

MEMORANDUM OF CONVERSATION

Meeting between President Clinton and President Chirac

Paris, December 14, 1995

[The meeting was friendly.] President Chirac spoke English.

President Chirac congratulated President Clinton for the progress made on Bosnia since July and said the negotiations were a great success. He hoped that it would contribute to President Clinton's re-election next year. He thanked the President for what the United States had done although at times the "Americans stepped on our toes." He also thanked the President for helping to secure the release of the two French pilots saying that the US had sent a strong message to President Milosevic, which was of great help.

He wanted to raise three points on Bosnia. Sarajevo, unfortunately is a real problem. No one knows exactly how many Serbs live there, perhaps 30 000 or more. The agreement on Sarajevo is not satisfactory. We should delay demilitarizing Sarajevo, which is a powder keg and could explode. The Pale Serbs are angry and Mladic is a charismatic leader. This is not a military but a peace problem: i.e. establishing a joint police and city council adapted to the situation. The military cannot handle the issue and neither can Carl Bildt.

Regarding Mladic and Karadzic, the French had not discussed that issue when trying to secure their pilots' release. They had refused to discuss it. It had been especially easy for them to avoid the issue since during the four-hour meeting between the French Chief of Staff and Mladic, Mladic had spoken nonstop without allowing the Chief of Staff to say a single word. The French had not discussed the issue with Milosevic either. The French were free since they had made no commitment on the issue. If the two men were arrested, however, while Karadzic would not be a problem, Mladic would be a major problem with the Russians. We do not want to humiliate the Russians.

President Clinton interjected that he was trying to build the Russians up.

President Chirac indicated that the situation in Russia was very bad and that the extreme right was coming up. The Russians feel that President Yeltsin has been humiliated. They remember how proud they were when Andropov died and all the world leaders attended his funeral. The enlargement of NATO was poorly presented in Russia. The Russian people seem less worried about a lack of money or security than about their fate when the Americans drop atomic bombs on their cities. Mladic's arrest will humiliate them again and he is a charismatic leader.

DECLASSIFIED

E.O. 13526, Sec. 3.5 (b)

White House Guidelines, September 11, 2006

By VR NARA, Date 6/3/2011

2015-0775-M (1.06)

President Clinton responded that he was also very worried. What we will do will, of course, be a greater problem for the French than for the Americans. If Mladic and Karadzic go to a country which adheres to the War Crime Tribunal, that country will turn them over to the Tribunal. President Clinton has said to the press and Congress that we have no intention of going out of our way to arrest them. If they are found in a hotel or we run into them, then we are bound to arrest them. We could not make the environment safe for the humanitarian effort and similar activities if we went all out to arrest them. We do not want the French troops to march on Pale to do so, but we cannot turn a blind eye if they are found.

Regarding Sarajevo and the Serbs, Milosevic and Izetbegovic held a two-hour discussion yesterday on the issue. They agreed to give the Serbs in Sarajevo a real choice: i.e. to stay or leave.

President Chirac interjected that they could not leave in winter.

President Clinton added that Milosevic had agreed to extend the IFOR mandate in Sarajevo and that Izetbegovic would also agree. He did not know exactly what Holbrooke had said to Izetbegovic but Milosevic wanted the IFOR to stay longer. President Clinton thought that we could agree and that it was important to do so. There is a lot of emotion among the Serbs. If they feel they will be protected and allowed to make it through the winter, then the situation should calm down.

President Chirac said that after Dayton he had wanted to remove his troops from Sarajevo and send them to Mostar with the rest of the French troops. He had decided, however, to keep them in Sarajevo since they knew Sarajevo well, were comfortable dealing with the Serbs, and were familiar with the customs and habits of the people. He realized that some French soldiers would be killed but he felt that it would be bad for everyone if the situation exploded and interrupted the peace process, especially if the United States wanted to get its "boys" out within a year. Refusal by Congress to allocate more than \$600 million for economic reconstruction over a five-year period was a problem.

President Clinton responded that it was the best he could do for now. If he could win the current budget fight--and he thought he could--perhaps he could get a little more next year. \$85 million could be released now and he might be able to get the \$600 million over a three-year period. He asked what the Europeans would do.

Chirac answered that the European Union would contribute the same amount as the United States and that the last third should come from Japan and other countries. Certain experts estimate that \$5 billion will be needed over a five-year period but the parties do not deserve that much since they destroyed everything during the war. They like to fight but they do not

like to work. When the road to Mount Igman was to be built, the French agreed to build 25 kms while the other side was to build 2 kms. The French paid for everything. They built their 25 kms but the other 2 kms were never completed.

President Clinton said that assuming we could get \$3 billion over 5 years, some of that money should depend on the parties carrying out economic reforms. They must be encouraged to start trading again so that they will feel connected with the rest of the world and feel it impossible to go back to war. He added that he had just come back from a trip to Northern Ireland.

President Chirac interjected that the press reports in France about that trip had been "beautiful."

President Clinton continued saying that he had wondered about the difference between Northern Ireland, Haiti, and the Middle East. Why did it seem that the peace in Northern Ireland had the best chance of succeeding? He felt that it was because they had the lowest unemployment rate in 14 years. In Haiti, while he felt that we would succeed and elections would take place, there was no infrastructure. In the Middle East, Gaza was very poor. We must do things in Bosnia to convince the people that waging war "was a stupid way to spend their time."

President Chirac said that he felt that Israel and Syria would reach an agreement before next summer.

