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FOIA MARKER

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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: Presidential Correspondence Files
Subseries: Presidential Memcons Files

OA/ID Number: 91107
Folder ID Number: 91107-004

Folder Title:
Presidential Meetings - Memorandum of Conversations 6/1/89 - 7/12/89

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	1	1

Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memcon	Re: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom (6 pp.)	6/1/89	(b)(1)	S
02. Memcon	Re: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom (6 pp.)	6/1/89	(b)(1)	TS
03. Memcon	Re: The President's Meeting with Richard von Weizsaecker, President of the Federal Republic of Germany (3 pp.)	6/6/89	(b)(1)	C
04. Memcon	Re: Memorandum of Conversation (3 pp.)	6/6/89	(b)(1)	S
05. Memcon	Re: Meeting with the President and Zambian President Kenneth D. Kaunda (3 pp.)	6/7/89	(b)(1)	C
06. Memcon	Re: Meeting with the President and Botswanan President Quett K.J. Masire (3 pp.)	6/7/89	(b)(1)	C
07. Memcon	Re: Meeting with President Soeharto of Indonesia (5 pp.)	6/9/89	(b)(1)	C
08. Memcon	Re: Meeting with Prince Saud al-Faisal Foreign Minister of Saudi Arabia (6 pp.)	6/14/89	(b)(1)	C
09. Memcon	Re: Luncheon Meeting with Jacques Delors, President, European Communities Commission (4 pp.)	6/14/89	(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 6/1/89 - 7/12/89

Pinksheet Number: cap913
OA/ID Number: 91107-004
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
10. Memcon	Re: The President's Meeting with President Desmond Hoyte of Guyana (4 pp.)	6/19/89	(b)(1)	C
11. Memcon	Re: The President's Meeting with Foreign Minister Hans-Dietrich Genscher of West Germany (3 pp.)	6/21/89	(b)(1)	C
12. Memcon	Re: Meeting with Hiroshi Mitsuzuka, Foreign Minister of Japan (3 pp.)	6/26/89	(b)(1)	C
13. Memcon	Re: Meeting with President Mario Soares of Portugal [FOIA restrictions redacted] (3 pp.)	6/26/89	(b)(1)	S
14. Memcon	Re: Meeting with Robert Hawke, Prime Minister of Australia (10 pp.)	6/27/89	(b)(1)	S
15. Memcon	Re: Meeting between the President and Zairian President Mobutu (2 pp.)	6/29/89	(b)(1)	C
16. Memcon	Re: Meeting with President Mobutu Sese Seko of Zaire (3 pp.)	6/29/89	(b)(1)	C
17. Memcon	Re: Bilateral Meeting with Wojciech Jaruxelski Chairman of Poland (6 pp.)	7/10/89	(b)(1)	S
18. Memcon	Re: Meeting with Meiczyslaw Rakowski, Prime Minister of Poland (4 pp.)	7/10/89	(b)(1)	S
19. Memcon	Re: Meeting with Meiczyslaw Rakowski, Prime Minister of Poland (4 pp.)	7/10/89	(b)(1)	S

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Withdrawal/Redaction Sheet
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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
20. Memcon	Re: Private Meeting with Bruno Straub, President of Hungary (2 pp.)	7/11/89	(b)(1)	C
21. Memcon	Re: Meeting with Miklos Nemeth, Prime Minister of Hungary (4 pp.)	7/12/89	(b)(1)	S
22. Memcon	Re: Meeting with Imre Poszgay, Hungarian State Minister (3 pp.)	7/12/89	(b)(1)	S
23. Memcon	Re: Meeting with Francois Mitterrand, President of France (3 pp.)	7/13/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
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Series: Presidential Correspondence
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File Location: Presidential Meetings - Memorandum of Conversations 6/1/89 - 7/12/89

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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memcon	Re: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom (6 pp.)	6/1/89	(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 6/1/89 - 7/12/89

Document Partially Declassified
(Copy of Document Follows)
By [illegible] (NLGB) on 10/4/10

Date Closed:	1/23/2009	**OA/ID Number:**	91107-004
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(70)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	7/10/2009	**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]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(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

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs (notetaker)

Margaret Thatcher, Prime Minister
Charles Powell, Private Secretary to the Prime Minister

DATE, TIME AND PLACE: June 1, 1989, 10:35 a.m. - 11:30 a.m.
Number 10 Downing Street, London

Prime Minister Thatcher, after a brief discussion of the relative merits of parliamentary versus presidential government, commented that the President must be thrilled with the way the Summit had turned out. (U)

The President said that if it had not been for the Prime Minister's "anchor to windward," the Summit would not have been a success. ~~(S)~~

Prime Minister Thatcher (b)(1) ~~(S)~~ (b)(1)

The President said he now wanted to keep the pressure on for progress in arms control. ~~(C)~~

Prime Minister Thatcher (b)(1) (b)(1) (b)(1) ~~(C)~~

The President acknowledged that verification of a chemical weapons ban would be tough. He said that perhaps the U.S. proposal in 1984 was wanting in this respect, but the international community must try to achieve a ban. ~~(C)~~

Prime Minister Thatcher (b)(1) (b)(1) (b)(1) ~~(C)~~

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The Prime Minister | (b) (1)
(b) (1)

(b) (1) ~~(S)~~

The Prime Minister | (b) (1)
(b) (1)

(b) (1) ~~(S)~~

The President | (b) (1)
(b) (1) ~~(TS)~~

Prime Minister Thatcher | (b) (1)
(b) (1)

(b) (1) ~~(S)~~

The President | (b) (1)
(b) (1) ~~(C)~~

Prime Minister Thatcher | (b) (1)
(b) (1)

(b) (1) ~~(C)~~

The President agreed, citing the example of China. The U.S. had to move carefully. The President supported democracy but did not want to jeopardize a great relationship. ~~(C)~~

Prime Minister Thatcher | (b) (1)
(b) (1)

(b) (1) ~~(C)~~

The President described his meeting with Wan Li in the White House. The U.S. would conduct itself properly and work closely with the regime while supporting democracy. ~~(C)~~

Prime Minister Thatcher | (b) (1)
(b) (1)

(b) (1)

The President agreed. He had made modest proposals to address this problem but the Prime Minister was right; the West must deal properly with the debt issue. ~~(C)~~

Prime Minister Thatcher (b) (1) (b) (1)

~~(C)~~

Prime Minister Thatcher (b) (1) (b) (1)

(b) (1) ~~(C)~~

The President asked if the Prime Minister was worried about Germany's future and the possibility of reunification. ~~(S)~~

Prime Minister Thatcher (b) (1) (b) (1)

(b) (1) ~~(TS)~~

The President (b) (1) (b) (1)

~~(S)~~

Prime Minister Thatcher said East Germany was economically better (b) (1)

(b) (1)

The President asked what the Prime Minister thought of Austria's desire for membership in the EC. (C)

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) (C)

The President asked the Prime Minister for her views on the Middle East. He said the visits of Middle Eastern leaders to Washington had gone well. The Shamir visit went better than the President had expected, but (b) (1)

(b) (1)

(b) (1)

The President was not too optimistic. On Lebanon, the President was really depressed. It was an awful situation and the President felt emotionally involved. Things used to work there.

(b) (1)

(b) (1) (S)

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) (S)

The President raised the issue of American and British hostages in Lebanon. (C)

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1)

(b) (1) ~~(C)~~

The President (b) (1)

(b) (1) ~~(TS)~~

Mr. Powell (b) (1)

~~(TS)~~

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) ~~(C)~~

The President praised the role of the Prime Minister. (U)

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) ~~(S)~~

The President (b) (1)

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) ~~(S)~~

The President (b) (1)

(b) (1)

(b) (1) ~~(S)~~

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) ~~(C)~~

The President (b) (1)

(b) (1)

(b) (1) ~~(S)~~

Prime Minister Thatcher (b) (1)

(b) (1)

(b) (1) (S)

The Prime Minister commented that Ambassador Acland would stay in Washington for another year, until 1991. (C)

The Prime Minister said she would be going to the next meeting of the International Democratic Union and asked if it was true that Vice President Quayle might be the next chairman of the IDU. (C)

The President was embarrassed to say he had not heard that. The U.S. had an internal problem with the IDU, since the Democrats wanted to be part of it rather than be in the Socialist International. But the President would look into the question and would be pleased about the Vice President assuming the chairmanship. (C)

Prime Minister Thatcher (b) (1)

(b) (1) (C)

The President said he had thought of asking President Reagan to go to the Tokyo meeting. (C)

(b) (1)

(b) (1)

The President, after a brief discussion of the environment, commented on the Strategic Defense Initiative, saying he could not take SDI away. (C)

Prime Minister Thatcher (b) (1) asked if the U.S. was contemplating holding an international conference on global warming. (C)

The President said he was worried that there were too many conferences. (C)

Prime Minister Thatcher (b) (1)

(b) (1)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom

PARTICIPANTS:

The President
James A. Baker, III, Secretary of State
Henry Catto, U.S. Ambassador to the United Kingdom
John Sununu, Chief of Staff to the President
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert Zoellick, Counselor, Department of State
Robert Blackwill, Special Assistant to the President for National Security Affairs (notetaker)

Margaret Thatcher, Prime Minister
Sir Geoffrey Howe, Foreign Secretary
Sir Antony Acland, Ambassador to the U.S.
Sir Percy Cradock, Foreign Affairs Adviser to the Prime Minister
Sir Robin Butler, Cabinet Secretary
Mr. Charles Powell, Private Secretary to the Prime Minister
Bernard Ingham, Press Secretary for the Prime Minister

DATE, TIME AND PLACE: June 1, 1989, 11:35 a.m. - 12:35 p.m.. Number 10 Downing Street, London

Prime Minister Thatcher said there was much to discuss: NATO Summit follow-up, Eastern Europe, the Middle East, China, South Africa, Namibia, and Argentina. The Prime Minister said she was bewildered in knowing what to say about Lebanon. (C)

The President said this was a good summary, and yielded the floor to the Prime Minister. (U)

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Prime Minister Thatcher asked Foreign Secretary Howe whether, in his meeting, there had been a discussion of the refugee problem in Hong Kong. (S)

Foreign Secretary Howe reported on his meeting with Secretary Baker. (U)

Prime Minister Thatcher remarked that there had been no discussion of Cambodia and that she would be asked in the House of Commons about Lockerbie. She also expected to be asked whether there had been a discussion of nuclear non-proliferation or the dangers of missile proliferation. (S)

The President replied that, on the topic of Cambodia, the United States would continue to support Prince Sihanouk. He was a bit of a weak reed, but he was the only reed in town. The U.S. was strongly opposed to Pol Pot and the Khmer Rouge, and was listening to its Asian friends on Hun Sen. In the Sino-Soviet summit meeting, Gorbachev and Deng did not make any real progress on Cambodia as far as the U.S. could see. The President was afraid that it would be tough to keep the Khmer Rouge out. (S)

Secretary Baker said it was important to support the non-Communist resistance and those in Hanoi who might be reasonable. It was a difficult problem because of the large number of players. (S)

The President said he was amazed to hear about the problems in Hong Kong. (S)

Prime Minister Thatcher said the problems in Hong Kong had been aggravated by recent events in China which had weakened those Chinese officials who had worked with the UK to negotiate the Hong Kong agreement. The people of Hong Kong were very anxious at the moment and this has been made worse by the flood -- 700 a day -- of boat people. The British authorities had been trying to repatriate these people, but there was no more space for them. The British government might have to stop allowing them to come. (S)

The President said this revealed something about conditions in Vietnam. There were some in America who wanted to give Vietnam a chance, but the problem of the boat people was just another indicator of the repressive nature of the Vietnamese government. (S)

Foreign Secretary Howe said these refugees were economic migrants and Hong Kong was the only place where they were accepted. The British had to send 35,000 Chinese a year back to the mainland but are accepting Vietnamese boat people -- a nasty political problem. (S)

Prime Minister Thatcher repeated that the UK might have to stop the boat people from landing in Hong Kong. (Ø)

Secretary Baker noted that there would be a conference on June 13-14 to seek a comprehensive solution to the Indochinese refugee problem. The U.S. had encountered similar problems with Soviet Jews, and migrants from Central America and Mexico. The U.S. was looking at whether to change the definition of asylum. (Ø)

Prime Minister Thatcher said that must be done or "we" would be swamped. It was a new problem, harming the whole notion of asylum. The world should put pressure on Vietnam to stop this outrage. The Prime Minister observed that the press would want to know if the Vietnamese problem had been discussed. (Ø)

Secretary Baker said that he and Foreign Secretary Howe had talked about it at some length. (Ø)

