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Subseries: Presidential Memcons Files

OA/ID Number: 91107
Folder ID Number: 91107-001

Folder Title:
Presidential Meetings - Memorandum of Conversations 1/24/89 - 2/25/89

Stack:	Row:	Section:	Shelf:	Position:
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Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memcon	Re: One-on-One Meeting with Prime Minister Noboru Takeshita of Japan (3 pp.)	2/2/89	(b)(1)	S
02. Memcon	Re: Plenary Meeting with Prime Minister Noboru Takeshita of Japan (6 pp.)	2/2/89	(b)(1)	S
03. Memcon	Re: Luncheon with Prime Minister Noboru Takeshita of Japan (6 pp.)	2/2/89	(b)(1)	S
04. Memcon	Re: The President's Meeting with FRG Minister Wolfgang Schaeuble (2 pp.)	2/9/89	(b)(1)	C
05. Memcon	Re: President's Meeting with Prime Minister Mulroney (9 pp.)	2/10/89	(b)(1)	C
06. Memcon	Re: President's Meeting with Prime Minister Noboru Takeshita of Japan (6 pp.)	2/23/89	(b)(1)	S
07. Memcon	Re: Memorandum of Conversation (4 pp.)	2/23/89	(b)(1)	S
08. Memcon	Re: Memorandum of Conversation (5 pp.)	2/23/89	(b)(1)	S
09. Memcon	Re: Memorandum of Conversation (3 pp.)	2/23/89	(b)(1)	S
10. Memcon	Re: Memorandum of Conversation (3 pp.)	2/23/89	(b)(1)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 1/24/89 - 2/25/89

Pinksheet Number: cap910
OA/ID Number: 91107-001
Date Closed: 1/23/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
11. Memcon	Re: Memorandum of Conversation (5 pp.)	2/23/89	(b)(1)	S
12. Memcon	Re: Memorandum of Conversation (4 pp.)	2/23/89	(b)(1)	S
13. Memcon	Re: Memorandum of Conversation (4 pp.)	2/24/89	(b)(1)	S
14. Memcon	Re: Memorandum of Conversation (4 pp.)	2/24/89	(b)(1)	S
15. Memcon	Re: Memorandum of Conversation (5 pp.)	2/24/89	(b)(1)	S
16. Memcon	Re: Bilateral Discussion with President Sese Seko Mobuto of the Republic of Zaire (2 pp.)	2/24/89	(b)(1)	S
17. Memcon	Re: Memorandum of Conversation (4 pp.)	2/24/89	(b)(1)	S
18. Memcon	Re: Memorandum of Conversation (2 pp.)	2/24/89	(b)(1)	S
19. Memcon	Re: Memorandum of Conversation (4 pp.)	2/25/89	(b)(1)	S
20. Memcon	Re: Meeting with President Ibrahim Babangida of Nigeria (3 pp.)	2/25/89	(b)(1)	S
21. Memcon	Re: President Bush's Informal Tea with Premier Li Peng of the State Council of the People's Republic of China (5 pp.)	2/25/89	(b)(1)	C
22. Memcon	Re: President Bush's Meeting with President Yang Shangkun of the People's Republic of China (7 pp.)	2/25/89	(b)(1)	S

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Withdrawal/Redaction Sheet
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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
23. Memcon	Re: Welcoming Banquet in Beijing, China (2 pp.)	2/25/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 1/24/89 - 2/25/89

Pinksheet Number: cap910
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FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Confirmed Mtg w/

de Cuellar of U.N.

on

Jan. 24th

No Memcon

Confirmed Mtg w/
Mussevini of Uganda
on
Feb 2nd

NO MEMCON

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THE WHITE HOUSE

WASHINGTON

0438

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MEMORANDUM OF CONVERSATION

SUBJECT: One-on-One Meeting with Prime Minister Noboru Takeshita of Japan (U)

PARTICIPANTS:

U.S.
The President
James A. Kelly, NSC, Notetaker
Mrs. Fumiko Gregg, Interpreter

Japan
Prime Minister Noboru Takeshita
Director-General Tatsuo Arima, Notetaker
Shinichi Nishimiya, Interpreter

DATE, TIME AND PLACE: February 2, 1989, 11:00-11:19 a.m.
Oval Office

The President greeted the Prime Minister in the Oval Office. He said it was his delight and honor to have the Prime Minister as his first official visitor. He noted the important relationship of the countries and the essentiality of good communication between the top leaders. He invited the Prime Minister to join him on the Rose Garden portico for press photos. (U)

After the photo session, the principals were seated in the Oval Office and the President commented to the Prime Minister that as had been the practice with his predecessor, he was hoping that the relationship could be on a first-name basis. The President wanted to call the Prime Minister "Noboru" and hoped that the Prime Minister would call him "George." He noted that this would be a good symbol because of the very special relationship between the two countries. (U)

Prime Minister Takeshita replied with pleasure and said that when the President calls him "Noboru" he feels a special affinity in friendship. He said he is honored to be the first visitor from overseas, and that he was particularly honored to be a guest in Blair House. He recalled many years ago when he visited Blair House, as a part of the support staff of former Prime Minister Sato, that he dreamed of some day being a guest at Blair House. Now this dream had been realized. (U)

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The President expressed hope that Blair House was comfortable, noting it had just been redone for the comfort of our distinguished guests. (U)

The Prime Minister responded that it was beautiful and exceptionally comfortable and that he had had a wonderful rest. His wife particularly appreciated Mrs. Bush's invitation to the coffee that morning. She had been especially interested in Blair House and had visited all of the rooms in the house. (U)

The President remarked on the Bush family's stay in Blair House on the night before the inaugural. He noted that his five children had been there with their five spouses, ten grandchildren, a total of 22. (U)

The Prime Minister continued that he appreciated very deeply that the President had so promptly accepted the invitation to come to the funeral of the Emperor. He brought the President personal greetings from the Emperor, who was his tennis partner during the September 1987 visit to America. The Emperor sent special greetings. The Prime Minister touched on his appreciation for the President's remarks when he had been asked about his planned travel to Tokyo. The Prime Minister praised these remarks, in which the President emphasized that the past was unimportant, but that the present and the future were what interested him. The Prime Minister said he had found this very moving, and that all Japan was deeply grateful to the President for his comment. (U)

The President responded there was great respect in his, and in all America's heart, on the death of the former Emperor. The Emperor was a man of honor and wisdom who contributed much. (U)

The President continued that he did not have a special agenda for this meeting, but that if there was anything the Prime Minister would like to bring up privately he would be happy to receive it. (U)

The Prime Minister said that he had only one point to mention, that the purpose of his visit was to establish a personal relationship of trust with the President. No other country could replace America as the leader in the world. Japan, as a close friend of America, would discharge its responsibilities to the maximum extent possible. It would also cooperate with the United States to the maximum extent possible. The Prime Minister assured the President that he hoped they could consult on any matter and use any convenient means, whether through cables, letters or telephone calls. (S)

The President responded that we should agree on this. Before any problem becomes too difficult and causes divisions across our

government, we will talk together about these problems. (U)

Prime Minister Takeshita said "I cannot agree with you more." He said it has been his practice when he went to the Diet to identify the problem early, speak honestly, and try to work on the problem before it becomes more serious. (U)

As the meeting concluded the President noted that the Prime Minister had a long friendship and had the respect of his dear friend, Secretary Baker. (U)

The Prime Minister said that Secretary Baker had been his teacher on financial and monetary matters, including on exchange rates. (U)

The President commented that exchange rates had been a problem, but seemed to be fairly stable at the moment, to which the Prime Minister agreed. The President mentioned to the Prime Minister that the Prime Minister could be the golf teacher of Secretary Baker, whom he described as not a very good golfer. The President said he had not been able to play golf for a long time and did not consider himself to be very good. The President noted that in the 1950s he had an eleven handicap, but he was sure it could not be any better than 22 at the moment. (U)

The Prime Minister responded that his golf is legendarily bad, but officially he is a 28 and some think it is even worse than that. The Prime Minister mentioned that both men had been born in 1924, that this further facilitated their friendship, and he noted that he was 100 days older than the President. (U)

With this conclusion, both proceeded to the Cabinet Room. (U)

THE WHITE HOUSE

WASHINGTON

0438

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MEMORANDUM OF CONVERSATION

SUBJECT: Plenary Meeting with Prime Minister Noboru Takeshita of Japan (U)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
Nicholas Brady, Secretary of the Treasury
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
Gaston J. Sigur, Assistant Secretary of State for East Asian and Pacific Affairs
L. DeSaix Anderson, Charge d'Affaires, American Embassy, Tokyo
James A. Kelly, NSC, Notetaker
Mrs. Fumiko Gregg, Interpreter

Japan
Prime Minister Noboru Takeshita
Sousuke Uno, Foreign Minister
Tatsuo Murayama, Minister of Finance
Ambassadsor Nobuo Matsunaga
Ichiro Ozawa, Deputy Chief Cabinet Secretary
Takakasu Kuriyama, Deputy Foreign Minister
Tatsuo Arima, Director-General for North American Affairs, MOFA
Terusuke Terada, Private Secretary of the Prime Minister
Yukio Okamoto, Director, First North American Affairs Bureau, MOFA
Shinichi Nishimiya, Interpreter

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DATE, TIME AND PLACE: February 2, 1989, 11:10 a.m. - 12:00 noon
Cabinet Room

The President began by informing the Plenary group of the first-name relationship that had been established in the just concluded one-on-one meeting. The President stressed his affection for Prime Minister Takeshita and noted important implications that sound personal ties had for the U.S.-Japan relationship. The

President said that he was honored to represent the United States of America at the ceremony for the late Emperor, that it was a privilege for him to do so, and that he would go with great respect and condolence to the Japanese people. He said he appreciated the very kind message from the Emperor that had been brought to him by the Prime Minister. (U)

The President stressed to the Prime Minister that he wanted him to know that everyone on the United States' side shares the President's view of the importance of the relationship of Japan and the United States. He continued that this relationship will only get stronger if we are able to work closely together. The President said that he has a keen, personal interest in this relationship, that if there are problems, and there are problems, that the two governments can talk about them and that "Noboru" can talk to "George" directly about them. These problems should be worked on early before they become very serious so that quicker progress can be made toward resolving them. He then asked the Prime Minister to begin his remarks. (~~C~~)

The Prime Minister thanked the President, calling him "George." He said he was pleased with this first-name basis of the relationship and that he was pleased that the President had told his colleagues about it. He pointed out that he had explained to the President that the Japanese people were deeply grateful for what the President had said, that the forthcoming visit to Japan represents not the past, but the importance of the present and future. The Prime Minister said that the leadership role played by the United States is irreplaceable, that Japan would like to be the most credible friend of the United States, and that the two leaders could communicate by many means, including letter, cable and telephone. As a result of this, the Prime Minister said, he expected to be America's most credible friend. (~~C~~)

The Prime Minister continued that, given the extremely broad relationship, we may have to use our communications capabilities from time to time. Through his years in the diet (parliament) the Prime Minister had tried to nip frictions in the bud; that is how he felt the relationship between the two countries could be managed. The Prime Minister stressed, commenting wryly, that Jim Baker may not believe it, but that he has been known for taking a long time to make decisions, but that he would follow through firmly on the implementation of whatever he decided. The Prime Minister intends to continue to be an effective implementor, but he also plans to be faster on the process of making decisions. (~~S~~)

The President responded, noting that the U.S.-Japan Security Treaty had provided a basis for this strong relationship and a foundation for real economic development in Asia. The Security

Treaty was being reaffirmed at this meeting, and he had no pressing indications of problems relating to that. The President mentioned, to the degree that we can work together on problems like the Philippines, and there is good cooperation on that, the example can set a sound pattern for joint efforts in many fields. (S)

The President continued that he is determined to get the U.S. federal deficit down. He said that this is important to the United States and he thinks it is also important to Japan. With the help of those who are with him at the meeting, the President is ready to make tough decisions on the U.S. budget. He intends to stress, however, to our other allies and to Japan, that nothing from the budget debate should suggest a pulling back of America from the world. There is an American commitment to economic development and democracy around the world. The President observed that the Prime Minister had followed American elections, and Ambassador Matsunaga was certainly an astute observer of the process; therefore, what he would mention may be "old hat." But during the American campaign many questions had been raised about issues such as burdensharing and protectionism, and the pressures on these became quite heavy. The American people, who are aware of what some would call America's disproportionate share of defense spending at a time of deficit, were also very cautious in assessing our foreign relations. In the final analysis, Americans had resisted the siren's call to protectionism, and they had resisted the siren's call to pull back from the United States' global responsibilities. These pressures are still there, said the President, and they are quite acute on some important members of Congress, so that the more the U.S. and Japan can do together visibly on economic assistance, defense matters and burdensharing, the better it will be for our overall relationship. He noted that the Japanese side might have some complaints against United States' policies, but the more effectively that we cooperate on working on these, the better the pressures on both sides can be resisted. (S)

The Prime Minister responded with appreciation. He said that he shared with the President a basic recognition of what the President had said. For Japan, the basis of peace and cooperation is the Security Treaty arrangement, and Japan will do its level best to strengthen and maintain the Security Treaty. For America's part, he hopes to see this unswerving commitment to that treaty, which the President affirmed. (S)

The Prime Minister continued that as far as so-called individual issues were concerned, by solving almost all of them last year, we proved the resilience of our relationship. Now there were issues that pose domestic problems, for example, issues of market opening and market access. The Prime Minister will make sure

that such issues do not undermine the basic fabric of the relationship. The Prime Minister said, as he has often said before, that Japan has been the largest beneficiary of the free trade system. He tells the Japanese people they must never forget the forty-plus years since 1946. The Prime Minister recalled 1946 when the United States gave aid amounting to 4% of Japan's GNP at that time when Japan was in need. (S)

If we look at today, said the Prime Minister, our economies are the largest in the world. Together they total 37% of the global gross national product. Whatever transpires between the two economies has immense impact of global dimension. The Prime Minister noted that the President had mentioned the Philippines, and he said that beginning the following day, senior officials of the U.S. and Japan will be meeting to work on this problem in Manila. The Prime Minister suggested that this is the kind of policy coordination that we have talked about and which is essential. The Prime Minister commented on the phrase "burdensharing" that the President had used, and took the opportunity to give his appreciation to Secretary Baker who had used the words "creative responsibility sharing" at his confirmation hearing. The Prime Minister repeated this formulation which he believes translates better into Japanese. (S)

The Prime Minister said that the economic summit causes the pursuit of coordination and cooperation between our two countries to transcend bilateral matters by having an important impact on the destiny of the entire world. The Prime Minister commented on the U.S. role in that respect. One point concerned East-West relations. He noted that at the Williamsburg summit the allies had agreed to cohesion with respect to their relations with the USSR. Since then, summits had been held between the U.S. and the Soviet Union and a more favorable atmosphere had been "brewed." The Prime Minister stressed that only the U.S. could have brought this progress and that it would not have happened without the U.S. Given that reason, Japan would wish to continue its close consultation on Soviet affairs. A "peace offensive" is unfolding from the Soviets on arms control and disarmament and on economic relations. Since this is so, the importance of keeping in close coordination on relations with the Soviet Union continues to be of great significance. Commenting further, the Prime Minister said that Japan had a special problem in its relationship with the Soviet Union concerning the Northern Territories. The Foreign Minister had conveyed, in his talks with Minister Shevardnadze, that whatever progress occurred in other bilateral areas would be measured by the Soviet response on the Northern Territories issue. The Prime Minister hoped that the U.S. would continue its understanding and support of this very special problem for Japan. (S)

For the second point, the Prime Minister noted that the U.S. is the largest economy, and that the U.S. commands the key foreign exchange currency. Secretary Baker had been his teacher in the matter of exchange rates, and it was therefore important that we continue the coordination of our positions on exchange matters, although he believed they were in rather good shape at the moment. The Prime Minister thanked the President for his remark on the U.S. budget deficit, and said he highly appreciated the President's statement. He agreed with the President on the need to uphold and strengthen the free trade system. He said that Japan will consult fully to promote the Uruguay Round of trade consultations. The Prime Minister concluded by saying that the above may have sounded like a request list, but there were prerequisites to Japan's management of its economic policies, including the continuation of its own defense efforts and keeping in close coordination with the U.S. in these areas. (S)

The President responded that he agreed on the policy coordination of policies toward the Soviet Union, and on the importance of coordination of our economic policies. He also asked to maximize our cooperation on agriculture, something that is extremely helpful to the United States. He agreed with the Prime Minister's assessment on the overall relations with the Soviet Union. The U.S. position remains the same on the Northern Territories and we make that position clear to the Soviets whenever there is a chance. (S)

The President said that he had been asked by the doctor to not speak as much as he does normally (because of his serious cold), and as a result he was going to ask Secretary Baker to tell the Prime Minister how we intend to move in our dealings with the Soviets. It is not the United States' intention to drag its feet and it will not be the U.S. intent to "set the clock back." (S)

Secretary Baker told the Prime Minister that, on the matter of taxes he noted the Prime Minister had just concluded a remarkable political effort on tax reform. The President is serious about no new taxes. The Secretary said that when the President had said there was a review of the Soviet relationship, especially the strategic arms situation, there were several reasons for this. Not the least of these reasons, according to the Secretary, are some very important decisions that the President must make on the strategic modernization of U.S. forces. These are decisions the President must make over the next few months. (S)

The Secretary continued that, on the Soviet relationship, the intent is to build on the progress that has been made to date, that there will be no delay for the sake of delay, and the U.S.

plans to go about its work in a reasonable and imaginative way. This has been communicated to the Soviet Union and the Secretary said that they understand it quite well. To build necessary communications, the President is sending the Secretary to visit the NATO foreign ministers before there is any U.S. ministerial with the Soviet Union. Secretary Baker said he planned to begin the following week with five days in relevant capitals. He would then return to consult with the President. (S)

The Prime Minister responded that he applauded the Secretary's going to meet with his NATO counterparts, and that he appreciated that the Secretary and President had already met with their Japanese counterparts. The Prime Minister appreciated the way in which the U.S. is going about this effort. The Prime Minister noted that, in the President's inaugural address, he had stated that he intended to build American strength, vigilance, and deterrence at the same time. This is appreciated, but the key words will be a close policy consultation with respect to dealing with the Soviet Union. (S)

The Prime Minister, as the meeting was ending, commented on his tax reform effort. It took ten years, he said, and he expressed appreciation to Finance Minister Maruyama, who had been his teacher on such matters and had worked on them for 50 years. (U)

The meeting then concluded at 12:05 p.m., and the party walked to the residence for the luncheon. (U)

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THE WHITE HOUSE

WASHINGTON

0438

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MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon with Prime Minister Noboru Takeshita of Japan (U)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
Nicholas Brady, Secretary of the Treasury
Robert Mosbacher, Secretary of Commerce
Carla A. Hills, United States Trade Representative
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
Michael Armacost, Under Secretary of State for Political Affairs
Gaston J. Sigur, Assistant Secretary of State for East Asian and Pacific Affairs
James A. Kelly, NSC, Notetaker
Mrs. Fumiko Gregg, Interpreter

Japan
Prime Minister Noboru Takeshita
Sousuke Uno, Foreign Minister
Tatsuo Murayama, Minister of Finance
Ambassador Nobuo Matsunaga
Ichiro Ozawa, Deputy Chief Cabinet Secretary
Takakasu Kuriyama, Deputy Foreign Minister
Tatsuo Arima, Director-General for North American Affairs, MOFA
Terusuke Terada, Private Secretary of the Prime Minister
Yukio Okamoto, Director, First North American Affairs Bureau, MOFA
Shinichi Nishimiya, Interpreter