President Clinton agreed. He thanked President Chirac for bringing France back into NATO. The United States needs an equal partnership with Europe. We have had disagreements with France but President Clinton was elated when President Chirac sent the Rapid Reaction Force to Bosnia and when he acted after the events in Srebrenica. Prime Minister John Major only followed the French lead. In spite of the strikes, President Chirac has made the right decision in trying to solve France's economic problems and he should let President Clinton know if there was anything he could say during his stay in France to be helpful. US long term interests require a different partnership with Europe, based on a common economic philosophy allowing all countries to grow together. This will require Germany to complete its unification and France to lower its unemployment rate and spread the benefits of growth.

President Chirac responded that that was what he was trying to accomplish. He added that it would be dangerous for the world if Congress were to disengage the United States from assisting developing countries. The French had heard of Senator D'Amato's bill. If it passed, the members of the European Union would all attack it in the context of the World Trade Organisation.

President Clinton said he opposed the bill but that there were enough votes in Congress to override his veto. The Jewish lobby, which is very powerful, supports the bill and the

American people know that Iran poses a threat to their security. Consequently, there is a lot of hostility towards Iran in Congress. President Clinton is now trying to reach an agreement with Senator D'Amato in order to "leave the face but take the teeth out of the bill," especially in connection with the secondary boycott. The clean position vis-a-vis other nations would be for President Clinton to veto the bill but if the veto were overridden the bill would become law. The President therefore is trying to reach an agreement with Senator D'Amato. After spending three years trying to convince Arab countries to stop the secondary boycott of Israel, he is now trying to dissuade the Jewish lobby from supporting another secondary boycott. If peace could be re-established between Israel and Syria, it would ease the Iranian situation. Perhaps the Iranians will change their policy some day.

President Clinton said that the only interest he had in the Bosnian agreement was for it to succeed and not fail. There was only one difference of opinion between France and the United States in connection with the reconstruction effort: that an American be in charge of the OSCE election project.

President Chirac said that he was not opposed to that at all but that it would be a mistake. The election project should be led by Carl Bildt. It would be a mistake to choose an American because the project would be very political and US culture was not the best suited for the task. An American would not be trusted by all the parties involved and for successful elections a neutral person like Carl Bildt would be preferable. "In Bosnia all Serbs think that you want to kill them. They are all crazy."

President Clinton interjected that today we would tell them that they must be sane.

President Chirac added that if an American were in charge of the elections they might fail. A neutral person should be chosen to give the people as much confidence as possible. If the elections in Bosnia were to fail six months before the US elections, it would be bad for everyone. Americans are efficient, their strength makes them powerful so that they can impose what they want on others, but they are not good at understanding European psychology. The latest example of this is Ruud Lubbers. President Chirac did not particularly support Lubbers and he is pleased with the choice of Mr. Solana, who is a friend. However, the Americans were clumsy in the way they handled the issue. This left a bad feeling among the Europeans who all felt humiliated. If President Clinton absolutely wants an American to lead the election project, President Chirac would accept but it would be a mistake. The Americans should not take unnecessary risks, especially if they wanted to get their "boys" out within a year. If the elections should succeed, the Americans could present it as a success for President Clinton. If the elections should fail, the Americans could simply say that they had not been conducted correctly. They

could not be blamed if they were not in charge. Why take "a stupid responsibility and a bad risk?" President Chirac said he wanted President Clinton to succeed.

President Clinton responded that he would consider this.

President Chirac added that, as President Clinton knew, he would be in Washington on a State Visit February 1st. President Clinton should let him know in the next few days through Ambassador Harriman (who is a perfect ambassador, the best of all ambassadors because she fully understands French psychology) what President Clinton would like him to say in public. President Chirac did not know whether President Clinton needed or wanted his help.

President Clinton interjected that he did.

President Chirac added that he did not want to say anything in public which could be interpreted by the press as a difference between the two leaders. He is scheduled to address Congress, which pleases him since his predecessors addressed Congress during their visits. He will be brief but he wants to urge Congress not to disengage from helping developing countries in the world. Would this bother President Clinton?

President Clinton hastened to reply that it would not. He is currently fighting with Congress for IDA funds and he had wanted Congress to allocate more funds for foreign assistance. Congress gave the Pentagon \$7.5 billion which it had not requested! With this extra money for foreign assistance the United States "could do wonders." At the end of WWI, the United States reverted to its traditional isolationism: it withdrew from the world and reduced its defenses. Then WWII broke out and the United States realized that it had made a mistake. This led to the Marshall Plan, SEATO in Asia, the struggle against Communism, and Korea. With the end of the Cold War, the United States is now returning to isolationism, but only to 50% of it and perhaps the wrong 50%. It is not lowering its defenses but it is eliminating its foreign aid budget. It wants to keep a huge defense establishment but it does not want it to do anything. It is maintaining strong defenses but withdrawing from the world. Certain Congressmen even want to eliminate the Commerce Department, which should please President Chirac. They are opposed to having a Commerce Secretary promote US business abroad. The Congress has no idea what \$1 billion could do in Africa! President Clinton cannot even get Congress to pay its bill to the United Nations. In all fairness, he already had difficulties when the Democrats were in the majority. The situation then was somewhat better but not much. President Chirac should speak to Congress as a friend. He should tell them first that France and the United States were and still are good partners and that France is grateful to the United States for taking steps to re-establish peace in Northern Ireland and the Middle East. Then, as a friend, he must warn them that they are overestimating the

impact of the US defense budget in the world and underestimating the impact of US development assistance in the world. Weapons will be of no help if countries do not have the resources to control their population growth or protect their environment. President Chirac must say all of this to Congress as a friend.

President Clinton then stated that a very pleasant state dinner was scheduled for the occasion and that President Chirac should let him know whether he wished certain businessmen or friends to be invited. Gregory Peck and his wife have been invited.

[The meeting was then concluded.]

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