Secretary Baker said the U.S. was extremely grateful for the Prime Minister's treatment of (Nicaraguan President) Ortega. (Ø)

Prime Minister Thatcher said Ortega was awful, talking drivel. (Ø)

Secretary Baker said the U.S. was also grateful for the Prime Minister's help with the Namibia accords. (Ø)

Prime Minister Thatcher said that it was lucky she was there when the crisis arose. (Ø)

The Prime Minister commented that the NATO Summit had gone extremely well. It would help stop the euphoria about the Soviet Union. The Prime Minister said she was very grateful to the President for the speeches he had been making. (Ø)

On Lebanon, the Prime Minister talked to Perez de Cuellar and had tried to do what she could with the Arab League. She wondered how one could pressure Syria. (Ø)

The President said that Aoun was not very sympathetic either. (Ø)

Secretary Baker said the U.S. had sent word to Iraq asking that Baghdad stop sending weapons to Aoun. (Ø)

Prime Minister Thatcher said the situation would be more difficult if General Aoun "went under." (Ø)

Secretary Baker said this was absolutely true. (Ø)

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4368

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom

PARTICIPANTS:

The President
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Secretary Baker said this was absolutely true. (C)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS:
The President
James A. Baker, Secretary of State
Governor John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
General Vernon Walters, U.S. Ambassador to the Federal Republic of Germany
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs
William Bodde, Jr., Deputy Assistant Secretary of State for European and Canadian Affairs

President Richard von Weizsaecker
Klaus Blech, State Secretary, Federal Presidential Office
Ambassador Juergen Ruhfus

DATE, TIME AND PLACE: June 6, 1989, 3:50 p.m. - 4:15 p.m.
The Oval Office

The President said he hoped President von Weizsaecker's visit was going well and congratulated him on the very successful Kennedy Center performance of Beethoven's 9th Symphony by the Berlin Opera's philharmonic orchestra. (U)

President von Weizsaecker said it had been a heavy schedule of meetings with Senators and Congressmen, including Congressman Hamilton's German study group, as well as a breakfast with Henry Kissinger. In all those talks, the Federal Republic was in the middle of discussions regarding the NATO Summit, Mainz, and the President's Washington Post interview. With Kissinger, the discussion was on questions surrounding Yalta. (C)

President von Weizsaecker said that the Federal Republic's aim is freedom and a unified Europe, but this cannot be achieved without reform by East European governments. The reform process in the East must go ahead under control and not become too turbulent. Poland and Hungary want to come closer, step-by-step, toward the EC and the Council of Europe in economic matters, but they are also sensitive to Soviet security preoccupations. They want to

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stay in the Warsaw Pact and become closer to the West. It will be a sensitive time. President von Weizsaecker suggested that after the NATO proposal, it would be useful if the U.S. had quiet talks with Moscow about the future of Eastern Europe. Europeans need to have similar talks, based, of course, on the values of the Atlantic Alliance. Germany is not at the end of the 19th century, he concluded, and does not want another option to the East. (C)

The President asked whether President von Weizsaecker was getting questions about reunification and Germany's role in Europe. (C)

President von Weizsaecker replied that he was getting such questions from every group -- Congress, the press, Jewish groups -- and that his answer was always the same. The Germans should not expect any Soviet offers in that direction. This will not happen. Chairman Gorbachev made that clear when von Weizsaecker visited him a year and a half ago. President von Weizsaecker commented that Chairman Gorbachev had simply said the future is unclear, adding that Chairman Gorbachev would be arriving in Bonn the next Monday. (C)

The President asked what Chairman Gorbachev would say, and whether he would reopen the SNF issue. (C)

President von Weizsaecker said that Chairman Gorbachev was not likely to press on SNF. What the Soviets are primarily after is to proceed with their plans at home concerning agriculture, consumer goods, and the like and to use Western resources and expertise to help. He expressed certainty that no long term Soviet proposal will emerge with respect to the two Germanys, because Gorbachev cannot substantiate his concept of the European house. There is a sense among all the peoples of Europe, President von Weizsaecker said, along the lines of the President's Mainz speech: it is time for Europe to come together again. But Gorbachev will not be specific in Bonn. (C)

The President noted that he had said in Mainz that in a European home people have to be able to move from room to room. (C)

President von Weizsaecker observed that in their foreign relations, the Soviets are approaching a time that is totally unknown to them, and they are legitimately worried. The West needs to talk to Moscow to alleviate these fears. (C)

The President said that he had just come from the Soviet Embassy to pay his respects to those who lost their lives in the railway disaster. The Soviet Ambassador was reasonably positive about NATO's CFE proposal and said he had just been in Moscow with Gorbachev. On China, the President added, he had the feeling that the Soviets are saying, there but for the grace of God go I. They may be worrying that reform could affect them in the same way, as is clear from the press release the Soviet government

issued today. The President added that too little is known about the events in China to say what will happen next, but the U.S. must tend to its strategic relationship. (C)

President von Weizsaecker asked whether there was anything the President wanted him to say to Chairman Gorbachev next week in Bonn. (U)

The President replied only that he wishes him well. (U)

President von Weizsaecker noted in conclusion that he was convinced that the U.S.-German relationship is on solid, solid ground. (U)

The President agreed. (U)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Plenary Meeting with Prime Minister Bhutto of Pakistan (S)

PARTICIPANTS: The President
The Vice President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
Marlin Fitzwater, Press Secretary
Robert B. Oakley, Ambassador to Pakistan
Paul Hare, Acting Assistant Secretary of State (NEA)
Richard N. Haass, NSC
Sandra Charles, NSC, Notetaker

Prime Minister Bhutto
Sahabzada Yaqub Khan, Minister for Foreign Affairs
Mr. Iqbal Akhund, Advisor to the Prime Minister on Foreign Affairs
Major General M. Imtiaz Ali, Advisor to the Prime Minister on Defense
Mr. Aftab Ahmad Khan Sherpao, Chief Minister, Northwest Frontier Province
Mr. Jamsheed K. A. Marker, Ambassador to the U.S.
Mr. Happy Minwala, Ambassador-at-Large
Zulfiqar Ali Khan, Air Chief Marshall
Mr. M. Bashir Khan Barbar, Notetaker

DATE, TIME AND PLACE: June 6, 1989; 11:20-11:30 a.m.
Cabinet Room

The meeting began at 11:20 a.m. after a 50-minute one-on-one meeting between the President and the Prime Minister. Apologizing to the two delegations for keeping them waiting, the President reiterated his pleasure at having the Prime Minister as his guest, reiterating the United States' support for the return of democracy in Pakistan. (S)

In her opening remarks, Prime Minister Bhutto said that in their meeting the President had reaffirmed the U.S. commitment to Pakistan. She characterized us as old friends, with a relationship that will continue to grow. Noting our cooperation on Afghanistan, she stressed, however, that U.S.-Pakistan relations had more than one pillar to rest on, not just

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Afghanistan. She noted that Pakistan could play a moderate role in the Organization of the Islamic Conference, with its ties to its neighbors, Iran and China.

Prime Minister Bhutto said that they had talked about Afghanistan, recalling that U.S.-Pakistani objectives for ten years had been to support the Afghan Resistance to free Afghanistan from foreign occupation. She expressed the need to seek a political settlement, but also to maintain military pressure through military supply to the Resistance. PM Bhutto mentioned that she had asked the President for satellite information on SCUD positions urgently. (S)

On the nuclear issues, Prime Minister Bhutto recalled the letter from President Reagan stating that current trends would discourage certification in the future, urging restraint. She reiterated her assurances that Pakistan had no intention to enrich uranium to weapons grade, to make a nuclear device or to share this knowledge with third countries. She firmly restated her belief in nuclear non-proliferation, asking for U.S. help with India in finding a regional solution to proliferation problems in South Asia. She stated emphatically that she was prepared to sign a nuclear test-ban treaty tomorrow with India, noting that the two countries must come to terms. In this regard, Prime Minister Bhutto said that the United States could play a role. (S)

On Iran, Prime Minister Bhutto mentioned that with the death of Ayatollah Khomeini, she would like to use Pakistan's influence to help the moderates. She mentioned Iran's Presidential elections, and her recent visit to Baghdad where she cautioned the Iraqi President not to put pressure Iran on the grounds that to do so risked giving the radicals the upper hand. Iraq was still very determined not to give up any of the Shatt al Arab. (S)

Prime Minister Bhutto then turned to India, characterizing Pakistani talks with India as going quite well. She reported that the Home Secretaries' meetings were successful, and that they were looking forward to the Defense Ministers' meetings.

Prime Minister Bhutto expressed her appreciation for continued U.S. economic and military aid. She mentioned that she and the President discussed various aspects of these programs. Finally, she presented Pakistan's proposal to create a "youth corps" similar to the U.S. Peace Corps.

The President, commenting on her request for SCUD data, suggested she raise it in her upcoming meeting with Secretary Baker. He reiterated U.S. support for democracy in Pakistan, offering to work with the Prime Minister to do what we could to be supportive of the changes in her country. (S)

While acknowledging the importance of our cooperation on Afghanistan, the President stated emphatically that the U.S.-Pakistani relationship was not and must not be built solely on Afghanistan. It was much too important for that. The success of our relationship transcended Afghanistan. (S)

On Afghanistan, the President saluted Pakistan for the courage it had shown in supporting the Resistance and housing 3 million refugees. The President acknowledged our common concerns about Afghanistan and said we must stay in touch. He noted that we did not need another radical leader, like the Ayatollah who just died, resurrecting himself in Afghanistan. Expressing America's gratitude and again commending the Prime Minister for Pakistan's courageous stance, the President stated that we intended to work with Pakistan to continue our support to the Mujahiddin. We sought some reconstruction in Afghanistan. We were not softening our position on Najibullah -- he must go. (S)

The President reiterated that our relationship should and would be vital beyond Afghanistan. He said he told the Prime Minister that we wanted to help Pakistan with its relations with India, noting that he and other senior officials had a good rapport with Prime Minister Gandhi that could be effective for this purpose. The President speculated that there might be things we could do to improve that relationship, like fostering agreements on nuclear or non-nuclear weapons. (S)

The President affirmed that our relationship was sound, that we wanted it to go forward, and that it was not just based on one question. He mentioned Pakistan's close relationship with China, noting that we shared the same agony about the current situation there and that we saw no changes in China that should affect Pakistan. The President expressed his hope that our relations with China would survive, saying that we would not interfere. (S)

Saying that he would leave discussion of the details of the China situation and other issues to her upcoming meetings with Secretaries Baker and Cheney, and that they could follow up later that evening after dinner, the President concluded the meeting. (S)

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WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with the President and Zambian President Kenneth D. Kaunda (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Herman J. Cohen, Assistant Secretary of State for African Affairs
Jeffrey A. Davidow, U.S. Ambassador to Zambia
David Passage, NSC (Notetaker)

President Kenneth D. Kaunda
Lazarous Kapambwe, Zambian Charge d'Affaires in Washington
Milimo Punabantu, Political Adviser to President Kaunda
Dr. Henry Meebelo, UNIP Party Central Committee Member

DATE, TIME, AND PLACE: June 7, 1989, 10:00 - 10:45 am EDT
The Oval Office

The President opened by welcoming President Kaunda, adding "whenever I see (President Kaunda), it brightens my whole day." (U)

President Kaunda thanked the President for meeting with him when he knew the President was so busy with different crises. He said "whenever there is a change of Administration in Washington, the whole world suffers anxiety," but when President Bush was elected, "the world knew it didn't need to worry." He said when (former Assistant Secretary of State for African Affairs) Chet Crocker was last in Lusaka, he (Kaunda) told Crocker it was important for President Bush to state his Africa policy, but Kaunda was confident it would come out all right: "this morning, I looked over your NATO speech, and I praised God; we need peace on this earth." Within that peace, Kaunda went on, would be a discussion of regional issues "like our own." "We want to see the Namibia accords (signed in New York on December 22, 1988) succeed, and will do everything in our power to make them work." (Ø)

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Turning to South Africa, President Kaunda said it was important to continue sanctions against that country. He noted that some foreign leaders (alluding to British Prime Minister Thatcher and West German Chancellor Kohl) asserted that South African blacks were more hurt by sanctions than whites, but he said "we, in Africa, do not think that is correct." He observed that within the last several days, South African raiders had killed 20 innocent Zambians (in an apparent action against ostensible ANC targets). He said South Africa would pursue a "destabilization" campaign against its neighbors to keep them off balance. They had done it against Zambia, and they have done it against Mozambique, Botswana, Zimbabwe, "and now Namibia." (C)

