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THE WHITE HOUSE
WASHINGTON

SYSTEM II
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ADD-ON TWO

National Security Council Meeting
May 21, 1987, 2:07 - 2:53 p.m., Cabinet Room

SUBJECT: Political Issues for the President's Trip to Europe

PARTICIPANTS:

The Vice President's Office:
Donald Gregg

JCS:
General Robert Herres

State:
Secretary George Shultz
Under Secretary Allen Wallis
Asst Secretary Rozanne Ridgway

ACDA:
Director, Kenneth Adelman

Defense:
Secretary Caspar Weinberger
Under Secretary Fred Ikle

USIA
Director, Charles Wick
Director, Office of European
Affairs, John Kordek

AG:
Attorney General Edwin Meese

NSC:
Howard Baker
Frank Carlucci
Tom Griscom
Marlin Fitzwater
William Ball
Colin Powell
Sally Grooms
Marybel Batjer
Peter Sommer
Ty Cobb
Steve Danzansky
Robert Linhard

OMB:
Director James Miller
Associate Director Wayne Arny

CIA:
Acting Director Robert Gates
George Kolt, European Affairs

Minutes

In opening the meeting, the President said today's session would focus on his upcoming trip to Europe. The European trip would include stops in Venice, Rome, Berlin and Bonn. The President said he wanted today's discussions to focus on the political agenda at the Venice Economic Summit. With Gorbachev seeming to be taking the initiative domestically, and in arms control, it was necessary for the West to demonstrate cohesion and movement in Venice. (S)

The President continued that he was particularly concerned that our political statements do not fall back from where we were last year. The keys, he said, will be a strong statement on terrorism

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and a clear agreement on how the West will want to move East-West dialogue forward. He asked Secretary Shultz to start the meeting with an assessment on how the political agenda was coming along.

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Secretary Shultz observed that the President found himself again in his usual Summit role: the President is the leader of the Western Alliance and that responsibility is underlined particularly at Summits. The President's colleagues, the Secretary said, are facing difficult situations. Mrs. Thatcher has decided to cut short her participation and will be in Venice only for the Monday evening dinner discussions. She will depart Tuesday following the lunch. This will leave a gap since she always provides strength and dynamism to the discussions. She has been an especially effective collaborator with the President, and we will want to rely on her to help secure our key objectives. We are disappointed that she will be leaving early but, of course, she has a particular problem -- her reelection campaign. ~~(S)~~

In addition, said Shultz, Mitterrand and Chirac will be there, but not always at the same time. They are split on many issues and will be bringing that division to Venice. Both will be looking over their shoulders in the jockeying for position leading up to next year's Presidential elections. Fanfani will be representing Italy, but in essence they have no government. Given his caretaker role, there is not much strength to come from him. The President's good friend, Nakasone, is nearing the end of his term. Still the Japanese have always insisted on a strong security statement and the President will want to rely on Yasu's support at the Summit. ~~(S)~~

Continuing, the Secretary said, Prime Minister Mulroney has generally been supportive of our efforts, but he comes with a very much weakened base at home. In addition, Mulroney's key objective will be to secure support for his initiative on South Africa, which we are not very enthusiastic about. Chancellor Kohl will be preoccupied with his key concern, finalizing the German position on INF. It is important that this be sorted out before the Summit so that it does not dominate the discussions and the news coverage. In sum, as we look around, the leadership role at the Summit will fall on the President's shoulders more than ever. In the past, we have been able usually to count on the host country for support and some leadership, but this will not be the case in Venice. ~~(S)~~

