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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
005	Memcon	Meeting with Chancellor Wolfgang Schuessel of Austria [8 PAGES RELEASED IN WHOLE ON PRA RE- REVIEW 08/21/2023 NRH]	8	12/08/2005	Ne.
009	Draft	Meeting with Chancellor Wolfgang Schuessel of Austria	8	12/08/2005	b1;

COLLECTION TITLE:

National Security Council - Records and Access Management

SERIES:

Memcons and Telcons

FOLDER TITLE:

Memcon with Chancellor Wolfgang Schuessel of Austria, 12/08/2005 [Folder 1]

FRC ID:

38538

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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George W. Bush Presidential Library Mandatory Review 2016-0095-M

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Series: Memcons and Telcons

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8742

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT:

Meeting with Chancellor Wolfgang Schuessel

of Austria (U)

PARTICIPANTS:

United States
The President

Andrew Card, Assistant to the President and

Chief of Staff

Stephen J. Hadley, Assistant to the

President for National Security Affairs Scott McClellan, Assistant to the President

and Press Secretary

Nicholas Burns, Under Secretary of State for

Political Affairs

Susan McCaw, American Ambassador to Austria John Hannah, Assistant to the Vice President

for National Security Affairs

Tracy McKibben, Director for European Economic Affairs and EU Relations

Austria

Wolfgang Schuessel, Federal Chancellor of

the Republic of Austria

Eva Nowotny, Austrian Ambassador to the

United States

Hans Peter Manz, Ambassador, Foreign Policy

Advisor to the Federal Chancellor

Harald Guenther, Deputy Chief of Mission,

Austrian Embassy

Verena Nowotny, Spokeswoman for the Federal

Chancellor

DATE, TIME

December 8, 2005, 9:30 - 10:00 a.m.

AND PLACE:

Oval Office

<u>Chancellor Schuessel</u>: Thank you. You've been focused on the economy. (C)

CONFIDENTIAL

Classified by: V. Phillip Lago

Reason: 1.4(b)(d)

Declassify on: 12/20/15

DECLASSIFIED

Authority LP-GWB 2016-0095-M, #4458

By NH NARA, Date 12/5/19

The President: A recent survey said people think we are in a recession. Economy is strongest its been in a decade. I guess I am not a good messenger. (C)

<u>Chancellor Schuessel</u>: We have a little catching up to do. The majors in the EU are hurting. They expect less than 1 percent growth. Next year we expect just below 2 percent, there has been positive impact. (C)

The President: France isn't doing well. (C)

<u>Chancellor Schuessel</u>: Britain will do worse, will only meet half of what was expected. (C)

The President: Understand you will take over leadership of the EU. This will set the stage for a constructive relationship. We have a good bilateral relationship and we can talk about that. It will be an important challenge to manage expectations of the U.S.-EU relationship. Some Americans still question whether the relationship is worthwhile, but I want to continue good relations. I want to work with a strong EU. We have worked together to develop a Europe whole, free, and at peace.

Chancellor Schuessel: I want to raise one bilateral issue. Five years ago, Stewart Eizenstat negotiated a complicated treaty to resolve an issue on slave labor from Eastern Europe and to compensate Jewish victims. The issue involved insurance, household furniture, and other areas. We agreed to 130 million Euro and completed everything, all 30,000 slave laborers compensated. We finished the last meeting this month. We appreciated the assistance of Steve Biegun, the Ambassadors, lawyers, and those from the United States who helped to complete. (C)

This means peace for us. There is a small problem. The United States Government has to say it is okay. The Austrian Government will start compensation, but we need an international commission to approve the agreement. (C)

The President: Good news never travels. I had not heard about this issue. If it is going well, I wouldn't hear. (C)

Let me just share some thoughts. I am surprised America hasn't been attacked again. We will be attacked. One way to defeat and deal with tyrants -- the thug in North Korea has concentration camps the size of which you would never believe,

counterfeiting money, running drugs, and using women -- is to cut off his money. When the Treasury Department notifies your government that there is a problem, please respond. Tyrants are starving their people to death. Folks say they don't want North Korea to look like Germany; create instability. It's the greatest outrage in the 21st Century. It's taking away human dignity. Happening in North Korea and Iran as well. We will confront tyrants. We want a partner in the EU. (C)

People bring up the prison thing as if the United States is guilty. We don't torture people. What happens when we have guys who want to attack the United States, like Khalid Sheikh Mohammad. What would people say if we had caught him 2 days before September 11. That is the responsibility of a leader, we won't torture. I will take responsibility for that. We don't torture. For people in Europe to say the United States does, blows my mind. (C)

Chancellor Schuessel: I like your straight way. We have the same goal -- no torture -- but tyrants in North Korea, Iran, Taliban, dictators wherever do not share the same values. I am criticized in my country. Owe America to be free. We owe our independence to America. Because of reconstruction in Austria, we are more competitive. This had to do with the Marshall Plan. We won't forget. (C)