DATE, TIME AND PLACE: February 2, 1989, 12:22-1:25 p.m.
Family Dining Room, The Residence

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The luncheon began with the President again welcoming the Prime Minister to the White House. The President commented on the departure after a remarkable period of service of Ambassador Mike Mansfield and the presence of his designated successor, Under Secretary Mike Armacost. He appreciated the prompt agrement that had been granted by the Government of Japan, and noted that Ambassador Armacost had worked for many years on problems of Japan and Asia. The President expressed high confidence in Mr. Armacost's ability to do a good job. (U)

The Prime Minister responded that Mr. Armacost's appointment had generated large headlines in Japan and that the reaction was most agreeable. (U)

The President then introduced other Americans at the table, particularly commenting on the experience and background of Secretary Mosbacher and Ambassador Hills. Following these introductions, the President introduced the subject of relations with the Soviet Union. He asked the Prime Minister to express his own views -- whether he was relaxed or tense and how he saw the changes that are developing in the Soviet Union. (~~S~~)

Prime Minister Takeshita replied that he was trying to bring President Gorbachev to Japan and that had been the focus of Japanese efforts so far. He noted that Japan had not concluded a peace treaty with the Soviet Union, and that this was an important objective. Foreign Minister Uno had visited the Soviet Union the previous May. With respect to perestroika, the Japanese welcomed this restructuring but had felt little of it so far. The Prime Minister pointed out that it did not seem to be aimed in Japan's direction, even though a breeze seemed to be blowing. He asked Foreign Minister Uno to explain further. (~~S~~)

Foreign Minister Uno noted that since 1945 four prime ministers of Japan had visited the Soviet Union, but there had been no equivalent visit from that country to Japan. He said if the Soviets want reductions in tensions and want real progress in the relationship, it is their turn to come to Tokyo. The Soviet Union is an important neighbor with which Japan would like to have improved relations. The first priority is the peace treaty, but to obtain that peace treaty it is necessary for Japan to get back the Northern Territories. Those islands are inherent Japanese territory, the Russians are told this on every occasion. (~~S~~)

Foreign Minister Uno continued that in his talks with Foreign Minister Shevardnadze, they had spent hours in reviewing the history of the territorial issue. History books bore out that only during the Stalinist period had the ownership of these

islands changed hands. As a matter of fact, the Soviet Union had come to the islands after August 15, 1945, even after World War II had been concluded. Uno noted that Shevardnadze's view of history doesn't agree with that of Japan's. Shevardnadze says that the Soviet Union is ending its isolation and he places the emphasis on economic cooperation. He wants the islands forgotten. Uno noted that Japan and the Soviet Union are not unengaged, that talks continue and that at the end of March he expects to have a working group convened at the vice ministerial level. Deputy Foreign Minister Kuriyama will be the interlocutor for the Japanese side. After that, Uno expects to meet Shevardnadze again during May. (S)

Secretary Baker recalled that in an earlier meeting with the Prime Minister on the edges of an OECD meeting, that he had commented that the Soviet request for economic cooperation essentially was dependent on resolution of the Northern Territories issue. He asked if that was still the situation. (S)

The Prime Minister said that it was. (U)

The President commented on the changed public perception of the Soviet Union, particularly noted in Europe. People there seem to be more trusting of Gorbachev, and look at the United States in a less trustful manner. He asked how the Prime Minister saw this with respect to Japan. (S)

Prime Minister Takeshita said that he is aware that an improved mood toward the Soviet Union does exist. But beyond the matter of mood, he felt that perestroika had not changed very much. His impression was that people see Gorbachev as a different person than his predecessors. They are looking carefully, however, to see that the image becomes policy. Takeshita said Japan's private and industrial sector is, of course, very familiar with Siberian interests. But there is a great deal of business uncertainty with respect to actual prospects. There are doubts about investments in a socialist country, doubts about the exchange value of the currency, and concerns for legal rights. As a result, Japanese industry views of business prospects in East Asia are not particularly optimistic. Without even a currency that can be converted, it is not easy to have such a complex relationship and it is a task to improve the situation. (S)

Foreign Minister Uno interjected concerning the Northern Territories. Etorofu, the largest of the islands, is only about the size of Shimane, the prefecture from which Takeshita came. He said Kunishiro, the second island, is somewhat bigger than Okinawa, and the four together are roughly equivalent in size to

Chiba Prefecture, an area near Tokyo. (U)

President Bush asked about the demographic mix of population on the islands. (U)

After some reflection, Deputy Foreign Minister Kuriyama commented that this consisted of 40,000 Soviet troops. There were 10,000 persons on the islands in 1944, 99% of whom were Japanese. However, with the Russian occupation, all were repatriated to the Japanese mainland, and there are only Russians and Russian troops there now. (S)

Foreign Minister Uno continued vigorously. He noted that in 1855, Japan had much of the Russian Far East, and that an agreement had swapped the Kurile Islands and Sakhalin. The agreement did not include, he pointed out, the Northern Territories. Uno had pointed out to the Soviet leadership that if the present regime of President Gorbachev is critical of Stalinism, that this can be rectified by return of the Northern Territories to Japan. (S)

Prime Minister Takeshita noted that Sino-Soviet relations were also significantly improving but he did not envision anything approaching what had been the relationship of the 1950's. He pointed out that the President knows much more than he does about China and that he believes it is a very good thing that the President is going to China and Korea. The Prime Minister noted that he had traveled to China last summer and he felt that there was a real commitment to economic reform. (S)

The President replied that he appreciated very much the Prime Minister telling him that he approved of the visit to China. The President did not want to send any signal which would diminish the importance of his visit to Japan or affect the solemnity of the occasion. Therefore, he appreciated these remarks. The President continued that he wanted to express the proper respect of the United States and was happy to hear that his visit to China would not detract from that feeling. (S)

The President spoke about China, noting that its reforms cannot and must not be reversed, and that he felt his visit would simply be another point of encouragement to the Chinese. It would be very much against the interests of Japan and the United States if China and the Soviet Union ever returned to the relationship they had in the Kruschchev era, an event he considered most unlikely. He said that China, as the Prime Minister knows, states that its relationship with the Soviet Union will improve, but considers impossible any return to the earlier kind of relationship with the Soviet Union. The President noted that he had no concern for Gorbachev visiting China in May of this year. There was nothing to the detriment to the United States or Japan interests that

would result from such a visit. (S)

The Prime Minister responded that he very much agreed on China; that among other elements the vast reservoir of overseas Chinese helped to make China much more adaptable to reforms than the USSR, and more adaptable to a market system. But even with that said, there are still very serious problems in moving toward a market economy. For example, inflation has become a most contentious issue in China. (S)

Prime Minister Takeshita said that the President may have heard of his "International Cooperation Initiative" plan for economic cooperation which has three pillars. The Prime Minister described the first pillar as cooperation for peace, including such items as financial contributions to the United Nations for refugee relief, and the use of Japanese nationals as well as financial assistance to facilitate peacekeeping. (S)

The second pillar is cultural cooperation. This reminded him to express deep thanks to the United States for the effort it had made in the past with respect to Fulbright scholarships. The Prime Minister noted that at the Toronto Summit he had been assisted by two senior officials, the Vice Minister of Finance and the Deputy Minister of Foreign Affairs, who was now the Ambassador to Canada. Each had been Fulbright scholars whose work had made the Prime Minister's poor mind "fully bright." The Prime Minister said that there was much more emphasis now in Japan on receiving visiting students, particularly from other Asian countries, including substantial numbers from China. He had seen some last year in the western part of China who were putting their educations to good use. (U)

The third pillar of the International Cooperation Initiative, explained the Prime Minister, is the increase in ODA, or Overseas Development Assistance. He had recently announced a 7.8 per cent increase in the ODA budget as part of the five-year plan which will double the overall budget for ODA to about $50 billion. Much of the Japanese assistance, said the Prime Minister, had been to countries such as the Philippines and Indonesia, but there is a new effort to reach beyond Asia. He said he would consult closely with the United States on the reach of Japanese financial assistance into Latin America, and into Africa. The Prime Minister saw these efforts as being in return for the assistance that used to be provided to Japan. Now as a creditor nation, certain roles and responsibilities were the kind of thing that a creditor nation must bear. This third pillar of cooperation includes not only direct aid, but recycling of funds from the trade surplus for work on the debt problem, some of which would be touched upon in the G-7 meeting, which was to

convene later on the same day. Finance Minister Murayama will continue to consult on these questions. (C)

President Bush responded that as he had mentioned previously, the ODA increase is impressive indeed. He well remembered the importance of this announcement when it was made at Toronto at last year's economic summit. But, the President continued, it is critical that much of this aid not be tied to commercial projects where it will not help to resolve the trade imbalances which continue to exist. (C)

The Prime Minister said that the Foreign Minister is looking towards untied aid. As a result, part of such discussions, in areas of the world in which Japan does not have first-hand expertise, would be channeled through multinational organizations. This would help to keep this aid untied. (C)

The President asked the Prime Minister what Latin American countries he expected to visit on his trip later this year. (U)

After much discussion on the Japanese side, the Prime Minister said that Mexico was of particular interest to him, but that the others had not yet been fully decided. (C)

The President said that the Prime Minister's interest in that side of the American border would be very well received. (U)

Prime Minister Takeshita noted that the meeting and lunch had been frank, and were a wonderful exchange of confidences. Various issues had been touched, including Third World debt problems and drugs. It would be a good idea, the Prime Minister said, if the two leaders designated Minister Uno and Secretary Baker to oversee the work of the two governments on these and in various fields. They could pursue new initiatives. (U)

The President said that he agreed. (Note: The context does not suggest agreement to a new or separate framework of talks.) The President continued that this is the first visit of Prime Minister Takeshita to Washington. He hoped he felt the warmth and the importance of this relationship. (U)

Prime Minister Takeshita thanked the President very deeply for inviting him so soon and expressed pride at being so thoughtfully received. He hoped that the President could, before too long, at any time of his choosing, make a state visit to Japan. He officially invited him. (U)

The luncheon concluded and the two leaders moved outside for the departure statements. (U)

THE WHITE HOUSE

~~CONFIDENTIAL~~ WASHINGTON

0743

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Meeting with FRG Minister Wolfgang Schaeuble

PARTICIPANTS:

US
The President
Chief of Staff John Sununu
Brent Scowcroft, Assistant to the President for National Security Affairs
Ambassador Robert D. Blackwill, NSC Staff (Notetaker)

FRG
Minister Wolfgang Schaeuble
Ambassador Juergen Ruhfus
Dr. Christian Ueberschaer (Notetaker)
Heinz Weber (Interpreter)

DATE, TIME AND PLACE: February 9, 1989, 2:50 p.m. - 2:55 p.m., Oval Office

The President began by noting that Minister Schaeuble would have a good talk with General Scowcroft after the meeting in the Oval Office. He knew Schaeuble had seen Secretary Baker and wanted to stress to the Chancellor that he, the President, was outraged over some of the press stories here concerning West Germany, Libya and CW. The President thought that we could have handled our side a bit better, but we could not control our newspaper columnists. While some laws in the FRG will have to be changed, the Chancellor should know that we are sure that he is determined to stamp out chemical terror. The President wanted the Chancellor to be completely at ease about the US-German relationship which has not been affected in the least by this controversy.

Minister Schaeuble said it was a great honor to be received by the President. Bonn had made it clear that it would do everything possible to stop CW proliferation. Within a short time, there would be legislation in the FRG which would make it much more difficult for companies to export chemical technology.

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AS AMENDED
2000-0429-F
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The President responded that he appreciated personally the spirit of this visit. Although verifying a CW ban was extraordinarily difficult, we had to go on working on the problem.

Turning to SNF, Minister Schaeuble said that the FRG was completely against a third zero. The Baker trip to Europe would help coordinate US-German views on this subject. Bonn was very grateful for the trip. The Minister commented that it was important not to isolate SNF modernization, but instead to fit it into a comprehensive concept of dealing with Gorbachev.

Replying to the President's question concerning German public opinion and the third zero, Minister Schaeuble said that Bonn could run into difficulties on the matter but was determined to prevail.

The President said that each time Gorbachev makes a forthcoming, interesting speech, it was all the more important for the Alliance to stay together. He asked Schaeuble to convey to the Chancellor that our policy reviews were not born of fear but instead rested on our judgment that there were new opportunities in East-West relations. At an appropriate time, the President went on, he would meet with Gorbachev. But this would only be done on the basis of complete consensus within the Alliance. In this context, it was important to think creatively on arms control, Eastern Europe, regional tensions, and so forth. So we are in a thoughtful mood here in Washington. The President said that he was sure Gorbachev understood this and was willing to wait until the United States was ready to proceed.

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4263

Embassy of the United States of America

#53

February 10, 1989

MEMORANDUM OF CONVERSATION

Subject: President's Meeting with Prime Minister Mulroney

Place: 7 Rideau Gate, Ottawa

Participants: Canadian Side

Prime Minister Brian Mulroney
Secretary of State for External Affairs Joe Clark
Chief of Staff to the Prime Minister Stanley Hartt
Ambassador Derek Burney
External Affairs Under Secretary James Taylor
External Affirs Assistant Deputy Minister (US Affairs)
Donald Campbell

U.S. Side

The President
Secretary James A. Baker, III
Ambassador Thomas M. T. Niles
Chief of Staff to the President John Sununu
General Brent Scowcroft, National Security Advisor
Ambassador Rozanne Ridgway, Assistant Secretary of
State for European and Canadian Affairs

Prime Minister Mulroney opened the meeting with a warm welcome, stressing the government's loyalty and friendship for the United States. The relationship is complicated, and there is anti-American feeling in Canada. However, the November 21 election demonstrated that this sentiment did not run deep. As the two new Administrations begin, Mulroney said that he wanted the President to know that he would deal honestly and above board and that when the United States needed help, Canada would be there. He said he regarded the President as leader of the Alliance and although he wasn't asking for miracles, he said he would be delighted with progress on a certain issue.

The President said his visit sent an important signal of the importance he attaches to Canada-US relations. He was excited to be in Ottawa and was looking forward to working with Mulroney. He noted the "personal" element in the Canadian election, and Mulroney said he had much appreciated the President's supportive telephone call after the October 24 Canadian debate. The President said that he was prepared to discuss acid rain, adding that he understood Canada's concerns. His Administration will set new standards and talk frankly with Canada on the issue.

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Continuing, the President said he had stressed to the Prime Minister during the ride in from the airport that he did not plan to be recalcitrant with the Allies or hesitant with the USSR. However, as Gorbachev has been informed, the Administration needs to review, carefully but expeditiously, the broad range of issues facing it. The President said he had told Gorbachev during their session on Governors Island in December not to be confused on this point. There are big opportunities ahead, the President added, in East-West relations, but it is far from clear how the situation in the USSR will develop. Gorbachev had stressed during the talks on Governors Island that there would be no retreat on perestroyka. Given the dynamic situation, this requires close consultations with our Allies, and the President said that he was going to be a good listener in these consultations. He noted that he and Secretary Baker had met with two German visitors, Chancellery Director Schaubele and FDP President Lambsdorf, with whom the President might not normally have met, in order to get their views. Secretary Baker's trip is a good example of how we plan to work with our Allies and find ways to take the offensive, not simply react to Gorbachev's proposals.

The President noted that the United States could not ignore the Pacific Region and had to keep in close touch with countries such as the PRC. His trip to Asia was more than simply for the Hirohito funeral but also to demonstrate our great interest in that part of the world.

In his talks with the Japanese leaders, the President said he would stress that they should use their immense financial resources to help countries such as the Philippines. We must be careful and not push the Japanese to do too much on defense, given the residual concerns in ASEAN about Japanese imperialism.

On Central America, the President said he did not know how far the US and Canada differed. He said he hoped to work with Congress to avoid two signals: (1) that the US would behave in a "Rambo-like" fashion or (2) that the US didn't care about what happened in Nicaragua, as Speaker Wright had signalled last year. Secretary Baker, the President added, was working closely with Congress in an effort to ensure that the United States speaks with one voice. He noted that it had been difficult for Allies to support the US on Central America since we were so clearly divided ourselves. The European view of the Sandinistas is changing, and in the FRG, France and Spain there is a more realistic assessment. We do want to work with our Allies in this area, the President stressed, noting how important Central America is to the United States. As far as the Soviet Union is concerned, the President said he told Gorbachev that less military support for Nicaragua and Cuba would be a major contribution to improving US-Soviet relations. As far as US-Cuban relations are concerned, the President said he was not interested in any bold initiative involving Castro, who continues to support subversion and is engaged in human rights abuses.

The Prime Minister said he was very interested in learning more about the United States' political/strategic priorities. He noted that some (unidentified) Western leaders seemed to assume that Japan is moving into a coequal status with the United States. He did not agree. However, he said it was important for the United States to reassert its leadership role in the Alliance. As far as Central America was concerned, the Prime Minister said that the President was absolutely right when he discussed the confusing signals resulting from internal divisions. People in Canada, for instance, asked why the GOC should support the US, given Congressional opposition to Administration policies. Coherence is required. Mulroney repeated his point regarding Japan, stressing that he did not see the US as a "declining star."

The President said that he certainly was not expecting a total change in executive-legislative relations in Washington, but he felt through the consultations conducted by Secretary Baker some progress could be made. He suggested that Speaker Wright feels exposed and wants to back off somewhat. The War Powers Act and the requirements for notification on intelligence operations gives the impression of confusion. We are talking with Congress, he added, about how to return to a more bipartisan foreign policy. Senator Nunn, for example, agrees with the President's point on reducing "micro-management." As far as Japan is concerned, the President said he intended to take a firm position on trade issues. We have been "had" by the Japanese. While he was a free trader, he would not be a patsy. Thus, the Canadians should expect a tougher stance, led by Ambassador Hills.

The Prime Minister asked what the President's priorities were for the Western Alliance. In reply, the President said our first requirement was to get our individual and collective acts together. He expressed our concerns about 1992, which he termed a big potential problem. Our preoccupation with East-West relations does not exclude, the President said, concern over trade problems with Europe. Gorbachev, he added, is putting great strains on the Western Alliance with his flood of proposals. The President said he was particularly worried about Germany. In order to ensure continuing American leadership, we have to be firm but reasonable in our Alliance consultations. Our leadership must reflect sensitivity. Summing up, the President listed Alliance solidarity, moving ahead with the USSR, and dealing with 1992 as three main priorities. There is a big opportunity for us in dealing with Eastern Europe, he said, if we can get our act together. There is a potential for economic cooperation, but there is also the danger, he added, of pushing too far in Eastern Europe and causing the situation to get out of control, at which point the tanks might come in.

Prime Minister Mulroney observed that Chancellor Kohl, who has a good feel for what is happening in Eastern Europe, sees a major challenge there. Thinking about countering Gorbachev's PR campaigns, Mulroney asked whether a Bush trip to Eastern Europe might be a big event. He noted that Mitterrand visited Bulgaria but made a modest splash. If the President went, however, armed with a comprehensive plan for dealing with the area and a sense of how to use the symbolism involved, this could be quite a PR coup. This would be good for the President, other Allies, and not necessarily bad for Gorbachev, Mulroney added.

The President recalled his recent visit to Poland where he had been rather surprised by Jaruzelski, who was more impressive than he had expected. Jaruzelski spoke frankly about the problems of dealing with Solidarity, complaining at one point that Solidarity was demanding five-year maternity leaves. Jaruzelski fancies himself, the President added, as Gorbachev's best friend in Poland and responsible for perestroyka in Poland.