Secretary Shultz said that a second reason why the President's role was so critical was that Europe was facing a period of internal doubt. The 40th Anniversary of the Marshall Plan is an occasion for reflecting on past accomplishments, but also for speculation on what the next era will be like. The Europeans have expressed anxiety, for example, over growing U.S. Congressional protectionist sympathy and about the agriculture

issue in the Uruguay Round. Defense spending has leveled off both here and in Europe and the national commitments to NATO's three percent spending increase has waned. Some Europeans are worried about the increasing calls in the U.S. for withdrawals of our forces in Europe. Others voice the concern that the INF process could lead to a "denuclearization" of Europe. The Secretary continued that the Europeans were now making tentative moves toward improving defense cooperation, but they are not certain exactly where they want to go. These European doubts were emanating at a time of increasing effectiveness by Soviet public diplomacy campaigns, particularly in portraying Gorbachev as a leader who is working hard for disarmament and an improvement in East-West relations. (S)

While the Europeans appear to be "wringing their hands", the Secretary added that this is not to suggest that things are falling apart in Europe. In fact, much of what we see is the result of the successes of our common policies. Together we have produced a democratic tradition that has brought freedom and prosperity to a continent that was reeling from the impact of a devastating war 40 years ago. The market-oriented, capitalist economic systems have clearly shown their superiority over the centralized, dictatorial systems. We are developing technology for the future at an impressive rate. On the arms control front, the Soviets have come to adopt many of our viewpoints -- indeed, the movement the Kremlin has shown is directly attributable to the President's policies. In sum, things are working well, but we will have to "rally the troops" in Venice. (S)

On the political agenda, Secretary Shultz said we will focus on East-West relations, terrorism and South Africa. Also, we know that the events of the day will often drive the discussions, much as Chernobyl did last year. We handled that quite well, and turned it into a positive issue for the West. This year we might anticipate that developments in the Gulf, in the Iran-Iraq war or elsewhere in the Mid-East, might intrude on our program. (S)

On East-West relations, the Secretary continued, we will want to share our assessments of Gorbachev's domestic and foreign policies. The FRG currently has the most enthusiastic interpretation of the General Secretary, while the UK takes the most skeptical approach. However, even Mrs. Thatcher has described him as a person with whom we can do business. We all know that change is taking place in the USSR, but we will want to maintain a realistic appraisal of events there. (S)

Secretary Shultz noted that he had lunch at the Singapore Embassy earlier today and had discussed Soviet activities in Southeast Asia with ASEAN representatives. It is clear that the Soviet Union is expanding its presence and improving its base structure there. Thus, while there is some improvement in the Kremlin's performance on human rights, they are continuing their forward movement in international affairs. (S)

It would be unthinkable not to have a political statement come out of the Venice discussions. Some -- notably France -- will oppose or drag their feet. The Japanese have tabled a good draft statement on East-West relations. Others may recall, Shultz pointed out, that when Mitterrand threatened to stonewall on a political statement in Bonn over his pique with the GATT dispute, that it was Nakasone who kept the statement on track. He declared that it was fine for the Europeans, with their long democratic tradition, to take this blessing for granted. Nakasone said these statements were important to Japan. Years ago it, too, had made the commitment to move toward democracy, but its hold there was still fragile. Continuing, Shultz observed that France again appears to be the stumbling block, but it may be the Summit Sherpa Attali personally maneuvering here. The UK is also reserving, We are not sure why. Maybe it has to do with elections. But perhaps Mrs. Thatcher will descend on the meeting in her usual manner and simply demand a tough statement, commented Shultz. (S)

On terrorism, France and Attali are again the problem, Shultz noted. Chirac, however, appears willing to turn the GOF around and we may now get a strong statement. We need to get a strong statement and somehow institutionalize the concept of multilateral cooperation among the Seven. We understand from polls the USIA has taken in Europe that there exists strong popular support for concerted action against terrorism and we might want to capitalize on that. (S)

On South Africa, Shultz continued, Mulroney will push for some sort of follow-on, mediating effort. We are very opposed to this idea, and Margaret Thatcher is not keen on it, either. We believe she does not want to support anything so bold at election time. In accord with the President's instructions, Shultz said, we are laying back on this issue, letting the others fight it out. What we do not want is to see an initiative floated that is eventually knocked down, thus giving the critics ammunition to portray the Summit as "having failed." Related to this is the narcotics issue, where we have fairly solid agreement. (S)