President Kaunda said for progress toward peace to take place, South Africa needed to do five things: lift the "state of emergency"; lift the ban on the ANC, PAC, and other black political organizations; release Nelson Mandela and other imprisoned black leaders; stop the internal repression; and start a dialogue with South Africa's black citizens. (C)

The President asked if President Kaunda thought the U.S. should add additional sanctions. President Kaunda did, but later modified that to say they could continue as is or be increased, but shouldn't be decreased until South Africa took at least some of the actions listed above; he said diplomatic relations should continue because "it is important to have contact with them." (C)

The President said that, since he had such great respect for Kaunda's leadership in his region, he wanted to share his views about South Africa. First, he wanted to reassure Kaunda that U.S. outrage -- including his own -- against the evil of apartheid was absolutely undiminished and was shared "by everyone in this room (gesturing toward Secretary Baker, Gen. Scowcroft, Asst. Sec. Cohen, and Amb. Davidow). Where we differ with others, the President continued, was on the issue of additional sanctions. Using the analogy of China, the President said he was under great pressure to slap stiff sanctions against the Beijing government because of the current crackdown against democratic protesters. But, he said, he just didn't believe sanctions would be effective; "I am absolutely convinced that the removal of trade with China would hurt the Chinese people more; their leaders would simply ignore us." "I'm just not sure," the President said, "that cut-offs in trade are useful tools to discipline someone we don't like." (C)

Turning to other parts of the region, the President said he was enormously indebted to Chet Crocker, "who took a lot of abuse from people in this country" for having produced the Angola/Namibia agreements; "we're happy to see the progress

that's been made, but we need to get (national) reconciliation" in Angola. In Mozambique, "we're sticking by the Government; we were greatly offended by the abuses of RENAMO, and you (Kaunda) will see no surprises from us there." The President contrasted the degree of popular support in Angola for Savimbi with the seeming absence of such support for RENAMO in Mozambique. (C)

President Kaunda assured the President that "no one would ever think a Bush Administration would have any other attitude toward apartheid
than the one had just expressed." He said Africans thought they understood where the President was coming from on the issue, and were comfortable with it. He wanted to make clear that he wasn't advocating increased or decreased sanctions, but simply said "to remove sanctions at this time would send the wrong signal." (C)

On "national reconciliation", President Kaunda said there had been a number of very positive recent developments including at the "summit" of regional leaders in Luanda on May 16: Kaunda thought there was a good chance that (Angola's President) Dos Santos would accept the need to reach a political accommodation with UNITA (including, according to Kaunda, Jonas Savimbi); he expressed concern, however, that if the U.S. continued sending arms to UNITA through Zaire, it could lead to clashes between Angola and that country. "We are working for peace, Mr. President, but we need your help."
(C)

Finally, President Kaunda said he wanted to thank the President for past American assistance to Zambia -- in public health, AIDS research, agricultural development, etc. "We hope for your continued assistance." The President said the U.S. was glad to have helped, and looked forward to working together with Kaunda. (U)

Secretary Baker said he agreed that it was important to hold South Africans to their commitments, but added that it was equally important to hold SWAPO to theirs; he asked Kaunda's help in making sure SWAPO understood that it would be expected to live up to the agreements reached in New York, including the terms of UNSCR 435. (C)

The President ended the meeting by thanking Kaunda once again for coming to Washington to meet with him, and added that he'd appreciate Kaunda's thoughts about how the U.S. could improve relations with Zimbabwe; he invited Kaunda to send him a letter with his views about how to make things better with (Zimbabwean President) Mugabe. (C)

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WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with the President and Botswanan President Quett K.J. Masire (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Herman J. Cohen, Assistant Secretary of State for African Affairs
John F. Kordek, U.S. Ambassador to Botswana
David Passage, NSC (Notetaker)

President Quett K.J. Masire
Botsweletse K. Sebele, Ambassador to the U.S.
Dr. Gaositwe Chiepe, Minister of External Affairs
Samuel Mpuchane, Permanent Secretary, MEA

DATE, TIME, AND PLACE: June 7, 1989, 2:00 - 2:30 pm EDT
The Oval Office

The President welcomed President Masire and his party to the White House, saying the U.S. was proud that he was here, and proud of the reason (Masire's honorary degree from the University of Ohio) for Masire's trip. He noted that he and Masire "could talk forever about southern Africa and East-West issues," but he wanted to begin by saying that the "U.S. has great respect for you and what you've done, and our relationship with Botswana." He commended Masire on Botswana's democratic traditions and respect for human rights. (U)

President Masire thanked the President for his warm wishes and said his visit was going very well. Secretary Baker had offered a very nice lunch, and he (Masire) was here to try to promote good relations with the United States. Botswana welcomed its association with us, he observed, and added that "democracy has to be conducted in an atmosphere conducive to democratic practices." "We live next to South Africa," he went on; "Botswana is democratic, however, and although they (South Africans) say they are democratic, they are not. We live by rule of law; they live by rule of men." He said Botswana lived in the constant shadow of commandos crossing its borders to kill its citizens. "We are enormously grateful to the U.S.; you have never been found wanting" when Botswana needed the support of friends. (C)

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President Masire also expressed appreciation for U.S. assistance to his country, saying Ambassador Kordek had told him Botswana needed to "tighten its seatbelt" against U.S. budgetary stringencies, but added that he (Masire) had replied "We are such a lightweight that you shouldn't have to jettison us." The President laughed and said the U.S. would do its best by Botswana. (U)

President Masire went on to say that he commended the U.S. for what it had achieved in southern Africa and Angola. Now, however, there was the even more challenging problem of South Africa. He hoped that the U.S. would use every bit of influence we had with South Africa to sustain the democratic process. He added that it wasn't just the internal black vs white situation inside that country; it was South Africa vs the whole region. "We count on the U.S. using its good offices to promote democratic principles and fundamental human rights." (Ø)

President Bush said he appreciated Masire's kind words about what the U.S. had done, and paid tribute to (former Assistant Secretary of State for African Affairs) Chet Crocker, and now his successor Hank Cohen, and said he was proud to have been part of the last U.S. Administration, "which took a lot of fire for its policy, but which played a catalytic role in getting the Angola agreements." (U)

The President said he and Secretary Baker felt very strongly about dispelling any notion that the U.S., under his leadership, would soften its stand against apartheid. But, he said, he had just been through "a considerable drill on sanctions against China" and just wasn't convinced that it wouldn't "hurt the man on the street more than the leadership." The President said the U.S. had a set of sanctions against South Africa "and they're going to stay there -- but the question is how do we move toward a dialogue on democracy." (Ø)

Regarding Mozambique, the President said there were some in this country who thought RENAMO was praiseworthy, "but that's not the way I feel." The U.S. wanted to be a catalyst for resolution of the Mozambican problem, however, as in Angola, and would try to be helpful. "In addition," he added, "we may need your help with some of the countries in southern Africa (clearly referring to Zimbabwe) who have opposed us in nearly everything we do." He invited Masire to stay in close touch with him. (Ø)

There was a brief discussion of the NATO Summit, with President Masire congratulating the President on a very forthcoming approach to world peace and relaxing East-West tensions, and the President saying the NATO discussions were evidence that the U.S. intended to be prudent but forthcoming. (U)

Secretary Baker observed that the President was a very patient man, but commented that he'd like to get the President out to Botswana for some fishing, and noted that he had spent nearly three weeks there several years ago on a hunting and fishing trip. (U)

The President concluded by saying that he wanted very much to show the interest he felt, and the U.S. felt, for Africa; to make people know the U.S. cares. He said if there was any sense of benign neglect in Africa, it should be put aside; "we want to work with you." President Masire indicated he understood that and accepted it. (U)

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THE WHITE HOUSE

WASHINGTON 4537

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Soeharto of Indonesia

PARTICIPANTS:
The President
The Vice President
James A. Baker III, Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Ambassador John Monjo
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
Karl D. Jackson, Senior Director for Asian Affairs (Notetaker)
Miss Barbara Harvey (Interpreter)

President Soeharto
Ali Alatas, Minister of Foreign Affairs
Moerdiono, Secretary of State
Abdul Rachman Ramly, Ambassador to the U.S.
Mr. Widodo (Interpreter)

DATE, TIME AND PLACE: June 9, 1989, 4:05 - 4:30 pm
Cabinet Room

President Bush: Welcome, anxious to have your views on Cambodia or any other subjects you would like to bring up.

President Soeharto: Express my appreciation for opportunity to meet, especially after visit to UN headquarters where I received an award that recognized Indonesia's success in its endeavors, especially our population program. Of course our success cannot be separated from the support of the donor countries, including the U.S. and the IGGI. For this support I want to express thanks on behalf of the Indonesian government and people. Our population program is still, however, far from what we hope to achieve.

President Bush: Is your population growth rate around 2 percent?

President Soeharto: It has declined from 2.3 to 1.9 percent. Our infant mortality rate has declined from 142 per 1000 (live births) to 58 per 1000. We hope to further reduce it to 50. Also our life expectancy has grown from only 58 to 63. (No years cited.)

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Our further efforts in health and development are not just in population programs, but we want to improve living standards and the well-being of our people. All this depends on the success of our national development; only then will we have the economic growth to permit improvement in living standards. However, the acceleration of development faces difficulties from within and without. Internally, there has been a decline in the price of oil in international markets.

President Bush: What are you getting at the loading point?

President Soeharto: Now, $18 per barrel, but there is no guaranteed price. Therefore we have intensified our non-oil exports; there is no other way. In this connection, we hope other countries, including the U.S., could open their markets to our products.

There is one problem that Indonesia can't overcome by itself -- servicing on our debt. The problem has arisen because of changes in the exchange rate vis-a-vis the U.S. dollar, particularly the yen and the deutchmark. If there had been no change in the exchange rate, our debt servicing obligations this year would have been U.S. $5.2 billion; but with the yen and mark appreciation, they are $7.1 billion. This trend will continue for years. This means Indonesia's earnings will be absorbed in servicing our debts, and we will not have the ability to continue our development.

Therefore, I hope that money could be reloaned on softer terms. We have explained this to the World Bank, IMF, ADB, and they have begun to provide special loans. But apparently among American officials there is a lack of understanding of this matter, and we have to continue to supply information to them so they will understand. We also hope that American officials will establish a study group to examine this matter.

There are no problems with our dollar loans. We are fully determined to honor our obligations, but because of this we should find new ways of enabling us to do so.

President Soeharto: I would like to bring you up-to-date on the latest developments in Cambodia.

President Bush: We appreciate your leadership on this.

President Soeharto: From the first to the second Jakarta Informal Meeting there was a breakthrough -- a change in Vietnam's inflexible attitude. Previously they had refused to negotiate. Originally Vietnam was confident that it could solve the Cambodian problem on its own terms. After eight to nine

years in which they have failed to achieve any encouraging results, their economy has suffered, and they have had massive military losses. Only as a result have they sought outside help in solving the problem.

The Jakarta Informal Meetings provide an opportunity for discussions among those concerned -- the four Cambodian factions, Laos and ASEAN. At the second JIM there was no conclusive agreement, but there was a meeting of minds to solve the issue peacefully, to achieve a political solution. The basis for the solution is a Cambodia that is independent, sovereign, peaceful, neutral and non-aligned, through a process of self-determination supported by the whole population. We have reached a consensus for the complete withdrawal of Vietnamese troops; this is part of the integral overall solution. It is separate from the prevention of interference from other external powers or the supply of arms to the four contending parties. There is also a consensus on preventing the return of the Pol Pot regime.

We look for establishing a stable and peaceful region. We look for solving the Cambodian problem through an international conference, internal elections and an international control mechanism. We believe the four Cambodian factions should be allowed to solve their internal problems.

The atmosphere of the May meeting in Jakarta between Hun Sen, Prince Sihanouk and Son Sann led to concessions conducive to further flexibility. Sihanouk originally insisted that the Phnom Penh government be dissolved; then he altered his demand and proposed a temporary government composed of the four factions. Also, originally Prince Sihanouk did not accept peacekeeping forces, but now he has accepted an international control mechanism.

Hun Sen also made concessions: altering the constitution, changing the name to "Negara Kampuchea" (State of Cambodia), leaving out mention of "Democratic" or "People's Republic." He accepted Buddhism as the state religion, and accepted Sihanouk as Head of the State of Cambodia.

Sihanouk looked favorably on the proposals and suggested in turn the possibility of a multi-party system and a private economy.

