

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Imre Pozsgay, Hungarian State Minister (U)PARTICIPANTS: The President
James A. Baker, III, Secretary of State
Mark Palmer, Ambassador to Hungary
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert D. Blackwill, Special Assistant to the
President for National Security Affairs
Condoleezza Rice, Director of European and
Soviet Affairs, NSC Staff (Notetaker)
L. Szimonisz, Interpreter

Imre Pozsgay, Minister of State
Laszlo Kovacs, Deputy Minister, Foreign Affairs
Bela Szombati, InterpreterDATE, TIME July 12, 1989, 2:10 p.m. - 3:00 p.m.
AND PLACE: Music Room, Ambassador's Residence

The President welcomed Minister Pozsgay and told him that he was anxious to get his views of the changes taking place in Hungary. (U)

Minister Pozsgay said that he would be happy to give his opinions and hoped that in doing so he was helping U.S.-Hungarian relations. He noted that the President had already met with several leaders of the Hungarian Socialist Workers Party (HSWP), all of whom would agree that Pozsgay holds a special view of the situation. He said that the Party must find a way to cope with the pressures of the new reform period and that the new four member leadership was a step toward doing this. He had, he noted, considered separating from the Party and is still not certain that the initiatives for reform that he has been pushing are meeting with success. Nevertheless, he remarked that developments in recent weeks have made him more optimistic that a breakthrough for reform has been made. (S)

Minister Pozsgay then elaborated, saying that if the HSWP breaks radically with the past, it will have a basis to gain broad acceptance in the country. The Party cannot be a meeting point for Stalinist elements and must show itself to be a socialist

rather than one that is paternalistic and state-guided. This means, he said, acceptance of Western European principles of democracy, including a spirit of tolerance toward opposition parties. The Party, though, is accustomed to having all the means of power in its hands. But the time has passed when the Party is the sole guardian of truth. Yet, the reflexes of power are strong and some turn to the old ways when challenged. Poszgay remarked that the only solution was the acceleration of the pace of the process of democratization. (S)

The President asked what could reverse the reforms. (S)

Minister Poszgay answered that the most likely case would be a de facto alliance between extremist elements of the opposition and conservative forces if the leadership is unable to deal with the many social problems facing Hungary. (S)

The President said that the old model had failed, however, and asked whether even those Party elements who are old guard realize that it would be difficult to improve the situation using old methods. (S)

Minister Poszgay answered that it is unlikely that this would happen only as an internal solution. Help from the outside would be necessary and, in the present circumstances, that could not happen. (S)

The President said that the United States is pledged to helping to see that those circumstances do not occur. He said that it is important for Soviet reforms to go forward and that the United States does not want to exacerbate Gorbachev's situation or make the Hungarian course more difficult. (S)

Minister Poszgay said that he was not worried about the United States and that he saw only two points of risk: the emergence of civil war which would attract outside intervention; or a Hungarian declaration of neutrality. The former he deemed unlikely and remarked that the latter was simply not possible for Hungary. Hungary can, he said, have an open foreign policy without declaring its neutrality as the President's visit exhibited. In sum, he remarked that he saw no incentive for the U.S.S.R. to intervene. (S)

The President asked whether there were actually some who were asking Hungary to break from the Warsaw Pact. (S)

Minister Poszgay answered that there were extremists who demanded this but they were few in numbers. (S)

Minister Poszgay then turned to a discussion of the internal political situation, stating that the opposition has been very

clear in its demands but slow to shape a political program. As the opposition distances itself from the HSWP it is natural for them to target the communists. This, Poszgay noted, makes some HSWP members uncomfortable but does not disturb him personally. He said that these voices are the natural outcome of forty years of rule and will soon be behind Hungary. When this phase is passed, he said that it will be possible to form a coalition government. The most important step will be to have free elections which some of the opposition wishes to hold in the fall and others next spring. The problem for the opposition is organization and needs the delay in order to prepare for the elections. Whatever the timing, the goal is to have the transition take place peacefully. (S)

The President asked whether Poszgay was confident that the transition would be peaceful. (S)

Minister Poszgay answered that he was confident though the old lines of communication have been dismantling making information more difficult to come by. New forms of learning the attitudes of the public are necessary. (S)

The President asked whether the HSWP is taking political polls. (S)

Minister Poszgay said yes but that he is suspicious of them. The Polish experience shows that polls are not always reliable because the leaders heard from the polls what they wanted and misinterpreted them only to be shocked by the results. (S)

Governor Sununu asked about media access for the opposition. (S)

Minister Poszgay said that he is personally in the middle on this issue because it is his responsibility to control radio and TV and he has been accused of "selling out" to the opposition. On the other hand, the opposition says that he has a monopoly which he uses to his own ends. Legislation is needed but the opposition will be given fair access. He noted that the media covered fully the Nagy funeral. (S)

The President closed the meeting saying that the United States wants to be a constructive part of Hungary's reform and to work toward common objectives. (S)

Minister Poszgay remarked that this was evident in the President's trip and that all of Hungary thanks him for coming. (S)