Mulroney asked what our assessment was of the situation in the Soviet Union, specifically whether Gorbachev was "in charge." The President said it was hard to know whether Gorbachev was in trouble. He recalled his surprise when Shevardnadze had to leave the UNGA abruptly last September to go back to the crucial Central Committee Plenum. He also noted Sakarhov's recent suggestions that Gorbachev might be overthrown. However, the President added, we cannot base our policy on one leader.

Mulroney asked again whether we felt Gorbachev's position is threatened. General Scowcroft said that there was opposition, but so far that opposition was without focus. The nationalities problem was a threat, particularly if it became greater in the Ukraine. The opposition, General Scowcroft said, was essentially is the Party, which is threatened by Gorbachev's reforms. The President noted that Gorbachev seemed to be building his own staff in opposition to the Party, with people like Akhromeyev and Dobrynin popping up in offices next to the General Secretary. In any case, the President said, there seemed to be no chance that the USSR could go back to the status quo pre-Gorbachev.

Secretary Baker said that it was important to know that the Bush Administration did not believe that it would be to our advantage for Gorabchev to fail, although there may be some in the US who feel that way. The President recalled how sensitive Gorbachev could be on this point, noting that he had flared up when President Reagan asked him during the Governors Island meeting how perestroyka was doing. Gorbachev had responded that the US has plenty of problems too, but after he cooled down, Gorbachev discussed the opposition within the USSR in very frank terms.

The Prime Minister asked when it would be possible for the United States and other Allies to say that there had been such big changes in the Soviet Union that we could more toward reductions in our own defense forces. The President said that our review of our policy toward the Soviet Union would be completed within a very brief period. We would then be able to make concrete proposals. At the same time, we must maintain stability and equality in key areas with the Soviet Union. We cannot ignore the risks posed by the USSR, but we must look carefully at Gorbachev's proposals. General Scowcroft said that we want to move ahead but be prepared, should Gorbachev fall or should the Soviet Union fail to carry out an agreement, to recover our own military position quickly. Secretary Baker said that the bottom line answer to Mulroney's question is that we will never know whether fundamental changes have taken place in the USSR that would enable us to make equally far-reaching changes in our own posture.

Mulroney turned to the public affairs area, recalling that Joe Clark had recently given a very reasonable and balanced speech on East-West relations only to find a great uproar in some circles in Canada where Clark was accused of being a cold warrior. Kohl has told Mulroney that the same thing happened to him, and Mulroney asked whether there was any way in which the West could preempt Gorbachev. The President agreed that we do not simply want to be reactive. Secretary Baker observed that it was difficult to preempt Gorbachev given the tremendous imbalance in conventional forces, which enabled Gorbachev to make one dramatic move after another. The Secretary added that Gorbachev will decide his own fate and that what we do in the West will have relatively little impact on his position. He admitted that it was important for us to take the public affairs high ground.

Joe Clark suggested that it would be useful to identify areas where the Bush Administration can distinguish its policies from those of President Reagan. This was true in relations with the USSR as well as in Central America.

The President observed that as far as Soviet intentions it was very difficult to know where they are and where they are going. However, it was clear that socialism had lost its allure both in the USSR and elsewhere. Thus far, there was no formal recognition of this, but that might come in the future.

Even the Sandinistas are changing their rhetoric, claiming to be following the "Swedish model." The example of the Soviet economy, as Gorbachev himself has admitted, is not attractive. Despite the evident failure of the Soviet system, however, Gorbachev continues to attract public support, and the President said it was clear that the West needed to regain the propaganda high ground.

The Prime Minister observed that "They have figured us out, but we don't have them figured out." We need to do the same sort of strategic thinking, he added, that the President's campaign used in the "Boston harbor" case. The Soviets are doing the same thing to us, he said, that the President did to Governor Dukakis. He compared NATO and Warsaw Pact consultations, noting how much easier it is for Gorbachev to run his side of the picture. He asked whether there might be some dramatic move available to the President such as President Nixon's visit to the PRC.

The President agreed on the need for us to take the initiative and build greater public support. Perhaps some move in Eastern Europe ("playing in his end zone") might be useful. We had to play this card with care, however, to avoid a Soviet decision to send in the tanks. We also need to make more of our strengths: the fact that we are the proponents of democracy, human rights, and free economies.

The President said he was very concerned over trends in U.S. defense spending. He noted that he had proposed a one-year freeze, with increases only to meet inflation, after which modest increases would be proposed. However, Gorbachev has had a very bad impact on public support for defense spending. The Prime Minister observed that the West is "Great on policy but lousy on politics." How could we, he asked, obtain some quid pro quo for the fact that Soviet spokesmen such as Vladimir Pozner are always on "Nightline." The President said that if the West had the resources, a massive program of youth exchanges would help open up the USSR. Secretary Baker noted that we have a great story to tell on the economic side but we are not doing it. On the distinctions between NATO and Warsaw Pact consultations, the Secretary said it reminded him of the economic situation in South America, where undemocratic Chile was doing so much better economically than the democratic states.

Joe Clark suggested that the NATO allies worry too much about the substance and too little about the presentation. He asked whether the 1991 Moscow Human Rights Conference gave us an opening. The President said he would have preferred to hold off on agreeing to that Conference, but now that it is on, we need to make good use of it. The idea of a human rights meeting in Moscow appears to be a contradiction in terms, the President added, and we need to work together to demonstrate that holding the Conference in Moscow does not mean that we approve of Soviet behavior. We must also use the Conference to push the Soviets further in the right direction.

Secretary Baker said that there were some conditions, which we had to keep stressing, for holding the Conference in Moscow. Clark recalled that Canada had been one of the last holdouts, but we cannot renege now. The West must decide, he said, what we require from the Soviets before the Conference and how best to use it. The

President asked whether Western delegates would have access to Soviet media while in Moscow. Ambassador Ridgway said this was one of the guarantees we had required.

The Prime Minister again complained about Gorbachev's media successes in the West. In Canada, he said, Gorbachev has better media access for his proposals than the Canadian government. Governor Sununu said the media has a strange relationship with the message. In domestic politics, you can counter this with paid ads, an option not available in the international arena. The West needs to pick its ground carefully and not play on Gorbachev's field. Joe Clark remarked that the FRG was the key in the public relations war and that the West was losing there. The President and Secretary Baker agreed.

The Prime Minister noted that President Mitterrand had some big plans for the July 14-16 Economic Summitt and the period immediately before that were not necessarily in the general Western interest. At the same time, the Prime Minister said he did not believe Mitterrand was hostile toward the US. The President agreed, noting that Mitterrand was simply French. The Prime Minister suggested that the President had a relatively brief grace period when he could put his personal stamp on events and gain a dominant position in the Alliance. He said some assertion of the President's role, in part as a counter to Mitterrand, would be helpful. Clark asked whether some US gesture to Mitterrand, perhaps by honoring the French revolution in the U.S., would be helpful. The Prime Minister noted that Mitterrand was inviting Rajiv Gandhi and 20 or so other heads of state to Paris for the July 14 ceremonies, a procedure that threatens to make issues such as third world debt dominate the Summit.

The President observed that Mitterrand was also moving on a environmental conference. The Prime Minister said that while vacationing in Florida around January 1, he had been called by French PM Rocard to invite him to an environmental conference in The Hague. It was hard for the Prime Minister to turn this one down. Bob Hawke had called the Prime Minister from Thailand to ask what this conference was all about. The Prime Minister said the Conference would be held in The Hague on March 11, with Bruntland, Lubbers and Rocard hosting. There were some troubling elements, such as the secrecy with which it was being planned, the exclusion of the United States, and the idea that it would adopt a declation establishing a supernational authority. The President asked whether Mrs. Thatcher was going to attend. The Prime Minister said there was some confusion on this, but he said he understood that Mrs. Thatcher, having heard about the Conference, was told that she would be invited if she guaranteed that she would accept and would sign the declaration. He said he understood that Mrs. Thatcher found both conditions unacceptable.

The President asked which country was the driving force behind the conference. Clark said it was a French idea, but that they had located it in The Hague in the event it was a failure. The Prime Minister recalled that the President had proposed such a conference during the recent campaign. The President said this was correct, adding that we were now talking about arrangements for the conference. Clark said that Mitterrand was playing the third world card with both the Conference and the Economic Summit. The Prime Minister said that Mitterrand exaggerates his role and his importance. Secretary Baker asked whether Canada had signed the Law of the Sea Convention. Mr. Hartt said Canada had signed but not yet ratified.

The President said that Canada did not need advice from the US, but he urged that the GOC be very careful about Mitterrand's environmental conference. He said he was very worried by the secrecy surrounding it. The Prime Minister said he was very concerned that the US would not be there. Clark said that the subject of the Conference, climate change and the greenhouse effect, was a very serious issue. It would be very unhelpful for the Conference to misfire. Perhaps we should look around for other auspices, he said. Secretary Baker agreed, and the President noted that we were working on a similar idea. Governor Sununu said that the issue had to be handled carefully and that a forum for public debate was not needed.

Returning to the question of Mitterrand's plans for the Economic Summit, the Prime Minister said the "Summit isn't really going to be the Summit." Secretary Baker agreed, adding that it appeared that we would be joining in "global negotiations" after having refused this at Cancun in October 1981 and were being set up for a discussion of third world debt.

The Prime Minister asked whether it would be possible to go over acid rain before lunch. In reply, the President outlined his position as follows: 1) full funding of the clean coal technology program; 2) amendments to the Clean Air Act with targets and timetables for emission reductions to get our own house in order; and 3) a different emphasis, i.e. the time for research only has passed. The Prime Minister congratulated the President on this initiative. He noted that under his leadership, Canada, too, had turned first to the home front, cleaning up its own act. He said he hoped that it would also be possible to negotiate a bilateral agreement. The President confirmed that it was his intention to move on to negotiate an agreement with Canada as soon as the legislative process is well launched.

The President asked what the impact of acid rain was for the average Canadian. Clark noted that Canadians live the myth of their close connection with the outdoors. More seriously, however, Clark

said that the impact on lakes, rivers, forests etc was serious and that all Canadians felt it. The Prime Minister went through the statistics of the number of dead and threatened lakes and rivers. The President asked how the responsibility for the problem in Canada is divided between Canada and the US. Mr. Campbell used the familiar Canadian figures that show both countries contributing about half of the acid deposition in Canada.

Governor Sununu warned of the dangers of a lack of balance in the relative contributions of the two countries to a solution of the problem. In response to Clark's comment that acid rain was a very serious environmental problem, Governor Sununu said this was not the point; rather, he said, we face a serious political question due to the very heavy costs involved if we are to deal with the acid rain problem, compared with what Canada is spending. Economics, politics, and trade issues are all involved here. Ambassador Burney took exception, noting that Canada's contribution to the clean up was commensurate with Canada's contribution to the problem. Mr. Hartt said that we should begin to negotiate soon; the longer we wait, the more difficult it will be. Governor Sununu again pointed to the politics of the issue and its great sensitivity in the US.

At this point, the discussion adjourned and the group went to 24 Sussex for lunch.

Thomas M. T. Niles
Ambassador

Confirmed Mtg. w/
Mitterrand of France
on
Feb. 23rd
No Memcon

Confirmed Mtg w/

Juan Carlos I of Spain

on

Feb. 23rd

NO MEMCON

~~SECRET~~

THE WHITE HOUSE

~~SECRET~~ WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with Prime Minister Noboru Takeshita of Japan

PARTICIPANTS:

United States
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistnt to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Gaston J. Sigur, Assistant Secretary of State for East Asian and Pacific Affairs
Desaix Anderson, Charge, American Embassy, Tokyo
Robert Zoellick, Counselor (Designate), Department of State
James A. Kelly, NSC, Notetaker
Fumiko Gregg, Interpreter

Japan
Prime Minister Noboru Takeshita
Sousuke Uno, Foreign Minister
Keizo Obuchi, Chief Cabinet Secretary
Nobuo Matsunaga, Ambassador to the United States
Takakazu Kuriyama, Deputy Minister of Foreign Affairs
Tutsuo Arima, Director-General, North American Affairs
Terusuke Terada, Private Secrtary to the Prime Minister
Yukio Okomoto, Deputy Director-General, North American Affairs
Interpreter (no name available)

DATE, TIME AND PLACE: February 23, 1989, 3:58 p.m. - 4:42 p.m.
Akasaka Palace, Tokyo, Japan

With the press present, Prime Minister Takeshita thanked the President for coming to Japan on behalf of the people and government of his country. He applauded the President's speech given hours before in Anchorage, Alaska. He thanked the President for his kind words.

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

The President responded that the Prime Minister made him feel very much at home. The President offered the respect and sorrow of the American people on the occasion of the funeral of the Emperor Showa. Referring to the Prime Minister by his first name, Noboru, he thanked the Prime Minister for this chance to talk and complimented him on the beautiful setting in the Akasaka Palace.

At this point the press departed and the Prime Minister responded that he appreciated the President's policy speech to the Congress and the determination expressed to reduce America's budget deficit.

After some discussion on busy schedules on the occasion of the funeral, the Prime Minister asked about the President's just concluded lunch with President Mitterrand.

President Bush assessed Mitterrand as a bright man, terribly important in Europe and asked how well the Prime Minister knew him.

The Prime Minister said that they had met at the Toronto Economic Summit and had had some chance to talk then. The Prime Minister continued that he was looking forward to his upcoming meeting with Mitterrand, since he would be the host for the Paris Summit. The Prime Minister believed that the major topics of the Paris Summit would be macro-economic policy coordination and our collective approach to the accumulated debt problem. The summit will also be a valuable opportunity to discuss the political situation, including the Soviet Union, and in the Asian context, Sino-Soviet relations.

The President said that the luncheon had included conversation on the issue of Third World debt, and that they had also touched on the situation in Middle East, as President Mitterrand had seen Prime Minister Shamir yesterday. The conversation covered the global environment, which is something that concerns the U.S. enormously. There had been much discussion on Soviet approaches to Europe. The President said that Mitterrand had not asked the U.S. to attend his Hague environmental conference, that we were not planning to attend and, in fact, had not received an invitation. He asked the Prime Minister if the Japanese Government plans to attend.

The Prime Minister responded that he had had a telephone call from Prime Minister Rocard on this, that he believes he will send a Minister responsible for the environment, and that Japan is analyzing the context and outlook now.

The President commented that this was a peculiar conference. Invitations had been seeping out and none of the other four Permanent Security Council members had been invited. It looked more like a regional conference. He continued that the international environment is certainly a major concern, one he had talked about during the recent U.S. election campaign. However, he expects the work to begin with conferences and effort on the part of academic and government experts. Then will follow meetings with Heads of Government and Chiefs of State.

Prime Minister Takeshita said that he had responded to the Rocard phone call by indicating that Japan planned to host a conference on the international environment in Tokyo in September of this year. Focus of the Tokyo meeting would be n experts and academics and the Prime Minister believed it would be different than The Hague Conference.

The President encouraged the Prime Minister to stay in touch on this; that cooperation was important in this area. The President explained, as an example, that as a result of his visit to Canada, we were looking for developing standards on acid rain from which the work could then proceed.

Prime Minister Takeshita agreed. He believed that first there should be research, then solutions should follow.

Secretary Baker intervened that he and the President had often talked about this and that he believed that there should be a conference at the expert's level, perhaps hosted in the United States, before a showcase affair takes place.

The Prime Minister again mentioned that he did plan to include his most knowledgeable experts and was looking to a conference in Tokyo in September.

The President asked if the Prime Minister would be having a meeting with President Sarney of Brazil; that he was quite concerned for Brazil's future.

The Prime Minister said he had just met with Sarney; that he had agreed that their policies were in harmony; that a new Japanese delegation was being sent to Brazil and that he Japanese Export-Import Bank was making a loan to Brazil of more than $1 billion which he had just described to President Sarney. The Prime Minister hoped that this would be seen as one more example of Japan's interest in assistance outside of its own region.

The President said he appreciated that assistance; that he had been very concerned about the Brazilian situation because the debt had internal political implications that concerned the United States.

The Prime Minister said that Sarney had said his intent was to move on a line of external and internal harmony and to cooperate fully with the IMF and the World Bank. But Sarney had also pleaded difficulties, saying that he cannot place too great a pain on the people of Brazil. The Prime Minister said that he had mentioned the loan of $1.2 billion.

The President wryly commented that this must have pleased Sarney, that every billion helps.

The President touched on Mexico, noting that the President of Mexico had been unable to come to the funeral but that he had looked forward to seeing him.

The Prime Minister said that he understood the reason why President Salinas could not come to Tokyo; that Mexico was another country with which Japan was in close communication.

The President asked exactly why Salinas had not come?

Ambassador Matsunaga, a former Ambassador to Mexico, said that there was trouble with the PEMEX Oil Company that prevented Salinas from leaving.

The President answered that Salinas had made a very courageous move on the corrupt unions and that perhaps he had had to stay close in consideration of some response. Mrs. Salinas would represent Mexico at the funeral.

The President asked if the Prime Minister had talked to President Sarney of Brazil about environmental questions on the preservation of the Amazon rain forest areas.

Prime Minister Takeshita said the matter had not been discussed.

Secretary Baker asked if some of the $1.2 billion in new loans was for development of the Amazon.

Prime Minister Takeshita said that the loan would have no adverse effect on the environment.

Governor Sununu noted that rail and highway projects had promoted development and led to deforestation and that there was a global

problem for all, as we lose the benefits of the equatorial forests.

The President noted that it is a good area for experts to talk about. Deforestation could affect the world and is worth discussing in context of these environmental efforts.

Director General Arima on the Japanese side intervened to say that none of the Japanese loan was to build any road in the Amazon area.

Prime Minister Takeshita indicated that after he had visited Washington, the U.S. and Japanese government senior representatives had been in the Philippines for discussions on the Multinational Assistance Initiative. The Prime Minister had discussed this with President Aquino and it did appear that this would be able to take shape by the end of the year.

The President said that it was good that our experts could work together. He commented that he is somewhat concerned about the political situation in the Philippines.

Prime Minister Takeshita said that he would look forward to having the President's impressions after his visit to China and Korea; that this is a matter of considerable interest to him.

The President promised him a comprehensive readout. The President noted that this would be his fifth trip back to China since he had left in 1975 and suggested that Japan should not be concerned about the Gorbachev visit to Beijing; that China would never in his view return to the Khrushchev days with the USSR. The Chinese "obstacles," with the Soviet Union, Cambodia, Afghanistan and the Sino-Soviet border, still had problems remaining. The President said that he was going to tell Deng Xiaoping, as he had told Prime Minister Takeshita, that when the U.S. finishes its policy review, when the U.S. goes forward with its arms control proposals, that there will be nothing that adversely affects Asia, especially China or Japan.

Prime Minister Takeshita stated that he, too, believes that Sino-Soviet improvements in relations will not pose any threat to Japan. It was important for the U.S. and Japan to help the modernization of China.

The President asked about China's position on the Japanese Northern Territories.

Deputy Foreign Minister Kuriyama responded that China had sided with Japan an that this was an issue for Japan and the Soviet Union to bring to a solution.

There was a brief discussion of the Soviet representative at the funeral, Mr. Anatoliy Lukyanov, First Vice Chairman of the Presidium of the Supreme Soviet.

Prime Minister Takeshita touched briefly on the Cambodia problem and that this was something of great mutual interest to the U.S. and Japan.