Consensus was also reached on the participants in the international conference: attendees of the Jakarta Informal Meetings, neighboring countries (Japan, India, Australia, Canada), the five permanent members of the UN Security Council, and the Secretary-General of the UN. Prince Sihanouk proposed Paris as the site, Hun Sen proposed Jakarta; they accommodated both by agreeing to hold meetings alternately in Paris and

Jakarta.

The round table conference of the four factions is proposed for the end of July, and the international conference itself the first week of August.

These are the latest developments and I would like to have Foreign Minister Alatas brief you further on his recent visits to Moscow and Paris.

Foreign Minister Alatas: In my meeting with Shevardnadze, he said there was not much forward movement in the Deng-Gorbachev meeting. They agreed it was important to prevent at all costs civil war breaking out after the withdrawal of Vietnamese troops, and ensure that the Khmer Rouge are not able to return to the jungle and fight. China was fully supportive of an international conference.

With French Foreign Minister Dumas, we exchanged views on how to structure the international conference, and agreed that the preceding round table conference was crucial. The internal settlement cannot be achieved at an international conference. The French are trying to persuade Sihanouk to have the round table meeting earlier, to give enough lead time going into the August international conference.

President Bush: Interesting. The U.S. admires the way ASEAN has stayed together. We also have an abhorrence of the Khmer Rouge, and support Sihanouk. We are glad that the lead on this is coming from ASEAN. We are not too optimistic, but have reason to be more optimistic than before. I was a little worried -- for a while it looked as though Thailand was on a little different track; it looks less so now. Does that concern you?

President Soeharto: Thailand wanted to take positive steps. The Thai Prime Minister visited Indonesia before adopting these steps; he agreed to take them without abandoning previously agreed upon policies. This is the reason the ASEAN foreign ministers hold frequent meetings -- so if any doubts or hesitations occur, they can be resolved.

President Bush: Do you feel you are together with Thailand?

Foreign Minister Alatas: Yes.

Secretary Baker: Where will the round table meeting be held?

Foreign Minister Alatas: Paris.

President Soeharto: Apart from the agreements between the four

factions, there are still crucial differences between Hun Sen and Sihanouk on the nature of the transitional government. Sihanouk believes the Khmer Rouge have to be included ("terikat"), binding them into finding a peaceful solution. Hun Sen categorically refuses to have Khmer Rouge elements in a provisional government. Concerning the disbanding (Soeharto said "dibubarkan," Alatas said "integration") of the armed forces, it has been agreed that this would occur only after the election. Sihanouk's demand is that all forces of the four factions should be integrated and kept in place until after the election.

President Bush: There is a danger of hard fighting; the Khmer Rouge are well-armed. I am worried whether China can play a useful role because of the current turmoil there. Our relationship is strained, but we are determined to keep it in a constructive shape. This is hard to do. The brutality in China has enraged the world.

On the economy I want to salute what you have done. Secretary Baker is our expert on this. On your success in family planning, I congratulate you. We would like to be actively involved in international family planning. We salute what you have done, and the UN for recognizing you. Thank you for coming by.

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prince Saud al-Faisal
Foreign Minister of Saudi Arabia (U)

PARTICIPANTS: U.S.
The President
James A. Baker III, Secretary of State
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
Paul Hare, The Acting Assistant Secretary of State for Near East and South Asian Affairs
Richard N. Haass, Senior Director, Near East and South Asian Affairs, NSC Staff (Notetaker)

Saudi Arabia
Prince Saud al-Faisal, Foreign Minister
Prince Bandar bin Sultan, Saudi Ambassador
Dr. Nazar Madani, Director of Western Affairs, Ministry of Foreign Affairs

DATE, TIME AND PLACE: June 14, 1989, 10:00 a.m. - 11:30 a.m.
The Oval Office

The President began the meeting by welcoming his visitor, saying as well that he had great respect for the Arab League effort. The President ended his introductory remarks by stating that he looked forward to a full discussion of the situation in Lebanon. (C)

The Foreign Minister, after thanking the President and handing over a written message from King Fahd, explained that he had come to describe the Arab League Committee's work. The Committee was established at the recent Casablanca Summit, and was headed by three leaders who enjoyed the confidence of all Lebanese. (C)

Reading from prepared remarks, the Foreign Minister noted that Lebanon's crisis has persisted for fourteen years, causing great hardship to the people and instability in the region. The recently-established tripartite group intended to act as a "referee," not as a "mediator." It would put forth a suggested middle ground. The effort constituted a last chance for a peaceful solution to the crisis. What would emerge was a carefully prepared plan of action that ought to be acceptable. The Committee's authority was not legal, but was political and moral. (C)

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Any solution would require several dimensions, including national reconciliation, the re-establishment of governmental authority over the entire territory of Lebanon, the "liberation of Lebanon from Israeli occupation", and the "formalization" of Syrian-Lebanese relations. To bring this about, the Committee proposed a meeting of the Lebanese Parliament to discuss the political charter; a subsequent meeting of the Parliament to adopt the national reconciliation charter and to elect both a head of Parliament and a President; and a new President that would consult on the choice of Prime Minister and implement the charter. (C)

The Committee had enjoyed access to all parties in Lebanon and to the historical record. The Committee document was a strong one as a result. It drew on points already part of the existing consensus. In addition, it was important to move towards a cease-fire and a lifting of blockades. The initial meeting of the Parliament would be outside Beirut; subsequent meetings would be held in Beirut when it was safe to do so. The Committee was talking to Syria and Iraq in an effort to persuade to terminate their supply of arms and to avoid hindering the political process. Syria had stated its desire for guarantees that others would not continue shipping arms. The Committee would continue working for both a cease-fire and an end of blockades, but it would continue its political efforts even if it failed to end the fighting. (C)

The President asked whether the three leaders were prepared to mediate between Iraq and Syria. (C)

The Foreign Minister answered that they would not act as a mediator. Instead, each party would be asked to take certain steps regardless of the actions of others. By so doing, the Committee hoped to avoid linkage. (C)

Secretary Baker asked whether Syria was requiring assurances regarding a cessation of Iraqi arms supply to Aoun. (C)

Foreign Minister said that the diplomatic effort sought an unconditional cease-fire and end to the blockades. But he reiterated their determination to press ahead with their political process even if these efforts failed. (C)

Governor Sununu asked whether all parties had agreed to the Committee's role as a referee? (C)

The Foreign Minister responded that all those at the recent summit had accepted this approach. He went on to say that they were asking Iraq to curtail any supply of arms to Aoun. The Saudi Government believed that Iraq had sent one shipment of arms to Aoun through a Saudi port, despite the fact the Saudis had been told the shipment was going to Egypt. Although they did not know where the shipment ended up, they were suspicious and had warned Iraq that such behavior would not be tolerated. (C)

The Committee would be asking the five permanent members of the Security Council as well as the UN itself to help bring about implementation of UNSCR 425, which referred to Israeli occupation of Lebanon. The Committee sought to work closely with the US and other like-minded governments. They all faced a difficult challenge. In the past, efforts to make progress in Lebanon had run aground on the question of linkage and sequence. As a result, the Committee sought to separate obligations. They would work for Syrian withdrawal, hoping to bring it about by reassuring Damascus that its security needs in Lebanon could be met by Lebanese forces. (C)

Governor Sununu asked how it would be possible to get Lebanon's forces up to this task? (C)

The Foreign Minister said that the first step was to disband the militias, and that some of these individuals could then be recruited for the Lebanese forces. (C)

The President asked whether the Saudis had any evidence that Iran's presence in Lebanon had recently increased. (C)

The Foreign Minister said that while there was a Revolutionary Guard presence in Lebanon, the exact numbers were uncertain. Rumors were as high as 6,000, although the usual number mentioned was about 2,000. The issue was discussed at the Casablanca summit, where it was agreed that it was up to Syria to do something about this, a responsibility that Syria accepted. (C)

The Foreign Minister then turned to question of other foreign countries present in Lebanon. He said it was necessary to sign an agreement between Lebanon and Syria that would define the relationship between the two countries so that Syrian military forces could leave and be replaced by Lebanese forces. Similarly, he sought Israeli withdrawal based upon UNSCR 425 and the 1948 truce agreement. UN forces and those in the military forces in Lebanon would replace the Israelis but the Committee sought to avoid any linkage between the Israeli and Syrian withdrawals. (C)

Governor Sununu asked whether such delinkage would be possible, and whether everything depended upon internal political reform. (C)

The Foreign Minister agreed that there were two tracks: internal political reform and the re-establishment of State authority with the removal of foreigners. He believed a consensus existed in Lebanon that favored power-sharing and non-discrimination. Christians wanted an assurance, however, that Lebanon's identity would not be lost. What was needed was a just constitution that did not remove confessionalism immediately. (C)

The President asked whether the Committee had been in touch with Aoun. (C)

The Foreign Minister said that the Committee had avoided direct contact with the various Lebanese parties, although it would discuss a cease-fire and preparations for parliamentary meetings. In general, there were lots of players with the capacity to help or hinder political progress. If the latter became a problem, Saudi Arabia was prepared to reconvene the Arab summit and point fingers. The Committee could not impose a solution but it did have moral weight. This was true for Syria as well as Aoun. (C)

The President asked about whether Aoun would be likely to support a compromise. (C)

The Foreign Minister stated that handling Aoun posed a very delicate problem. He needed to be encouraged to accept reform. But he would want to be President, something that would be unacceptable to Syria. (C)

Secretary Baker pointed out that Aoun might oppose any political solution that would not guarantee his being President. (C)

The Foreign Minister agreed that this was a problem. It was important to avoid drawing up lists of potential presidents until all else was done. (C)

Governor Sununu asked whether Aoun expected to be part of the Parliament's deliberations. (C)

The Foreign Minister said this would only be open to members of Parliament. He went on to say that he was aware how complicated this all was, and that he would give us the necessary documents. At the same time, he emphasized the need to avoid publicity. (C)

The President said that we would endeavor to honor his request for secrecy. (C)

The Foreign Minister said that the Committee counted heavily on U.S. help. It was important to urge all Lebanese parties and Syria accept the cease-fire. It would also be important to provide Syria with the sense that it was a part of a Middle East peace process that included the Golan Heights. Last, the Committee wanted the U.S. to get from Israel a pledge that it would withdraw. (C)

Governor Sununu asked whether the Committee expected to have any contacts with Israel. (C)

The Foreign Minister said that Saudi Arabia did not recognize Israel, and that the Saudis were requesting US and UN assistance. In particular, they hoped the U.S. would work to convince Israel to separate the question of its presence in Lebanon from that of Syria's. The issue for Israel ought to be the absence of a threat from the Lebanese side. (C)

The President said there might some disagreement over priorities. The Israeli force in southern Lebanon has had less to do with recent disorder than the Syrians. Moreover, Israel had only a few people in Lebanon; Syria's presence was many times larger. We would support the withdrawal of all foreign forces, but we were worried over the Arab League's emphasis on Israel rather than Syria. (C)

The Foreign Minister responded by saying there had been a change in the Arab League's policy. In the past, they had sought to distinguish between the Israeli and Syrian presence. Now, however, they were not asking who was more responsible for Lebanon's problems. It was important that linkage between the presences be avoided. (C)

The President asked whether Assad was under any pressure at home because of Lebanon. (C)

The Foreign Minister said that the situation in Lebanon did influence public opinion in Syria. Lebanon was an historic part of Syria and was only created by France to promote Christian interests. Now, however, he believed that Syrian troop withdrawal and a formal Syrian-Lebanon relationship would be acceptable to Syria. But they did not seek to try to impose a settlement on Assad; it would be necessary instead to convince Syria to support a peace process. (C)

The Foreign Minister continued to outline other assistance desired from the U.S. From Israel, they wanted a statement that Israel was prepared to withdraw if government institutions and stability could be established in Lebanon. It was also important to encourage the Christians to accept national reconciliation and power sharing. Syria and Iraq needed to be pressed to keep their dispute out of Lebanon. All of this would reinforce regional peace efforts. The Arab League wanted to coordinate all this with the U.S. and to take us into their confidence. (C)

The President said that he would ask Secretary Baker to look carefully at all of this. We looked upon the Committee as highly significant and as the "only game in town". We would look closely at what we could do. We were glad that it was the Saudi Foreign Minister who had come to present all this to us. (C)

Prince Bandar reiterated that the Committee was not asking Israel to withdraw right away but only to declare its readiness to withdraw if the security situation allowed. (C)

Secretary Baker said that we could probably make such a request but that raising the issue of the Golan Heights would be a bigger problem. (C)

The Foreign Minister said that it was important to assuage Syrian suspicions concerning UNSCR 242 and its applicability to the Golan Heights. (C)

