

THE WHITE HOUSE

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WASHINGTON

4230

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting and Dinner with Italian Prime Minister
Andreotti

PARTICIPANTS: The President
The Vice President
James A. Baker, 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
Peter Secchia, U.S. Ambassador to Italy
Sim Smiley, Interpreter

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, Security Advisor to the Prime
Minister
Interpreter

DATE, TIME March 24, 1991, 6:30 - 8:45 p.m.
PLACE: The Residence

The President: I want to take this opportunity to find out your thoughts on two major issues -- where we go in the Middle East and on European security issues. Let me first express our thanks for your cooperation in the run-up to the war and during the war itself. I valued our conversations and learned from them. I appreciated your solidarity with our positions and know that Jim Baker appreciated the conversations with Foreign Minister De Michelis and others. Jim is just back from a trip to the Middle East and the Soviet Union. I will not endeavor to describe a solution to the problem, but overall we see two tracks -- an Arab-Israeli track and an Israeli-Palestinian track. We are not euphorically optimistic, but Jim did get the feeling that there is common ground for a good solution. If the coalition's credibility has been enhanced in the Middle East, we are determined to use our credibility and try hard to solve this problem. We know we have to take positions that won't keep every participant happy. It would be a shame to win the war and gain credibility and then lose the peace for a lack of trying. I can go into greater detail, but I am interested in your observations.

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Prime Minister Andreotti: Thank you for your expression of appreciation. For us, solidarity with the United States is a fixed reference point for our policy. What we did was thus natural. It was not easy to convince our people to send ships to the Gulf and to open our ports and airfields to your troops, but I have said that we shall never forget another liberation -- that of Italy from Nazi Germany, when the U.S. provided aid and 44,000 Americans lost their lives. I have stressed that the concept is clear, that the U.S. was not acting for oil, but in the defense of principle. I greatly appreciated your speech on 1 October at the UN. It enhanced the role of the UN, and advanced the idea that after Kuwait was liberated, you would try to solve other problems, such as Palestine and Lebanon. Your concern is right about what to do now that the war is over. First, it is now an acknowledged fact as a result of the war that the Arabs, the West, and Israel cooperated in defense against Iraq. This provides a premise for dialogue. The second fact is that Israel did not act against attacks, and, therefore, gained appreciation and approval from the Arab countries. Perhaps, in my view, the Palestinian-Israeli dialogue will be different. Who will be the interlocutor for the Palestinians? The PLO has been rejected. The situation has led to a stalemate. The PLO is now weakened by its support for Saddam Hussein. I suggest we set aside who represents the Palestinians and address what to do to solve the problem. Give the Palestinians some hope, and then we'll see who represents them. Otherwise, it will be impossible to establish a dialogue. In the past, Shamir has been very negative on this, but today there are some voices in Israel suggesting a readiness to consider this. In certain U.S.-Jewish circles, there is a different stance compared to the past. Today I met with the American Jewish Committee, and I would like for you to have a copy of my speech. Their attitudes seemed quite open. (Ø)

The President: There has been a significant change in the U.S.-Jewish community. They would like to see the Israeli Government come forward and talk peace. (Ø)

Prime Minister Andreotti: Let me ask you about the invitation by Egypt to convene an international meeting to examine the paths to a peaceful solution. Let me stress that today you have a unique opportunity to help Arabs and Israelis start a dialogue and move towards a solution. My last point: it is important to note that in the Security Council, the five permanent representatives are showing much greater harmony. Working together is key to the outcome. I hope the relationship between the U.S. and the USSR will continue to follow this path of cooperation. I have your letter on CFE and your desire to prevent differences among us over CFE. I am aware of the difficulties facing Gorbachev. We all want to see perestroika continue. (Ø)