The President said the Pol Pot regime (Khmer Rouge) must not gain the upper hand and that it would be very bad for all of us. He felt the Thai Prime Minister was moving off the ASEAN previous position, and he did not know if this worried the Japanese but we should stay in touch on this.

Prime Minister Takeshita said he was indeed very curious to hear the views of Prime Minister Chatchai and that he was looking forward to their meeting.

With that and additional pleasantries, the meeting concluded.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Memcon	Re: Memorandum of Conversation (4 pp.)	2/23/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 1/24/89 - 2/25/89

Document Partially Declassified
(Copy of Document Follows)
By SJ (NLGB) on 10/6/10

Date Closed:	1/23/2009	**OA/ID Number:**	91107-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:	2000-0429-F(5)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with President Mario Soares of Portugal (S)

PARTICIPANTS:

U.S.
The President
James Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Robert Zoellick, Counselor-Designate of the State Department, Notetaker
Sophie Porson, Interpreter

Portugal
President Mario Soares
Dr. Enrico de Melo, Deputy Prime Minister
Joao Diogo Nunes Barata, Principal Secretary to the President

DATE, TIME AND PLACE: February 23, 1989, 6:05 p.m. - 6:25 p.m.
American Ambassador's Residence, Tokyo, Japan

The President and President Mario Soares of Portugal met for 20 minutes on February 23 at the American Ambassador's residence. The tone of the meeting was warm, reflecting the overall good relations between the two countries. The two leaders focused their discussion on regional issues, in particular Angola and Mozambique. (C)

The President began by saying he enjoyed meeting with Soares very much and looked forward to learning his views on many issues. (U)

President Soares said he also appreciated seeing the President during his brief visit to Tokyo. He said he believed there were no outstanding bilateral problems between the U.S. and Portugal. In fact, he continued, Portugal and the U.S. were allies and friends, and relations were moving along very smoothly. Reminding the President that Portugal watches Africa very closely due to ties to its former colonies, Soares said he would like to discuss African issues. (C)

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BR 8/21/09

The President said he wanted to ask particularly about Angola. He said he was pleased with the Angola Accords but would be interested in Soares' view as to what would happen in the region over the next year. (C)

President Soares replied that he was convinced the Cubans would withdraw both their military forces and their civilians from Angola (he said there were 13,000 civilians in Angola now, including, for example, teachers and nurses). This would create a vacuum. Soares said Angola's major problem would be to organize its future. Angola needs national reconciliation to ensure peace between the MPLA and UNITA. He thought both parties would need to be pressured to achieve an agreement. Otherwise, he said, Angola could not move forward. (S)

President Soares told the President he had recently met Fidel Castro in Caracas at the inauguration of President Carlos Andres Perez. He found it curious that Castro was furious with the Soviets and was leaving Angola with ill will. Soares said the situation would create a lot of problems because Cuba would have 50,000 armed people coming home. (S)

The President asked the reason Castro was angry at the Soviets. Was it perestroika, Soviet Latin America policy, or lack of Soviet Economic support for Cuba? (S)

President Soares answered that, to begin with, Castro was being forced to leave Angola by the Soviets, and he was well aware that it would create a big problem in Cuba to have the troops return home. Castro, he said, does not like perestroika in the least and has said so frequently. Soares mentioned that Carlos Andres Perez had asked Castro why he did not launch his own perestroika. Castro retorted that Perez should try it on Venezuela first, adding that he had his perestroika in the mountains 30 years ago. (S)

Secretary Baker asked Soares if the Cuban troops would indeed return to Cuba. (C)

President Soares admitted it was a problem and said no one knew the answer. The Brazilian general overseeing the Cuban withdrawal in Angola said he knew the Cubans would leave but did not know where they would go. Soares said we need to follow this very closely. (S)

The President sought Soares' views on Jonas Savimbi and asked what type of following he had. (S)

President Soares stated that Savimbi is a major tribal leader, a person with enormous charisma. He also enjoys substantial weight in regions of Angola outside his own. (b)(1)

(b)(1)

(b)(1) Soares also congratulated the President on his

statement of support for Savimbi, saying it was very important to the continuing evolution within Angola. (b)(1)

(b)(1)

The President asked why Soares was more concerned about Mozambique than Angola. (C)

President Soares said it was due to the poverty and hunger there. Angola was relatively wealthy because it had oil. Mozambique had less of everything and thus was less developed. (C)

President Soares also said that the northern half of Mozambique was bordered by three landlocked countries which, to secure access to the sea, threatened Mozambique. He said this was not a new danger. (S)

Turning to Central America, the President said he was still concerned with the Sandinistas. He had a feeling more people in Europe now understood that the Sandinistas were not freedom-loving democrats but were totalitarian Marxists. He asked Soares if there had been a change in European public opinion concerning the Sandinistas. (S)

President Soares replied that there had been a change, and that people had a clearer view of the Sandinistas. European friends of the Sandinistas had not perceived the totalitarian danger at the start but it was clearer now. Soares said he still thought,

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however, that many Scandinavians and Germans entertained illusions about the Sandinistas. ~~(C)~~

President Soares told the President that Ortega and the Sandinistas were in an extremely difficult situation. Inflation, he said, was around 2,800 percent, which he thought was why the Sandinistas were now promising serious elections. He concluded we need to maintain pressure on them. ~~(S)~~

The President said the conversation was stimulating and useful. (U)

President Soares said he had just wanted to call on the President to congratulate him on the election. He said the President was a good friend of Portugal. (U)

The President asked if there were any problems with the follow-on to Lajes. ~~(C)~~

President Soares said there were no problems and that it was being dealt with productively on a government-to-government basis. ~~(C)~~

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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08. Memcon	Re: Memorandum of Conversation (5 pp.)	2/23/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 1/24/89 - 2/25/89

Document Partially Declassified
(Copy of Document Follows)
By CGL (NLGB) on 10/6/10

Date Closed:	1/23/2009	**OA/ID Number:**	91107-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:	2000-0429-F(6)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

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(b)(9) Release would disclose geological or geophysical information

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Mohammed Hosni Mubarak of Egypt (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
James A. Kelly, NSC, Notetaker

Egypt
President Mohammed Hosni Mubarak
Dr. Boutros Ghali, Minister of State for Foreign Affairs
Dr. Osama El-Baz, Director, President's Office for Foreign Affairs
Wahib Al-Minyawi, Ambassador to Tokyo
Dr. Mustafa Al-Figi, Presidential Secretary

DATE, TIME AND PLACE: February 23, 1989, 6:26 p.m. - 6:52 p.m.
Ambassador's Residence, Tokyo, Japan

The meeting began with an exchange of warm greetings. (U)

President Mubarak stated that he had come to Tokyo from a visit to the United Arab Emirates and would be visiting Bangkok and Kuwait as he returned to Cairo. (U)

President Bush asked President Mubarak what ought to happen next in the Middle East. (U)

President Mubarak responded that he supported an international conference. (U)

The President asked about the Shevardnadze visit to Cairo which had just concluded. (S)

President Mubarak responded that the Shevardnadze visit had gone exceptionally well; that he thought there was progress toward an international conference; and that Shevardnadze had had a good meeting with Foreign Minister Arens of Israel the previous day. (S)

President Bush commented that although some view such a meeting as bad from the U.S. viewpoint, he did not feel that at all. (S)

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President Mubarak said that Shevardnadze had boasted of improved relations between the Soviet Union and the U.S., and had said nothing against the United States. (S)

The President asked President Mubarak for his general view of what is happening in the Middle East, including the prospects of persuading the Palestinians to go through with serious peace proposals. He thanked Mubarak for helping the American side with Arafat. The President asked how Mubarak saw Syria, and the difficulties it would pose for peace. (S)

President Mubarak responded that an international conference would take care of the problem of Syria because it would be important whether Syria joined or not. If Syria did not join the international conference there would be no further suspense about the matter. In his opinion, the Soviet Union will not agree to Syria's staying out, and he believes Syria would certainly join the conference. (S)

President Bush brought up the question of Libya and Qadhafi, which Mubarak continues to view as (b) (1) The President noted that Qadhafi had come out for Governor Dukakis the American election. (S)

President Mubarak responded that (b) (1)

(b) (1)

The President asked (b) (1)

President Mubarak said (b) (1)

The President agreed that (b) (1) (C)

President Mubarak continued to discuss Qadhafi, (b) (1)

(b) (1)

President Bush asked President Mubarak about Arafat, whether his views on the PLO had recently changed, and to what extent Mubarak believes Arafat and the PLO are in trouble with the PLO's radical

side. (S)

President Mubarak answered firmly that Arafat was the best one, that 100% control of the PLO was impossible, but that just as he had told Secretary Shultz earlier, Arafat is the only figure in the PLO with stature, and if eliminated, would be a big loss. Mubarak said the Palestinians outside of the West Bank and Gaza need to be considered, and that they are a rich group. But they are also a group from which terrorists emerge, and that the interests of all would be best maintained by keeping Arafat in good shape. (S)

President Mubarak commented on PLO financing. He said that this could either come from those who use anti-U.S. rhetoric or it could come from those who seek only revenge. Arafat, he believes, is a most reasonable man and he is the best possible leader for the Palestinians. His loss would be a serious blow. (S)

President Bush said that there are many reports of the danger of losing him, to which Mubarak agreed. The President asked what Arafat wants from the U.S. (S)

President Mubarak answered that all need an international conference. Mubarak continued that he had told Arens there is nothing to fear from an international conference, but that Arens said that he needs an umbrella for Prime Minister Shamir. Arens had told him that the Soviet Union and China would impose a solution on the international conference, but said Mubarak had disagreed. He said direct negotiations should start immediately with participation by Israelis, Palestinians, Arab delegations, Egypt, and Syria. Those who refuse would have made their decision, with implications to be borne by themselves. (S)

President Mubarak continued. He said that Arens told him that there was a large debate about this in Israel, and that he was sorry about those who had been killed in the uprising in the West Bank and Gaza. Arens said both Palestinians or Israelis want a fair solution, but Arens had also said Israel would need a great deal of time. (S)

The President had asked Mubarak about Shamir, whether he envisioned new plans or ideas from the Prime Minister. (C)

President Mubarak responded that Shamir needed to be realistic. Best would be to go along with the idea of a conference. No one could impose a solution on this situation. Involving the Soviet Union would be essential to the conference and that process would be the best way to freeze the intifada. There was no organization outside the PLO that could speak authoritatively for

Palestinians. (S)

On the subject of elections in the West Bank, Mubarak said the PLO fears an election that would be influenced by the Israelis. There has to be some way other than only by the participation of candidates that are 100% pro-Israel.

President Bush mentioned Israeli Defense Minister Rabin's plan for free and fair elections in the West Bank and Gaza, in which Israel would talk to whoever wins the election, even if the winner is a member of the PLO.

President Mubarak said that might be acceptable if it did not neglect Palestinians outside the territories.

President Bush offered that perhaps Shamir and Arens were starting to think like Rabin.

President Mubarak responded that the PLO had many good people. He felt it had been a mistake when Peres refused to deal with one particularly good man only because he was a nominal member of the PLO. The Israelis should not refuse to be in contact with such people, even those who are outside of Israel or the territories. Mubarak noted that many such Palestinians have been successful, have businesses and will never return to the territories.

President Bush asked if Mubarak was concerned about [redacted] radicals taking over the PLO. (b)(1)

President Mubarak said he did not fear that. Mubarak said that he had discussed with Arens the importance of those who work for peace and those who cooperate with Jordan and Egypt. Arens had told him not to press Israel to act too quickly.

President Bush mentioned that if Mubarak could convince Arens, Arens ought to be able to convince Shamir.

Secretary Baker interjected on the matter of timing, asking whether he foresaw two months or a year to be needed for the Israelis.

President Mubarak said a shorter time would not work against them. (U)

President Bush asked what the feeling was in Egypt for having made the deal with Israel? What was the feeling of the man on the street? Egypt had been saluted in many foreign countries, but he wondered how its people felt.

President Mubarak said people accepted relations with Israel, but they would throw him out if he did not support the Palestinian cause. He told Arens that Israel has agricultural experts from whom Egypt has much to learn. Moreover, most Egyptians want to go to Israel sometime. He again said that an international conference will be important. ~~(C)~~

President Bush asked, this year? (U)

President Mubarak said this year or next year. (U)

As the meeting ended the President expressed his great respect for what Mubarak had done. He noted that he can be proud of the way the Arab world looks to Mubarak. Egypt's strong leadership role over the years has turned out to be right. There were economic issues between Egypt and the U.S., he knew, and he would look forward to discussing those at a subsequent time, perhaps when Mubarak visits the United States. (U)

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Chatchai Chunhawan of Thailand (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Karl Jackson, NSC, Notetaker

Thailand
Prime Minister Chatchai Chunhawan
Suwit Yodmani, Prime Minister's Staff
Surakiat Sathianthai, Adviser to the Prime Minister
Pansak Winyarat, Prime Minister's Staff

DATE, TIME AND PLACE: February 23, 1989, 7:05 p.m. - 7:25 p.m.
Ambassador's Residence, Tokyo, Japan

President Bush: I am anxious to talk about Cambodia. We have always sought to back ASEAN's common solution to the problem.

Prime Minister Chatchai: The Crown Prince expressed his personal regards.

The relationship between Thailand and the United States has been close and cordial, in the security field and elsewhere.

Regarding Cambodia, there are three resistance factions as well as the PRK. We have listened only to the three factions for the past ten years. What I have done is to talk to the fourth faction. As a result the PRK attended the JIM (Jakarta Informal Meeting).

President Bush: Prince Sihanouk refused to attend the JIM, didn't he?

Prime Minister Chatchai: I know the Prince personally and I will be meeting with him soon in Beijing.

President Bush: Where is Pol Pot now? Where does he live, in the jungle along the border?

Prime Minister Chatchai: Along the border. I know Ieng Sary personally. Ieng Sary, his wife, Pol Pot, and the wife of Pol

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Pot are the center of the movement. However, we can accept Khieu Samphan. (S)

President Bush: We need to keep the pressure on the Vietnamese by backing the three resistance factions. Do you know the Vietnamese leadership? (S)

Prime Minister Chatchai: Yes, I was Foreign Minister in 1975, and Vietnam sent envoys at that time as well as subsequently. (S)

President Bush: When total withdrawal has been completed, can Cambodia and Vietnam have good relations? (S)

Prime Minister Chatchai: If Vietnam stops supplying Phnom Penh and China stops supplying the Khmer Rouge, peace will come at that time. I am not much worried about Cambodia. All of the factions need to stop fighting. Nguyen Co Thach has said he will withdraw all troops by September 1989. They have already pulled out of Laos. (S)

President Bush: What kind of government does Laos have? (S)

Prime Minister Chatchai: A benevolent one. (U)

Regarding the Cambodian settlement, all factions have gone to Jakarta for the JIM. We told them, if you don't all go, the meeting will be dominated by the PRK. (S)

Mr. Surakiat: In Cambodia, we must proceed step by step. First a cease-fire, then withdrawal and cessation of outside assistance. (S)

Prime Minister Chatchai: I believe the war is over in Indochina. I would like to try to develop the country. I would look forward to close U.S.-Thai cooperation in Laos and Cambodia. (S)

President Bush: We have been worried about the Philippines. I don't like the looks of the insurrection. Also, I think that the U.S. bases benefit all free countries in the region, and I worry about changes in Philippine public opinion. (S)

Prime Minister Chatchai: The problem is a religious one. (U)

President Bush: That is why the communists have been able to penetrate the Muslim areas of the South. (S)

Prime Minister Chatchai: Also, there is no business. When I stayed in the Manila Hotel, there was no container traffic in the harbor. Mrs. Aquino is a very nice lady but it is a very tough job. (S)

President Bush: Our bilateral relationship is a good one and we want to keep it that way.

Prime Minister Chatchai: We want to let the new wind blow in Southeast Asia.

President Bush: We are sending a signal to Asia that we intend to remain a Pacific power, for both business and security reasons.

Prime Minister Chatchai: We are strongly anti-drug.

President Bush: More and more countries are realizing that drugs are everyone's problem because their own people are being hurt, not just ours.

Prime Minister Chatchai: In order to deal with the whole host of bilateral problems we want to set up a White House to Prime Minister linkage on all issues. This is being done out of a desire to avoid all misunderstandings.

The Prime Minister then rose and on leaving handed President Bush an aide memoir on their conversation.

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with President Ramaswamy Iyer Venkataraman of India (C)

PARTICIPANTS:

U.S.
The President
James Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Max Marlin Fitzwater, Assistant to the President for Press Relations
Robert Zoellick, Counselor-Designate of the State Department, Notetaker

India
President Ramaswamy Iyer Venkataraman
P. V. Narasimha Rao, Minister of External Affairs
Mr. Kumar, Secretary to the President
Ambassador Asrani, Ambassador to Japan
Mr. Saran, Minister of Embassy

DATE, TIME AND PLACE: February 23, 1989, 7:30 p.m. - 7:45 p.m.
American Ambassador's Residence, Tokyo, Japan

The President and Indian President Ramaswamy Iyer Venkataraman met for about fifteen minutes February 23 at the American Ambassador's Residence. The two leaders had a friendly discussion focused on India and South Asian problems. (U)

President Venkataraman opened the meeting by saying he was very glad to have an opportunity to see the President. (U)

President Bush replied that he thought the relationship between the two countries was as good now as ever before and that he hoped that President Venkataraman and Prime Minister Gandhi felt the same way. (U)

President Bush said he was intrigued by the improvement in India's relationship with China. The President also said that the Soviet withdrawal from Afghanistan would remove some of the pressure in the region. He added he was also interested in India's improving relationship with Pakistan. (C)

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2000-0429-F
CSL 8/21/2009

President Venkataraman said the U.S. is India's largest trading partner and that his government is very happy with the commercial relationship and U.S. assistance in science and technology. He mentioned India's past purchase of a U.S. supercomputer and noted India was looking to purchase a second supercomputer. Overall, he said the relationship between the two countries was improving. (U)

President Venkataraman said China and India had agreed to form a committee to discuss border issues. (U)

President Bush asked if this was an ongoing committee or one that had been set up recently. (U)

President Venkataraman explained that the joint working group on the border functioned at the undersecretary level. He said that the fact that they had started talking about the border was a great step. (He added there were other joint committees as well including ones that cover trade and commerce.) Venkataraman confirmed that the border was peaceful, without any recent incidents. (C)

As for Pakistan, President Venkataraman said that Prime Ministers Gandhi and Bhutto had arranged an accord, the Simla Agreement, which would allow both sides to discuss issues together peacefully. Venkataraman predicted a bright future for India-Pakistan relations. He said the one small problem was the large amount of sophisticated defense material sold to Pakistan. (C)

President Bush said he knew India was concerned about arms transfers to Pakistan, but the U.S. position was to help Pakistan only with its legitimate defense requirements. He said that we do not want to heighten tensions or threats. The President then asked if there were current cross-border problems between Pakistan and India. (C)

President Venkataraman replied that there was no tension at the moment, except in the Punjab. Terrorists, he said, had received help from the Pakistani side of the border and Pakistan would not authorize hot pursuit of these people. (C)

President Bush asked for Venkataraman's views on Gorbachev and changes in the USSR. (C)

President Venkataraman said that the USSR was dedicated to the solution of some of the world's problems, citing the INF agreement. He said that the dialogue between the U.S. and the USSR had a positive effect on the world (mentioning Iran/Iraq and other problems). (C)

President Bush agreed with the benefits of U.S.-Soviet engagement. (C)

President Venkataraman said the Soviets were looking for a nuclear-free and non-violent world. (C)