The President asked if it were possible to turn to the Afghan situation. The U.S. and Saudi Arabia were cooperating, and he looked forward to discussing the issue during the Fahd visit. We had been wrong in predicting a rapid fall of the Najibullah regime. What was Saudi Arabian thinking about the situation? (C)

The Foreign Minister attributed the disappointing performance of the Resistance to its internal divisions and poor coordination. In particular, it had done little to reach out to people and to emphasize its political program. The Saudis favored negotiations between the Soviets and the Resistance. (C)

The President said that it was hard to see how there could be any agreement involving Najibullah. (C)

The Foreign Minister said that the Soviets seemed to be changing their view of Najibullah. (C)

Secretary Baker agreed, saying the Soviets had hardened their position. (C)

Prince Bandar said he was worried about the erosion in U.S. public support for the Resistance. (C)

The President said he was right to sense this erosion. There had been lots of support so long as Soviets troops were present. But there was no identifiable figurehead within the opposition that inspired confidence. We wanted to avoid the emergence of a Khomeini-like figure. (C)

The Foreign Minister said that Islam in Afghanistan was not the same as it was in Iran. In Iran, Islam was like a church with temporal power. In Afghanistan, which was not Shia, there was no religious hierarchy with political authority. As a result, there would be no Khomeini. (C)

Secretary Baker said it was important that the US, Pakistan, and Saudi Arabia consulted and stayed close on Afghanistan. We would be weakened vis-a-vis the Soviets if we appeared irresolute. (C)

The Foreign Minister agreed, saying the Soviets must not get a sense that we are divided. He went on to say that the Soviets should be warned to avoid trying to exploit its relations with Iran and Afghanistan's Shiites for the purpose of affecting the course of events in Afghanistan. (C)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon Meeting with Jacques Delors, President, European Communities Commission (U)

PARTICIPANTS:

The President
James A. Baker, Secretary of State
Clayton Yeutter, Secretary of Agriculture
Robert Mosbacher, Secretary of Commerce
John H. Sununu, Chief of Staff
Carla Hills, United States Trade Representative
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert Gates, Deputy Assistant to the President for National Security Affairs
Thomas Niles, Ambassador-designate to the European Communities
Deane Hoffmann, NSC (notetaker)

Jacques Delors, President, European Communities Commission
Sir Roy Denman, Head of Delegation of the Commission of the European Communities
Horst Krenzler, Director General for External Affairs, EC Commission
Pascal Lamy, Chief of Staff, Office of the President of the EC Commission
Claus Ehlermann, Spokesman, EC Commission
Nicholas Van der Pass, Counselor to President Delors (notetaker)
Edward Olszyna-Marzys (interpreter)

DATE, TIME AND PLACE: June 14, 1989, 12 noon-1:00 p.m. EDT
Roosevelt Room

The President opened with a few words on his trip to Yellowstone National Park and Nebraska. His environmental message was getting good reception in the United States, the Canadians were pleased, and some European countries had reacted favorably. He wants to work closely with the European Community on this issue. (U)

President Delors said the environment would be discussed at the Economic Summit in July. (U)

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Clayton Yeutter mentioned ethanol and said that this might be helpful both in Europe and the United States; it could also give some relief to surplus corn production. (U)

Horst Krenzler asked if ethanol was economically viable. (U)

Clayton Yeutter said that with adequate research it might be viable by 1995. (U)

The President asked if the European Community had a stake in the German elections. (C)

President Delors said it was important that Kohl receive backing so that he could be a strong leader until the end of 1990. Kohl reinforces the goals of the European Community. (C)

The President asked how a major swing away from the Christian Democrats toward a more liberal government might affect the European Community. (C)

President Delors said a more liberal German government might want to work toward an Atlantic to Urals European Community. (C)

The President asked what a more radical regime in West Germany might mean for German economic issues such as trade. (C)

President Delors said there would be no change. In terms of security, he said if EC '92 was successful there was no chance that a radical German government could divorce itself from the allies. (C)

The President said there was much interest on Capitol Hill in EC '92. We must do all we can to have proper consultations, such as at the Cabinet level, on economic issues. (U)

Clayton Yeutter joked that EC 92 was the best mechanism we had for job creation in Washington. (U)

Secretary Baker asked what Delors' views were on monetary union. (C)

President Delors outlined Thatcher's opposition. He has no solution to the problem with her. (C)

Secretary Baker asked how the French felt about a common central bank. (C)

President Delors said Mitterrand was in favor of this, but that France's Finance Minister might disagree. There was much to do on EC 92 so that monetary and economic union must not be added to an already full agenda. (C)

The President said we are united in our view for success in the Uruguay Round and pointed out that agriculture is a subject of

keen interest. We must make progress. (U)

President Delors said if the Uruguay Round were not successful it would not be possible for the EC to meet its '92 objectives. It would be a contradiction for the Uruguay Round to fail and EC '92 to go forward. Agriculture was very difficult; there are 9 million farmers; these farms are crucial for the fight against "desertification." The EC is moving away from subsidies to income support payments, but only in a small way at this time. (C)

Secretary Baker asked at what point the move to expand income support would become politically difficult. (C)

President Delors said this is already a problem. The French small farmers refuse subsidies. (C)

Clayton Yeutter said that is why it is important for the EC to link income supports to the environment. (C)

The President said the purpose of the Super 301 process is to open markets, not to protect. (C)

President Delors said he understood that the Super 301 action was meant to convince Japan to be more forthcoming. He said he understood our problems with Congress on Super 301. (C)

Carla Hills said we would use the 301 leverage to push progress in the Uruguay Round. (C)

The President said we have rolled over on trade issues. We have been deprived of market access, and it has cost us a lot. As Vice President, he had seen the Japanese make promises but nothing had happened. We must enforce the laws on our books and use them to gain access. It would be a serious mistake to misunderstand the mood in the United States. (C)

President Delors said he understood our irritations with Japan -- that they "speak, speak, and export, export." He hoped that in the future the U.S., EC and Canada could jointly put pressure on the Japanese. (C)

Secretary Baker made the point that we were able to avoid an even stronger trade law because we were able to get exchange rates to move and thus get trade balances to adjust. Exchange rates are now moving in the wrong direction. We need to take action to preserve those trade gains. (C)

Secretary Mosbacher agreed with Delors that we need to coordinate to deal with the problem of Japan. (C)

The President said he was concerned about the new European broadcast directive. (C)

President Delors said the directive was necessary for cultural

reasons, and that it was cost effective for the Europeans to do this. (Ø)

Secretary Baker replied that we had a natural advantage in producing programming and this was what free trade was all about. (Ø)

Carla Hills said we were very worried about the local content aspect of the broadcast directive. The Senate is very concerned about this. The directive was no different than if we applied local content rules to French wine. The broadcast directive would be viewed in Congress as the worst form of censorship. (Ø)

Secretary Baker asked about the EC position on harmonizing defense levies. (Ø)

President Delors said the issue has been taken off the table. (Ø)

The President said we wanted to assist Eastern Europe, but we do not want to pour money in until economic reforms are in place. We must be prudent. We have a strong interest in improving relations with Poland. (Ø)

President Delors said Lech Walesa told him it was not possible to make political progress without economic progress. Walesa asked Delors to help the Polish people but not to help the Communists. Delors saw two problems. One is the Polish external debt; the other the need to give Poland enough resources to fight against inflation and to ensure the functioning of markets. (Ø)

Secretary Baker asked President Delors if he meant we needed to give Poland grants. (Ø)

President Delors said yes. (Ø)

The President said that he had a lot of respect for Roy Denman and thanked him for the job he had done. (U)

Sir Roy Denman told the President he planned to go to Harvard to teach beginning in September to which the President replied that he wouldn't hold that against him. (U)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Meeting with President Desmond Hoyte of Guyana (U)

PARTICIPANTS:
The President
Lawrence Eagleburger, Deputy Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, National Security Advisor
Robert Gates, Deputy National Security Advisor
Richard Melton, Deputy Assistant Secretary of State for Inter-American Affairs
Theresa Tull, U.S. Ambassador to Guyana
David Pacelli, NSC (Notetaker)

President Desmond Hoyte
Cedric Grant, Ambassador to the United States
Halim Majeed, Principal Political Officer, Office of the President

DATE, TIME AND PLACE: June 19, 1989, 11:30 a.m. - 11:55 a.m. Oval Office

The President and President Hoyte chatted for five minutes about various subjects while the press took photographs. The President mentioned that he had missed Mr. Hoyte during his last visit to the White House because he had been out campaigning. (U)

The President began the meeting by welcoming President Hoyte, saying that he was pleased that Hoyte could come. The President asked if Hoyte had seen Secretary Baker yet. (U)

President Hoyte said no, but that he was meeting him this afternoon. (U)

The President said he wanted to throw the floor open to President Hoyte, and that he should be free to say what was on his mind. But he added that he first wanted to say that he had high regard for Hoyte's dealing with the economic situation in Guyana. He knew it was not easy. The President said he would like to get Hoyte's views, but for the moment he wanted to say that he supported Hoyte. (C)

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The President also praised Hoyte's anti-narcotics stance, saying that we want to cooperate more. For a long time, people in South America used to look upon the problem as one of the United States being the consumer and themselves the producers. Now, the Latins recognize that they have a significant consumption problem themselves in their societies. The President said that he was hoping that we can confront this problem together; we are determined to do so. Any thoughts Hoyte might have on that subject were welcome. (Ø)

President Hoyte began by referring to his economic policies which were aimed at stimulating growth and a more open economic system. He said that his nation had recently concluded an agreement with the IMF and that he had prepared a budget message which incorporated the measures agreed upon in those negotiations. (Ø)

President Hoyte said that the economic plan was tough, and that it had facilitated subsequent renegotiations with the Paris Club. He mentioned that there had been some miscalculations by the IMF in its assessment of the effects of the massive devaluation which he carried out--the Guyana dollar was devalued 70 percent. The IMF had estimated that its effect on domestic prices would be about 53 percent, but they were actually closer to 200 percent. There had been a severe impact upon foodstuffs, and major strikes in bauxite and sugar, which happily were over. Now, things had been put back on track. (Ø)

President Hoyte also said that outside resources have not come as quickly as expected. In the first quarter, for example, he was expecting $60 million in assistance. It was projected to have sound projects to help with the most vulnerable people, but they had not really started yet. Moreover, the strikes did not help. (Ø)

The President asked how the strikes had been settled and whether President Hoyte thought they worked out well. (Ø)

President Hoyte said that it did work out well, in his view. A settlement such as the strikers wanted would have contravened IMF ceilings, but he did not agree. No doubt, he said, everyone will have to sacrifice. In the end, the IMF accord has to reduce the standard of living, but this is absolutely necessary. (Ø)

The President asked for President Hoyte to review the figures he had given. (Ø)

President Hoyte complied, saying the exchange rate had gone from 10:1 to 33:1. (Ø)

The President asked what the result of that had been. (Ø)

President Hoyte said there had been about a 170 percent increase in prices. (Ø)

The President asked what factors had caused so much distortion. (Ø)

President Hoyte said that the Fund thought that there would be a ceiling. There always was a psychological aspect of this type of thing which should not be ignored. One good thing was the final result of the exchange rates, and the Guyana dollar had now stabilized versus the American dollar. Mr. Hoyte concluded by saying that his country needed to be more productive. But he hoped to be able to adjust some of the IMF targets and for the IMF to be more flexible. (Ø)

The President asked if the Fund conceded that its estimates were way off. (Ø)

President Hoyte said he did not know. He then brought to the President's attention two matters relating to the Fund's procedures. First, some ceilings which have been established tend to inhibit the process. He described how the Central Bank converts at a certain ratio, at the 10:1 exchange rate for example. Reynolds (Aluminum) is obviously looking to use the 33:1 ratio, but the Bank cannot give Reynolds that rate. Hoyte concluded by saying what he would like to see was some adjustment of the IMF program. (Ø)

The President asked if the Reynolds situation was a big deal, if large amounts of money were involved. (Ø)

President Hoyte said about 10 million dollars. He gave another example of an Italian firm that wanted to supply a new electrical system; all that is needed is a guarantee that the government would pay. Under Fund arrangements, Guyana could not put up the money, since it would be regarded as a liability. All we ask for is some adjustments, he said. Summing up, he stated that Guyana has a program; we have a demonstrated commitment; and we have a large number of countries in the Support Group. It is in Guyana's interest, of course, to seek aid, but it is in the wider interest of others that we succeed, he declared. (Ø)

