

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting and Lunch with Prime Minister Mitsotakis

PARTICIPANTS: The President
Richard Cheney, Secretary of Defense
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert Gates, Assistant to the President and Deputy for National Security Affairs
Michael G. Sotirhos, U.S. Ambassador to Greece
Robert Kimmitt, Acting Secretary of State
James Dobbins, Acting Assistant Secretary of State for European and Canadian Affairs
Nicholas Burns, Director for Soviet and European Multilateral Affairs, NSC Staff (Notetaker)

Prime Minister Constantine Mitsotakis
Andonis Samaras, Foreign Minister
Stavros Dimas, Minister of Industry, Energy and Technology
Christos Zacharakis, Ambassador of Greece to the U.S.
Mrs. Dora Bakoyiannis, Member of Parliament
Viron Polyadoras, Press Spokesman for the Prime Minister
Dimitrios Argyriadis, Director of the Prime Minister's Diplomatic Office (Notetaker)

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Date, Time and Place June 6, 1990, 11:30-1:00 p.m.
Cabinet Room and Old Family Dining Room

The President: Welcome. There has been great interest in this visit in both of our countries, and I have looked forward to it. This is my first chance to see you after your victory and to congratulate you for it. I know this is also a special week for your family. I only wish your son were here so that I could congratulate him for his graduation from Harvard. I would like to welcome, as well, your daughter, to this meeting. (S)

I think it is important for the U.S. to have a good, strong relationship with Greece. And so I think it would be a good idea for you to come back sometime in the future on an official visit. Our people will stay in touch to work out the details. I understand from my staff that you are the first Greek Prime Minister in twenty-six years to visit the White House. That is hard to believe, and is not good enough. We'll do better. I

hope this meeting starts a new pattern of closer relations between us. So, I would like to say welcome again, and will turn the floor over to you. (S)

Prime Minister Mitsotakis: If you don't mind, I will speak in Greek since my English is a little rusty. First, I would like to thank you for the opportunity to visit during the first months of my term. It is a great pleasure and an honor. (S)

I also thank you for the opportunity to return in the future on an official visit. I accept your invitation. All of us here today are representing the Greek President, Mr. Karamanlis, who sends you his best regards. He and I would like to invite you to visit Greece. The Greek people would be delighted by such a visit. (S)

I would like to talk about the situation in Greece. As you know, there has been a great political change after eight years of Papandreou. During the last year, we had three elections, and two of them were fruitless due to the new electoral law imposed by Papandreou to make attaining a majority difficult. While we have a small majority in Parliament, we have a big one with the people. I won 47 % of the vote in the April election--the largest percentage of any governing party in Europe. We feel strong, and will do what is right. (S)

During the campaign, we told the truth to the people on both foreign and domestic policy. We are now set to tackle these important problems. We worry about our economy which poses a difficult situation. We have a big public sector deficit, amounting to 22% of GNP. There is heavy borrowing, dangerous inflation and stagnation--there is no development in the economy. We have taken reform measures--privatization, restriction of expenditures, new taxes and an increase in public utility charges. Our effort will require time. (S)

In foreign policy we have made major changes within our first fifty days in office. First, we initialled the bases agreement with you. Second, we established full, diplomatic relations with Israel. Third, we have made it clear that Greece will accept all of its obligations as a member of NATO. And, I should remind you that it was the New Democracy party under the leadership of Constantine Karamanlis which obtained EC membership for Greece. We intend to follow a policy of promoting European unity. (S)

I can tell you with great satisfaction that the Greek people support our new policies. They know we are determined to restore the credibility of our country abroad. (S)

We are also determined to normalize our relations with your country. We share the same ideals and a history of friendship. I can tell you that our people feel friendship and love for the American people. Papandreou's policies only diminished that friendship superficially. (S)