President Bush asked about the Prime Minister's political standing explaining that he did not want to interfere but was interested as a friend. (U)

President Venkataraman said that Gandhi had to solve many problems; for example, the Bengal worker agitation. He had arranged a political solution to that problem and others. On the economic side, Venkataraman said that Prime Minister Gandhi had also done well. Indian production was up and India had generally averaged 5 percent growth over 40 years despite some big drops in certain years. He said Prime Minister Gandhi had done well in both the political and economic spheres. (C)

President Bush then asked how long the electoral process in India lasted. (U)

President Venkataraman said election campaigns were two months in length, but preliminary efforts could begin earlier. (U)

President Bush asked Venkataraman for his views on Prime Minister Bhutto's standing at home. (U)

President Venkataraman said that India wanted to strengthen Prime Minister Bhutto, who was the main hope for a good relationship between the two countries. India wanted her to succeed. (C)

President Bush agreed. He then asked President Venkataraman about the Rushdie affair. (C)

President Venkataraman said it was barbaric. (C)

President Bush said it demonstrated the extremes within Iran. He then thanked President Venkataraman for having met with him and said that he meant what he said about the improved relationship between India and the United States. (C)

President Venkataraman closed by thanking the President for his time and said that he would like to invite him to India so that they could spend more time together. (U)

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
11. Memcon	Re: Memorandum of Conversation (5 pp.)	2/23/89	(b)(1)	S

Collection:

Document Partially Declassified
(Copy of Document Follows)
By GJ (NLGB) on 10/6/10

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 1/24/89 - 2/25/89

Date Closed:	1/23/2009	**OA/ID Number:**	91107-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:	2000-0429-F(9)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

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WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with King Hussein I of Jordan (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
James A. Kelly, NSC, Notetaker

Jordan
King Hussein I
Field Marshal Zaid bin-Shaker, Chief of the Royal Court

DATE, TIME AND PLACE: February 23, 1989, 7:55 p.m. - 8:25 p.m.
Ambassador's Residence, Tokyo, Japan

The President warmly welcomed King Hussein and opened by saying he was looking forward to seeing him in the United States at his convenience, and that their governments had been talking about spring. He then asked King Hussein to give his opinion of events in the region. (C)

King Hussein said that there were opportunities which had not been seen in the past. There was a feeling of new direction and amazing potential. He complimented the President's knowledge of the region, but reminded him that it was the most volatile and dangerous part of the earth. He commented on the uprising in the occupied territories of the West Bank and Gaza and the repression that had resulted. He said as a result the Palestinians for the first time had an identity and voice. As a result of the PLO meeting the American requirements, the dialogue that has been established makes the time right, said the King, for an international conference on the Middle East. (S)

He continued, noting that the Middle East bridges Africa and Asia, and that there is a threat of nuclear war. Other kinds of weapons of vast destruction are widely held in the region. He said that policies too often in the past had been hostage to extremists. At this time, the King said, sixty percent of Israelis support a dialogue with the PLO, and no solution is possible without the Palestinians. The King said that we do not

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need new initiatives. He said that if too much time is taken, extremists on both sides will seek greater advantage. ~~(S)~~

The President said that there were some steps taken by the King which had generated wide applause, and that he was interested in receiving his advice. Concerning Yasser Arafat, it was significant that he had met America's minimum requirements before the dialogue began. The President asked if the King felt Arafat was able to control the PLO. He asked further to what extent Arafat was endangered by radical elements? ~~(S)~~

King Hussein replied that the radical elements are very small. The King continued that Arafat was a symbol for the majority of Palestinians and that all, in some respects, support him. Arafat does not exert complete control over the PLO, but he remains the principal figure. Hussein noted that Israeli election plans were trying to cause divisions among the Palestinians and he expressed the view that if the PLO and local leaders are not encouraged to continue, the results will be that unknown, more radical persons will move in. ~~(S)~~

The President noted that perhaps the process had been helped by Jordan's disengagement. ~~(C)~~

King Hussein replied that the Palestinians want identity, that they have wanted this for seventy years, but that recent events provide some promise. There is a danger but everyone is ready now, he said. ~~(C)~~

President Bush asked King Hussein about the Rabin plan for elections. ~~(C)~~

King Hussein said yes, he was familiar with it. (U)

The President asked if he understood the Rabin plan to say that the Israelis would agree to talk to whoever wins the elections, including members of the PLO. ~~(C)~~

King Hussein said that this election plan would take too long. Moreover, in his view it separates the Palestinians in the occupied territories and outside. The PLO, he stated, comprises both of these groups. ~~(S)~~

Governor Sununu asked the King when he felt a conference should occur. (U)

King Hussein answered this year. (U)

Secretary Baker interjected that he had found a sense of support

in Europe for an international conference. There would be some problems in structuring such an event. One view was that if a conference were too quickly called, it may preempt certain good opportunities. He explained that the King needed to consider Israel's position now, including the recent tough American human rights report, the U.S. dialogue with the PLO, and the uncertain political situation since the election, including the narrow margin now held by Likud. Secretary Baker said we agree opportunities that did not exist before are in place, but we do not know what kind. Would an international conference led by the five permanent members of the United Nations Security Council be best now, or be more likely to succeed after proper tilling of the ground? ~~(S)~~

King Hussein said the U.S. must hear from all parties. He said he believes strongly that this year is the time, and that the process should not be dragged out. ~~(C)~~

President Bush asked how would the conference have to be shaped to meet Jordanian requirements. (U)

King Hussein said the five permanent members of the UNSC would lead the dialogue without imposing solutions. UN Resolution 242 would be the heart of the basis for resolving the Palestinian problem, and establishing peace to all parties of the conflict. Direct negotiations would be the basis. ~~(C)~~

Marshal bin-Shaker then commented that he had taken the liberty, because the President's time was so short, to prepare a complete analysis of the situation. He said there would be much in this analysis of which the President was unaware. The analysis (attachment) includes three documents: A Chronology of Jordanian Efforts for Peace; U.S. Commitments and Positions in a Peace Settlement; and a Personal Letter for the President from King Hussein. ~~(S)~~

The President promised to look at these documents and to treat them with appropriate confidentiality. (U)

Secretary Baker asked the King to comment on the kind of problems that he would see in a Palestinian confederation arrangement. ~~(C)~~

King Hussein said there would be none immediately because that would be the final status. He believed the Palestinians will seek something like this because relations now are quite unstable. People are weary, he said, because there has been no progress. His country, in particular, with the longest borders in the area, longer than those of the West Bank and Gaza, as well as the inhabitants of those regions must have their say. ~~(S)~~

Secretary Baker asked again if there were direct negotiations, would a confederation be acceptable? ~~(C)~~

President Hussein answered affirmatively. But he asked how to get Israel to enter into direct negotiations. Hussein said the Israeli public is ready. He added that in the Jewish American community many persons are also anxious to see this kind of progress. ~~(S)~~

The President said that Hussein is right, public opinion in Israel is changing, and our dialogue with the PLO has not been so badly received. ~~(S)~~

Secretary Baker asked the exact nature of the Israeli poll that the King had referred to. ~~(C)~~

King Hussein said sixty-four percent had favored direct negotiations with the PLO. ~~(S)~~

General Scowcroft asked that if the U.S. uses all of its influence with the Israelis to bring about a meeting, what influence would the U.S. have left to pursue a solution? This was why the international conference must be approached carefully. ~~(S)~~

Governor Sununu commented that hesitancy on the conference is in part because few have an adequate sense of where the conference will go. He raised the prospect of possible pre-conference packaging, noting that a strong, clear road map will help hesitant participants to be more assured. ~~(C)~~

King Hussein said things like that had been tried in the past, and that they have been tried directly with Israel. The United Nations Security Council five permanent representatives provide the modern weight of world opinion. They should not propose a solution, and neither should they exercise a veto against a particular solution. But the five could act as guarantors for UN Resolution 242. ~~(S)~~

General Scowcroft asked what participants Hussein envisioned? (U)

King Hussein named Israel, Palestinians, U.S., Syria, Lebanon (he said Lebanon would need to be somehow included), and Egypt. He continued that Syria would be present. Shevardnadze had told him on the night he left Amman that Syria will be available for this conference. He said that the Soviet position had changed and had become quite constructive. ~~(S)~~

Marshal bin-Shaker added that Shevardnadze sounded as though he had become pro-American. If there was a conference, the Soviet Union would definitely restore full relations with Israel. ~~(S)~~

President Bush said we will try to assess the situation carefully. (U)

King Hussein, turning to Iran and Iraq, said his hopes had not been high, and that there was just a cease-fire at this particular time. He commented that the work of the UN Secretary-General had been helpful. Now the recent Khomeini comments on Rushdie had set these relations back further and European countries were breaking relations. It is very hard to talk sense in such a situation. In the Gulf, he noted, things were much more quiet. ~~(S)~~

President Bush mentioned that American concern continues for hostages in the Middle East, and he observed that a small number of the so-called Dawa prisoners had been released in Kuwait. ~~(S)~~

King Hussein responded that [redacted] (b)(1) he was working to combat terrorism wherever it would be possible, but that he feared that the problem would remain for a long time. ~~(S)~~

President Bush thanked him. The President then asked about the health of Queen Noor and the king responded that she was well and traveling in Europe at this time. (U)

King Hussein said that he had high hopes for the next four years, that he hoped to get the President to visit Jordan sometime. (U)

President Bush ended the meeting by commenting on his review of relations with the Soviet Union. It would be clear that the U.S. is not stalling, the President said, and we are looking at places the U.S. can be productive, and can be a catalyst to smooth the process. The President welcomed the King's assessment on the Middle East, but he said we have not sorted out how far we should go. The figures of Israeli support for PLO dialogue were not surprising. There is a moment of history at hand. The meeting concluded in collegial fashion. ~~(S)~~

Attachment:
Tab A Document provided by King Hussein (U)

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Chaim Herzog of Israel (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
James A. Kelly, NSC, Notetaker

Israel
President Chaim Herzog
Nissan Limor, Director General, President's Office
Naham Eshkol, Ambassador to Japan
Yosuf Hadas, Assistant Director General for Asian Affairs, Ministry of Foreign Affairs

DATE, TIME AND PLACE: February 23, 1989, 8:42 p.m. - 9:07 p.m.
Ambassador's Residence, Tokyo, Japan

The meeting began when the President thanked President Herzog for coming. He said he always appreciated the President's sage view of the world scene. (U)

President Herzog said he had just spoken to Foreign Minister Arens and had received a very upbeat report on his recent talks in Cairo, and he had received the same report that evening when he saw President Mubarak. He thinks that something good is going to happen. President Herzog said that he felt the Taba affair would be wrapped up by March 5th, and that the Israeli side was going to hand over title at that time. The deal was practically concluded and Mubarak had not raised it with him. President Herzog said he had thanked Mubarak for a recent letter he had sent and for arranging the Arens-Shevardnadze meeting in Egypt. He commented on the central role of Egypt in the Middle East process. The late President Sadat, he said, had understood and spoke for his people and had communicated to the people of Israel. Mubarak could do that too. He mentioned the Shevardnadze plan which had been given to Secretary Baker in Geneva. It had been published, without American knowledge or

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approval. The plan had not met with Israeli approval and he did not think that Prime Minister Thatcher would approve either. Foreign Minister Arens did not believe normal relations between Israel and the Soviet Union were likely very soon, but Austria was acting as an honest broker in the matter. He said Shamir would sometimes try to rush into things and Arens would cool him off on such occasions. (S)

President Herzog continued that the fact of the meeting in Cairo was itself a measure of the immense changes that had taken place. (S)

President Bush asked whether there has been a change in public opinion in Israel, particularly on the idea of the international conference. (S)

President Herzog said that this reminded him of some discussions he had had with Prime Minister Thatcher about British public opinion on the INF agreement. She mentioned the ill-formed opinions of some dock workers. People want peace but they are not very sure of the details. The international conference, he said, does not turn so much on public opinion as on certain key factors. The debate on this in Israel focuses particularly on the influence of two countries which have no relations with Israel. These are China and the Soviet Union. (S)

President Herzog said Mubarak had said that the meeting is part of the ongoing process in the Middle East. The international conference had, of course, been an election issue in Israel. President Herzog offered a personal view, which is that Israel and the U.S. should not rush into the conference. Israel, he said, must live with the results. There is a big debate in Israel which is not only across parties, but within the political parties as well. Asked if this debate existed even within Likud, President Herzog said Prime Minister Shamir is one of a new generation of leaders in Israel. He is much more advanced than the old die-hards, and the political picture in Israel is aligning itself. Shamir maintains that he is of the center, and that this has a logic when you see that he has a right-wing as well as a left. The mainstream in Israel is moving to the right. (S)

President Herzog said the present government, to the surprise of some, is working much better than its predecessor, but that a divided public continues in all areas. President Herzog noted that Prime Minister Shamir does try to "bulldoze" everyone and is a true workaholic, but that there was an agonizing reappraisal going on within the parties. This exists for the Palestinians, too. But frequently, they are unable to express their views publicly because of a reign of terror. President Herzog noted

Secretary Shultz, when he visited the East Bank, was prevented from meeting with moderate Palestin[illegible] essential to have more respect for democracy. [illegible] with dissenting views were afraid to con[illegible] Herzog admitted, however, that Israel had [illegible]cing" Arabs in the occupied territories in pub[illegible]g said that there was more moderate think[illegible]ong those in the East Bank. He recalled a d[illegible]d with the Ar[illegible]n. Such peo[illegible] th[illegible]ism and bull[illegible]mportant in pu[illegible]o line. There were problems, he said, with Is[illegible]s and extreme Shiites. Both are ex[illegible] internally, led. They were controlled th[illegible]srael and Gaza. (~~S~~)

East or West?

East or West?

Pr[illegible] that the Rushdie book highlighted the pr[illegible] booksellers are so easily intimidated, it should be no surprise that West Bank residents can be intimidated even more easily. (~~S~~)

Secretary Baker asked President Herzog if he were to write a peace plan what he would include. (~~S~~)

President Herzog said that his emphasis would be on moving the process along very slowly. Opinion is starting to jell within Israel and new realignments are likely. The same thing is occurring and must occur among Palestinians. President Herzog offered some "personal opinions." Defense Minister Rabin's ideas which do not support a Palestinian state, but rather a Jordan-Israel joint role, is one approach. There is talk of democracy, and, as the mayor of Bethlehem had mentioned, municipal elections would be first, then larger areas. Rabin was a particularly effective source of ideas, because he is seen as a law and order tough guy. This puts him in a good position to make proposals and he has a lot to offer. Eventually Jordan must be brought in. It is not clear at all now who will join in to support these views, if moderate politicians cannot talk to or speak for Palestinians in the occupied territories. (~~S~~)

On the PLO, President Herzog said it was a loosely aligned organization and is not easily controlled. People talk about the control of the PLO by Arafat, but the PLO is more a concept and many are disenchanted by the leadership and Arafat is more a part of the concept than a leader. President Herzog asked rhetorically why Israel should not look after the occupied territories on behalf of people who are not such a violent opposition. They say, "you twist our arms, so we say we are not concerned with you." President Herzog expressed his concern for the very serious economic disruption in Jordan. He believes that

the process is making an improved atmosphere, but that the basic assumptions have still not been fully crafted. This must be done, said President Herzog, in stages. Behind the transitional arrangement, before some final arrangement, the timing will be slow. He noted a French example in which Premier Rocard had arranged a settlement for New Caledonia which has ten years to take shape. The Israelis and Palestinians must live together. Each side has "nuts" and they must learn to live with them. (S)

President Bush mentioned, speaking of "nuts," how about Meir Kahane? (S)

President Herzog said yes, Kahane was now trying to set up a new organization. But to Israel's credit, he had no credibility in the Knesset. (S)

At this time President Bush mentioned that he would soon be seeing the King of Spain and that the Spaniards cannot control Basque terrorists. (S)

The meeting concluded in a friendly manner. (U)

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Lee Kuan Yew of
Singapore on
Feb. 24th
NO MEMCON

Confirmed Mtg w/
Baudouin of Belgium
on
Feb 24th

No MEMCON

Confirmed Mtg w/
Akihito of Japan
on
Feb 24th

NO MEMCON

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with President Richard von Weizsaecker of the Federal Republic of Germany (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Robert Zoellick, Counselor-Designate of the State Department, Notetaker

Federal Republic of Germany
President Richard von Weizsaecker
Hans-Dietrich Genscher, Minister of Foreign Affairs
Mr. Blech, Vice Minister in the President's Office
Mr. Pflueger, Presidential Press Officer
Mr. von Pfetten-Arnback, Foreign Policy Advisor

DATE, TIME AND PLACE: February 24, 1989, 3:00 p.m. - 3:20 p.m.
American Ambassador's Residence, Tokyo, Japan

President Bush and Federal Republic of Germany (FRG) President Richard von Weizsaecker met for about twenty minutes February 24 at the American Ambassador's residence in Tokyo. Much of the discussion between the two leaders focused on alliance issues and the Soviet Union. They also addressed trade and other economic subjects. The tone of the meeting was warm and friendly. (S)

President Bush began by thanking President von Weizsaecker for coming by; the President offered to discuss anything that von Weizsaecker wished. (U)

President von Weizsaecker congratulated the President on his recent election. He said he admired the skillful way the new administration was approaching its tasks and said he was grateful

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for Secretary Baker's recent NATO trip. He was also pleased by General Walters' Ambassadorial appointment, which he saw as a fine symbol of the close relationship between the Federal Republic and the U.S. General Walters, he said, was a trusted friend, experienced and well-equipped to represent the U.S. (U)

The President replied that a non-career ambassador, especially to an important country like the Federal Republic, should be a skilled professional and able to identify with the President. The President said General Walters was a close friend. (U)

The President noted that some had commented that his new administration was moving too slowly, so he appreciated von Weizsaecker's compliment. The President said it was important to review policy carefully before moving ahead. It was this spirit that led Secretary Baker to visit our NATO allies early to seek their views. The President said his administration would proceed in this prudent manner. He believed Gorbachev understood this. (U)

President von Weizsaecker agreed the U.S. should not rush into action. What was needed, he said, was a longer-term analysis to create a firm and unchangeable basis for policy. Both countries needed such a base, of course, to face challenges in the Atlantic sphere and around the world. (S)

President von Weizsaecker said he expected economic issues, not security or East-West matters, to prompt the most difficulties. However, he added, it was important to remember that while we may expect some tension over economic issues, basic defense policy would remain as is: reliance on the nuclear umbrella and the Federal Republic's commitment to conventional defense. Von Weizsaecker explained that German public opinion was more sensitive to defense issues and had been since 1977. Before that time defense experts could proceed with their plans without public questioning or scrutiny. He was sure, however, that we would find ways to work within the Alliance on common problems without questioning our Allies' basic commitment. Drawing on the recent experience with Prime Minister Thatcher's visit to the FRG, von Weizsaecker said it was unfortunate that the media had focused too much on one item (apparently modernization) that is not in fact foremost. He repeated that even if the European Community now and then caused friction as it moved toward a single market, defense policy would not change and would remain the backbone of the Atlantic alliance. (S)

The President said he agreed with the importance of the Alliance and respected the different opinions of our Allies. Nevertheless, he said, we don't want Gorbachev to win a propaganda offensive. We must be sensitive to our local public opinion, but also must stay together and not be naive. The President said that Gorbachev had his own serious problems at home and it was difficult to foresee who or what we would be dealing with in the future in the USSR. Referring to Sakharov's recent statement about Gorbachev's risks, he said he was not sure

what was in fact happening in the Soviet Union. But there was no question that the USSR had to confront big economic problems and that Eastern Europe was in flux, presenting both challenge and opportunity. (S)