The President: Let me make five points and then ask Jim Baker to add detail. First, the U.S. has a unique opportunity, and we plan to go forward. Second, Israel remains very suspicious of the UN. Third, Arafat is personally greatly diminished in the eyes of the Arabs, the Israelis, and the U.S. He went too far over and bet on the wrong horse. Fourth, you make a good point

on the distinction between which Palestinians are willing to move the process forward. Our position on an international conference is that at some point it might make sense. Mitterrand has made a proposal for the heads of governments on the Security Council to meet. I do not think this is a good idea. Fidel Castro has nothing to do with this, but there is no harm in having different ideas. Fifth, I agree the Soviets have a useful role to play, as does King Hussein of Jordan. Although we are upset with him, we do not want to destabilize Jordan by isolating him. Jim? (S)

Secretary Baker: During the trip, I sensed a different attitude on the part of some Arab governments. The Saudis especially are interested in a more active role on behalf of peace rather than remaining in the background and providing financial support as before. I had a unique meeting while in Riyadh -- the U.S. Secretary of State and the Foreign Ministers of the eight Arab members of the coalition. This is something they had been reluctant to do in the past. I sensed a new attitude, even in President Assad of Syria, with whom I spent seven and a half hours. He appears to want to turn toward peace and reconciliation. With respect to Israel, I don't want to underestimate what is involved in getting the present Israeli Government to move. But I believe that there, too, in the aftermath of the crisis is a chance for progress that did not exist before. The Israeli Foreign Minister is interested in the peace process, in part for his own personal political interests. Shamir will have continuing pressure from the right not to move forward, but it was Shamir who made the decision not to retaliate against Iraq. He has his own proposal out there from May 1989 that he wants to see move forward. He did agree in the aftermath of the war to focus on new terminologies and explore new possibilities. For instance, for three years in his proposal, he referred to autonomy for the Palestinians. Now autonomy is a dirty word for the Palestinians, and I suggested that he eliminate it from his lexicon and consider the word self-government. The day after I left, Shamir referred to his three-year period as a period of self-government. It's not a giant step, but it suggests a willingness to engage. So, I sense we have an opportunity. Egypt will be cooperative, both with the other Arabs and in their willingness to help find dialogue partners for Israel among the Palestinians. On the other side of the coin, "international conference" are dirty words for the Israelis. There will come a time appropriate for an international conference. The surest way not to make progress is to start with an international conference, which would raise the issue of Palestinian attendance and Yasir Arafat. The two-track approach involves confidence-building measures between states and a dialogue between the Palestinians and the Israelis on the other hand. These merge into one at some point. Last, all agree we cannot impose peace, either the U.S. or the U.S. and the Europeans. We can only hope to act as a catalyst if the parties are willing. (S)

Prime Minister Andreotti: With respect to your comments on Assad, he is interested in greater tranquility in the area, partly growing out of his Alawite minority. If the majority

should take the upper hand, his situation would be difficult. But he must abide by the Taif Accords and withdraw his troops from Lebanon. Second, on the Israelis, it is important to establish a goal of a solution. I understand that today one cannot speak of a conference, but we must fix the goal. A federation of Jordan and Palestinians as envisioned in 1947 must be revised with borders to satisfy Israel. But it is important to have a goal. The timing of a conference is all procedural; the goal of a solution is necessary, or we will be working in a void as after Camp David. I believe the Israelis fear for their security. They are aware the Arabs have been against their existence. We must overcome this feeling. Perhaps the UN formally could organize contacts between the Israelis and the Saudis or the Israelis and the Syrians so that they could face each other. This speaking would be useful. It is true that Israel has no confidence in the UN. Perhaps, after the outcome of the war they will see it differently, particularly given your firm support. They have a need for common security and they need partners. They cannot do this alone. This is why it is so pressing to convince the Israelis with respect to these massive arrivals of Soviet Jews. This drives the need for space and makes the problem more complex. I cannot understand why they are now leaving the Soviet Union. Perhaps it is the fear of a revival of anti-Semitism. If hundreds of thousands go to Israel, the picture will become even more complicated. (S)