Relations with Turkey, of course, will be a difficult issue to

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handle. My policy will be one of dialogue and friendship. I've always had this view which led Papandreou to accuse me of treason for having advocated dialogue with the Turks. I am ready to take the necessary steps and I've told the Turks we'll pursue a dialogue, and that I will go to Ankara, if necessary, as long as the trip is well prepared to insure its success. We know Turkey is a valuable ally of yours and we don't want to cause problems between the two of you. And we are not asking you to intervene between us. But it would be helpful if you could give advice to both of us. We don't want to create an Ankara-Athens-Washington triangle in which you are the intermediary. We believe our problems should be resolved directly. (S)

Cyprus is an important issue for us. I am an old-timer, having been a member of Parliament since 1946 and having lived with the problem during all those years. I believe an opportunity exists for a solution. Vassiliou is a good man and a valuable ally with a positive approach. But we have to find a way to break the circle, and accomplish something. I have launched an idea to reduce the number of occupation forces which would be a symbolic step. But I don't insist on this idea. It might be better for Turkey to return Famagusta, as they were ready to do so before. (S)

Turkey has many problems. As its neighbor, we don't want Turkey to fall under the dominance of Moslem extremism. We would rather see Turkey's European orientation strengthened. We think the U.S. can play an important role in this regard. (S)

I've spoken to many European leaders about Cyprus and have been assured it will be on the EC summit agenda later this month. I also think the U.S. will play a major role in the world, and that you are stronger than ever. The Cyprus problem requires American help to be resolved. I also believe that, with your help and engagement, the Greek-Turkish dialogue on other problems will be enhanced. This will help Greece, NATO, and the U.S., but mainly Turkey. So, my approach on Cyprus is not antagonistic. I want to convince Turkey to settle the problem. But we are running out of time after sixteen years of occupation. There is now a new generation of Cypriots who have not lived in a united Cyprus. (S)

Vassiliou is already being criticized for producing no results. He has only two years left. My own government also needs a success. We hope to do well, but it will be a tough road. This is why, Mr. President, I wanted to put the Cyprus question before you today, in order to ask for your support. (S)

The President: Thanks very much for your remarks. You have covered several subjects, and I will try to respond. (S)

First, on your economic situation, welcome to the United States. We are fighting many of the same problems, and I agree that many of them are tough ones. I also agree that your private sector reforms are the answer. We start from the same common ground. (S)

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Second, we view our overall relations as important and feel comfortable with your policy changes since taking office. We have a strong and fascinating Greek community in the U.S. who approve of the improvement in relations and who have great hope for our success. (S)

Third, on Cyprus, I am flattered that you think we can play an important role. I know that we have not been as effective in the past as we might have been. But we have been engaged in the problem. We have a good man, Nelson Ledsky, who is in the region now. I am amenable to your suggestions. I also have great respect for Vassiliou. He is a good man, and I understand why he is frustrated. (S)

I think the Turkish President is more reasonable than some of the others. We have some differences with the Turks, but we are also friends. We want to solve the Cyprus problem and are impressed with the importance of the need for action. Famagusta could be a confidence-building measure if the Turks think they can do it. But they might want something in return. We are intrigued by it. (S)

As for our overall policy, we support the UN Secretary General in his mandate. We have spoken to him about this recently and think this is the best way to go forward. We do care about Cyprus. We would be interested in having our Foreign Ministers explore what we could do. Our Ambassadors could also be helpful in working out some ideas. If our Foreign Ministers could come up with something, we could consider it. We want to see you and Vassiliou succeed and resolve this problem. (S)

Prime Minister Mitsotakis: I have some comments to make on what you have said. I accept that Ozal is a reasonable man. We have met several times. But he is weak today. I am opening a path to dialogue and also want contacts with Demirel and Inonu, the leaders of the two other parties. I am old acquaintances with them. There is no doubt about the importance of the UN role, but Perez de Cuellar is desperate. He doesn't know what to do, and we must help him. I spoke with Ledsky about these matters. (S)