On trade, the President said that there are problems looming. He said the U.S. is making the appropriate positive statements about EC 92, but that we would need some understandings about the EC's commitment to open markets. We face some challenges, especially in agricultural trade. He warned that the U.S. cannot become protectionist without causing great harm. Therefore, we needed to make progress on agricultural and other problems so as to avoid protectionist moves. He said von Weizsaecker was right to place an emphasis on the importance of economic issues because we must avoid confrontation. (S)

President von Weizsaecker replied that regional cooperation may be able to assist in addressing this global problem. He assured the President that the Federal Republic would stress keeping the EC open because the FRG could not live with a closed market; it depended too much on exports. He said that he was well aware of the agriculture problems of overproduction and high prices, and acknowledged that European farmers did not have a bright future. He said Germany would also contribute to GATT-Uruguay Round success. (S)

President von Weizsaecker said he shared the President's assessment of Gorbachev. Of course, von Weizsaecker observed, Gorbachev was not seeking to do the West any favors. Gorbachev recognizes the USSR won't remain a world power if it relies only on military strength. He must catch up in economics as well as other areas. To achieve these changes, Gorbachev must pay a high price. He must motivate his people. If he succeeds, he would be a competitor of the West, but he would have become so through acceptance of our ideas. The West must remain careful. It will take the USSR years to progress and the result remains uncertain. Gorbachev has to transform his whole society. (S)

The President said that we could not let Germany and the U.S. be divided by economic issues or by the Soviets. The U.S. fully understands the importance of the Federal Republic. That is why close and continual consultations are vital. He said the U.S. would try to be sensitive to the Federal Republic's domestic concerns, just as the Federal Republic is sensitive to our concerns. (S)

President von Weizsaecker said he was pleased with the expertise and knowledge in the Bush administration and remembered with appreciation receiving the President's views after a trip to Poland. (U)

The President replied that he was fascinated by Poland and would love to return. He said, however, that the U.S. did not want to exacerbate problems there, and he recalled the tragedy of Hungary

in the 1950's. He said he was pleased by Jaruzelski's changed view of Solidarity. (C)

President von Weizsaecker responded that both Jaruzelski and Walesa have extremists with whom they must deal. (C)

The President said he wished they could have had more time to discuss these issues and stressed the need to keep in touch about Eastern Europe. (S)

President von Weizsaecker said he might visit Washington in June. (U)

THE WHITE HOUSE

~~SECRET~~ WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with Prime Minister Turgut Ozal of Turkey (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Robert Zoellick, Counselor-Designate of the State Department, Notetaker

Turkey
Prime Minister Turgut Ozal
Nuzhet Kandemir, Undersecretary of the Ministry of Foreign Affairs
Umut Arik, Ambassador to Japan
Cin Pulak, Press Advisor to the Prime Minister
Volkan Bozkir, Advisor to the Prime Minister
Kasif Bryalcin, First Counselor, Embassy of Turkey

DATE, TIME AND PLACE: February 24, 1989, 4:15 p.m. - 4:35 p.m. American Ambassador's Residence, Tokyo

President Bush and Turkish Prime Minister Turgut Ozal met for approximately twenty minutes February 24 at the American Ambassador's residence in Tokyo. The two leaders shared thoughts on NATO issues, Turkish-Greek relations, Cyprus, developments in the Soviet Union, and the outlook in the Middle East. In particular, there is a need to follow up on Ozal's request for U.S. support for Turkey's application to join the Asian Development Bank (to provide services, not to seek credit). (S)

Prime Minister Ozal began by saying he wanted to talk about the Central Region problem in anticipation of the upcoming Conventional Forces talks. (S)

Secretary Baker said he had raised this issue at lunch in Brussels with NATO Secretary-General Woerner and the NATO

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Permanent Representatives. He had also discussed the issue in other NATO capitals. As he noted on his recent visit to Turkey, the U.S. was sympathetic to Turkey's concern. Yet we consider it primarily to be a European problem, and it must be resolved by March 6 when the CFE talks begin. Secretary Baker asked about the status of Turkey's discussions within Europe, noting that time was short. (S)

Undersecretary Kandemir said the United Kingdom had developed the idea of the central zone. He said a high-level group was reviewing the problem now and that the Federal Republic of Germany (FRG) had offered a global approach which might solve the problem. Kandemir said that the FRG proposal appealed to the Turks. (S)

Chief of Staff Sununu asked about timing. (U)

Undersecretary Kandemir said the deadline for resolution was March 6. (U)

Prime Minister Ozal said the other major point he wanted to make was that Turkey was at a critical stage economically. Turkey had taken measures to reduce inflation, but would require support during this difficult period. United States military assistance, he said, was insufficient but he understood the constraint of the U.S. deficit. He said Turkey, of course, preferred grants. He added that the military aid under the Southern Amendment was a big help for modernization of Turkey's forces. (S)

Prime Minister Ozal said he wanted to support U.S. investments in Turkey, and he hoped the region's foreign policy problems (Greece, Cyprus) would not interfere. He was doing his best to solve Turkey's bilateral problems with Greece. Because of Greek elections in June, however, significant progress would probably not be possible before then. (S)

The President asked Ozal who would win the Greek elections. (U)

Prime Minister Ozal said it was hard to say, but he thought the Greek opposition may be ahead. He cautioned not to underestimate Papandreou. (C)

The President said that Papandreou seemed to be moderating a bit and asked Ozal whether he shared that judgment. (U)

Secretary Baker said he had been struck by Papandreou's friendliness during his recent visit to Athens. He said Papandreou had so far not used anti-Americanism in the campaign. (C)

Prime Minister Ozal repeated that one should not underestimate Papandreou. He said they had a good personal relationship and that he could probably solve problems better with Papandreou than with someone else. Papandreou was a clever politician who could be harder to deal with if he were in the opposition. (C)

The President said that the U.S. would watch with great interest. He then asked for Ozal's opinion of the Cyprus problem. (C)

Prime Minister Ozal explained that Turkish Cypriots want a bizonal federated state. Since they do not have confidence in Greek Cypriots, they want effective guarantees from Turkey. He said if an agreement could be achieved on Cyprus, he would be willing to withdraw some of his troops. (S)

The President asked if there was a zone between the two communities. (C)

Prime Minister Ozal replied there was an uninhabited zone. (C)

The President asked if the zone had any strategic role in any solution to the Cyprus problem. (C)

Prime Minister Ozal said he didn't think so. (U)

Prime Minister Ozal said Turkey wanted to join the Asian Development Bank (ADB) and there were two necessary requirements: U.S. and Japanese support. Their support would achieve the necessary majority vote of the members. Ozal said Turkey wanted to offer development services, and did not view the ADB as a source of capital. (C)

The President asked where the matter stood. (U)

Secretary Baker said he was not aware of the application, but that the U.S. decision would be handled by the Treasury Department in concert with the State Department. (C)

The President asked for Ozal's views of Gorbachev. (C)

Prime Minister Ozal replied that if Gorbachev were successful, the change would be bigger than that of 1917. But that was a very bit if. He said it was difficult to change a system of 70 years in such a short period. The Soviets were short of consumer products and communism had come to its limits. After the Second World War, he said, the U.S. had turned its industry to the production of consumer products. The Soviet had not and now their transformation would be difficult. (S)

The President said that the U.S. hoped Gorbachev would succeed. (U)

Prime Minister Ozal agreed and said the Turks had engaged in joint ventures with the Soviets. But he complained that Soviet bureaucrats were tough to deal with. (S)

Secretary Baker said that Turkey had been successful in opening up its economy. (U)

Prime Minister Ozal agreed, but said it had been hard work and the Soviet challenge was ten times harder. (S)

Prime Minister Ozal said that the Soviet social structure was changing. In Turkey a similar change had involved a shift from a farm-based to an urban economy. The Soviet change required a greater shift in social mores and work habits. (S)

The President inquired if Turkey had universal conscription. (U)

Prime Minister Ozal said Turkey did have conscription with service of about 21 months. He then asked the President for his views on Afghanistan. (S)

The President replied the U.S. was encouraged that the Soviets had withdrawn their troops and hoped that the Afghanis could work out an internal arrangement. He said that while the U.S. was not sure who would assume leadership in Afghanistan, but he knew it would not be Najibullah. He said the Soviets were upset with our support for the Mujahidin. The U.S., however, thought the Soviets were still supplying Afghanistan to a degree, and had left supplies behind. We had to ensure a level field. (S)

The President said he believed there was no real tension between the U.S. and the USSR on this issue. He concluded that if the U.S. could help in the reconstruction of Afghanistan, it would like to try. (S)

Turning to the Middle East, Prime Minister Ozal said he hoped the U.S. would push Israel because it is the right time for an international conference. The PLO had come a long way. Ozal thought that if we lost momentum now, it could be difficult to retrieve later. (S)

Secretary Baker replied that Israeli President Herzog had acknowledged there had been some shifts within Israel. The Secretary argued, however, that if we pushed too far too quickly now we could preclude better possibilities in the future. (S)

Prime Minister Ozal said the U.S. must measure the situation as it saw fit, but he thought this was the right time for movement. (S)

The President concluded the Israelis needed to recognize that the situation had changed. (S)

Prime Minister Ozal said he would leave the President some notes on important issues (Tab A). (U)

Attachment

Tab A Talking Points from Prime Minister Ozal to the President (U)

THE WHITE HOUSE

~~SECRET~~ WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with Prime Minister Benazir Bhutto of Pakistan (S)

PARTICIPANTS:

U.S.
The President
James Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
James A. Kelly, NSC, Notetaker

Pakistan
Prime Minister Benazir Bhutto
Yaqub Khan, Foreign Minister
Egbal Akhund, Adviser on Foreign Affairs
General N. Barbar, Presidential Adviser
Khalid Maholud, Notetaker

DATE, TIME AND PLACE: February 24, 1989, 4:51-5:22 p.m.
American Ambassador's residence, Tokyo, Japan

President Bush welcomed the Prime Minister, noting that it was a new beginning for each country. (U)

Prime Minister Bhutto offered her thanks and immediately began serious discussion. She said there was one area which was complicating relations between the countries very seriously. She wanted to start with this critical topic, the nuclear issue. The Prime Minister referred to an earlier letter from President Ronald Reagan in which the President said he had been following certain trends and that if these trends in Pakistan were not restrained it would not be possible to certify the country under American laws involving nuclear matters. The Prime Minister continued that for this first meeting she wanted to give to the President the assurances of her democratic government. She said, "We intend to follow the message of President Reagan's letter." She continued that she hoped the sources which the U.S. has available to it will be able to verify these assurances that she gave on behalf of her government. (S)

Without interruption the Prime Minister continued that she wished to confide in the President her assessment of the internal

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situation in Pakistan. For better or worse, she said, the nuclear matter is a touchy issue. It has been the focus of some election propaganda that has been used against her, and it is also tied to a sense in Pakistan that that country not be second to India. Some in Pakistan have accused the PPP (her party) of a sell-out to India on nuclear matters. In fact, she said there is a perceived irony of pressure on the smaller, non-nuclear country, unmatched by pressure on India, a nuclear weapons state. She and her government wish to promote a regional approach which can enable them to handle the problem. The Prime Minister asks that the U.S. support this regional approach. She said Pakistan has to handle its own situation, and she again expressed hope that America's own sources -- over time -- can verify the truth of what she says.

Non-certification, the Prime Minister continued, would have extremely serious consequences for Pakistan. It would cause a new government to have to fend for itself. Worse, she continued, it would imply "that we have the bomb." That in turn, she said, would put pressures on Rajiv, might prompt a nuclear arms race, and that would be the last thing that either she or Rajiv want. The Prime Minister said she had been encouraged by discussions that had gone on with India. She felt that Prime Minister Rajiv had a good attitude, but that some of his advisers remained more rigid.

On this main (nuclear) issue, the Prime Minister wanted to reassure the United States. She wants the relationship of the two countries to grow in its strength, and not diminish. This controversy, she said, harms Pakistani security, it does not enhance it.

The Prime Minister continued that she is hoping for Secretary Baker to visit Pakistan, and hopes that he can take up this and other issues then. She hopes the present levels of U.S. aid can be sustained. She understands that there are resource constraints in the United States, but this assistance is an important signal to a newly democratic country. Pakistan is, moreover, an example of modern Islam, a place with a more humane kind of Islam. It is a very useful role model for other countries in that part of the world.

The President responded that Pakistan and Prime Minister Bhutto have much goodwill in the United States. This one problem had exacerbated over time. Somewhere in the past, perhaps, the problem had not been handled so well. Now it could cause a disconnect between the two countries. The President said that the Prime Minister had properly identified this problem, but that she needed to understand that it was a significant issue and one over which the President of the United States cannot exert total

control. Certification has become more difficult, and nuclear issues are very tough, continued the President. The President said that certification is strongly in American interest, and not only because Pakistan has become what it is. He had been delighted to hear the Prime Minister's remarks. The President hoped that we could do as she suggested in objective verification. No one should tell Pakistani officials that this is less than a serious matter. The President had visited Pakistan, himself, and he had a sense of Pakistani feelings. He is delighted at the Prime Minister's approach, but there must be mutual satisfaction on this point because the American Congress is serious and independent, and it needs assurances as well.

The President continued that he was inclined to agree with her judgment of Prime Minister Rajiv Gandhi. Pakistan, said the President, feels with some justification an inequity in this situation and therefore her frankness in raising this one contentious issue is particularly appreciated. The President was prepared, he said, to raise it had she not done so. The President continued that Secretary Baker would need to engage her government on certain specific steps. He would explain what these items are and what specifically both countries need to do together. These steps will be what will be needed to be able to make the certification on the 30th of September of this year.

The President said that he is optimistic about the vigorous young new leadership of India and Pakistan, and the new development of the Chinese talking to India, and on some improvements in the Soviet outlook as well. The U.S., the President said, is not naive on the Soviets. We are pleased at the removal of troops from Afghanistan, but remain cautious.

The Prime Minister noted that she had been recently discussing the Soviet Union with Ambassador Oakley. Commenting on Afghanistan, she hoped the extremists would soon be excluded from the interim government now being formed in Afghanistan. After six months she felt a second government, which might be more moderate, would be established. She thanked the President for United States' support. She said she was looking to working with the U.S. on Afghan matters as well.

The Prime Minister commented that Prince Sadruddin Aga Khan was a friend of the President's.

The President responded warmly. He said that yes, the Prince was indeed a good friend of his. His funds for Afghan relief seem to have too many rubles, a currency that he cannot exchange, but he is a strongly motivated man who knows how to be successful. The President asked how well the Prime Minister knew him.

Prime Minister Bhutto said that it was her mother who knew Prince Sadruddin best, but he had been at her wedding and she had had a good talk with him then.

The President recalled the effort, which barely fell short, in which Prince Sadruddin almost became Secretary-General of the United Nations. He had had effective Third World support against an Argentina representative and against Mr. Waldheim, the eventual winner. He almost became Secretary-General, but the Soviet delegate, Mr. Malik, said that no prince could be accepted. In the end it was not possible for Prince Sadruddin to become Secretary-General.

The Prime Minister then said that there was one more matter which she wished to raise with the President, the matter of narcotics. She hoped that some help could be provided for intelligence training needed by the Pakistani forces.

The President responded enthusiastically and indicated that the U.S. would look into ways in which this assistance could be enhanced.

The Prime Minister said she hoped the President's Cabinet-level leader on narcotics control, former Secretary Bennett, could visit Pakistan.

The President said indeed he should. The President said that there are some countries that claim that drugs are merely an issue of the "rich and decadent" United States; if the U.S. cleaned up there would be no drug problem. The President pointed out that the U.S. is determined to clean up its drug problem, but as some South American countries are finding out, it is not just an American problem. It is one for many other countries as well, which threatens bodies, souls and governments. The President expressed strong appreciation for the Prime Minister's interest and said that he would try to maximize our assistance for intelligence training and other needs that Pakistan may have to fight narcotics.

The Prime Minister called on Foreign Minister Yaqub Khan concerning Afghanistan, who noted that it is a joint triumph of trust and confidence. There is much more work to be done on the reconstruction of Afghanistan, which will need all the assistance it could be given. He mentioned the current Afghan leader, Najibullah.

President Bush asked Pakistan's assessment of Najibullah.

Foreign Minister Yaqub indicated that he believed that the resistance would soon tear apart the existing Afghan government,

that there would be a need for a new start, and the resistance was not much concerned with Najibullah.

The President noted that for ten years Pakistan had stood up with courage, and had taken a lot of heat, but that it also generated the respect of most of the family of nations. The President scoffed at the ridiculous recent story that Pakistan might invade Afghanistan and asked its source.

Foreign Minister Yaqub said that Najibullah had put the story out, apparently as a part of his paranoia which, as the President had said, is probably related to his loneliness.

The Prime Minister asked if she could visit the United States sometime soon. She expressed the desire to come by this summer.

The President responded very favorably, and mentioned Ambassador Oakley. He noted the Ambassador has the strong confidence of the President, and that this is not a routine endorsement. After asking about the health of the Prime Minister's mother, the meeting concluded.

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Bilateral Discussion with President Sese Seko Mobutu of the Republic of Zaire

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Karl D. Jackson, NSC, Notetaker

Zaire
President Sese Seko Mobutu
Minister of Foreign Affairs Nguz-a-Karl-i-Bond
Special Counsellor Nkema Liloo
Director of President's Office Mokonda Banza
Murairi Mitima, Ambassador to Japan

DATE, TIME AND PLACE: February 24, 1989, 5:25 p.m. - 6:00 p.m.
Ambassador's Residence, Tokyo, Japan

President Bush: I am interested in hearing from you on any subject. I am encouraged by recent developments in Angola. Our position continues to be one of supporting Savimbi. Zaire can take part of the credit for the Cubans leaving.

President Mobutu: My impression is that things are going well. Some Palestinians are still training former soldiers from Katanga with Cuban and East German assistance. We briefed Senators Nunn and Boren on these matters.

President Bush: Rest assured that the Senators conveyed this information to me at the White House upon their return.

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President Mobutu: We also briefed a second congressional delegation in Zaire two weeks ago. We fear for our security. We lack air power and need anti-tank weapons to counteract Angolan forces.

President Bush: Do you really worry about an actual attack?

President Mobutu: This is of ever greater concern. The Chief of Staff of Angola was in Portugal recently where he let it be heard that an action against Zaire had already been decided upon at the political level.

President Bush: But with the Cubans leaving and Savimbi still in the field, this would seem rather foolish.

President Mobutu: Not all Cubans will be withdrawn. Some of them have taken up citizenship in Angola.

President Bush: Do Angolans like the Cubans? Savimbi told me that Cubans fly in and pick up their dead while leaving Angolan wounded on the field.

President Mobutu: There is a profound cleavage within the Angolan leadership between blacks, who are firmly anti-Cuban, and those of mixed ancestry, who remain close to the Cubans.

President Bush: When we last talked about Belgium, I did not want it to seem as if I was interfering in your internal affairs.

President Mobutu: No, I understand.

President Bush: As we look at financial requirements and our relationship with Belgium, I would be remiss if I did not say that we favor the resolution of your problems with Belgium.

