

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Expanded Meeting with President Francesco Cossiga of Italy (U)

PARTICIPANTS: The President  
James A. Baker III, 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  
Raymond G. H. Seitz, Assistant Secretary of State for European and Canadian Affairs  
Peter F. Secchia, Ambassador to Italy  
Robert L. Hutchings, NSC Staff (Notetaker)

Francesco Cossiga, President  
Gianni De Michelis, Foreign Minister  
Sergio Berlinguer, Secretary General of the Presidency  
Rinaldo Petrignani, Ambassador to the U.S.  
Bruno Bottai, Secretary General, Ministry of Foreign Affairs  
Giovanni Domenido, Diplomatic Advisor to the President  
Ludovico Ortona, Director, Press and Information Office  
Alessandro Grafini, Deputy Chief of Cabinet, Ministry of Foreign Affairs

DATE, TIME AND PLACE: October 11, 1989, 11:10 - 11:35 a.m. EDT  
The Cabinet Room

Following their meeting in the Oval Office, the President escorted President Cossiga to the Cabinet Room for an expanded meeting. (U)

The President: Mr. President, I apologize for taking so much time in our private meeting. Let me welcome you all to the White House. This will be a short meeting, but we can follow up this evening. First, let me reiterate some of what I said before. This is a visit between two countries that have never been closer

than they are today. I had an opportunity to tell President Cossiga how much we value the Italian decision on INF, which helped move East-West relations forward. I would like to hear your views, especially on Eastern Europe, where change is coming fast. (U)

President Cossiga: Let me reiterate my thanks, and those of our foreign minister, for your invitation. Our meeting is a reaffirmation of the very special relationship between Italy and the United States, which is valuable in its own right and which also has practical results within the Atlantic Alliance. There are a multitude of reasons: ethnic and cultural, as well as our shared values. We do not forget your young people who came to our shores to die for freedom. (C)

The most important issues we have to discuss concern East-West relations. We have passed from a period of confrontation to one of detente, characterized by nonbelligerence and a search for less conflictual relations. We were faced with a united bloc under the supremacy of the Soviet Union, but thanks to our determination this situation no longer holds. There is great movement in the eastern part of Europe. Analysts ask about Gorbachev's chances of success, but it is a mistake to link these changes to Gorbachev himself. Gorbachev is a product of deeper changes, though of course he has had the prudence and wisdom to act. The problem in the east is more profound: it is a crisis of ideology, a crisis of the model of government, and a crisis of reconciling the political system with civic life. The Soviet Union cannot manage its economic system without deep and far-reaching reforms. Therefore we are witnessing a crisis of the Soviet model and of the Marxist-Leninist-Stalinist system. The passage will be a slow process, whose first effects are in economic and nationalities problems. There will be ups and downs, but our conviction is that the Soviet Union cannot return to the old situation. Perhaps if Gorbachev fails the Soviet Union will try to turn back -- but with very high costs, including for us. Therefore we must support the reform ideas of Mr. Gorbachev, giving to him our prudent confidence. I stress the word prudent, because Gorbachev also needs to show there is no other alternative to his approach. (C)

As the President said in Poland, we do not want to suggest that we are trying to gain political and strategic advantage. This would only play into the hands of the hard-liners. Poland and Hungary, each of which has very particular difficulties, are running great dangers. In Poland, economic problems could threaten the political evolution; and the economic effects of faster reform in Hungary could jeopardize political change there as well. Beside our political strategy, we must also proceed on conventional, nuclear and chemical disarmament. Your meetings with Shevardnadze showed Soviet willingness and need to negotiate. (C)

We should also add Yugoslavia to our discussion. The true independence of Yugoslavia is of the utmost importance for the Western world. As an example, I invited the Italian military to estimate how much we have saved in defense spending by not having to counter a Yugoslav threat. Yugoslavia is also an important factor in the transformation of Eastern Europe. You know that Italy has shown through deeds its adherence to the Atlantic Alliance, but we are a curious state in some respects. The Secretary General of our Communist Party has declared his support for NATO membership. Italy, in agreement with our Allies, has an important role to play in Eastern Europe. In Hungary we have a traditional role. Our relations with Yugoslavia cover a very broad range of economic, political, and military cooperation. Therefore we believe we can cooperate in a specific manner, also with Austria and Hungary. The Ministry of Foreign Affairs will take pride in a meeting of these four countries. Our approach is not based on fantasy nor independent of the overall policy of the West, but as part of our common strategy. (C)

To sum up, I believe I have explained our thinking. A Washington Post correspondent in Europe said I was supporting your policy of prudence. This is true, but I also support the policies of a President who had the courage to go to Poland and Hungary. I hope you will also go to the Soviet Union, not because you need it but because Gorbachev needs it. Prudence side by side with courage: your policy is both courageous and prudent. I apologize for having spoken like a professor. (C)

The President: Your remarks were exactly what I hoped for. We have no concerns at all regarding your initiative with Yugoslavia. I do understand that the Polish prime minister is going to Italy soon. It is important that we do all we can to help. We asked our Congress to approve a \$200 million grant, which would be our contribution to the \$1 billion stabilization fund the Polish Government has requested. At the G-7 Summit, we agreed to work together to support Poland and Hungary. We agree on the need for fundamental reform, but Poland needs an early manifestation of our support. We want to work together with Italy and others to ensure that Poland gets that support. (C)

I should also mention that as relations improve with the Soviet Union, it becomes more difficult to get funding for defense. We must keep our guard up. In that context, I appreciate your help with the transfer of the 401st Tactical Fighter Wing. (C)

The one contentious issue I should mention concerns the Olivetti case and the transfer of sensitive technology. I hope we can resolve our differences, because we are very concerned about transferring technology that has an impact on our security. (C)

Secretary Baker: We have discussed the issue and will follow up at lunch. (U)

The President: You will also want to discuss Libya. I do not believe that we have wide differences, but because of your geographic location there may be some differences of approach.

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-- End of Conversation --