stanislav Radkevich, Chairman of the State
Committee for External Economic Relations
Stanislav Bogdankevich, Chairman of the
Belarusian State Bank
Pavel Kozlovskiy, Defense Minister
Mr. Dragovets, Chief of Information
Directorate, Council of Ministers
Sergei Martynov, Ambassador to the U.S.

DATE, TIME January 15, 1994, 1:12 - 1:40 p.m.
AND PLACE: Voyskovoy 4 Guest House, Minsk, Belarus

Prime Minister Kebich: There has been great interest in your visit among the Belarusian people. We offer our condolences on your mother's death; I know this is a difficult time for you.
(U)

I have followed with interest your visits to Moscow and Kiev. The first thing I want to say is that we are building a law-based society in Belarus. I want to inform you on how the course of reforms is going. There can be no return to the past -- reforms are irreversible. It would of course be incorrect to say that we

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2

are not lagging behind somewhat in our reforms. But this is caused not by the government but by the Supreme Soviet. Despite all our efforts, we have been unable to quicken to pace of reforms. We have adopted all the laws that allow us to carry the reforms forward, but there is still much to be done. (S)

I want to dwell on some of our problems, as well. One of these is the monopolized industry that we inherited. The Soviet Union imposed giant industries on our country, like the huge 40,000 person Belarus tractor facility. Despite their size, we have had some success in liberalizing and privatizing factories. (S)

Another problem is how to change the people's outlook. Three or four years ago, if we had tried to declare that we would have private property, we'd all have lost our jobs. But we have succeeded in convincing the people that this is a good thing, that there can be different forms of ownership. Our transition to a market economy is a synthesis of the experience of all the countries that have traveled this road ahead of us. We have qualified for World Bank loans and assistance from the International Monetary Fund, but we are looking for more help from them. (S)

Another problem is personnel. Where can we find the new, young personnel to put in charge of these reforms? We sorely need such people. We need more businessmen from the West and the United States. We are ready to extend our hand -- not for a handout, but for equal partnership. (S)

The President: I think our relations are off to a strong start, especially with the ratification of the nuclear accords, and the visit by Chairman Shushkevich. You have done a good job of planning the work you must do to fulfill your nuclear obligations, and have made good use of the Nunn-Lugar money we have provided. On the economic side, we are proposing to set up an American Business Center here and establish a Business Development Commission. (S)

Prime Minister Kebich: We thank you very much for this. Through help provided by the Export-Import bank, we are updating a truck factory not far from here. As regards the Nunn-Lugar funds, I have to say that the amount provided has been small. We are obliged to destroy over 2000 tanks and hundreds of armored vehicles. It is good that you have been able to reach agreement with Ukraine and provide them assistance, but we are uninformed about the compensation aspect of this deal. We were hoping for new Nunn-Lugar money. But our outstretched hand went unnoticed. (S)

The President: During our negotiations with the Russians and Ukrainians, we said we didn't want to sign an agreement that did not have a good compensation package. We should have contacted you about this sooner, but the negotiations were concluded at the eleventh hour. I rode to the Moscow airport this morning with Prime Minister Chernomyrdin, and he told me that he will be in touch with you on the compensation issue. If the terms he is

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3

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offering are not satisfactory, you should contact our Ambassador here in Minsk. (C)

Investment in your economy is the best guarantee of your long-term prosperity. Ambassador Swartz has told me of a \$50 million project to modernize the Mozur oil refinery in Belarus that the U.S. companies General Electric, Honeywell and Westinghouse are interested in taking part in. It would be good if you would consider their offers seriously. (C)

Prime Minister Kebich: Another thing that would help our economy and relations would be a bilateral U.S.-Belarusian commission along the lines of a Gore-Chernomyrdin commission. (C)

The President: Regarding your desire for more assistance from the IMF, that is tied very closely to the pace of reform. You should look closely at the experience of Russia and other countries in transition. The international financial institutions want a commitment to reform. Take the Czechs as an example. They have a low level of privatization, but their reforms are advanced in other areas, and they are receiving a great deal of international help. (C)

Prime Minister Kebich: Recently the IMF gave our country a very favorable assessment. I am interested in your reaction to my idea of a Gore-Chernomyrdin Commission for Belarus. (C)

The President: Let me give that some thought and get back to you. We would need to give some consideration to the form that such a commission would take. (C)

Prime Minister Kebich: Mr. President, I see that the time for our meeting is expiring. I would like to thank you very much for the hospital that you are donating to us. And I want to reiterate that as we build our democracy here in Belarus, we will emulate the American model. (U)

The President: Thank you very much. (U)

-- End of Conversation --

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