President Mobutu: What is happening between a former metropolitan power and a former colony is very painful. In the spirit of the Toronto summit, the Belgian Prime Minister indicated that Belgium wanted to make a gesture, a government-to-government loan. Our debt is 5 billion francs and the offer was to forgive 1 billion. In reply, we told him that for the sake of our relationships, other countries, such as Canada, Italy, West Germany, and France had cancelled much larger portions of the debts owed them by Zaire. I told them that Belgium could not do less than other countries. Belgian wealth resulted from what was siphoned out of Zaire. Zaire did not get anything from the sale of its uranium. Only eleven days after Zaire's independence, Belgian citizens declared succession with the help of Belgian

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Francesco Cossiga of Italy (S)

PARTICIPANTS:

U.S.
The President
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
James A. Kelly, NSC, Notetaker

Italy
President Francesco Cossiga
Gilberto Bonalumi, Minister of State
Ambassador Sergio Berlinguer, Secretary General
Giovanni Dominedo, Counsellor to the President
Ludovico Ortona, Press Spokesman
Carla Lonigro, Interpreter

DATE, TIME AND PLACE: February 24, 1989, 6:06 p.m. - 6:22 p.m.
American Ambassador's residence, Tokyo, Japan

President Cossiga opened the exchange by explaining the change in leadership that had just occurred in the Italian Christian Democratic Party. He believed the international press had not understood what had happened. Cossiga said it is not a tradition in Italy that a change in party leadership would force a change in the government. Prime Minister Da Mita had been both Secretary-General of the party and Prime Minister, and he could continue to be Prime Minister even though some other person was now Secretary-General of the party. (S)

President Bush asked if this affected the Prime Minister's ability to lead. (S)

President Cossiga responded that it should not have such an effect, that European political life had certain uncertainties but that there was no change in Italian leadership now. (S)

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Moreover, the Conference of the Christian Democratic Party had caused no change whatsoever in Italy's foreign policy, economic policy, or domestic policy, but that it was merely a fact of domestic politics that had caused the change in party leadership. (Ø)

The President responded with comments that whatever changes occurred in modern Italy, common to each of these governments' situations was a strong relationship with the United States. The President said there is a particular admiration for Italy's steadfastness, and we are very grateful for the cooperation we have had with Italy. (U)

President Cossiga recalled two extremely difficult decisions for Italy, both of which he had been involved in -- the 1979 decision to accept intermediate nuclear forces (INF) and the decision a couple of years later to actually deploy these forces to Comiso in Italy. (Ø)

President Bush commented that the current government had accepted the transfer of a wing of F-16s from Spain, a strong and courageous effort which the U.S. appreciates very much. He asked if it was more difficult than the earlier matter of the INF. (Ø)

President Cossiga responded that 1979 was much worse and much more difficult, partly because of internal politics and because the pressures of the Soviet Union were then very strong. The influence of the Soviet party on the Italian Communist Party had been quite serious at the time. (Ø)

The President recalled meeting a woman Communist legislator who was the Speaker of the Italian Parliament. He had found her dynamic, and not doctrinaire. (Ø)

President Cossiga responded that she is called "the lady," and although a Communist is very balanced. (Ø)

President Cossiga expressed formal congratulations on the beginning of the President's stewardship. He indicated that there were great tasks ahead, global problems of the East-West, that these were helped because the President had "nothing to learn" on such matters. (Ø)

The President disagreed that there was nothing more for him to learn but he guaranteed that the Italian-U.S. relationship could only grow stronger and not weaker during his presidency. He understands Italy and he understands the importance of Italy. (U)

The President then commented on the ongoing U.S. arms control and Soviet Union policy review. He said the U.S. would fully consult with allies and that he intended to see that Gorbachev did not achieve dominance of public opinion in Europe. (S)

President Cossiga commented on the importance of this approach to policy, particularly to Germany which was more exposed to short-range missiles. He said that Germany was also most exposed to the psychological offensives of Gorbachev and the effect was compounded by the frailty caused by German division. But when the time comes to decide, said President Cossiga, Germany is always faithful. (S)

The President agreed that we must take into effect the political situation of our allies. He said that Gorbachev knows that the U.S. needs time for its review. The U.S. will not miss opportunities, and the review is not just to upstage Gorbachev, for there are serious matters that have to be decided. Indeed, we want Gorbachev to succeed, but will proceed with caution. (S)

President Cossiga agreed that it was very important for public opinion to understand this point, that an attitude must be maintained on Gorbachev based on realism and prudence. (S)

The President responded with thanks for this position. (U)

President Cossiga commented on the Middle East and his visit to Israel at the time of the breakout of the "Intifada." He noted that he was first representative of a western country to meet with Shamir at that time. He had talked to him as a friend, and recalled Italy's significant role in the migration of Jews in the late '40s to Israel, but told Shamir, "you cannot continue this way." It will damage the image of Israel and there can be no military solution in the occupied territories. (S)

The President commented that perhaps Shamir thinks that by now. (C)

President Cossiga then complimented the President for accepting the first steps from the PLO and entering a dialogue. (C)

The President said the requirements met by the PLO had been important. (C)

President Cossiga said that the movement would give strength to the moderate wing of the PLO, and others such as Egypt. It has increased the prestige of such moderate players, and that is

important for the equilibrium of North Africa and the Middle East. (C)

The President then expressed some optimism but urged caution on Italy in dealing with Qadaffy of Libya. He said some in Italy see the American attitude as paranoia, but the unstable nature of the Libyan leader is a fact. (S)

President Cossiga acknowledged the point and the meeting concluded. (U)

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MEMORANDUM OF CONVERSATION

SUBJECT: Bilateral Meeting with President Aquino of the Philippines (S)

PARTICIPANTS:

U.S.
The President
The First Lady
James A. Baker, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Karl D. Jackson, NSC, Notetaker

Philippines
President Corazon Aquino
Foreign Secretary Raul Manglapus
Roberto Villanueva, President of the Coordinating Committee of the MAI

DATE, TIME AND PLACE: February 24, 1989, 9:10 p.m. - 9:20 p.m.
Akasaka Palace, Tokyo, Japan

President Bush: It is a pleasure to have the opportunity for this meeting. I am very anxious to be helpful in any way that we can. (U)

President Aquino: Thank you for your telephone call, even though we were cut off. I told my Filipino friends about being cut off and they couldn't believe it. (U)

President Bush: We do want to work together. The world is offering some good opportunities in East-West relations and one reason we are here is to show our continuing interest in Asia. Also, I want to say that we strongly favor the MAI. (S)

President Aquino: We received your joint statement with Prime Minister Takeshita on the Multilateral Assistance Initiative. Thank you for your support. (S)

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Secretary Baker: As you know we are implementing a flexible freeze in our budget process. President Bush has directed that the $200 million for the MAI be spared from normal budget cutting. This has been done at the President's insistence. (S)

President Bush: We have a very tough budget situation, but I will make a deal with you. I won't tell you all of my problems if you don't tell me all of yours. (S)

President Aquino: Could I ask you one favor? Would it be possible for you to appoint a distinguished American to facilitate the MAI by working with Mr. Villanueva who is here this evening? (S)

President Bush: I will be glad to do so and we will try to give you someone with clout. (U)

President Aquino: That would be most helpful. (U)

The meeting ended with an exchange of pleasantries between President Aquino and Mrs. bush. (U)

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with President Jose Sarney of Brazil (S)

PARTICIPANTS:

U.S.
The President
James A. Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Robert Zoellick, Counselor-Designate of the State Department, Notetaker
Sophie Purson, Interpreter

Brazil
President Jose Sarney
Roberto Costa DeAbreu Sodre, Minister of Foreign Affairs
Carlos Bueno, Ambassador to Japan
Ambassador Correa, Advisor to the President

DATE, TIME AND PLACE: February 25, 1989, 11:00 a.m. - 11:30 a.m.
American Ambassador's Residence, Tokyo, Japan

President Bush and Brazilian President Jose Sarney had a productive meeting of about thirty minutes on February 25, 1989, at the American Ambassador's residence in Tokyo. Most of the discussion focused on Brazil's economic recovery program and environmental issues. Sarney's two main points to the President were: 1) Brazil had no need for a new bridge loan from the U.S. at this time, and 2) Brazil and the U.S. should create a high-level commission to evaluate ways to avoid destabilization in Brazil and Latin America. (S)

The President began the meeting by telling President Sarney how pleased he was to see him again. The President told Sarney he was well aware of the problems with which Brazil was struggling, praised Brazil's courageous efforts, and said he was glad Sarney believed there was light at the end of the tunnel. The United States, he said, wanted to work with Brazil. (U)

The President explained that Treasury was reviewing the debt issue and that the administration was also reviewing many other

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foreign policy issues from scratch. The purpose was not to delay action, but to be certain of the most appropriate course. He wished they had more time to talk and asked Sarney to raise any subject he desired. (U)

President Sarney said he was glad to see the President again, especially in his new position. The U.S., he continued, was the guarantor of democracy and of economic and political freedom. The U.S. was Brazil's main partner and ally and its success was important, especially for Brazil. (U)

President Sarney said Brazil faced many problems. While he had only one year left in his term, the time should be well spent. Expectations were low in Brazil because its relationship with the U.S. had not been successful in recent years, so a positive agenda could have substantial effect. (S)

President Sarney recalled he had sent the President a message recently that Brazil and the U.S. needed a positive agenda. In the past, Sarney continued, the two countries had focused on negative matters. (S)

President Sarney noted that Brazil had needed to carry out an external adjustment after 1987 through agreements with commercial banks, the IMF and the Paris Club. Now it had normalized its economic relations. He said he had always thought Brazil must solve its problems in the international area, but it could not properly address its internal troubles because of the interdependent nature of the world. (S)

President Sarney explained he had resisted easy solutions in 1988 to prepare Brazil for economic recovery. Then in 1989 he launched new economic measures, despite their political cost, including rigid price, wage and tax policies. (S)

The President wondered if these policies would cause Sarney political difficulty at home. (S)

President Sarney said it was the price they would have to pay. But he believed Brazil was seeing the light at the end of the tunnel. The first results, he stated, were encouraging. (For example, the inflation rate was only 2 percent this month.) The IMF and World Bank were familiar with Brazil's economic plan. Brazil's need for external support for its internal efforts had prompted Sarney's letter asking for the President's support. (S)

President Sarney continued that he did not want to repeat the 1987 mistake (probably referring to the debt moratorium). Because of recent good economic results (reserves are up), Sarney said Brazil no longer needed the bridge loan he had discussed with the President. If circumstances changed, however, he might need to discuss the bridge loan again with the President. (S)

The President asked about Brazilian Congressional support for Sarney's economic plan. (U)

President Sarney replied Congress had approved the core of the plan. (U)

The President said this was a credit to Sarney's leadership. He said he understood fully U.S. responsibilities in the world market, especially its fiscal policy. He stated the U.S. needs to reduce its deficit and that the administration was working more effectively than he had anticipated with the new Congress. If a budget agreement were reached soon, it could have a positive effect on interest rates. (U)

The President told Sarney the U.S. had a fundamental commitment to market economics and growth. He said Tony Motley, who has great respect for Sarney, had been in touch with him about Sarney's letter. The President said the U.S. had not intended to signal any appearance of neglect of Brazil and apologized for any delay. (U)

Noting recent journalistic interest in Brazil and the environment, the President wanted to assure Sarney the U.S. was respectful of its sovereignty. He also knew Sarney was well aware of the global warming issue. (U)

The U.S. did not want to lecture, or embarrass Brazil, the President continued, but instead wanted an open dialogue on global environmental concerns. He said he knew both of them were aware of mounting concern in the world about the environment. The President said he hoped Brazil and the U.S. could find ways to talk about the issue, perhaps at the expert level. The U.S. would act reasonably and would avoid any appearance of dictating its views. The U.S. did not claim to know all the answers, but wanted to get the subject on the table. (U)

President Sarney replied that he was personally concerned about the environment and had been since, as a Senator in 1972, he had attended an environmental conference in Stockholm. The challenge, he said, was to create an awareness of the importance of ecology. (U)

Brazil, President Sarney said, is entirely open to international scientific and technical cooperation on the Amazon; he explained there are currently more than thirty international missions working on the problem. He warned, however, that Brazil must protect its sovereignty and would not accept an internationalization of the region. Sarney argued that international public opinion is unaware of the facts about the Amazon. (He pointed out that the region's perimeter is five times the length of the U.S.-Mexican border and that region is five times the size of Texas.) (C)

The President said we wanted to remain in touch with Sarney on this issue. He asked Sarney to call him if he thought any U.S. officials appeared to be infringing on Brazilian sovereignty -- something the President said he would make sure would not happen. (S)

And he pledged to continue to discuss environmental issues with Sarney. (S)

President Sarney told the President he had recently pointed out to a visiting U.S. Congressional delegation that we cannot let xenophobia or exaggerated nationalism develop in Brazil. According to Sarney, these negative feelings are a reaction to those who advocate formation of an international directorate to oversee Brazil's environmental problems. Environmental problems must be dealt with rationally. The government needed to inform people of environmental facts. They needed to exercise care because some leftist infiltrators had tried to exploit the problem for their political advantage. (S)

Secretary Baker inquired about the status of debt-equity swaps, adding that there was potential to reduce debt and help the environment through debt-for-nature swaps. This exchange could create conservation easements and reduce the debt burden while still controlling sovereignty. (C)

President Sarney pointed out his government had created three times more parks than in the entire history of Brazil, and said ten percent of the country's territory was preserved for Indians. He argued Brazil should not join debt and environmental problems together. (C)

In concluding, President Sarney said he would comment briefly on the broader debt issue, which needs to be dealt with seriously. In Sarney's view, debt is a large factor in destabilizing Latin America and is now a political and not an economic problem. Due to debt, democratic governments and people with democratic values couldn't find solutions to the problems they faced. This allowed leftists (no longer populists), Marxists of the Caribbean variety, to generate violence and take the offensive. Sarney reminded the President that leftist parties had achieved considerable success in the last Brazilian elections. Some leftists believe elections are a tactical tool -- not a strategic one; they really want power and are willing to use violence to get it. (C)

Finally, President Sarney said that a destabilized Brazil was tantamount to a destabilized Latin America. He said he would like to create a high-level commission to study this problem. (U)

The President responded the U.S. wants better relations with Brazil, and would not let its problems worsen through neglect. He pledged to look into the high-level commission proposal. (U)

President Sarney answered that 1989 would be an important year in Latin America, perhaps decisive for democracy, and that we must start now to avert greater problems later. (C)

The President underscored the need to reply quickly on all of these matters. (U)

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Ibrahim Babangida of Nigeria

PARTICIPANTS:

U.S.
The President
James Baker III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Max Marlin Fitzwater, Assistant to the President for Press Relations
James A. Kelly, NSC, Notetaker

Nigeria
President Ibrahim Babangida
Ike Nwachukwu, Minister of External Affairs
Several others

DATE, TIME AND PLACE: February 25, 1989, 11:50 a.m. - 12:09 p.m.
U.S. Ambassador's residence, Tokyo, Japan

President Bush, after greeting the President with warmth, commented on a pick-up in oil prices of the day before. He again thanked President Babangida for coming to call, noting that Japanese security had made moving about town difficult for him. After President Babangida responded by congratulating President Bush on his election, the President pointed out that he was an American president who is very interested in Africa. He has visited many African countries and hopes to visit more. America will not neglect her friends, the President said.

President Babangida expressed a growing optimism. He believes our relations will be excellent.

In response to the President's question about Nigeria's main problems in Babangida's view, President Babangida related that since coming to office in 1985, he had been working to restructure Nigeria's economy. There had been a "monoculture," he said, and when oil prices declined he realized that he had to diversify the economy and Nigeria's industrial base. Only in this way would he get Nigeria's economy on a path of sustained growth. He affirmed President Bush's question of concern for declining petroleum reserves, and stated his new emphasis would be on agricultural products, petrochemicals and finished goods as a take-off base.

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2000-0429-F
8/21/2009

President Babangida responded to the President's question on population. He said it was a great problem, with 120 million Nigerians now and a growth rate of 3.2%. He thanked the President for U.S. help on population control.

President Bush also lauded the UN 's population education efforts as useful.

President Bush brought up one area for emphasis. He thanked President Babungida for help on narcotics. President Bush conceded that many viewed this as an American problem, but that it is spinning toward other countries. He asked for maximum cooperation on this scourge.

President Babangida said the cooperation was going well; his attorney general had traveled to the U.S. recently, and that the effort on detections was showing improved results.

President Bush asked how badly President Babangida assessed narcotics as a problem for Nigeria's younger generation.

President Babangida acknowledged a problem, even for school age children.

President Bush affirmed his intent to work to "clean our own nest," and emphasized the importance our Congress puts on the issue. He mentioned Mr. Bennett, who will have the tough job of coordinating all our efforts. He said that former Secretary Bennett will be seeking cooperation -- and will be willing to work cooperatively -- with other governments.

President Babangida said his government would continue to cooperate.

President Bush asked about Nigerian politics.

President Babangida described his plans -- a part of his commitment to democratic ideals, he said -- to transition a greater role for opposition parties. By the end of the quarter, he will lift the ban on partisan politics. Then, in next year's State election, he hopes for better participation by the opposition. In the November '90 elections, newly-elected governors and state legislatures would demonstrate the multi-party system. He also described the 1992 census and how it would be depoliticized.

President Bush then brought up Angola and his desire to see Luanda and UNITA talking together. The President said that Nigeria could be very important on that. The President also

reminded President Babangida that, although some others may be less concerned, he believes that Qadhafi and Libya remain an unstable and dangerous combination. The President said his mind is not closed to new information, but his advice would be "beware."

President Babangida responded on Angola. He said he had tried to impress upon Dos Santos the wisdom of an international settlement with UNITA and the MPLA. He noted the healing process -- a very successful one -- that had occurred in his own country since Nigeria's civil war of 1967. He had urged a magnanimous solution, and the results were good.

President Bush thanked President Babangida and said Nigeria has a significant role to play. The U.S. will continue to support UNITA, but for an agreement, not conquest.

President Babangida said he would wait to hear more on this from Secretary Baker.

The meeting ended with a friendly exchange concerning a Nigerian mutual friend, Eddie Ogbu.

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

SUBJECT: President Bush's Informal Tea with Premier Li Peng of the State Council of the People's Republic of China

PARTICIPANTS:

U.S.
The President
The First Lady
James A. Baker III, Secretary of State
Winston Lord, Ambassador to China, and Mrs. Lord
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President for Press Relations
Andrew Card, Deputy Chief of Staff
Robert Zoellick, Counselor-Designate, State Department
Gaston J. Sigur, Assistant Secretary of State for East Asia and Pacific Affairs
Margaret Tutwiler, Assistant Secretary of State, Public Affairs (Designate)
Notetaker
Interpreter

China
Premier Li Peng and Mrs. Li
Foreign Minister Qian Qichen and Mrs. Qian
Vice Foreign Minister Zhu Qizhen and Mrs. Zhu
General Cheng Shaoling
Vice Premier Wu Xueqian
PRC Ambassador to the U.S. Han Xu
Assistant Foreign Minister Liu Huaqiu
Ministry of Foreign Affairs Protocol Director Wu Minglian
Ministry of Foreign Affairs Information Director Li Zhaoxing
Ministry of Foreign Affairs Deputy Director for American and Oceanian Affairs Zha Peixin
Ministry of Foreign Affairs Counselor Wang Li
Interpreter

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2009-0429-F
8/21/2009

DATE, TIME: February 25, 1989, 5:15 p.m. - 5:25 p.m.
and PLACE: Diaoyutai State Guest House, Beijing, China

SUMMARY: President and Mrs. Bush were greeted at the Diaoyutai State Guest House by Premier and Mrs. Li Peng. They had a brief, informal tea and then exchanged gifts.