Shultz continued that finally there are a couple other issues we need to resolve. The first is the increasingly difficult dispute we have with the French over the conventional arms negotiations format. We have got to resolve this one. Shultz said he and Cap need to get together with the President to discuss it. Lord Carrington is pushing hard to get past these procedural differences. Secretary Weinberger added that we might just want to leave the French out of the negotiations. Secretary Shultz countered that the Europeans very much want the French involved given the "Atlantic to the Urals" nature of the talks. We should want to have the French involved, also, he stressed. (S)

Secretary Shultz said that with respect to the President's bilaterals we have a full agenda. The President would find Italy's Amintore Fanfani, whom we meet first in Venice, to be a very nice man. However, he is essentially a caretaker Prime Minister and probably will not be in office for more than a few weeks after Venice. The bilateral with Kohl will very likely be dominated by the INF process. The meeting with Mulronev will not likely address any new issues, and the bilateral with Nakasone should also address familiar topics. On the FRG meeting, if Jim Baker were here he would recommend that we bear down quite hard on the Germans. Kohl and Bangemann are talking about stimulating their economy, but they speak of a tax cut in 1990 or later. This is unacceptable -- let's push them, declared Shultz. (S)

For the meeting with the Pope, the Secretary continued, the President will want to share his impressions of Gorbachev and where we might go on East-West relations. The Pope will be going to Poland just after the meeting with the President and he certainly will want to discuss that trip. We also believe that Vatican interest in establishing relations with Israel will be a major topic of discussion. The Pope has just returned from Latin America, so we believe that he will, as well, want to review that very important trip. That trip has apparently made a big impact on the Pope, particularly his "showdown" with Pinochet. (S)

That same day, Shultz noted, the President will meet with President Cossiga and Prime Minister Fanfani for a private lunch, which the First Lady and Mrs. Fanfani will join. We have excellent relations with both the President and the Prime Minister and the lunch will likely not address any substantive problems. We believe that they will be interested in hearing from Mrs. Reagan regarding her work in combatting drugs and narcotics. As you know, we have worked very effectively with the Italians in this area. Following the Venice Summit the President will make a one-day trip to Berlin and Bonn, including a meeting with President von Weizsaecker. The President's major speech there will provide an opportunity to draw comparisons with Mikhail Gorbachev; in fact, we may want to include some responses to what he himself may have said in Berlin on May 28. (S)

Frank Carlucci asked the Attorney General to say a few words regarding where we stood on cooperation against terrorism. Mr. Meese noted that there were encouraging signs. The FRG has become the sparkplug for promoting cooperation, particularly between Ministers of the Interior and Justice. Some of these efforts were designed, frankly, to circumvent the French, who were often obstructionist. We will try to place them in a situation where they (the French) would be faced with the "decidedly impolitic" requirement to oppose a constructive statement on terrorism. (S)

Meese noted that with respect to narcotics, the first-ever conference on this subject will be held in June. This was be an important chance to assess changes that have occurred in worldwide drug abuse, which is becoming more of a problem for all nations. In the past, the United States was the primary "addict country," but the problem has spread and other nations are experiencing serious problems with drug abuse. Given the impetus that the First Lady has given to combatting this problem, we should be able to focus attention on drug abuse in Venice, both in the bilaterals and during the Summit itself. In particular, Meese added, the President might want to express to the Italian Government our appreciation for the excellent cooperation we have from Interior Minister Scalfaro and other officials in Rome in combatting narcotics and drug trafficking. (S)

Secretary Weinberger pointed out that we may be close to a major European arms agreement. He said that the Soviet movement toward our position was a direct result of the Alliance's firmness in staying together and deploying the INF missiles. This decision demonstrated the strength and resolve of the Alliance -- nothing else will bring the Soviets to the table so quickly. The Secretary added that he would be very interested in looking at the draft statement on South Africa that was mentioned. We had very real security concerns associatd with South Africa.