The President said that President Hoyte had sent him a nice letter and that we are supportive of his efforts. There presently are restrictions on U.S. aid, as he understood Guyana was prohibited from receiving aid because of its arrears. But we are respectful of what you do, said the President, and very much appreciative of your tough decisions. He said that he hoped there would be ways in which we could be helpful. He knew that Hoyte would speak to Secretary Baker, and he would leave the details to the State Department and the technocrats. (Ø)

The President asked about the CBI, saying that he knew that Guyana was one of the newest members. The President said he had to confess his frustration with our difficulty in focusing on it. I want you to know, he said, that I have not surrendered, not one bit. He said that he hoped that we would have new legislation before too long. We will keep on trying on that one, he stated. (Ø)

The President returned to the subject of narcotics, saying it was not the position of the United States, with its problems, to lecture. But we did appreciate the strong stance by the Hoyte government on this issue. (C)

President Hoyte thanked the President, saying that it was a major problem that had to be addressed multilaterally. There was a rising incidence of crime in his country. (C)

The President said that it was sad that so many young people got involved with drugs. We have got to do a better job in education, he said, indicating that education was a priority in the American approach to solving this problem. The President cited how our cultural image had glorified drugs earlier--for example, through the movies--which was changing. (C)

President Hoyte observed that anti-narcotics enforcement was very costly. (C)

The President agreed, saying that we faced the same situation here. (C)

The President concluded by thanking Hoyte for the visit and hoping that he had a fruitful stay in the United States. (U)

President Hoyte thanked the President, and the meeting was concluded. As he was leaving, President Hoyte explained that he was going on to the Midwest to meet with representatives of companies that wanted to invest in his country. (U)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Meeting with Foreign Minister Hans-Dietrich Genscher of West Germany

(U)

PARTICIPANTS: The President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
James Dobbins, Deputy Assistant Secretary of State for European and Canadian Affairs
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs (Notetaker)

Hans-Dietrich Genscher, Foreign Minister
Dieter Kastrup, Political Director, Ministry of Foreign Affairs
Ambassador Juergen Ruhfus

DATE, TIME AND PLACE: June 21, 1989, 11:50 a.m. - 12:15 p.m. EDT
The Oval Office

The President began by asking about Chairman Gorbachev's June 12-15 visit to the Federal Republic. (C)

Foreign Minister Genscher said it was an important visit, Gorbachev's first official visit to the FRG. The Foreign Minister said the joint FRG-Soviet declaration was very important as the basis for the fundamental values of human rights and national self-determination. The declaration also emphasized the importance of global challenges. The German side stressed that any discussion of the future of Europe must include the U.S. and Canada as a part of this Europe, this "common European house." Gorbachev had made clear that he is interested in close relations with the Germans and with the U.S. The Foreign Minister said he had no doubt that Gorbachev feels U.S. involvement in Europe is in Soviet interests. While in Bonn, Gorbachev had asked that his hosts extend his best wishes to the President and to say that he values the President's conventional arms proposal. (C)

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The President asked whether the question of German reunification arose. (C)

Foreign Minister Genscher replied that Gorbachev had raised this with him in 1986. On this visit, Gorbachev had noted that the East German leadership faced serious problems. The Foreign Minister had agreed, noting that the GDR has no national identity and has a standard of living lower than in the FRG. There will be reform in the GDR, the Foreign Minister said, but Moscow is worried that it will come too slowly. Genscher said Gorbachev had asked the West Germans not to talk too loudly about reunification but rather to let events take their course -- toward a more cooperative and integrated Europe, not a reestablishment of the German Empire. As this happens, Genscher concluded, the separation of the two German states will become less important. Germany's fate thus becomes the fate of a reformed Europe, not a separate issue. The FRG will also draw Eastern Europe toward it, if Western Europe continues the process of economic and political integration. (C)

The President asked whether the interest of Poland and Hungary in the European Community was political as well as economic. (C)

Foreign Minister Genscher replied that in the first stage the interest is economic, because they want help. They also want to show that they are western Europeans, sharing those values; but the FRG cannot proceed with them outside the security context, since they cannot talk of leaving the Warsaw Pact. The Foreign Minister observed that this is a period of great change after decades of a very bad situation. It was therefore very important that the Alliance demonstrated unity at the Brussels Summit. In that context, the Foreign Minister said that President's speech in Mainz was also a great success. (C)

The President said that it was very helpful that Gorbachev's visit affirmed the idea that the "European home" must include the U.S. and Canada. The President expressed his appreciation for that and promised to stay in very close touch with the Bonn coalition. (C)

Secretary Baker noted that he and Foreign Minister Genscher had discussed the importance of pushing through the President's CFE proposal in all its elements by September 7. (U)

The President pledged that the U.S. would push hard and not drag its feet. He acknowledged that some find the timetable too ambitious, but said that he would go forward and felt Gorbachev would do so as well. (U)

Foreign Minister Genscher said he did not consider the timetable too ambitious, adding that it was also important to push hard for a ban on chemical weapons. (U)

The President, concluding the meeting, said that verification was a major problem but that he would love to find ways to achieve a global CW ban. (U)

THE WHITE HOUSE

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Hiroshi Mitsuzuka, Foreign Minister of Japan (U)

PARTICIPANTS: The President
The Vice President
James A. Baker, III, Secretary of State
John 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
Richard Solomon, Assistant Secretary of State for East Asia and the Pacific (Designate)
Karl D. Jackson, Senior Director for Asian Affairs, NSC Staff (Notetaker)

Hiroshi Mitsuzuka, Foreign Minister
Nobuo Matsunaga, Ambassador to the U.S.
Tatsuo Arima, Director General of the North America Bureau, MOFA
Yoshiyasu Sato, Director General for Economic Affairs, MOFA
Yurio Okamoto, Director, First North America Division, MOFA
Koko Tsuruoka, (Interpreter)

DATE, TIME AND PLACE: June 26, 1989, 1:10 p.m.-1:25 p.m.
Oval Office

The President welcomed Foreign Minister Mitsuzuka pledging full U.S. cooperation with the new government of Prime Minister Uno. (U)

Foreign Minister Mitsuzuka thanked the President for providing time for the meeting and conveyed greetings from Prime Minister Uno who is looking forward to meeting the President in Paris. The Foreign Minister raised the possibility of a one-on-one meeting of the Prime Minister and the President in Paris. In addition, the Foreign Minister indicated that Prime Minister Uno anticipates visiting the United States as soon as possible. The Foreign Minister emphasized the continuity of Japanese diplomacy; relations with the United States will continue to be the cornerstone of Japanese diplomacy. The Foreign Minister

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suggested that Super 301 was an issue which should be managed quietly so that it would not affect the overall relationship among the two countries. On international issues Japan seeks a spirit of coordination and joint endeavor with the United States. Mitsuzuka said that, on China, Japan was encouraged by having the views of such a deeply knowledgeable person as President Bush, and Japan would like to proceed in coordination with the U.S. (C)

The President indicated that Japan and the United States share common interests regarding China. The best way to foster democratic change is through continuing trade and exchange of students and by convincing the PRC leaders that it is in their best interests to continue reform. The President said that emotions in Washington are running very high on China. On the U.S.-Japan trade question the President indicated that we must stay in very close contact and said he was sure that Ambassador Matsunaga was very familiar with the mood in Congress on trade. The President looked forward to seeing Prime Minister Uno in Paris and expressed the opinion that trade would dominate the summit. The President indicated that he understood that things had not been easy on the political front in Japan and said that the U.S. had been through similar periods of trauma. He assured the Foreign Minister that the U.S. will continue to deal with frankness and in depth with the Prime Minister and the Foreign Minister of Japan. The U.S.-Japan relationship means so much -- not just to the U.S. and Japan -- but to the entire world, that it must be kept on the proper path. (C)

Foreign Minister Mitsuzuka said that the political situation is very difficult and that this will be the first very difficult election in post war history. The LDP must implement political reform under Prime Minister Uno to restore the confidence of the people. (C)

The President asked how the Japanese system would work if a split developed between the upper and lower houses in terms of party control. (C)

The Foreign Minister said that he would have to think about this but that he was preparing himself for defeat in the upper house elections but hoped to maintain an absolute majority in the lower house as a result of the electoral system. (C)

The foreign Minister invited Vice President Quayle to visit Japan for the International Democratic Union meeting and to stay on as a guest of the Government of Japan. Prime Minister Uno had specifically requested that the Foreign Minister extend this invitation. (U)

Vice President Quayle accepted the invitation, saying that he would very much like to make the visit. (U)

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
13. Memcon	Re: Meeting with President Mario Soares of Portugal [FOIA restrictions redacted] (3 pp.)	6/26/89	(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 6/1/89 - 7/12/89

Document Partially Declassified
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By MM on 6/29/2023

Date Closed:	1/23/2009	**OA/ID Number:**	91107-004
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(82)	**MR Case #:**	2012-1600-MR(508.01)
AR Disposition:	Released in Part	**MR Disposition:**	Released in Part
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	1/13/2016

RESTRICTION CODES

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

(b)(1) National security classified information
(b)(2) Release would disclose internal personnel rules and practices of an agency
(b)(3) Release would violate a Federal statute
(b)(4) Release would disclose trade secrets or confidential or financial information
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy
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Presidential Records Act - [44 U.S.C. 2204(a)]

P-2 Relating to the appointment to Federal office [(a)(2) 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]

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2009-0629-MR

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Mario Soares of Portugal (U)

PARTICIPANTS:
The President
Lawrence Eagleburger, Acting Secretary of State
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
James Dobbins, Acting Assistant Secretary of State for European and Canadian Affairs
Adrian A. Basora, Director for European Economic Affairs, NSC (Notetaker)

Mario Soares, President
Joao Bastos, Ambassador of Portugal to the US
Joao Nunes Barata, Chief of Cabinet of the Office of the President

DATE, TIME AND PLACE: June 26, 1989, 5:05 - 5:40pm EDT
The Oval Office

The President opened by expressing his appreciation for Portugal's close alliance with the US, particularly on NATO issues. (S)

President Soares responded that Portugal was geographically the closest European neighbor of the US and so it was appropriate that it should be our closest friend. (S)

The President turned to Central America, noted Soares' strong commitment to democracy, and mentioned the remarkable change in European assessments of the Sandinistas. He stressed the importance of having the Central Americans pressure the Sandinistas for a free election. (S)

President Soares agreed and said it was essential that something happen in Nicaragua. Given the reforms in Eastern Europe and elsewhere, Central America was one of the few places in the world where there had been no change, and the time was now propitious. (S)

The President pointed out that if Noriega is permitted to get away with stealing an election and beating people it will be hard to get the Sandinistas to conclude that they must reform. (S)

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2012-1600-MR
MM 1/13/2016

President Soares responded that Noriega should be condemned and said that the Sandinistas were in a weak position. (S)

The President appreciated Soares' position and said he would welcome his ideas over the coming months. (S)

President Soares turned the conversation to China, saying Portugal was concerned because of its responsibilities for Macao. He summarized the Portuguese role there and the differences with Hong Kong, particularly regarding local democratic institutions. It was impossible for Portugal to control the large inflow of Chinese into Macao; this was a problem for the Chinese government. Portugal had an ongoing dialogue with Canton and Beijing on this and had to be careful in its public posture given its special responsibilities in Macao. One interesting indicator was that Taiwanese investment had continued to flow into Macao despite recent events. (S)

The President replied that it sounded as if Portugal was handling the situation well. (S)

President Soares said there would be pressure at the Madrid EC Summit to adopt a harder line. (S)

The President said it would be easy to raise the rhetorical level and to crack down on the economic front, but he did not want to hurt the very people who had benefitted from the reform process in China. There was great public emotion in the US, and the President felt it himself, but it was important to remain calm while strongly criticizing excesses so as not to hurt the Chinese people or discourage resumption of the reform process. (S)

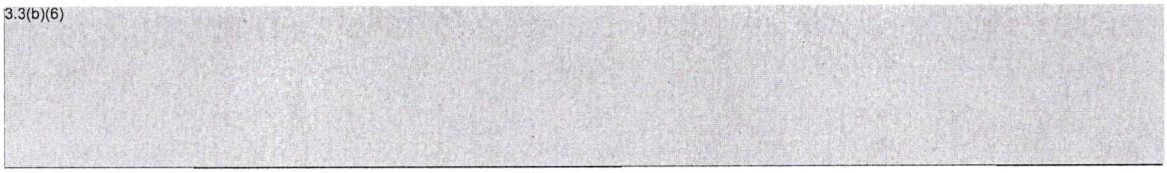
President Soares agreed. In a brief reference to Argentina, he added that Menem was in fact better than his press image and had put together a solid, broad-based cabinet. (S)