The President: I am concerned about settlements in the West Bank and in the Golan. I am very worried. There might be a real problem with Israel if they continue these policies. The newest argument is that with all the new Soviet immigrants, they must settle their people there. We say that's not acceptable, but they go ahead anyway. I think we have pretty well covered Israel and the Palestinians. We are committed to Taif as the best basis for peace in Lebanon. We hope that our new contacts with Assad will be useful to peace in Lebanon, as well as to the Israeli-Palestinian problem. On security and stability in the Gulf, we have not really discussed that. There are a number of ideas for our participation in the security of the Gulf. We have always had a naval presence, and that will continue. We are talking to the parties about an Arab peacekeeping force with, perhaps, a UN force on the border separating Kuwait and Iraq. I am very eager to get U.S. ground forces out of the area. If not, this will play into the hands of Saddam Hussein, if he is still around. And, of course, we hope he won't be. Some Gulf countries are now willing to consider U.S. and European forces there. We may be able to give assurances through exercises and repositioning that they will welcome, and we accept. It is hard to address the security of the Gulf until we know what will happen in Iraq. I would be interested in your view. We cannot have normal relations as long as Saddam Hussein is there. What he has done to the environment alone in Kuwait is incomprehensible, not to mention the torture and brutality. He must go before the U.S. can have any normal relationship with Iraq again. What is your view? (S)

Prime Minister Andreotti: First, we must establish rules for the security of the states of the Gulf. In the first place, this involves imposing a drastic reduction of force of arms in the area, beginning with Iraq. We have to avoid a new arms race there. We have to establish new rules. Second, we must push towards the introduction of democratic rule, representation of the people, and guarantee that power will not be held only by a few. As far as Iraq is concerned, we agree that Saddam Hussein must leave, because he created these tragic conditions including the occupation of Kuwait and the Gulf war -- but also because of the way his mind works. After the Camp David Accords, I went to Baghdad to "sweeten" Saddam Hussein to Camp David. I spoke a long time to him. The basic concept of their thinking is that if you lose territory, you have to rearm and reconquer it. He said to me, since the Yugoslavs took some territory from you, you must be rearming to take it back. When I said we were not, he said he didn't believe me. There is a further aspect. The situation in Iraq is one third Sunni, one million Christians, and the rest Shiites. We must try to find someone able to represent a new leadership there. The ultimate outcome might be an enormous area under the Shias, including both Iran and Iraq. This would be even more complex. A great part of Saddam Hussein's prestige for years was the fear of Khomeini in the rest of the world, and that's why the rest of the world helped him. There was empathy for him. He gained prestige. It is important to make them understand that they must oust Saddam Hussein, but we are not against the presence of the Army in Government. In its present state, the Iranian leadership is much more moderate. Iran has tried to keep a dialogue going. After the hostages are released, I hope you can reopen a dialogue. They have behaved well. (S)

The President: They have behaved well. There are rumors they may release the hostages. Assad is trying to help on the releasing of the hostages, but he does not have as much influence as Iran. (S)

Prime Minister Andreotti: We should try to assert all efforts on Rafsanjani and Velayati for the conditions for establishing a dialogue with you and to establish a collective security system in the area. De Michelis is going to Teheran next Thursday. He will press this. (S)

The President: He can say that the U.S. would welcome improved relations. We still have some claims problems. Some have been quietly settled, but the main problem is the hostages. Do you know Velayati? (S)

Prime Minister Andreotti: When I was Foreign Minister, I worked closely with him. We met many times during the Iran-Iraq war. He is not a fundamentalist. He has a certain degree of authority and prestige that has enabled him to maintain his office while expressing his own views. With Rafsanjani I have had only telephone conversations. (S)

The President: Velayati seems reasonable. Rafsanjani is the same. But he gets pressure from his extreme flanks. Changing

the subject, what are your views on the Soviet Union? Our position is that we wonder if Gorbachev can survive. We will continue to deal with him. Some in the U.S. want us to shift to the Republic leaders and then invite Yeltsin to come (to the U.S.). We will continue to deal with Gorbachev, but we will not approve of the bad things he does, as in Lithuania. My advice to Gorbachev to keep support in the West would be to turn loose the Baltics. If he would do that immediately, he would gain back enormous support in Europe and in the U.S. There is more pressure on the Baltics than on the other republics. I am worried that he is backing away from CFE. It's a matter of the military trying to pull back. Recently, Baker may have made some progress. I hope so. Here, in some quarters, especially the extreme left and right, Yeltsin is a hero. I agree with Ozal, who is convinced he is a demagogue and would become a dictator. If he ever became head of the USSR though, we would deal with him. That's the Bush view. What is the Andreotti view? (S)