Mr. Carlucci promised to provide the Secretary a copy of the draft statement, but added that it is very sensitive. We do not want to create the impression publicly that the Summit Heads have a statement prepared, and then if one is not agreed upon, the Summit is regarded as "a failure." (S)

Acting CIA Director Bob Gates said the Agency did not expect any surprises from General Secretary Gorbachev. The Soviet leader feels he "has the ball rolling" and will want to keep that momentum going. Gates said he agreed with Secretary Shultz' comments that the General Secretary has internal problems, particularly within the government bureaucracy and the Party apparatus. But the fractiousness within Allied governments is also apparent. Germany is sensitive to demands that it expand its economy, but this is not a popular consideration at home. This is also true of Japan. This is why, Gates added, that it will be important for the President to take the lead in Venice.

(S)

USIA Director Charlie Wick pointed out that there is considerable concern in Europe regarding the President's political standing here. They follow the Iran-Contra hearings with interest, but primarily with an ear as to how it may impact on the President himself. The Europeans are concerned that the President "could be wounded" by these hearings. Wick continued that the polls bring us somewhat disturbing results. Many Europeans feel that Mikhail Gorbachev is more committed to an arms control agreement than Ronald Reagan, by a surprising 8-1 margin in the FRG.

As Secretary Shultz has pointed out we do have a concerted effort underway to counter these impressions, but the Europeans are subjected to a steady, and effective, Soviet "disinformation" campaign. We need, especially, to get more senior speakers over to talk with key European audiences. Wick added that he felt "we got beat" by the Soviets in Reykjavik in the public diplomacy battle. They got there early with a strong contingent of propagandists and beat us to the punch. On a related note, Wick pointed out that he had received a courteous reply from (Central Committee) Secretary Yakovlev who may want to move forward on insuring mutual access to each other's radio waves. The Soviets may also want to get into exchanges of books, and radio and TV programs. In conclusion, the Director said, we have a plan for a very aggressive public diplomacy concept that we have provided to Frank Carlucci. We cannot allow Gorbachev to get the credit anymore for the progress we have made in reducing tensions. (S)

Ken Adelman expressed concerns that the Alliance continued to fiddle around and has not reached an INF decision. He agreed with Secretary Weinberger's comments that it was strength and resolve that was the key to bringing the Soviets to the table. He also said that he agreed that we needed to move toward a global 0-0 INF agreement, not one that left 100 in Asia. On START, the Soviets are simply not doing anything and this intransigence should "be exposed." On conventional arms, we should not pursue any arms agreement that does not consider the fundamental problem -- Soviet superiority in conventional forces in Europe. On the INF, the key date will be May 29 when the German coalition must decide its position. Right now it is being torn apart. We may want to consider a Saturday radio address on this in order to give Kohl some support. (S)

Allen Wallis jokingly noted that, while today's discussion would not suggest it, these Summits were designed to focus on major global economic problems. Nonetheless, the political component often dominated the proceedings. In this case, it appeared that we had the political agenda well in hand. Mr. Carlucci summarized that when the President goes to the Summit he would bring strength to the group at a time when the other leaders were being buffeted by internal difficulties. There has been a lot of work done in preparation for this Summit. Venice presents us with a number of challenges, but lots of opportunities as well.

(S)

The meeting concluded at 2:53 p.m.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

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ADD-ON TWO

June 1, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: FRITZ W. ERMARTH *F*

SUBJECT: Memorandum of Conversation, National Security
Council Meeting, May 21, 1987, 2:07 - 2:53 p.m.

RECOMMENDATION

That you review and approve the attached memorandum of
conversation for record purposes.

Approve *B*

Disapprove _____

Prepared by: *TC*
Tyrus W. Cobb

Attachment

Tab I MEMCON

DECLASSIFIED
White House Guidelines, August 28, 1997
By: *SM* NARA, Date *11/6/07*

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