I believe that Famagusta could act as a catalyst and that we should try to influence the Turks in this direction. I believe our Foreign Ministers should maintain contact with each other. Our Ambassadors are also helpful. We are very happy with Ambassador Sotirhos. All Greeks like him. We must find a way--one step forward. We would like the press release describing this meeting to give impetus to the Cyprus problem and underline our commitment to finding a solution. (S)

The President: Before we go to lunch, I want to tell Dora (Mrs. Bakoyiannis) in front of everyone here that our hearts go out to you. We think you are courageous and we know you are motivated by this tragedy to reduce the terrible scourge of terrorism. We just feel terribly for you. (S)

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In that regard, I want you to know we will combat terrorism. Our position is firm on the Rashid case (end of conversation in Cabinet Room). (S)

(Conversation resumed in the Old Family Dining Room over lunch).

The President: What do you think of Yeltsin? (S)

Prime Minister Mitsotakis: I am impressed by him. I hear many negative comments about him, but I do not share all of them. (S)

The President: Our impression, in brief, is not particularly favorable. He came to the White House and refused to see General Scowcroft without bringing four people along. It colored the visit. (S)

Prime Minister Mitsotakis: My wife told me he reminded her of Papandreou. But I think he will play an important role. (S)

What are your impressions of Germany? (S)

The President: We favor a unified Germany in NATO. We may have made progress in convincing Gorbachev that this would be less of a threat than singularizing Germany. Gorbachev should be more worried about a Germany isolated after fifty years of division. This is our view. Germany, of course, is cooperating with the Soviets on the economic side. We understand why the USSR would be suspicious after having lost twenty seven million people in the Second World War. But I wonder how long Germany must do penance before it is accepted as a democratic country. What is your view? (S)

Prime Minister Mitsotakis: I agree with everything you have said. I am a good friend of Kohl and will see him at Harvard. I believe he will win the elections of a unified Germany. We too have suffered at German hands. I, for example, was sentenced to death twice by the Germans. But the Greek people support unification. (S)

The President: Are all Greek parties united on this? (S)

Prime Minister Mitsotakis: All the parties agree that Germany should be united. But the issue of Germany in NATO has not been widely discussed. I think the opposition will disagree with us on that. (S)

The President: We need to convince them that NATO won't necessarily be the same organization. Article 2 provides language on the purpose of NATO that conveys a broader, more political role. We will have to figure out how to cast the new NATO, while keeping Dick Cheney's forces there. We believe U.S. forces are a stabilizing presence in Europe. Our troops must be wanted, however, or they will come home. We need European support in order to maintain support at home. (S)

Prime Minister Mitsotakis: I believe the Soviets agree with what

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you have said. We have seen an important change in the psychology of the East European countries. Our opposition, and the Greek communists, who are still Stalinists, are lagging behind these changes. We have good relations with the Balkan countries and I was recently impressed during a visit to Eastern Europe. (S)

The President: How do the East Europeans in general view a U.S. presence in Europe? (S)

Prime Minister Mitsotakis: The prestige of the U.S. in Eastern Europe is enormous--probably greater in Eastern Europe than in Western Europe. I think their decision to turn toward democracy is final. They also want free markets but are a little confused about how to manage the transition. Each of the countries, of course, is different. Bulgaria will have free elections. We are helping the opposition parties, and there will be some balance after the elections. In Romania, the President's victory was large, but the elections were unfair. (S)

The President: Do you know Iliescu? (S)

Prime Minister Mitsotakis: No, I do not. But I have good relations with the Bulgarians. Bulgaria is stable and will help us in the Balkans. (S)

The President: If you were asked at a press conference in Greece about the Baltics, what would you say? (S)

Prime Minister Mitsotakis: I would say that Greece never recognized the incorporation of the Baltic states into the USSR. I would say Lithuania could become independent but that reality must also be respected. Gorbachev is doing the maximum now. I have a feeling that Gorbachev is doing his best, and that we must all help him. If Gorbachev falls, and we inherit Yeltsin, it will be an adventure. (S)