Prime Minister Andreotti: Gorbachev faces two difficulties. First, all who have lost power, the party, and the military do not favor any new approaches. He has had success in having them accept important changes, such as withdrawal from Afghanistan, the unification of Germany, and the dissolution of the Warsaw Pact. In general, his gradual approach is opposed by those who want immediate independence for the republics. Also opposed are those who want to see immediate results of his economic policy and now say he has failed and that the market economy is a bluff because he has not kept his promises. Under his gradual approach, political and economic reforms must go side by side. Only then can the Baltics be freed. Public opinion in Europe and the U.S. is sensitive to Baltic independence, but if it occurs the reaction of the other republics will be serious. Then Gorbachev will not be able to hold the situation under control. The Vatican holds to this view and is not pressing independence. Personally, I do not know Yeltsin, but his way of expressing himself suggests that he is probably demagogic. We want to help the gradual approach of Gorbachev. It is the only path. Second, one difficulty for the military is that it is easier to accept a reduction of missiles than a reduction of conventional arms, which involves the loss of jobs, salary, housing, privileges, and so on. It is a source of fear. The Germans have offered to build housing, but the psychological and human problem is more important than the military problem. The position of Shevardnadze is interesting. He left Rome for a meeting in Moscow with Baker despite the bad weather. I told him the meeting was not more important than a safe trip, but he said that the meeting with Baker was more important. He flew in an Italian aircraft. I don't know the Baker view, but my perception is that Shevardnadze left government because he feared the military could force the Government to use force, which world opinion would not understand and would regard as a reversion to the old times. (S)

Secretary Baker: He still worries about dictatorship -- not by Gorbachev, but by someone coming on the scene after, who would be a dictator. (S)

The President: On Yeltsin, he says the right things, but all the leaders I have talked to have the same conclusion. One, that he's a demagogue and two, that he would be a dictator. But he says the right things about representative government. (S)

Prime Minister Andreotti: Let me touch on NATO. Last year we agreed to debate the future of NATO. The foreign ministers will meet to discuss this. It is important to update the situation, with a strong NATO linked to CSCE and involving cooperation between the U.S. and Europe. Therefore, the concept should be clearly elaborated in the near future, maybe the first half of this year. While on the way to the U.S., I stopped in Paris for dinner with Mitterrand. He said that you had the same discussion in Martinique. (S)

The President: Frankly, there is confusion here. When the EC starts making statements about defense and security policy, some in the U.S. wonder what's going on. We still believe that NATO is the hallmark for security. It is in our interest to have security matters decided by NATO. We've been watching or at least listening with keen interest to some of the comments coming out of Europe. It is very dangerous if the American people get the view that the Europeans feel they can take care of themselves. This will unleash a dynamic that will move toward isolationism in the U.S. There may be pressures we can't control. I don't know where German public opinion will be in five years, but it is important that we rally around NATO as the major security guarantor for everyone. Some may think events will cause us to get out. Discussion and planning for that, or creation of some new EC system, will send exactly the wrong signal to the American people. I had a good discussion with Mitterrand, but he wonders what will be the situation in ten years and talks about the need to make other arrangements. Let me ask Brent Scowcroft for a word or two on the Mitterrand view. (S)

Brent Scowcroft: Mitterrand distinguished between the short term and the long term. In the latter, Europeans need the ability to defend themselves. In the short term, NATO is indispensable. If there is conflict between European measures and NATO, then the latter must prevail. (S)