America and Europe are the powers of human rights. Rumors hurt us both. Rumors come from the inside. The Rice discussions in Brussels were good, debate on how to deal with Taliban, informed that you ordered to deal with criminals according to Geneva Convention. It was nice that Rice took the heat. (C)

The President: Better her than me. (C)

<u>Chancellor Schuessel</u>: There was a fair debate in Germany. I know Merkel. Excellent message. America is to be defended. No torture, treat fairly. I had dinner at the ambassador's residence and met one of your justices. (C)

<u>Ambassador Nowotny</u>: Justice Breyer. (U)

The President: Oh, really. (U)

<u>Chancellor Schuessel</u>: There are gray zones. Geneva doesn't fit. Terrorists are not nations. We have to decide how to treat them. Good if both sides work on it. There is a loose gap in international law. We need to fight terrorists with all

legal means. We should look at what is necessary to get support from the international community. (C)

The President: This is like the ICC. We are not giving in. We are against institutions viewed as infringing on sovereignty. This would be internationalizing our conduct. It's like saying we distrust you to police yourself. It has broader consequences. Like Abu Ghraib. I understand your point, but this is hard to sell in this country. It's how Americans think. (C)

<u>Chancellor Schuessel</u>: Everyone would be in the same position; with the same standards. It would be a code of conduct. (C)

The President: The way Americans think about it, your code of conduct won't work. The United States can't accept this. The U.S. code of conduct cannot be internationalized. These guys would kill us in a minute. I'll tell you: we had information to share with the Brits that could kill them and -- this was Operation Crevice -- we got this without torture. We got it, useful piece of information to share. The United States did a great service and shared a lot of this. We will do everything we can to protect our country. There is a different attitude going on in Europe. The United States was hit on September 11, Europe wasn't. I've made a commitment never to let down our guard. As a partner in peace, I want to let you know with 3 years left I will be relentless. We are laying a good foundation for peace. (C)

When I meet with Koizumi, I think about my father an 18-year old fighter pilot who was instructed to kill as many Japanese as possible. I am an optimist. I believe you can change people. With Palestine, I support a Palestinian state, but not without institutions that will outlive individuals. Sharon made the greatest decision ever. He came here to announce it. I supported him and was criticized. There is a contest to be most unpopular. He's winning. The United States used influence with both parties -- we want two democratic parties. (C)

Chancellor Schuessel: We would not want to bring any fear. Guard of U.S. people is your job. I understand. Together we are fighting for universal human rights. Today General Gotovina was arrested in Spain. He will be brought to justice. We both stand for justice, want to protect our people. We need to combine our efforts. (C)

Last week we had our Barcelona Conference. It was a good conference. This was the first time Israel Deputy Prime Minister Ehud Olmert and Palestinian President Abbas were there together. First time they spoke friendly to each other. They both said they respected each other, trusted each other. It was the same message. The targeted goal that they want to do something. Need to protect border control stations. Austria will do its part. (C)

European neighborhood policy focuses on countries like Ukraine, Moldova, and Caucasus. We provide 18-20 billion Euro for this budget period, little more than U.S., and we should combine our programs. We should be talking about goals, timetables, and conditions for success. (C)

The President: Back to Abbas for a minute. It is not enough to talk about good things. We need action. This is not shared by Arafat cronies. We need market-driven decisions to be made. There were bad primaries, but don't fear democracy. Arafat had 13 security forces. It was an anarchist situation. Our mission is to help streamline the governance. We will have a new person out there in 2 weeks, right, Hadley? (C)

Steve Hadley: Yes, that's right. Replacing General Ward. -(C)-

The President: Need to get control of security forces. Remind Abbas, thank him for his words, now follow through. He put the Palestinian budget on the Internet. Arafat squandered U.S. and EU money we gave him. Competition for votes always have affect on politicians. We both know that. We can focus on practical things. Palestinians need to buy into the process. There is a broader interest. Putin says we are trying to surround him --yes, with peaceful, democratic nations. Putin says it is creating chaos. It is not an easy road, tyrants do not want to give up power. Putin is a good guy. (C)

Chancellor Schuessel: I hear positive words from him about you. Everyone is talking about his successor. For its G-8 presidency, they will focus on energy security. There is an interesting strategic decision to be made here. The electricity sector is to be restructured. Chubais is head now. There are changes throughout the energy sector. They are privatizing majority stakes in some companies. They are interested in international capital. But will need enormous amount of money to restructure the energy sector. The Chinese are everywhere.