The President, turning to Angola, praised the persistence of ex-Assistant Secretary Crocker under criticism and said that Savimbi's decision to accept reconciliation with Dos Santos seemed like the right solution. However, he was interested in Soares' view. (S)

President Soares recalled that in Tokyo he had congratulated the President on not dropping Savimbi, but he had not expected such rapid positive movement as had occurred since then. The Zaire meeting had been a surprise, as had been the sudden change of tone toward Savimbi on Angolan government radio. But any lasting solution required getting rid of the hard-line Marxist-Leninists in the MPLA. Portugal had tried the same solution 14 years ago with a meeting between Holden Roberto and Savimbi, and there had been a million dead since then. Hopefully it would work now. If so there could be an economic recovery in which Portuguese

knowledge of Angola and US investment interest might combine to help the process. (S)

3.3(b)(6)



The President then asked Soares' views of Savimbi. (S)

President Soares described Savimbi as a great African tribal chief, an able military leader and an educated man with long political experience and high standing among African leaders. He also had good relations with the Catholic Church, which would play an important role. There were also other moderating forces within UNITA. (S)

President Soares ended by saying he hoped to see the President in Portugal. (U)

The President responded that he had enjoyed his last visit there greatly and would like to go again, but it would not be possible on his upcoming trip to Europe. (U)

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
14. Memcon	Re: Meeting with Robert Hawke, Prime Minister of Australia (10 pp.)	6/27/89	(b)(1)	S

Collection:

Document Partially Declassified
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By [illegible] (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 6/1/89 - 7/12/89

Date Closed:	1/23/2009	**OA/ID Number:**	91107-004
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AR Case #:	2000-0429-F(83)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

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(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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2000-0429-F
#83

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Robert Hawke, Prime Minister of Australia ~~(C)~~

PARTICIPANTS:

The President
The Vice President
James A. Baker, III, Secretary of State
Richard Cheney, Secretary of Defense
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
Robert Zoellick, Counselor to the Department of State
William Clark, Deputy Assistant Secretary of State
Douglas H. Paal, Director of Asian Affairs, Notetaker

Robert Hawke, Prime Minister
Michael Cook, Australian Ambassador
Mr. Mike Codd, Secretary, Department of Prime Minister and Cabinet
Mr. Richard Woolcott, Permanent Secretary, Ministry of Foreign Affairs and Trade
Dr. Craig Emerson, Economic Advisor to the Prime Minister
Mr. Geoff Walsh, Senior Advisor to the Prime Minister
Mr. John Bowan, Senior Advisor for International Relations
Mr. Rod Sims, Economic Advisor to the Prime Minister

DATE, TIME AND PLACE: June 27, 1989, 10:35 a.m. - 11:35 a.m.
Cabinet Room

The President and Prime Minister Hawke met briefly in the Oval Office at 10:30 a.m. and shortly thereafter proceeded to the Cabinet Room for the plenary session. (U)

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CDL 8/21/2009
2000-0429-F

The President welcomed Prime Minister Hawke and said that he was really pleased to have him visit Washington. The President said that he personally hopes to visit Australia and was pleased that the Prime Minister had mentioned his invitation to Australia during his arrival statement. The President said that travel to Australia is something he has talked to Brent Scowcroft about. ~~(C)~~

The President then turned to the subject of China, saying that the American side has been seen by many as being in the vanguard on China policy for a long time. He said, however, that Australian relations even preceded those of the United States, and were together with Canada, in the lead. The President continued that the Prime Minister had appeared on television that morning and had been very helpful to the President personally and politically. The President said that he has been under fire from the Congress and from the media. The press understandably are reporting the dramas live from Beijing, and hitting the Administration strongly on the issue of human rights. For the Australian Prime Minister, therefore, to express his own outrage at the events in China and to say that his policy is in sync with American policy is very helpful. ~~(C)~~

The President then said that he and the Prime Minister had discussed some economic concerns about the Export Enhancement Program at Camp David in very frank talks. In fact, the President said that Prime Minister Hawke speaks frankly on every subject. ~~(C)~~

Prime Minister Hawke replied that he wanted to deal very quickly with possible areas of divergence between the two countries. He said there has been some disagreement as to the extent of the impact of the Export Enhancement Program (EEP). He added that there is not much point in going on about that program. Certainly, he said, Australia has been disadvantaged. As for the period immediately ahead, worldwide grain stocks are low, in part due to two droughts in the United States, so Australia does not believe it will be disadvantaged in the near term. He said that this period will coincide with progress in the Uruguay Round of talks. The Prime Minister believes that both sides should try to get the Uruguay Round committed to ending subsidized agricultural programs. He said he had mentioned to Agriculture Secretary Clayton Yeutter that as the United States moves towards its farm bill in 1990, the farm bill may reduce the negotiating clout of the nonsubsidizing countries. The Prime Minister suggested that the United States look at the legislation with an eye to creating a triggering mechanism; if the Uruguay Round is successful then the legislation will not come into effect, or if the Uruguay Round is unsuccessful, then the United States will revisit pertinent clauses of the legislation. Summing up on this issue, Prime Minister Hawke said, Australia has been hurt but that it is time to get on. What the United States did was not directed at Australia. Australia believes that the United States and

Australia both should concentrate on the outcome of the Uruguay Round. (C)

The President said that he will work toward that end. He said that the point of the campaign in raising the agricultural issue with the Europeans was to get a good outcome. He continued that the United States fought to get the Uruguay Round on the agenda. He cited the United States Trade Representative, Carla Hills, as a very tough negotiator, and mentioned Secretary Yeutter in the same manner. The President said that the United States has taken the issue up with M. Delors. The President said that the United States knows it is not pure on this issue of subsidization. He continued that he appreciates the way that the Prime Minister has raised the issue. In the end, the President said, the United States wants fair trade practices. The United States is determined to see the Uruguay Round to a successful conclusion. The President then said that he would talk about this subject at the upcoming economic summit in Paris. (C)

Secretary Baker noted, now that the Prime Minister had mentioned it, that the subject of agricultural subsidies was discussed at the last three economic summits. The Secretary stressed that he really believed that without the EEP, there would have been no agricultural issue on the agenda of the Uruguay Round. He acknowledged that there are differences of opinion on the affect of the EEP on Australia. But, Secretary Baker said, he really believes that this is what got the Europeans to the bargaining table. The United States wants to dispose of this issue. The United States tried for six years to get the Europeans to discuss agriculture. He said that the Prime Minister would probably agree that the proliferation of subsidies was really more from the European side. The United States will try not to hurt Australia, although it may well have done so. The real United States desire is to eliminate subsidies. The United States side has made its proposal and believes that if there is progress in the Uruguay Round, the United States will find the political will to effectively eliminate subsidies. (C)

Robert Zoellick then remarked that the 1988 Omnibus Trade Bill has some aspects which might possibly be linked to the current Farm Bill consideration. He proposed that this possibility be discussed with Secretary Yeutter. (C)

The President responded that there should be follow up on that idea. (U)

Prime Minister Hawke expressed his and Australia's gratitude for the President's response to the Prime Minister's proposal for greater economic cooperation in the Pacific Basin. He noted that there had been a feeling earlier that Australia was ignoring the United States. The Prime Minister explained that he had been aware of the fact that some countries in the region had questions about the roles of the United States and Canada. He said that he had wanted to talk the issue of Pacific economic cooperation over

with them, but all along wanted the United States to be part of a dialogue. The Prime Minister then thanked the President for his support on this issue. (C)

Turning to Secretary Baker, Prime Minister Hawke said that in discussions at the ASEAN Post Ministerial Conference the two sides would have an opportunity to work out a common position. The Prime Minister noted that there are differences between countries such as Indonesia and Malaysia. He continued that he will try to get a ministerial meeting in November, pointing out first that he attaches importance to the concept of Pacific Basin cooperation and second repeating his thanks for the President's response to his initiative. (C)

The President asked for the Prime Minister's views on the Philippines, commenting that the Prime Minister knows the subject very well. The President said that he is concerned about the Philippines and that he wants to go forward with Manila on a new bases agreement, but he also wants to explore possibilities elsewhere. The President said that he wants to make the point to the Philippines that cooperation on this issue is good for both countries. (C)

Prime Minister Hawke responded that he wished to make clear Australia's support for the position the United States takes on the bases. He added that there had been some skepticism about Mrs. Aquino and her ability to perform as President. Her degree of commitment to reform and to maintain stability in the Philippine Islands was in question. In recent months, however, he saw more evidence that her position has held up compared to the earlier situation. Prime Minister Hawke said that he wants to ensure that Australia's program of assistance makes sense. It is important to ensure conditionality. He said that he does not want to see money poured in without its constructive use on fundamental reforms. Prime Minister Hawke said he has a sense that Mrs. Aquino will be supportive on this issue and on the bases and noted that he understands that she will be visiting the United States in the coming autumn. (C)

The President and General Scowcroft exchanged remarks about the possible timing of Mrs. Aquino's visit and noted that she seems to want to visit the United States later rather than sooner. (C)

The President then asked Secretary Cheney to comment. (U)

Secretary Cheney said that he had discussed the issue of the Philippines the previous day with the Prime Minister. They had discussed the possibility of some facilities being explored with the Singapore Government. He summarized the situation with the Philippines by saying that he is hopeful for a satisfactory completion of the bases negotiations, but he does not want to underestimate the difficulties ahead. (C)

Prime Minister Hawke interjected that it is Australia's sense that the United States will get the bases. ~~(C)~~

The President responded that Mrs. Aquino still has big political problems to overcome. ~~(C)~~

Secretary Baker asked who will represent Australia at the Multilateral Aid Initiative talks in Tokyo. ~~(C)~~

Dr. Woolcott responded that it will be Dr. Dunne, who handles foreign assistance for the Ministry of Foreign Affairs and Trade. Australia will not be represented at the Ministerial level. ~~(C)~~

The President asked if the Australians know what they will do. (U)

Dr. Woolcott responded that Australia does not believe it can add significantly to the funds involved but hoped that what Australian can do will be effective and will try to contribute a little more money to the Philippines program. ~~(C)~~

The President offered to describe where United States relations with the Soviet Union now stand. He said that when his Administration came into office, the administration undertook a thorough review of foreign affairs. He noted that critics have alleged that the new people in the Administration did not know what they were doing. They said that the Administration was too cautious, too "cold war." The President pointed out that that is not what motivates any of the people at the table with Prime Minister Hawke. For example, if Gorbachev goes to West Germany, the United States has no heartburn over his visit. The same is true if the President goes to Poland or Hungary. The United States is not out to exacerbate the problems that the Soviets and the East Europeans have. The United States seeks to represent what the United States stands for. The United States will maintain a policy of differentiation, of "beyond containment." The President said that he recognizes that the Soviet Union has changed. This means that Secretary Baker will continue building strong personal relations with Foreign Minister Eduard Shevardnadze. Secretary Baker will be alert to identifying a time when the President should sit down with Gorbachev in a summit meeting. The Administration is not going to be in a rush, but it is not afraid to go ahead with a meeting either. The President added that the Soviets have been doing some small things that are nonetheless significant gestures. He noted that the Soviets had offered to help with an oil spill. They also sent a letter concerning the casualties suffered on the battleship Iowa. The United States for its part sent a burn unit to help with the casualties from the pipeline explosion in the Soviet Union. At first, he noted, lower levels of the Soviet Union were not interested in receiving this team of experts. Later, however, when the issue reached the level of Gorbachev, the Soviets became very interested in receiving the experts and helping them reach the burn patients. ~~(C)~~

The President noted that it was his feeling that relations with the United States and the Soviet Union are in fair shape. The United States is not going to throw down some weapon system in the belief that everything has changed with the Soviet Union in their system. Nevertheless, the United States remains serious about arms control. The United States wants START progress, it wants reduction of conventional arms in Europe. The United States should not engage in a popularity contest, however. The world is moving in a direction of the freedoms that the United States and Australia enjoy. The President noted that lately the Soviets have not been talking on the issue of chemical warfare. He said there are very great differences between the sides on the issue of verification. He said that on the issue of chemical warfare, the United States wants to be fully engaged. The United States will go forward on START with the issue of verification placed at the forefront. This is not to obstruct progress. The Soviets have a right to know if an agreement they signed with the United States can be ratified by the United States Senate. If the United States can move the issue of verification to the table early, it will be better able to guarantee that the treaty obligations will be fulfilled. This is not an obfuscation technique. To summarize the United States/Soviet relationship, the President said he wants to get it in sound shape. He will be cautious. He believes he has every reason to be so. ~~(S)~~

