

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Working Lunch

PARTICIPANTS: The President
 John H. Sununu, Chief of Staff
 Brent Scowcroft, Assistant to the President
 for National Security Affairs
 Marlin Fitzwater, Assistant to the President
 and Press Secretary
 Shirley Temple Black, Ambassador to
 Czechoslovakia
 David C. Gompert, Special Assistant to the
 President for European and Soviet Affairs
 Raymond G. H. Seitz, Assistant Secretary of
 State for European and Canadian Affairs
 Robert L. Hutchings, Director for European
 Political Affairs, NSC Staff
 Lisa Valyiova, Interpreter

Vaclav Havel, President
 Marian Calfa, Prime Minister
 Jiri Dienstbier, Foreign Minister
 Pavel Rychetsky, Deputy Prime Minister
 Vaclav Klaus, Minister of Finance
 Alexander Dubcek, President of the Federal
 Assembly
 Karel Schwarzenberg, Director of the
 President's Office
 Alexander Vondra, Foreign Affairs Advisor to
 the President
 Richard Wagner, Deputy Foreign Minister
 Michael Zantovsky, Press Spokesman
 Alexandra Brabcova, Interpreter

DATE, TIME November 17, 1990, 1:30 - 2:40 p.m.
 AND PLACE: Hradcany Castle, Prague

The President: I was just hearing from the Finance Minister
 about the situation in Moscow -- the disarray. (Ø)

Finance Minister Klaus: They were so disengaged. They were
 really scared, not sure they would be in their positions the next
 day. (Ø)

Mr. Zantovsky: Gorbachev gave a long speech, promising changes
 in the government, and Yeltsin called on Ryzhkov to resign. (Ø)

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The President: It is important for all that there be a steady, stable situation there. If it falls apart, what would the military do? I met the new military leaders, like Moiseyev, who are good and younger than what we have been used to. But, still, if it falls apart, the military might move to restore order. (S)

President Havel: There are some indications that Gorbachev is trying to win the military to his side. (S)

The President: What do you think about the Baltic situation? (S)

President Havel: Developments are proceeding. Gorbachev should anticipate rather than catch up with them, which results in a loss of prestige. He is somewhat reluctant to set a precedent for others. (S)

The President: I think he does recognize that they will one day have complete independence. We had a long talk at Camp David. He worries about the other republics. (S)

Finance Minister Klaus: I met members of Democratic Russia. I was surprised at how confident they are that Russia will be independent. (S)

Foreign Minister Dienstbier: It is the old Solzhenitsyn vision: give away the empire and help Russia. The problem is with the Ukraine. (S)

The President: How do they envision the disposition of military assets? (S)

Finance Minister Klaus: They are so overwhelmed with the domestic economic disorder. Financially, it is difficult for the Soviet Union. The assets are in the hands of the Soviet Union, not the republics. (S)

The President: May I ask whether any of your people know Saddam Hussein and have an opinion about what he might do. (S)

President Havel: On our side you can hardly find anyone who has met Saddam Hussein. You would have to search among the previous rulers. (S)

The President: He owes you money. (C)

Foreign Minister Dienstbier: \$1 billion. (S)

President Havel: I should tell you about a letter from one hostage, who told us not to yield and not to yield to his relatives. He said he was proud to be from Czechoslovakia, which had been so consistent in opposing aggression. (S)

The President: Have you been invited to go? (S)

President Havel: Some personages, not officials of state, are considering a visit. Saddam Hussein wants a state official or a member of parliament. (C)

The President: It was a mistake for Brandt, Waldheim, and Heath to have gone. (C)

President Havel: I read that Daniel Ortega wants to manifest solidarity with him. (C)

The President: Maybe he will stay there. They are starving our embassy out. If he gets away with this, what about other embassies in other countries? I gave an interview about Iraq, and at the same time another station broadcast an interview with Saddam Hussein. I was thinking what a bad break Hitler got. We could see Dan Rather asking on CBS, "Adolf, now tell us your side." (C)

(Side discussion of Romania)

The President: Did I tell you about going to dinner with Ceausescu and his wife? It was only the four of us. We had a meeting that went on and on. I don't know about his wife, but mine didn't like a three hour wait. We went into a room -- not quite as large as this one -- with a long table. There were four places -- Mrs. Ceausescu, Bar, me, and him -- all on the same side. (C)

We were discussing the UN earlier with regard to the next steps on Iraq. There has been solid support, and some discussion about authorizing the use of force. The Soviets have been rhetorically interested and forthcoming. Like me, they would like a peaceful solution. Our view is that if the UN did issue such a resolution, it would send a strong signal to Saddam Hussein. (C)

We will be talking to Gorbachev about the economic situation. We are precluded from doing much, but we will be discussing their emigration law and MFN. (C)

President Havel: We are worried about the exodus of Soviet citizens -- as many as several million. (C)

The President: There may be other subjects. I want to know from him how bad the situation is. We all have a stake in this. I like him. He has never misled me. (C)

Mr. Zantovsky: Recently at Cardiff, a Pravda correspondent hinted at a military coup led by Gorbachev and the army. (S)

Foreign Minister Dienstbier: It might be the only way for Gorbachev to survive. He fears militant, fascist, nationalistic regimes in the republics. (S)

(Side discussions)

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President Havel: I was recalling the luncheon in February at the White House. Then we were under the spell of euphoria, but I hope everything will turn out well for this country. I am fateful, because no politician could do his job if he felt all would turn out for the worst. (C)

Deputy Prime Minister Rychetsky: I am more pessimistic. The euphoria is over. We need U.S. help, especially because of the crisis in the Gulf. We cannot manage our problems entirely on our own in this part of Europe. Democracy is very fragile. It is already under threat, from the inside. If we cannot move fast to reform, we won't maintain our democracy. (C)

The President: The concern I have is that the economy of the U.S. is the driving force in the world economy, and we must be careful not to have a bad effect on others. As our economy slows down, it is difficult for us to do things we would be doing otherwise. I hope we can end the Iraq situation before too long. Then, if our recession is not deep, we would be in a better position -- say, in the third quarter of next year -- a better position to help. (C)

The fear in the U.S. is that we will get bogged down in another Vietnam. There is no parallel, in my view. The Soviet Union and China have been solid. The economic embargo is having some effect. Military supplies are all but totally cut off. And there is a very different topography than what we encountered in Southeast Asia: in the desert, we can see things from the air. Saddam Hussein never fought a battle without control of the air. Should there be conflict, it would be only a short time until he had no air power at all. That would argue for a quicker solution. The opinion in that part of the world is that he cannot stand up to such a conflict, but I don't want to go in on assumptions that might prove false. We have moved tremendous force there, more than for the Normandy invasion. If that doesn't get Saddam Hussein's attention, I don't know what would. Saddam Hussein, according to people who know him, is brutal, cruel, and unpredictable. We don't underestimate him. (C)

Deputy Prime Minister Rychetsky: It should be over in less time than it will take for Congressional deliberations. (C)

The President: Congress tells us what not to do rather than what to do. We can't allow encroachment into the authority of the Presidency. If there were a provocation, I would react and seek Congressional support afterwards. The War Powers Act dates from Vietnam, and every President since felt it encroached on executive power, but the best way is to have the Congress on board in case we have to use force. I still hope for a peaceful solution. (C)

-- End of Conversation --

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