The President: Yes, they need energy. (C)

<u>Chancellor Schuessel</u>: They need 50,000 megawatts. Russians refused to fund, but Chinese will pay. But they won't let them get Russian land. (C)

The President: I worry about Europe. You are becoming more dependent on Russia. Problem with dependence on foreign sources of oil. You are more dependent on Russia. Energy is a big issue for us. I talk with Hu Jintao -- he's building 30 nuclear power plants. We want to share nuclear power technology. Problem is how you get rid of the waste. India, China, and the United States need to wean off hydrocarbons. (C)

On China, a heads up. You shouldn't lift the arms embargo. I told other leaders I met with to send folks to Congress. Left and right are united on this. You need to get a feel for what will happen. The spectrum will amaze you -- it is unanimous. Congress thinks this is a terrible deal. I would not negotiate a reasonable arms deal with Chirac. It would be between Chirac and Congress. Talk with Pelosi and Hastert, and you will find them unanimous. Before you make a decision, send your people over to get a sense of how people feel about it here. (C)

Chancellor Schuessel: This is a sleeping issue. The only thing that is the way out is the Code of Conduct. We need a better control regime. There were items sold under the embargo. We need a better system, but it is sleeping. We do need to bring legislators together. I was here a few weeks ago for a conference held by the Bertlesmann Foundation. Fred Bergsten of the Institute for International Economics and the Deputy Finance Minister of Germany participated in this where we discussed ways to strengthen the transatlantic economies. We should work with a transatlantic strategic group. I suggest we create a G-2 or E-2 super power group. We can cooperate informally. Get together experts on the transatlantic agenda. The focus is always on trade too much. There are other areas where we should cooperate: energy competition, regulations, migration, global poverty. This could lead to very good cooperation. We need something to lead to greater cooperation. I have a paper that could be discussed between our experts. (C)

The President: Okay, sounds good. (U)

<u>Chancellor Schuessel</u>: The next U.S.-EU Summit could be used to give impetus. Your Fed Chairman should talk with the head of

ECB. Things like that. We can develop a roadmap, so to speak, for cooperation. (C)

The President: There is a lot of anticipation about the Doha Round. Lula called. He leaked the call to "The New York Times." Point is, the EU needs to reduce agriculture subsidies, he did his part. I told him, you call Merkel and Chirac as leader of a developing country. I pledged. I did something. Will be back on you. It is an awkward position. (C)

<u>Chancellor Schuessel</u>: We moved again. Farmers are protected. Lamy said agriculture by itself isn't enough. Problem is they are not moving Brazil, South Korea. They are not developing countries anymore. (C)

The President: Yes, that's right. We want to work with you.

Chancellor Schuessel: We will be in a difficult position next few days. Looking at a budget proposal for 2007-13. It is a strange setup. Brits want to protect their rebate. Times are changing. The Brits were always applecant for enlargement. They don't want that anymore. -(C)-

The President: My only satisfaction is that we are not involved. Hard to have a union. We want the EU to succeed. Unfortunately, I now have to go sit down with members of Congress. (C)

Chancellor Schuessel: Me too. Hyde. (U)

The President: Hyde flew to Venezuela, Chavez would not let him get off the plane. He accused him of being a spy. He is getting weird. I like to invite freedom fighters to meet with me. Invited this woman from a tiny village. Armed gangs who answer only to mullahs. She is advocating for democracy. I wanted to help her. Help make her less vulnerable. Chavez' response, Bush invited her to have sex. He says Condi has dreams about him. The guy is just turning worse. (C)

<u>Chancellor Schuessel</u>: How was your meeting with the Chinese?

The President: I went to this church. You know, I am not comfortable with the concept of state-sponsored religion. Hadley and the ambassador convinced me I should do it. They had 100 million Christians. Spoke about society that allows people

to worship. I was amazed. They put it on Chinese TV. I have a good relationship with Hu Jintao. I have told Chen Shui-bian no unilateral decision on independence or the United States is not with him. Chinese and Taiwanese hate Koizumi. He went to the shrine, and they haven't forgotten. He is a good guy. There is a difference between occupation and a raid. (C)

Chancellor Schuessel: The Balkans is a priority. We have given Macedonia candidate status. Serbia is now focused on a Stabilization and Association Agreement. There's Bosnia and Kosovo. We are working on a Stabilization and Association Agreement with Bosnia. On the future of the Balkans we should cooperate. It is a shining example of our cooperation. EU has expanded the range of areas. Important issue is civilian management, which we need to improve. We need a better relationship between EU and NATO. (C)

The President: Send them to Darfur. (C)

Chancellor Schuessel: Last thing. Moderate Islam. We need to encourage moderate Islamic leaders. I held a conference. Karzai and Talabani participated. I want to continue work. In the spring we want to invite European Imams to begin a dialogue to encourage them to stand against extremism. (C)

 $\overline{\text{The President}}$: These are vital and important conferences and rallies. Thugs have stolen Islam. You don't blow up people if you are religious. $\overline{\text{(C)}}$

Chancellor Schuessel: Right. (U)

The President: Well, thank you. (U)

Chancellor Schuessel: Thank you. (U)

-- End of Conversation --