The President: Do the East Europeans want Gorbachev to succeed? (S)

Prime Minister Mitsotakis: Yes, they all do but they are worried about his internal problems. The Yugoslavs also find themselves in a difficult spot. The revival of nationalism in the region has hurt Yugoslavia and makes it difficult to maintain its unity. We are being careful not to excite the Macedonian minority. (S)

I also think there could be developments in Albania. (S)

The President: Perez de Cuellar said the same thing. (S)

Foreign Minister Samaras: There are 400,000 Albanians of Greek origin. (S)

Prime Minister Mitsotakis: Albania has a terrible regime, with a very poor human rights record. (S)

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The President: How do you account for the changes inside Albania? (S)

Prime Minister Mitsotakis: There has been an internal reaction inside against the regime which is now shaky. (S)

The President: I hope they shake Castro too, although even Cuba is not as bad a place as Albania. (S)

Foreign Minister Samaras: There is not one functioning church in Albania. (S)

Prime Minister Mitsotakis: We want to work closely with you on terrorism and narcotics. This is of great interest to us. (S)

The President: Both are vitally important to us. What is your thinking on this complicated Rashid case? (S)

Prime Minister Mitsotakis: We must make a decision by September. It is out of the question to release him. Either we will extradite him to the U.S. or try him in Greece. Personally, I would like to hand him over to you because his trial will be an adventure. But I must consider the political situation in Greece. I will give you a clear answer soon. (S)

The President: I wasn't pressing today for a clear answer, and will await your response. The raid on the Israeli coast undermines the Palestinian cause and plays into Shamir's hands. It gets Shamir off the hook. (S)

Prime Minister Mitsotakis: Shamir's policy is too extreme. (S)

The President: That's right. (S)

Prime Minister Mitsotakis: We have resumed full diplomatic relations with Israel which we think will make us more effective in the Middle East. But Israel must learn to coexist with the Arabs for its long-term survival. (S)

The President: It is a very difficult and unpromising situation. (S)

Prime Minister Mitsotakis: It would be easier for the Israelis if they changed their electoral law. (S)

The President: They need to do something--the situation is frozen. What type of electoral laws were changed in Greece by Papandreou? (S)

Prime Minister Mitsotakis: Its simple. I need 50 % to win which is not possible in our system without coalition partners. Felipe Gonzalez has the same percentage as me. (S)

The President: What did Ronald Reagan receive in the 1980 election? John Anderson's candidacy reduced his winning percentage. (S)

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Secretary Cheney: I think President Reagan received barely 50% of the vote. Lincoln never achieved a majority. (S)

The President: So don't let your opposition cite the U.S. as an example--we've had Presidents with less than 50% of the vote. (S)

I don't want to probe into your internal affairs, but, having said that, whatever happened to the first Mrs. Papandreou? (S)

Mrs. Bakoyiannis: She lives in Athens, and is planning to remarry--an American, actually. (S)

The President: Is she still less than infatuated with the U.S.? (S)

Mrs. Bakoyiannis: Well, she is marrying an American. (S)

Prime Minister Mitsotakis: I would like to raise one last issue and ask Mr. Samaras to present it to you. (S)

Foreign Minister Samaras: In the CFE talks, we have problems in the negotiations of the areas of application. The Turks want the port of Mersin, from which they invaded Cyprus, to be militarized. We want Mersin to be demilitarized. Mr. Bartholomew and our Ambassador have been discussing the issue and we would appreciate your weighing in with Bartholomew and others that we need to find a solution to this problem. (S)

Prime Minister Mitsotakis: This is a very important issue for us. (S)

The President: I'm afraid I am not aware of the details of this issue. Brent, can you discuss it? (S)

General Scowcroft: No sir, I cannot discuss it either. (S)

