

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Giulio Andreotti of Italy

PARTICIPANTS: U.S.
The President
James A. Baker, III, Secretary of State
Nicholas Brady, Secretary of the Treasury
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 (notetaker)
Raymond G.H. Seitz, Assistant Secretary of State for European and Canadian Affairs
Peter F. Secchia, Ambassador to Italy
Sim Smiley, Interpreter

Italy
Giulio Andreotti, Prime Minister
Gianni De Michelis, Foreign Minister
Rinaldo Petrignani, Ambassador to the U.S.
Bruno Bottai, Secretary General, Ministry of Foreign Affairs
Umberto Vattani, Diplomatic Advisor to the Prime Minister (notetaker)
Paolo Janni, Deputy Chief of Mission, Italian Embassy
Ricardo Sessa, Head of Secretariat, Office of the Prime Minister
Pio Mastrobuoni, Head of the Press Office, Office of the Prime Minister
Carla Lonigro, Interpreter

DATE, TIME AND PLACE: March 6, 1990, 10:50 - 11:53 am
Cabinet Room

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PER E.O. 12958,
AS AMENDED
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Following their Oval Office meeting, the President and Prime Minister Andreotti met for an expanded meeting in the Cabinet Room at 10:50 a.m. (U)

The President: I am pleased to have you here. This is a very important time, especially given all the developments in Europe. All of us recognize the importance of full consultation with our Allies and friends. We see eye-to-eye on the importance of NATO. We are delighted you are here. (U)

Prime Minister Andreotti: Thank you for your welcome. This visit occurs at a particularly important time in history. These several decades prove that we in the West have been managing things well, including in NATO and in the US-European partnership. Since 1975, the Helsinki formula acknowledges by all of Europe that the US and Canada are part of Europe. What is now occurring is that Eastern Europe is establishing democratic regimes, each according to its own identity. Some have pre-Communist models, but not the Soviet Union. Within this framework, the problem of German reunification must be placed. Until recently, to speak of reunification of two German states would have been dangerous, and would have produced strong and destabilizing reactions in the Soviet Union and Eastern Europe. Moreover, there was concern that a whole set of boundaries which emerged after World War II might be questioned. It is indispensable that NATO become stronger and that CSCE and the EC become stronger. We must assure that concerns for seeing a Germany that might change its policy or question its borders must be absolutely removed by a stronger, more relevant NATO. We need a broader political-military framework for the Alliance. This acquires a great urgency. It is necessary for NATO to always be kept informed about your talks with the Soviet Union, as you have done. You discussed matters with the Soviets, but only after discussions with the Allies. Although specific Four Power tasks and the two Germanies cannot be left out, the goal must always be assessed within a broader framework. NATO has faced in the past diverse conditions; we face them now. We have succeeded in the past; we must succeed now. And NATO must be the priority forum, since the world has not become a sort of Eden. There could be turmoil in the Balkans, or Arab fundamentalists could mount terrorism. There must be ever closer contact between the US and Europe. (S)

The President: It doesn't surprise me, but it pleases me that we are on the same wavelength. We know your concerns about Germany and the Two Plus Four. Together, we now support German unification because things have changed so much. We want NATO to continue with an expanded role. We want Germany to remain a full member of NATO, and Kohl was direct and supported this. We feel the US military should remain in Europe and in Germany. I think

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Gorbachev himself does not see a continued US presence as threatening. If there are such worries, we will try to allay any fears in the USSR. We need to establish a special military status for East Germany. Kohl made clear that all the Allies should be in the unification process. That's our position. All of us want to go the extra mile on consultations. The more that you can say about a united Germany in NATO and the US military in Europe, the better. That will help Kohl, those in Germany who support the US, and Italy. We support the inviolability of the Polish border. Developments in the FRG are encouraging. We are sensitive to Polish concerns. I don't want to be involved in German domestic questions. The Polish Question can best be allayed through strong assertions in Germany about not changing borders. We believe the two German states should take the lead in German unity. (S)

The Two Plus Four talks, as we see them, should focus on the devolution of Four Power rights and responsibilities to a unified Germany. They will not decide the future of NATO or of European security. The Two Plus Four should have no voice on the issue of Germany's full membership in NATO. As Jim Baker stressed in his letter to Foreign Minister De Michelis, we want the broader security implications of German unification to be fully discussed within the Alliance. And, as I said, Helmut fully agrees with this. That is one reason he will be briefing NATO representatives in Brussels later this week. This is a good idea. I would welcome your views on how best to structure these consultations at NATO. Let me repeat: your involvement is essential. We feel that way not only because Italy has a right to be involved, but because Italy and the rest of the Alliance can contribute to a stable outcome in this delicate process. (S)

I mentioned to the Prime Minister the odd US views on defense. NATO's involvement at these crucial times should be the beginning of a new era for the Alliance. I know that you agree that we must maintain NATO's defenses despite public pressures here and in Europe for a "peace dividend." They would have us cut the hell out of our overseas forces and spend money on social programs. The more you can say about the US role in Europe, the importance of stability, and the dangers of instability, the better. (S)

Prime Minister Andreotti: Concerning the position of a united Germany, it would be good to envisage a preliminary stage (no one knows how long it will last) during which some Soviet troops remain in the former GDR. It is better to say this than to suggest that a united Germany in NATO will have Soviet troops for an extended period, lest it lead to denuclearized and demilitarized areas in Europe. That would be very dangerous. All military problems must be discussed within NATO. Otherwise, NATO would be weakened. Concerning Four Plus Two, if it is a conclusion of the Berlin mechanism, there are no problems. But if there is an idea to stabilize this group as dominant, this