Premier Li extended President and Mrs. Bush a warm welcome and recalled his being hosted by the President during his visit to the United States in 1985. Premier Li said that the Chinese side was looking forward to extensive and in-depth discussions on bilateral issues and international matters, and the Premier offered to bring President Bush up-to-date on the situation in China in a meeting the next day.

President Bush expressed his pleasure in being back in China. He said that he was looking forward to the visit of National People's Congress Chairman Wan Li to the United States. Noting Chairman Wan's interest in tennis, President Bush observed that as our relationship started with ping pong diplomacy, it might as well continue with tennis diplomacy. END SUMMARY

President and Mrs. Bush were warmly greeted by Premier Li Peng and his wife upon their arrival at the Diaoyutai State Guest House. Also greeting President and Mrs. Bush on arrival were Foreign Minister and Mrs. Qian Qichen; Vice Foreign Minister and Mrs. Zhu Qizhen; and General Cheng Shaoling. After greeting Guest House staff members, President and Mrs. Bush joined Premier Li and his wife in a brief informal welcome tea.

Premier Li: It is such a pleasure to see you again.

President Bush: It is an honor and a pleasure to be back.

Premier Li: We saw each other in 1985.

President Bush: I remember that very well.

Premier Li: I remember at that time you gave me a tour of the White House. At that time you were not the "owner" of the White House. Now you are the "owner." At that time you gave me a tour of the Oval Room.

President Bush: You must come back to visit. I never thought when I came here in 1974 that I would be President someday.

Premier Li: I remember when I visited the Vice President's residence, you told me it had a tennis court.

President Bush: That's right.

Premier Li: If my memory serves me right, you said it was the Naval Observatory.

President Bush: Exactly right. It has a clock that is accurate to a billionth of a second. You are an engineer and understand that is called a nanosecond.

Premier Li: A very warm welcome to Beijing. On behalf of Chairman Deng Xiaoping, Party Secretary General Zhao Ziyang, and President Yang Shangkun, please allow me to extend to you our greeting and warm regards. Welcome.

Tonight, I will jointly host a dinner with Yang Shangkun in honor of you and Mrs. Bush and your entourage. Tomorrow, you will have meetings with Deng Xiaoping, Zhao Ziyang and myself.

President Bush: I am looking forward to that very much.

Premier Li: During your stay we will have extensive and in-depth discussion on bilateral issues and international matters. We can also brief you on developments on the "home front."

President Bush: I have a lot of interest.

Premier Li: At present we have some economic difficulties, but they will not have any effect on our policies of reform and openness.

President Bush: I'll make a deal. I'll not tell you about my economic problems at home, and you don't tell me about your economic problems.

Premier Li: Well, there could be a deal like that, but if you have some interest in what is going on here, I'll be glad to tell you.

President Bush: I would be interested. When I was here, I remember our bilateral trade was not even a billion dollars, maybe even less than 800 million dollars a year. Now it is 14 billion dollars, isn't that right, Win?

Ambassador Lord: Yes.

Premier Li: According to our figures it is 10 billion dollars.

President Bush: Oh yes, I forget. We can talk about that.

Ambassador Lord: The Chinese don't count exports through Hong Kong.

President Bush: I remember that.

Premier Li: Hong Kong won't come under China until 1997.

President Bush: We are looking forward to Chairman Wan Li's visit to the United States. I particularly want to take him on the White House tennis courts.

Premier Li: This time in China you have a chance to meet Chairman Wan Li. He is disappointed that your stay here is short and you won't have a chance to play tennis with him.

President Bush; He hits the ball with a lot of spin.

Premier Li: I said to tell him that he mustn't feel too sorry, that maybe soon he will realize his hope and that a game can be arranged in the United States.

President Bush: Definitely. That is a commitment. After all, it all started with ping pong diplomacy. We might as well continue with tennis diplomacy.

Premier Li: Ping pong diplomacy began in 1971. When we talk about ping pong diplomacy, we still talk about and remember Zhou Enlai, President Nixon and Kissinger.

President Bush: President Nixon is still in good health. Kissinger is still very active. I have one regret that when I was here I never had the opportunity to meet Zhou Enlai. I saw him once at the Great Hall but never shook his hand. Han Xu would know. We didn't have formal relations and did not attend the functions at the Great Hall, except that one time.

Premier Li: Maybe it had to do with your means of transportation - by bicycle.

President Bush: Yes, a Flying Pigeon. A very good one.

Premier Li: I'll present you with bicycles later. By the way, since you were last in China, there have been changes in Beijing. This building is a case in point. This will be your first chance to stay here. Villa 18 has been remodeled. The first guest after it was remodeled was Queen Elizabeth II of Great Britain.

Since you must be fatigued and will dine soon, I will say farewell momentarily. But I hope you will introduce your party to me. I can see this is Secretary Baker.

President Bush: Yes. He has been Secretary of Treasury and the White House Chief of Staff. The gentleman wearing a red tie is John Sununu, the new White House Chief of Staff, who used to be a governor of one of our states. Many of you know Brent Scowcroft. Betty (Mrs. Lord). Gaston Sigur -- whom many of you know. Margaret Tutwiler, who is the new State Department Assistant Secretary for Public Affairs. Next is Marlin Fitzwater, White House Press Secretary.

Premier Li: A very important job and a difficult one.

President Bush: And, of course, this is my wife. How is the widow of Zhou Enlai? Is she in good health?

Premier Li: Yes. She is 84 now. When Mrs. Bush came to China last time, she met with her.

The informal tea ended, and President and Mrs. Bush and Premier and Mrs. Li went to the anteroom to exchange gifts.

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President Bush's Meeting with President Yang Shangkun of the People's Republic of China

PARTICIPANTS:

U.S.
The President
James Baker III, Secretary of State
Winston Lord, Ambassador to China
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Andrew Card, Deputy Chief of Staff
Marlin Fitzwater, Assistant to the President for Press Relations
Gaston J. Sigur, Assistant Secretary of State for East Asia and Pacific Affairs
Robert Zoellick, Counselor-Designate, State Department
Margaret Tutwiler, Assistant Secretary of State, Public Affairs (Designate)
James A. Kelly, Senior Director of Asian Affairs, National Security Council
J. Stapleton Roy, Deputy Assistant Secretary of State
Peter Tomsen, Deputy Chief of Mission, Beijing
Karl Jackson, Senior Director of Asian Affairs, National Security Council
Ray Burghardt, Political Counselor, Embassy Beijing
Mark Mohr, Notetaker
Vivian Chang, Interpreter

China
President Yang Shangkun
Vice Premier Wu Xueqian
Ambassador Han Xu
Assistant Foreign Minister Zhu Qizhen
MFA Protocol Director Wu Minglian
MFA Information Director Li Zhaoxing
USA Department Deputy Director Zha Peixin
USA Department Counselor Wang Li
USA Department Division Chief Ma Zhengang
MFA Protocol Deputy Division Chief Liu Xizheng
MFA Protocol First Secretary Zhu Luchang
Other participants (2)
Notetakers (2)
Interpreter

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DATE, TIME AND PLACE: February 25, 1989, 7:00 p.m. - 7:40 p.m. Great Hall of the People, Heibei Room, Beijing, China

Summary: In a warm and cordial forty-minute meeting, President Yang called President Bush's first trip to China since taking office "very significant" and said that his meetings with China's top leaders would further promote the development of Sino-U.S. relations.

President Bush promised Chairman Wan Li a warm welcome to the U.S. in May. He characterized the Sino-U.S. relationship as very strong.

President Yang fully agreed, noting that high-level visits contribute to this process. Yang expressed satisfaction that relations between China and the U.S. have been developing steadily.

President Bush stated he was not worried about the Gorbachev visit to China. He characterized the U.S.-China relationship as standing on its own merits, rather than being a facet of U.S.-Soviet relations. He assured President Yang that the U.S. would not enter into any agreements with the Soviet Union that would be to the detriment of China or Sino-U.S. relations.

President Yang assured the President that Sino-Soviet normalization would not harm any third country, and that a military alliance or military relationship with the Soviet Union would be "out of the question." On the issue of Cambodia, Yang said the attitude of the Vietnamese and Phnom Penh puppet regime has gone from bad to worse, and it remained to be seen whether the Soviets would make good on their consensus with China that all Vietnamese troops should withdraw from Cambodia by September 30. End summary.

President Yang: How is your health?

President Bush: I've had a cold, but I feel better now.

President Yang: You must be very busy these days.

President Bush: Yes, we had a very busy trip in Japan, and I've been occupied with the economy and the budget.

President Yang: We are very glad to have you in China. You, Mr. President, are familiar to Chinese leaders and even to the Chinese people. Recently, our press has published a picture of you and Mrs. Bush riding bicycles.

President Bush: Yes. Premier Li Peng just gave me a pair of beautiful bicycles.

President Yang: I'm afraid the quality might not be very good.

President Bush: The bicycles are very fine.

President Yang: All of us were glad to learn of your trip to China. I understand you served here for almost two years as Chief of the U.S. Liaison Office.

President Bush: Yes.

President Yang: And since then you've been here on four occasions, not including this trip.

President Bush: Yes, and Mrs. Bush has been here five times. This is her sixth visit.

President Yang: She has come once more than you. Every time you come, you discuss major issues with Chinese leaders. So you've made great contributions to the development of Sino-U.S. relations and to cooperation between our two countries. As this is your first trip to China since you've taken your present office, it is very significant. I think this shows that you, Mr. President, pay much attention to our bilateral relationship. This also shows the friendly sentiments you cherish for the Chinese people. Although your stay this time is short, all top Chinese leaders will meet you. This will promote the further development of Sino-U.S. relations. When you lived in China, Chairman Deng was a good friend of yours. Our present General Secretary, Zhao Ziyang, is also an old friend. In addition, present Premier Li Peng paid a visit to the United States and was received by you. He says that he once dined at your home.

President Bush: Yes, that's correct.

President Yang: You also know Chairman Wan Li well. You've played tennis with him. He says he frequently lost to you.

President Bush: Wan Li will be very welcome as the highest ranking Chinese official to come to the U.S. this year. We will give him some good tennis action too.

President Yang: Originally, we would have been pleased to arrange a tennis match between you and Wang, but your visit is too short.

President Bush: I'll be too busy.

President Yang: So we will let him go to the United States to play tennis.

President Bush: There is good weather in May. His visit will be symbolically important. I will tell him tomorrow that we will give him a very warm welcome. Officially, because of protocol, Vice President Quayle will be his host. But, on a personal basis, I want him to know that I will be his host too.

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President Yang: He will be very pleased to hear this. This is the third time I am meeting with you. The first time was in Manila, and the second was in 1987 when I led a Chinese government delegation to the United States as your guest.

President Bush: It was a wonderful visit.

President Yang: On that visit, I was warmly received by U.S. leaders and the arrangements were very considerate. You and I had over a four-hour talk on the Presidential yacht. The talks were warm, friendly and frank.

President Bush: Yes, it was not diplomatic; it was very frank and good.

President Yang: It was just like talks between good friends.

President Bush: From our side we feel the bilateral relationship is very strong. We hope you agree.

President Yang: I fully agree. The reason why I recalled our previous meetings was to illustrate that frequent top-level visits are not only beneficial to our bilateral relations but also to world peace.

President Bush: I think some of our top military leaders are coming to China this year. For example, Chief of Staff of the Air Force Larry Welch, and some others. That's a good thing. With your background, you can understand the importance of such military visits.

President Yang: In recent years, there have been frequent exchanges of visits by military leaders of our two countries. In that sense, your visit is very timely and good for an exchange of views. I think the relationship between our two countries has been developing steadily. There are broad areas for cooperation between our two countries. Naturally, we hope to promote further such cooperation through your visit. This visit comes at a time that is very important for both our countries. The current international situation is developing and undergoing drastic changes. In this light our two countries should step up consultations on many issues. We should carry out in-depth analysis and observations on many developments. And we should take corresponding actions to accord with the current trend toward relaxation of tensions.

President Bush: I agree.

President Yang: Just now I said relations between our two countries have been steadily developing over the past decade. But I think we should sum up past efforts, and look to the future. I think the deepening and expansion of cooperation between our two countries serves the interests of our two peoples. Therefore, the leaders of our two countries should carry out frequent exchanges of views. Now the general

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international situation is moving toward the resolution of problems, but there are still many outstanding issues, so it is necessary to exchange views. Naturally, you are giving consideration to these issues, and we are doing the same. In our own bilateral relationship, I think we should also exchange views on many issues. Therefore, I want to reiterate that we warmly welcome your visit. This is not just an ordinary welcome. We are old friends.

President Bush: I agree.

President Yang: I think international developments in the world today should not weaken, but rather strengthen, the importance of our bilateral relationship. We are two big countries, located on opposite sides of the Pacific Ocean. So the friendly cooperation between our two countries will promote cooperation in the Pacific region and in the world as well. This is most important for the maintenance of world peace, stability and security. All these questions will be discussed in detail in your talks tomorrow with Li Peng, Zhao Ziyang and Deng Xiaoping. Therefore, we are very glad to receive you in Beijing at such a crucial moment. I have one more remark. When you were campaigning for President, we closely followed the elections. Once in talking to former Secretary of Defense Carlucci, Chairman Deng also revealed his desires. Personally, as I have told Ambassador Lord many times, if I could vote, I would vote for Bush.

President Bush: When I was behind, I thought of calling you and asking for 30 million votes.

President Yang: I once told Ambassador Lord that it was a pity I could not vote. I would have voted for you.

President Bush: Although China was never an issue in the campaign, the fact that I have some feeling for China may have affected the elections because this relationship is broadly supported in the U.S. There was a subtle feeling from the American people that they wanted someone who could move relations with China and other countries forward, someone who had foreign affairs experience. Let me make one point about our relationship now which I will deal with in depth tomorrow. Some of the press travelling with us say: Mr. President, do you worry about Gorbachev going to Beijing? I say: I don't worry at all about it. When I saw Gorbachev in New York before I became President, and before his visit was announced, I said: I hope you go to China. I feel the relationship we have now is not based on some facet of Soviet relations, but on its own merits. For example, we now have cultural, educational and trade relations. It is not just based on worry about the Soviets, although we still do to a degree. We are undertaking a high-level review now about what steps we should take with the Soviet Union. We welcome the changes in the Soviet Union, such as glasnost and perestroika, although they still have their problems. We have documents which define Sino-U.S. relations. In the three communiques, we have

the underpinnings that define the U.S.-China relationship. We will build on those three documents, the communiques. And just as in the INF agreement, where we would not enter into an agreement that was bad for China and thus for Sino-U.S. relations, I can assure you that what we do with the Soviets in the future in arms control or other agreements will not be to the detriment of China. This relationship stands on its own and is strong. And I assure you as President that there will not be a deal on arms that will work to the disadvantage of China.

President Yang: We believe this. The Sino-Soviet summit will soon take place, but the idea of the summit was first proposed by Chairman Deng, not by the Soviets. The key issue at the time was Cambodia. It was natural that in trying to solve the Cambodian question there should be consultations. We had talks with the Soviets at the Vice Foreign Minister and Foreign Minister levels. We hope through the summit we can promote a genuine peaceful and just settlement. The last time the Foreign Ministers met, there was a consensus that Vietnamese troops should be withdrawn by September 30 of this year. But now the attitude of the Vietnamese and the Phnom Penh puppet regime has gone from bad to worse and has not improved. So we have to wait and see whether the Soviets can put into practice the consensus reached with China. Also I can assure you that normalization of Sino-Soviet relations will not be like in the 1950s.

President Bush: No.

President Yang: Also any military alliance or military relationship with the Soviet Union is out of the question. So I request that American leaders understand this. We will on no account imperil the interests of any third country in improving relations with the Soviet Union. In a word, we must watch the deeds of Mr. Gorbachev and not just listen to his words. All Sino-Soviet negotiations, beginning with the Khrushchev years, have been led by Deng Xiaoping. All Chinese delegations to international conferences or between parties have been led by Chairman Deng. I also participated in some of the negotiations. Therefore, I think a Chinese saying is applicable to the Soviets: We will not only listen to his words, but watch his deeds. I think when meeting with Chairman Deng, he will give you a systematic elaboration on this.

President Bush: I am eager to hear his views.

President Yang: He has the richest experience in dealing with the Soviets.

President Bush: In the 1950s did Deng deal with the military aspects of Sino-Soviet relations?

President Yang: No. At that time he was Vice Premier. Later, when he became the General Secretary of the Party, he was in charge of Party military affairs. He was elected General Secretary of the Chinese Communist Party at the Eighth Party

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Congress. Soon after that, relations with the Soviets began to worsen. There are many old friends of yours here who were glad to hear of your visit. Please take a few minutes for a short cocktail party that we have arranged so that they can meet you.

President Bush: But we were just getting started, like on the boat.

President Yang: We will have more opportunity to talk at dinner. Now we have planned a very short, 15-minute cocktail party. Vice Premier Wu Xueqian and Foreign Minister Qian will accompany you to the cocktail party.

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Welcoming Banquet in Beijing, China

PARTICIPANTS:
U.S.
The President
Vivian Chang, Interpreter and Notetaker

China
President Yang Shangkun
Premier Li Peng

DATE, TIME and PLACE: February 25, 1989, 7:40 p.m. - 9:00 p.m.
Great Hall of the People, Beijing, China

Pakistan

The President asked Yang's and Li's opinions on Bhutto's ability to remain a strong leader.

Yang and Li both agreed that she can stay in power as long as she can get along with the military.

The President remarked that it was encouraging to see that Yaqub Khan has remained her foreign minister despite his past closeness to Zia.

Yang disclosed, however, that she had another foreign policy advisor seated next to her when she visited China. This person (name not mentioned) was apparently jailed during Zia's rule.

The President mentioned his concern with his ability to certify to Congress that Pakistan was not building a nuclear weapon, but was encouraged by Bhutto's assurances in Tokyo.

Soviet Union

The President spoke at some length about Gorbachev's ability to succeed at Perestroika.

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Yang and Li both hoped he succeeds, but Yang predicted it would be at least ten years before they will see any results because it has taken China that long (since the 1978 Third Plenum) to see results. Yang noted that Kissinger was just in China to see him and as very pessimistic about Gorbachev.

The President said he was aware of Kissinger's views.

The President pointed out one major problem the Soviet Union has that China does not in carrying out reforms, i.e., Soviet satellite countries like Poland and Hungary wanting to reform more quickly than the Soviets would like.

Li remarked that China would not welcome the kind of labor problems that Poland is experiencing with Solidarity.

The President said that his senior advisors are undertaking a review to determine what steps to take next vis-à-vis the Soviet Union. His aim is to devise an attractive proposal to cut back on personnel in order to save on the defense budget.

Intelligence Cooperation

The President expressed appreciation for China's cooperation in the sensitive intelligence area.

Yang said he was familiar with the joint efforts that were quickly built out of prefab parts from the U.S. in order to detect a Soviet "apparatus.' Later Yang specially pointed out General Xu Xin as the man in charge of the project.

Toast

Li remarked that he enjoyed the President's toast, but would point out just one thing -- that China is not a nuclear power on the same footing as the U.S. (referring to page 2, last paragraph). He said China has nuclear "power" (as in nuclear energy), but does not have a lot of nuclear weapons.

The President said he would be careful next time with the word "power" if it might be misinterpreted in Chinese.

[Interpreter's note: In general, the atmosphere during the dinner was very cordial. Both Li and Yang seemed interested and participated in the conversation equally.]