

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with Ruud Lubbers, Prime Minister of the Netherlands

PARTICIPANTS: The President
Ruud Lubbers, Prime Minister
Notetaker: Tony Wayne, NSC Staff

DATE, TIME: November 26, 1991, 6:07 - 6:18 p.m.
AND PLACE: The Oval Office

The President: Ruud, how are you? I'm sorry to be calling you so late. (U)

Prime Minister Lubbers: Oh, it's not late. It's only just after midnight. I just returned from Brussels where I was meeting with all the other Christian Democratic leaders from the Community. I talked to Helmut Kohl there, who told me that you and he had talked earlier in the day about the Uruguay Round. (S)

The President: Yes, we had a good talk, and I think that it's important that you, Jacques Delors and I stay in close touch on this. I have heard that some of your negotiators are concerned about positions taken by ours. I want you to know that I've received the same complaints from our people. I doubt whether it's useful to go over all those debates. But I want you to know that I am committed to press forward. (S)

Let me turn to your recent letter. First, I noted that you said if the EC is going to go substantially further in the area of agriculture than it has done, it must at least be certain that the U.S. will be flexible in other areas. This is very logical. We think we have been flexible in the three other key sectors. I am talking about intellectual property, market access and services. But, I am willing to go further if it will help you get some more flexibility in agriculture. I am going to send you and Jacques a paper containing proposed solutions in the other sectors. I won't go over the details here, but let me give you a flavor. (S)

On intellectual property -- let me tell you that some of this language is from our experts so I can't go into the details -- but my understanding is that we only have two issues left to resolve. So, we are proposing an arrangement to protect both non-generic wine appellations and distilled spirits. This would cover such things as Bordeaux or Scotch whiskey. We would leave the door open to future negotiations to protect semi-generic

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appellations like Burgundy. In return, the EC will need to recognize our U.S. contractual provisions permitting both corporations and individuals to exercise copyrights. I know that wine appellations are particularly important for the French, so we hope that this concession will facilitate movement on the agriculture front. (C)

Prime Minister Lubbers: Good, that's very good. May I offer a few comments here? (U)

The President: Well, I have a number of additional points, but why don't you go ahead. (U)

Prime Minister Lubbers: I don't want to get too technical here, but I do have a few points that I want to make. First, we do need to clarify the "peace clause" that I mentioned to you when you were here and the issue of whether we are talking about a review clause or a continuation clause for the agreement. I want to send you some ideas on these subjects. Also, we still have open the question of the volume of tonnage to be reduced in agriculture, the base years, and there is the very difficult issue of rebalancing which must be addressed. I feel strongly that we need to come to agreement on all of the issues, but let me make a procedural suggestion. I suggest that Bob Zoellick, your Sherpa, come over early to meet with me in order to work out some proposals or ideas which can bridge the existing gaps. (C)

The President: That's an interesting idea, Ruud. Let me talk to Secretary Baker about it. The only problem I see off hand is that he doesn't have the expertise on all of these issues. (C)

Prime Minister Lubbers: Well, why don't you think about it and check into the possibility. Let's also, the two of us, talk on the telephone. We could try to strike a deal ourselves. (C)

The President: Well, Ruud, you know that I'm no expert in all of these subjects. I can't really talk details. (C)

Prime Minister Lubbers: Frankly, George, I'm no expert either. But let me tell you Jacques Delors finds himself in a very difficult position as head of the Commission, especially being French and given his aspirations. He and I have talked, and he has asked me to take on the responsibility of trying to work these problems out. I am prepared to do that either directly with you or with your representative, if you want to send somebody to talk with me. (C)

The President: Good. I'll think about that and get back to you. I wanted to make a couple of additional points which I would like you to note down. With respect to market access, I offered at The Hague to move on peak tariffs, and you said you could accept tariff elimination in selected areas. We are prepared to reduce peak tariffs on items of strong interest to the EC, such as ceramics and glassware, by 50% across the board and to reduce peak textile tariffs on items where the EC is the principal supplier by at least 33%. In return, we need the EC to accept

our tariff elimination proposals, that is "Zero-for-Zero", particularly on wood, paper, electronics, and non-ferrous metals. But this is something our negotiators can talk about. (S)

On services, we both have problems in three sensitive sectors: basic telecommunications, maritime, and audio-visual. Since Frans Andriessen did not like our ideas for a maximalist approach, we are working on a narrower approach to meet both of our needs in these areas. Our paper will also include a suggestion on how we might reach agreement in a fourth area: government procurement. (S)

Prime Minister Lubbers: Let's do it this way, George. You send me your paper, and I'll send you some ideas on the "peace clause" and continuation. And, you consider sending somebody over to meet with me. (S)

The President: Yes. We do need more from you on the "peace clause". I wasn't completely sure what you meant by that and to which areas you wanted it to apply. (S)

Prime Minister Lubbers: OK. I'll get that to you quickly. (U)

The President: Good. We'll be back in touch soon. (U)

Prime Minister Lubbers: OK. Goodbye. (U)

The President: Bye bye. (U)

--End of Conversation --