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would be negative and dangerous. We have to prepare Helsinki II carefully. It can make a contribution, especially concerning ethnic minorities. We have a strong German minority in an Italian province. We have Italians in Yugoslavia. Regarding what you said about the US Congress, it is true about us in Europe, too. Our people want a peace dividend, too. We must all work together to provide public opinion with greater education on the need for a strong defense in these uncertain times. We must all pull together to meet this problem. We in government have that responsibility. (S)

The President: We need to broaden the political component of NATO. We attach special importance -- as you do -- to the CSCE process in this period of change in Europe. We want to continue strengthening the process at the upcoming Bonn and Copenhagen conferences. We can agree in principle to a CSCE Summit this year, if the signing of a CFE agreement will be part of any such meeting. We think that's a good incentive to finish CFE. A summit should review substantive progress in each of the three CSCE baskets, including, we hope, a commitment to the principle of free elections. While this summit may acknowledge, in some way, the activities of the Two Plus Four, we do not want the CSCE Summit to be centered on Germany, or to be a meeting which tries to undermine Germany's full membership in NATO. (S)

I might say on Soviet relations, Kohl drove home that our arms control agreements with the Soviets are all important to the Chancellor. We are moving forward on the Malta agenda. The Baker meeting went well in Moscow. One thing we can do to help Gorbachev -- and help Europe and the Alliance -- is to continue working to support stable democratic change in Eastern Europe. Things are going well in Poland and Hungary, but both countries will face severe economic problems for a long time to come. Western help must be sustained and coordinated. President Havel's visit here left us encouraged about the prospects for success in Czechoslovakia. But there are major problems there, too, both economic and political. In Bulgaria and Romania -- and Yugoslavia, too -- the outlook is less clear. We need to ensure that Western aid is tied to genuine economic and political reform, including the holding of free and fair elections. So we are optimistic about changes in Eastern Europe, but we must stay together as Allies. And that's why I like an expanded role of NATO in this time of unpredictability. (S)

Prime Minister Andreotti: As far as chemical weapons are concerned, we haven't quite finished the work. But it remains an important goal. (S)

The President: We made good progress with the Soviets on chemical weapons. (S)

Secretary Baker: The Soviets agreed in Moscow on a joint statement that embraced the President's UNGA initiative, to reduce, on both sides, chemical weapons to a small residual amount. (S)

Prime Minister Andreotti: In addition to the bilateral US-Soviet dimension, don't forget the Geneva negotiations. That's important, too, including verification. That will help us control Libya. We can finish this in a few months. (S)

The President: Rabta is now producing chemical weapons, Gadhafi having lied to his friends. We are absolutely sure of this. I'd like Jim Baker to talk with you about Rabta at lunch. I see your point, but we certainly want to safeguard against further nuclear and chemical weapons proliferation. (S)

Prime Minister Andreotti: I agree we need to stop Libya. But we also want a comprehensive ban. One word on the Middle East: we in Europe have tried to convince the Palestinians to accept Israel's right to exist within secure borders, to respect 242 and 338, and to reject violence. In the PLO Council in Algiers 15 months ago, the PLO accepted these. And the US now has a dialogue with the PLO. Shamir tells me he doesn't trust Arafat. Europeans are convinced that by excluding formally the PLO from negotiations, we are working on sand. Therefore, I would like to stress that we now risk losing the PLO again to violence, to the possibility of negotiations with Israel as Arafat loses his authority over the PLO. Leaders of the more enlightened Arab states agree with this. We are well aware of Shamir's difficulties, but he cannot remain so inflexible. I must pursue a dialogue with the Palestinians. Concerning Soviet Jews, the Reagan Administration has helped the Soviet Jews to leave the USSR, mostly to come to Canada and the US. Now conditions should be created to persuade Jews to stay in the Soviet Union and help build that country, not least because Soviet Jews complicate the PLO's problems. (S)

The President: We agree Arafat made important changes. We have not ruled out Israel's talking to the PLO. It is up to Israel, and Shamir has set preconditions. We support the exodus of Soviet Jews. At same time, we have told Gorbachev that he should make changes to persuade Jews to stay. We now have a flap with Israel regarding settlements on the West Bank and in East Jerusalem. This is not a change in policy. (S)

Secretary Baker: The issue is not whether Israel talks to the PLO but, rather, whether we can get Israel to talk to the Palestinians. If we insist that Israel talk to the PLO, there will be no dialogue. So we are trying to get Israel to talk to Palestinians, without raising the symbolism of the PLO. The Egyptians have been helpful. If Israel can show the slightest flexibility, we may get talks started. (S)

Prime Minister Andreotti: If Israel insists that no PLO be involved, Shamir is only pretending a dialogue. Rabin agreed with me that only the PLO could stop the Intifada and that I would not talk to the PLO. Israel gives the appearance of

wanting dialogue but doesn't really want such talks, partly because of domestic politics. We must persuade the Israelis. If we do not, Islamic fundamentalists will gain strength as we saw in the Jordanian elections. Please, Mr. President, do your utmost to persuade Shamir. (S)

The President: We think it is important that Israel take that first step. We are close to that now. It has been extraordinarily difficult, but we will persevere, including with Israel. They have to keep up the dialogue. The more you speak out, the better it is for Americans to hear how our closest friends feel about this. The proof of the pudding will be if we can get these talks going. But the US cannot insist that Shamir negotiate with the PLO. It doesn't work that way. (S)

I would like Jim Baker to discuss Nicaragua at lunch. Thank you for your letter on Nicaragua. I appreciated your government's decision not to consider new assistance until after the election. Now that Mrs. Chamorro has won and there finally will be a democratic government, I hope your government will be able to help. I hope Italy will also join in calling on the Sandinistas to leave power peaceably, including handing over control of the Army and security services. Our appeal is please help now as Mrs. Chamorro tries to restructure her country. (S)

---End of Conversation---