Mr. Kimmitt: Our position is that Mersin should be excluded. We can discuss it with you, but we cannot change our basic decision. (S)

The President: We disagree with the Greek position? (S)

Mr. Kimmitt: Yes sir. (S)

The President: Why are the Turks insisting on it? (S)

Prime Minister Mitsotakis: As a provocation. (S)

The President: We'll take a look at it. But we do want CFE to be concluded without many delays. Jim Baker called me last night to say we may have more options with the Soviets. They have accepted the premise of some of our ideas, and we find this encouraging. (S)

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Prime Minister Mitsotakis: It is a very important issue. Please try to do something. (S)

Mrs. Bakoyiannis: This is an important issue for the Greek public. People know about this. It is politically important. (S)

Foreign Minister Samaras: This is a huge problem for us. The area of exclusion is three times the size of Greece, and all of Greece will be demilitarized. (S)

Prime Minister Mitsotakis: I am establishing a special task force on terrorism to see what we can do. We hope to achieve results from this change in emphasis. There was no certainty before that the government wanted to combat terrorism. Now we've changed that. We would like closer cooperation with you. (S)

The President: I am delighted to hear that. We're ready to assist you. We are working on new technologies for airport security. There are no perfect defenses and it is very expensive. Sharing intelligence information will also be important. (S)

Prime Minister Mitsotakis: We need technical assistance in counter-terrorism. (S)

The President: We have just finished the Pan Am 103 investigation on the plane that went down over Scotland. Is that report available, Brent? (S)

General Scowcroft: Yes it is sir. (S)

Mrs. Bakoyiannis: Is there a way to detect plastic explosives? (S)

General Scowcroft: Not well enough. (S)

The President: We are trying to develop technology to detect plastics. (S)

General Scowcroft: The problem is that to detect plastic, you generally need to have an amount of plastic larger than what is used in most bombs. (S)

Mr. Dobbins: The detection devices are also very large and expensive. (S)

The President: Cooperation will be important. (S)

Foreign Minister Samaras: November 17 is a terrible organization. They have killed both Greeks and Americans, including Richard Welch in 1975. (S)

Mrs. Bakoyiannis: They kill people without security, it is easy for them. (S)

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The President: The Germans also lost Herrhausen. (S)

Mrs. Bakoyiannis: And he had security. In Greece, they attack defenseless people. (S)

The President: Do you know who they are? (S)

Foreign Minister Samaras: No. And we don't even want to venture a guess in public. (S)

The President: This is a cowardly and shadowy business. There seems to be a better chance for improved relations with Iran with the release of the two hostages. They now want me to do more. But we have four other hostages still there. What do they want me to do? I am not ungrateful, but I don't want to rush out to congratulate them when they are still holding other Americans. (S)

Ambassador Argyriadis: I was in Iran recently. I think Rafsanjani has to improve Iran's foreign relations. But there is a strong internal reaction and he also has to survive. The hardliners are strong and are doing everything possible to keep the two great Satans, the U.S. and the USSR, out of Iran. So, I have a feeling Rafsanjani will try to become the single, strong leader. (S)

The President: People say Velayati is reasonable. (S)

Ambassador Argyriadis: Yes, but he doesn't have much power, especially compared to the Interior Minister. The hopes are on Rafsanjani. There is also a hardening of the situation of women. The pretext is the Imam's line. They really want to keep people at a distance from their increasing economic problems. (S)

The President: I have enjoyed this. I think we have covered most of the ground. And congratulations to the Prime Minister on his 37th wedding anniversary. (S)

Prime Minister Mitsotakis: We have covered all issues of interest. We are entering a new era in our relations. I want you to know that we'll continue to follow this course. (S)

The President: We will also follow through on our part. (S)

Prime Minister Mitsotakis: Don't forget Mersin. It may blow up on us. (S)

The President: You have made that clear. (S)

- End of Conversation -