

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Federal Councillor Jean Pascal Delamuraz of Switzerland (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert Kimmitt, Under Secretary of State for Political Affairs
Joseph Gildenhorn, Ambassador to Switzerland
Robert L. Hutchings, Director for European Political Affairs, NSC Staff
Ralph Johnson, Deputy Assistant Secretary of State for European and Canadian Affairs
Alec Toumayan, Interpreter
Jean Pascal Delamuraz, Federal Councillor
Edouard Brunner, Ambassador to the U.S.
Gerard Stoudmann, Personal Advisor to Mr. Delamuraz

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
2000-0429-F
JL 8/21/09

DATE, TIME AND PLACE: July 26, 1990, 10:50 - 11:20 a.m.
The Oval Office

During the photo opportunity, the President and Mr. Delamuraz engaged in a side discussion comparing the American and European media. (U)

The President: Welcome. We are glad you are here. I would love to get your views, especially on trade and how you see Europe developing on trade matters. Our desire is for a successful conclusion of the Uruguay Round, especially on agriculture. But this is just one subject we might discuss. I would be glad to hear anything that is on your mind. (U)

Mr. Delamuraz: Thank you, Mr. President, for your welcome. The Swiss Government names a President for only a one year term, and there has been no opportunity for such a meeting until now. Having served as President last year, I am pleased to have this opportunity to meet with you. As you know, political signals are important. (U)

I want to say how much the Swiss Government appreciates the leadership the U.S. has given regarding Europe. We Swiss also want to make our own contribution. Let me express to you another impression. When my country and others make a huge effort to

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

support the economic revolution of Eastern Europe, our efforts should not be to the detriment of other continents. There is a risk that Europeans will have devoted almost all their energy to Europe. We have responsibilities in Latin America, too, and Europe must fulfill them -- working together multilaterally in the GATT, for example. (Ø)

As this meeting is the climax of my trip, I want to mention that my country, as a non-EC European country, wants to develop closer political contacts given that history is moving ever faster. I want to repeat, Mr. President, the invitation I extended as President of the Swiss Federation for you to visit Switzerland during a forthcoming visit to Europe. Next year the Swiss Federation celebrates its 700th anniversary; and as the traditional beacon of freedom, you, Mr. President, would fittingly help us celebrate our anniversary. (Ø)

The President: I remember very vividly the invitation. Ambassador Gildenhorn has been leaning on me, and General Scowcroft and I have discussed the matter. We see the importance of a visit. Let us see whether we can work it out. In principle, I very much want to come, so let me try. I hate to be so vague, because I would like to come in principle. So I am not only aware of your invitation but am very grateful for it. (Ø)

Let me ask how you see the mood in Switzerland concerning the major changes in all of Europe. The reason I ask is that in this country, there is a rather euphoric feeling that peace has arrived and there is no need to worry about defense. My feeling is, thank God we have a more peaceful Europe, but who know what will happen in the future? I would be very interested in your views on U.S. engagement in a post-unification Europe. How do people in your country see this? I would value your judgment. (Ø)

Mr. Delamuraz: Let me answer in three points. First, the Swiss are very happy to see the recent events in Eastern Europe. We consider them irreversible, providing the Soviet Union holds together. We should do all we can to help with its political and economic difficulties. The U.S. is maintaining and encouraging these trends. The first guarantee for the accomplishment of this political revolution is the presence of the U.S. My second point is that the economic effort to complete the political revolution will be extremely costly. We have to make up for half a century of neglect of the economy and the environment. What the U.S. is prepared to do is an essential requirement. We are grateful to you for the clarity of the U.S. position and the impulse you have given at Houston. This was all received very positively in my country. Third, in this effort on behalf of Eastern Europe, there will be institutional efforts, on the part of the EC, EFTA, the G-24, and others. All the differences must not detract from the main effort. We must develop coordination among these institutions. As President of EFTA, my country wants it to move complementarily with what the EC is doing. Technical financial

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

assistance and institutional support will be important for Eastern Europe. We must avoid making them dependent on the West but rather give them the means to carry out their own policies. The human resources in Eastern Europe are very good, but the economic infrastructure is a disaster area. The presence of the U.S. is very much valued. It is indispensable. (Ø)

The President: I am glad to hear that. I hope that is the universal view. I don't want us to slip into isolationism. I don't think that will happen, but there are pressures, because of the deficit, to realize a peace dividend. In Congress, on the liberal side of the American equation, there is sentiment for bringing the troops home and cutting back our security guarantees. So I am worried that people will call for massive cuts in defense. I don't know how you view changes in Germany. We are pleased and have been out front in supporting German unification. But there are some who worry about a united Germany. What are your views? (Ø)

Mr. Delamuraz: I have sympathy for your budgetary concerns. For us, the importance of the U.S. presence is not only in defense but also in the areas I described before. Let me add one word about the importance of the CSCE, which is another sign of your presence. And let me repeat the will of my Government to do what we can to help with our limited means on other continents, particularly in Latin America. Cooperation across the Atlantic must go both ways. (Ø)

The President: I couldn't be more pleased to hear that. Our friends in Latin America need help, and when Europeans help -- regardless of their size -- it is wonderful. (U)

Mr. Delamuraz: I have made two trips: one to Mexico, where I met with President Salinas, and another, two weeks ago, to Brazil. We have to help them because of the ties we have. Instead of saying we should help either South America or Eastern Europe, we should look for a synergistic effect so that these efforts can be reinforcing. (Ø)

Let me answer your question about Germany. Germany is accomplishing unification under the best possible circumstances. Again, you were instrumental in helping achieve what no European could have dreamed about 10 months ago. It is fantastic. There will be changes, and we worry about inflation, but we understand that the tide of freedom has gained strength. The Germans themselves will be wise enough not to take advantage of their dominant position in Europe -- not just in the EC, but in Europe as a whole. (Ø)

The President: I think they will be wise enough, but are there growing fears in Switzerland and elsewhere that Germany will become too dominant? (Ø)

Mr. Delamuraz: The public debate is less fully positive than I. There are some old fears, and also some among the younger

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
4

generation. It depends how well the Germans and others assimilate these changes. (Ø)

The President: I think it is manageable, but if there were a shift inside Germany and the German Government moves far left, there could be pressures to get all U.S. and Soviet forces out. If there were a kind of parallelism, of equating U.S. troops and Soviet troops, then it would be very difficult for the U.S. to remain as a stabilizing force and a guarantor of security. (Ø)

These are fascinating times. I am glad we have these kinds of problems to worry about instead of the old ones. I salute Gorbachev. We will work with them. We won't send money, because they must reform their economy before our aid would be of any benefit. Gorbachev understands the U.S. position. (Ø)

-- End of Conversation --

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~