MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Andreas Papandreou, Prime Minister of Greece

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
John Sununu, Chief of Staff to the President for National Security Affairs
Robert Blackwill, Special Assistant to the President for National Security Affairs
(.notetaker)
Andreas Papandreou, Prime Minister
Karolos Papoulias, Foreign Minister

NATO Headquarters, Brussels

The President said he just wished to say hello. He knew the Prime Minister was preparing for elections. (U)

Prime Minister Papandreou said he was pleased to meet the President. He met with Secretary Baker for constructive discussions in Athens in February. He congratulated the President for his conventional arms control initiative. The Summit was a real triumph, with "no asterisks." The Prime Minister said he had not expected it. (Q)

On the question of U.S. bases, Prime Minister Papandreou said the U.S. and Greece were having very professional meetings. The process was being interrupted until after the elections. The next Greek government would resolve the issues. There were difficulties, but Prime Minister Papandreou thought they could be overcome. One such difficulty was the amount of time needed to absorb the costs of new developments. (Q)

Prime Minister Papandreou said he sought to strengthen the relationship between Greece and the U.S. These relations were far better today than eight years ago, when Cyprus played such a negative role in public opinion. (Turkish Prime Minister) Ozal was close and friendly with the Prime Minister, but the Prime
Minister felt Ozal had not put enough pressure on Turkish Cypriot leader Denktash. Prime Minister Papandreou had said so to Ozal but Ozal did not reply. Greece and the U.S. needed to work hard on the Cyprus issue. Perhaps not today or tomorrow, but some day the problem there could explode. The UN Secretary General was working on the problem too, but the Turkish side had not been willing to give an inch, even though Greek Cypriots have agreed to bizonality and political equality. Both of these were big concessions. (X)

The President said he had been impressed by Cypriot Prime Minister Vassiliou. The President knew Prime Minister Vassiliou was trying for a fresh approach, but the parties involved had never been able to develop a compromise acceptable to all. At some point, the U.S. might be in a position to be helpful. (X)

The President said he would like to see the problem solved. (X)

Prime Minister Papandreou concluded the meeting by promising to be in touch with Secretary Baker. (U)