

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Imre Pozsgay, Minister of State
Of Hungary (U)

PARTICIPANTS: U.S.
The President
The Vice President
Lawrence Eagleburger, Acting Secretary of
State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Robert D. Blackwill, Special Assistant to the
President for European and Soviet Affairs
James Dobbins, Principal Deputy Assistant
Secretary of State for European and
Canadian Affairs
Laszlo Szimonisz, Interpreter

Hungary
Imre Pozsgay, Minister of State
Laszlo Kovacs, State Secretary, Ministry of
Foreign Affairs
Peter Varkonyi, Ambassador
Judit Abri, Interpreter

DATE, TIME November 2, 1989, 1:30 - 2:05 p.m.
AND PLACE: The Oval Office

The discussion began after a brief photo opportunity. (U)

The President: Let me welcome you. We are very pleased that you are here, and want to thank you and your countrymen for your country's hospitality during my visit. We said we would take steps and we have. We have no interest in interfering in your internal affairs. Members of some Hungarian opposition groups are coming here soon. We are very interested in your elections. How can we help? (U)

Mr. Pozsgay: Thank you. We appreciate the discussions we had with you in Hungary. Your visit made a big impression on us as we move toward freedom in Hungary. This is taking place under stable circumstances and represents a real transition. We appreciate that the U.S. looks on us as a sovereign state. We greatly appreciate the U.S. initiatives. There is a favorable echo from the permanent MFN. (U)

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The President: There was a good impact here after the nice ceremony. There was no criticism from the right. (C)

Mr. Pozsgay: That is good news that you, too, have your hardliners. It is important that there be a consensus. There is an important situation in Hungary now. During your visit, we were not sure this would take place. A Parliament appointed by a dictatorial system has approved our transition to democracy. The U.S. keeps contact with all the political forces within our country. We feel there are no powers forming in Hungary that could reverse this course. On January 7, we will have presidential elections in Hungary. Within 90 days after that, we will have legislative elections. (C)

The President: When do Presidential candidates have to declare?
(U)

Mr. Pozsgay: Within two weeks of the announcement of the Presidential election. I will be the nominee of the Socialist Party. It will be the first democratic election since 1947. Legislative elections will probably be held in April on a multiparty basis. Also it is symbolic that the Hungarian Republic was created on the anniversary of 1956 Hungarian insurrection. (U)

The President: May I say a word about Gorbachev. I noticed that you thanked us for acknowledging your sovereignty. Everybody respects your sovereignty and your fierce loyalty to your country and freedom. There is no dispute here. We are realistic and know that your lives in Hungary are impacted by how well the U.S. and the Soviet Union get along. When I was in Hungary, we talked about this and we talked to our Summit 7 allies. My advisors and I agreed that Gorbachev and I should get together rather early. I contacted him and indicated interest in a type of meeting I had formerly ruled out: informal and without an agenda, in advance of a formal summit which will address arms control. We want to be sure we understand the situation within the Soviet Union and that Gorbachev is sensitive to my problems. We do not intend to join to influence others; we would not do that. But we do think this meeting can have a favorable general impact on the international situation. We want you to know the genesis of it. (C)

Mr. Pozsgay: It is quite a complicated but important issue. We appreciate that this meeting has different goals than a full scale meeting would have. It is important that you have initiated this meeting. Most people wouldn't suspect the intent to establish spheres of influence. But this meeting involves the security of all people in Central Europe. Gorbachev has an incredibly difficult situation at home in the short term. He must overcome these short term problems in order to avoid the serious ramifications of a failure on his part. But he has struggled through contradictions for four years. He has problems with consumer goods, transportation, and a military that needs to be controlled, and brought to a manageable size. (C)

The President: This sounds like a sensible analysis. A reporter asked Shevardnadze yesterday if the U.S. would bail the USSR out of its economic difficulty. With great pride, he rejected that notion. I admired that and thought that it was well put. And besides, we do not have a blank checkbook ourselves. A lot of good can come out of this meeting. (C)

Mr. Pozsgay: I consider your word as a guarantee that no agreement will emerge from the Summit, and that there will be no compromise on our interests. We want to go on our way and I hope you can convince Gorbachev of that. We can then begin to resolve our economic problems. We shouldn't complain too much about our economic problems because it has brought economic reform. Your initiatives and those of your allies are important in this effort to reform our economy. (C)

The President: OPIC takes on an important dimension. (C)

Mr. Pozsgay: Regarding OPIC, we do not expect answers right now, but we are quite concerned about COCOM. We know that there have been abuses in the past but we want to change that. (C)

The President: Computer technology? (C)

Mr. Pozsgay: Yes. (U)

The President: We will talk about it here. We want to be flexible but we do have national security requirements. We will keep this under review. (C)

--End of Conversation--