Prime Minister Andreotti: Thanks for clarifying this issue. I participated from the beginning the birth of the Alliance in 1949. At that time members of parliament thought that in the short term we would need such an organization and then we would do for ourselves in the long term, fearing that the U.S. would not be willing to remain in Europe for 40 or 50 years. Experience has proven the importance of our cooperation in the security of the area and to clear the skies over Europe. Without NATO it would have been impossible to see events in Central and Eastern Europe. When we talk of European unity, we can also discuss security but never weaken our commitment to NATO. Left on our own in the security area, there would be a deep rift in Europe because two of the countries are nuclear. We must rely on the Alliance. There is no contradiction between NATO and

European unity. Let me make a further remark. The acceptance of German unification was possible because Germany was placed in the framework of NATO. This is a strong link and unification would have been impossible without it. (S)

Foreign Minister De Michelis: The discussion of European defense grows out of discussion of political and foreign policy issues as we look ahead 30 to 50 years and the possibility of a United States of Europe. There is no contradiction between this and the Alliance, just as there is no contradiction between economic integration with respect to the U.S. This is the only way Europe can unify within the framework of the Alliance. This must be underlined: there is no contradiction. (S)

The President: The key is the integrity of the unified military command. This is fundamental. (S)

Foreign Minister De Michelis: This is quite easy, but it is not easy to explain the contradictions between the Alliance and European political integration. The Alliance is a vital key element of the future European defense system. We are more worried by Mitterrand's idea of a European confederation without the U.S. (S)

Secretary Baker: You are right about Mitterrand's idea of a confederation with Central Europe. We accept the European pillar within the context of the North Atlantic Alliance, as long as it preserves the integrated military command and all debate and decisions on issues concerning transatlantic security take place in NATO. This is sacrosanct. Without those, NATO would be not be the same. (S)

Foreign Minister De Michelis: With respect to the WEU and the UK view, the problem is political, not military. (S)

Prime Minister Andreotti: Let me make a practical remark after the Gulf war. If before the war we were convinced of the need for a U.S. presence, after the effectiveness and efficiency shown by the U.S., we are all the more convinced now. (S)

The President: Maybe I put too much emphasis on what could happen in the U.S. with respect to isolationist and protectionist pressures here. People get the wrong impression here from the debate. They see the debate and conclude that we have done our share, and we should bring our people home. That is not in the Europeans' interest nor is it in the interest of the U.S. You saw what we were up against in the Gulf, and that was a clear cut question of good versus evil. We had to bring the Congress along inch by inch. They kept saying it's no business of ours. I don't want to overstate the point, but I did want to raise it. (S)

Prime Minister Andreotti: If 40 years ago the U.S. Government had said that for 40 years the U.S. would station 250,000 troops in Europe, it would have been attacked. It would have been

difficult to pass. But it was not just possible, it was essential. Any news on Crotona? (C)

The President: We're grateful for your steadfast support. We are working on the issue in Congress. (C)

Prime Minister Andreotti: I understand. I just remember that you spoke of February for a decision. (U)

The President: We have a problem. We must sell it for the reasons I have described. (C)

Prime Minister Andreotti: Let me conclude with something not part of my political activities, but something that I follow. I am President for the International Center for Cicerone Studies. This year we are having a conference in New York. The issue this year will be one that I think you are interested in -- the influence of Cicero on education in the schools. Three years ago the conference was in Warsaw and the theme was the concept of the State. Jaruzelski was there at the end. Speaking of Cicero, the conference will be on 6 May. I hope you can be present for the Inaugural Session. The President of the Italian Republic will be there. (U)

The President: I have a technical question. Do I have to remember Cicero from school before I go? (U)

Prime Minister Andreotti: No. (U)

The President: Thank you for the suggestion. Let me see what is possible. Will there be a lot of different countries? ^U

Prime Minister Andreotti: The best scholars of Latin and Cicero from the whole world. (U)

The President: I appreciate the invitation. Let me get back to you. We want to make sure that the 1992 celebrations are done right. (U)

Prime Minister Andreotti: We recently reached agreement for the La Scala Company to come here for Columbus Day to the Kennedy Center. (U)

The President: I certainly would attend that. (U)

The President: (On leaving the Yellow Oval Room for dinner:) I am grateful for your government's actions on the process for extraditing Al-Jawary. (C)

-- End of Conversation --