Secretary Cheney pointed out that the cuts in conventional arms offered by the United States in Europe were arrived at with a deep involvement of United States military authorities. What is significant about this United States proposal is what it requires for the Soviet Union to do in reducing its forces in Europe. If the United States takes down 30,000 men, the Soviets will have to reduce 300,000 men. He noted that in June in Europe the Soviets produced numbers on tanks and artillery that are the numbers the United States has been seeking. The Presidential package of proposals offered at Brussels can be negotiated. Chancellor Kohl said that during his recent visit to Germany, General Secretary Gorbachev had been very forthcoming. With respect to the time table that the President has proposed for the reduction of conventional forces, some say that it is outrageously optimistic. Nonetheless, the United States will push its system to meet these deadlines. Gorbachev, when asked on this subject, said he had no problem with the deadline and would put the issue on a fast track. This, of course, was a private statement, not public. ~~(S)~~

Secretary Baker then said that asymmetrical reductions proposed by the United States for conventional forces are designed to lead to parity in Europe. One area where there will not be cooperation is on naval forces, which the Soviets are pushing for. The United States believes very strongly that this is not an area that should be open for discussion. The Secretary asked that Prime Minister Hawke share the view of the United States on this subject as a fellow maritime nation. Secretary Baker said

that he anticipates the Soviet Union to make very esoteric proposals with regard to naval forces, particularly in the northern Pacific. ~~(S)~~

Prime Minister Hawke responded that the Australian side understands this point. (U)

General Scowcroft said that it is encouraging that our sides recognize the asymmetries. He noted, however, that on strategic systems there has been very little diminution of Soviet modernization. New systems continue to come on line, new missiles and submarines, tanks, they just keep coming. ~~(C)~~

The President then invited the Prime Minister to comment on Cambodia. ~~(C)~~

Prime Minister Hawke said that he had discussed the issue that morning on Capitol Hill. (b)(1)

(b)(1)

(b) (1)

The Vice President said that he has had a question both then, during his visit to Australia, and now of how one can help the non-Communist resistance strengthen itself to be a competitor in Cambodia. Currently they are the ones the United States and Australia favor. If these two countries do not assist the non-Communist resistance, then what? The alternatives are the illegitimate Hun Sen regime and the Khmer Rouge. With China in its current situation, Beijing will probably help the Khmer Rouge. This is an increasing possibility. ~~(S)~~

Prime Minister Hawke responded that the Vice President's exposition of the issue assumes that the only form of contest is in military terms. This may well be an appropriate way to look at the issue. Australia's position is that there is enough on the table, if one looks at the players -- the Soviet Union wants to resolve the issue -- and the developments of a positive nature, that we should not look at it in military terms. The contest should not be seen only in military terms. In order to get the Vietnamese out, a mechanism will be needed to oversee the withdrawal, and meaningful elections will be required. Our side should try to get these going to get an expression of the will of the Cambodian people, quasi-democratic processes to ensure that the Khmer Rouge will not be able to intrude again. This does not seem to be unrealistic. If there is enough on the table, as the Prime Minister believes there is, then peaceful means should be tried. (C)

Secretary Baker responded that the United States proposal does not presuppose a military solution. The military approach is not intended to be the only approach. By enhancing the strength of the non-Communist resistance, if they can be strengthened in their bargaining position, this will probably lead to a settlement. ~~(C)~~

Prime Minister Hawke said (b) (1)

(b) (1)

Secretary Baker said that it all depends on how the material is delivered. (U)

Governor Sununu asked what the Prime Minister thinks Chatchai believes. ~~(C)~~

Prime Minister Hawke responded (b)(1) ~~(C)~~ (b)(1)

The Vice President said that when he was in Bangkok Chatchai said that it was only necessary to get Sihanouk and Hun Sen and their people in a room in order to work out a settlement. Chatchai never said not to provide lethal assistance. Chavalit, Foreign Minister Sitthi, and most importantly, the King, know what is needed. ~~(C)~~

Prime Minister Hawke said that Chatchai has one imperative only. (b)(1)

(b)(1) That is his attitude. ~~(C)~~

The Vice President said that Chatchai's attitude assumes that there will be stability and that Hun Sen will prevail, but this scenario is in deep trouble with the Khmer Rouge present and the current Chinese mood. ~~(C)~~

Prime Minister Hawke said that he would counsel the United States to hold back. He then switched subjects to offer an opinion on the Middle East, urging that in United States talks there that the United States take a look at Lebanon. Prime Minister Hawke said that in Australia there is a large Lebanese population, over 100,000 people, who are distraught about Lebanon. They have the feeling that no country is committed enough to try to find a resolution to the conflict in Lebanon. Of the various trouble spots in the world, Lebanon is seen as too hard to resolve, left to the Arab League. ~~(C)~~

The President said that he knows it is a hard and difficult problem. He is inclined to agree with the Prime Minister. Unfortunately, the United States is dealing in a situation where it has little influence. Relations are strained with Syria. The United States has no contacts with Commander Awn, who postures to little effect. No one in this room has met him. The President then cited the American experience in Lebanon with United States forces. Even Javier Perez de Cuellar did not want to go to Lebanon after the United States approached him. The United States would like to talk. In a recent visit by Prince Saud, he sounded like he was doing more for the situation in Lebanon than in the past. Naturally, the United States population has emotional links with Lebanon. The President said that he

remembered doing business there years ago. It is on the American conscience. But the United States has not found a formula to be helpful. The United States remains genuinely and deeply influenced by the situation. The American Lebanese population is loyal and bright. He then said that Secretary Baker would continue to talk to the Prime Minister on the subject over lunch. ~~(C)~~

The meeting then concluded with the President escorting Prime Minister Hawke to his automobile. (U)

~~CONFIDENTIAL~~ THE WHITE HOUSE 5192

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting Between the President and Zairian President Mobutu (U)

PARTICIPANTS: The President
David Passage, NSC Director for Africa (notetaker)
Carol Wolter, Interpreter

President Mobutu
Nkema Liloo, Zairian National Security Adviser (notetaker)

DATE, TIME AND PLACE: June 29, 1989, 11:00 a.m. - 11:20 a.m.
The Oval Office

The President welcomed President Mobutu, observing that they had met many times over the years and that it was always a pleasure to see him again -- particularly under the circumstances of President Mobutu's diplomatic triumph in bringing together Angola's President Dos Santos and UNITA's Jonas Savimbi. "I congratulate you on your visionary leadership; this has been a significant step forward, which will put you in a good position and be of help to you with some of the problems (referring to Zaire's economic difficulties and its dispute with Belgium) that you and I have discussed in the past." (C)

The President said he wanted to open, in this small meeting, with the matter of human rights, observing "You know you have some critics in this country, and we cannot ignore them." The President said he'd heard that President Mobutu had established a Human Rights Commission, and invited him to tell him about it. (C)

President Mobutu said he had indeed done so, and was proud that one of the results had been a report by the UN Human Rights Commission "exonerating Zaire" of the opprobrium of being one of the "especially watched" countries. President Mobutu handed the President a single page report from the UNHRC removing Zaire from the Commission's "watch" list. (C)

Moving to economic matters, President Mobutu said he wanted to make the point frankly to a friend that Zaire did not consider that the level of (economic and military) assistance Zaire was getting from the U.S. was commensurate with Zaire's diplomatic efforts "on our joint behalf", and was "insignificant" in comparison with that given to "certain other countries." (C)

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President Bush said the U.S. was "in a real bind" on money and acknowledged that "a disproportionate share goes to just two countries, as you know." He said President Mobutu had made the point, on other occasions when they had been together, that "some countries which don't often stand with us seem to do better than others who are consistently loyal." The President said this, coupled with President Mobutu's Angolan triumph, "will surely help with Congress." President Mobutu said he had, in fact, been talking with various Congressional leaders, and that very morning a bipartisan coalition had introduced a joint "Sense of the Congress" resolution praising him. (C)

Returning to the matter of U.S. assistance, President Mobutu said he wanted to use Pakistan as an illustration: "Here is a country which you cross to get assistance to an anti-communist freedom group (the mujaheddin), and which has also had a human rights problem. Yet the U.S. gives $400-500 million each year to Pakistan, compared to $4-5 million to Zaire." He asked if Pakistan was more respectful of U.S. needs than Zaire. He recalled that a Pakistani Prime Minister, Zulfikar Ali Bhutto, had disparagingly described President Carter's offer of $400 million in U.S. assistance as "peanuts", and spurned it, whereupon the U.S. increased its offer. President Bush replied that much of the assistance the U.S. gives Zaire goes through International Financial Institutions, and the assistance to the Afghan freedom fighters ultimately would help Zaire, as communism was rolled back. (C)

The President then suggested they join the larger group in the Cabinet Room for a discussion of these issues. (U)

In closing the "one-on-one" session, President Mobutu said he wanted to put in a word on behalf of a visit to President Bush by Rwanda's President Habyarimana. The President said he recalled with pleasure the time both Presidents Mobutu and Habyarimana had visited the Bushes at their summer home in Kennebunkport (in the summer of 1987) and told President Mobutu he would make a note of President Habyarimana's request and write him about it. (C)

The two Presidents then joined their advisors in the Cabinet Room.

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WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Mobutu Sese Seko of Zaire (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
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
William C. Harrop, U.S. Ambassador to Zaire
Herman J. Cohen, Assistant Secretary of State for African Affairs
David Passage, NSC Director for Africa (notetaker)
Mary Carol Wolter, interpreter
Eliza Burnham, interpreter

President Mobutu Sese Seko
Nguz Karl-i-Bond, Foreign Minister
Katanga Mukumadi ya Mutumba, Finance Minister
Tatanene Manata, Chairman of Political Social Commission, Zairian Legislature
Nkema Liloo, National Security Advisor to President Mobutu
Mokonda Bonza, Director of President Mobutu's Executive Staff
Mushobekwa Lalimba wa Katana, Zairian Ambassador to U.S.

DATE, TIME AND PLACE: June 29, 1989, 11:25 a.m. - 12:00 p.m.
The Cabinet Room

The President opened the meeting by saying he wanted to repeat to President Mobutu's advisers the high praise he had for President Mobutu's triumphal achievement of getting Angola's President Dos Santos and UNITA's Jonas Savimbi to meet together on June 22, 1989, at Gbadolite, Zaire. The President said they had also talked together about human rights, and said President Mobutu had shown him a very encouraging report from the UN Human Rights Commission removing Zaire from the "watch" list. The President thought this would serve President Mobutu very well in his meetings on the Hill. (C)

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President Mobutu thanked the President for his "very kind words" and said he chiefly wanted to talk about the "situation between our two countries." First, he said, he wanted to report that Zaire had reached agreement with the IMF and World Bank on an economic reform program and it had been approved by both the Paris Club and London Club (on debt rescheduling). He said Zaire's export earnings were increasing and inflation had fallen from 13% to 0%, and since January 1 of this year, his government had not had to resort to additional borrowing. (∅)

During this same time, President Mobutu said, Zaire had been extremely active diplomatically, mediating the dispute between Rwanda and Burundi, and, as the President knew, working to move Angolan national reunification forward. He said he had been so successful that (Ethiopian) President Mengistu had asked him to talk to the Eritrean rebels, (Mozambican) President Chissano had asked him to intercede with RENAMO, and a former Sudanese Vice President had twice flown to Zaire to ask Mobutu's help with Sudan's southern rebels. (∅)

"All this activity," President Mobutu added, "costs money," however, and Zaire did not think that U.S. assistance was commensurate with Zaire's contribution to our joint interests. "For us in Zaire, we look at U.S. assistance to other countries and we feel overlooked." He said it often seemed that "to receive an adequate amount of U.S. assistance, you have to engage in mud-slinging." For example, he said, at an OAU meeting in 1975 in Kampala then-Sudanese President Nimeiri had tabled a motion denouncing the U.S. for its dealings with South Africa. He (President Mobutu) had demanded a comparable condemnation of the Soviet Union, and his motion had been adopted -- but Sudan got $100 million in economic assistance and $100 million in military aid that year, whereas "Zaire got $3 million in economic aid and $6 million in military assistance." (∅)

President Mobutu said another example was Zaire's responsiveness to (former U.S. Permanent Representative to the United Nations) Jeane Kirkpatrick, who asked his support at a Havana Conference on Human Rights: he had immediately sent a Zairian delegation to Havana to retrieve the situation, a tactic which had worked. "But on the very next day, your (U.S.) Executive Director at the World Bank voted against a loan for Zaire's GECAMINES copper mining project." (∅)

Finally, President Mobutu said, the U.S. had been using Pakistan as an access route to get supplies to the Afghan rebels, and Pakistan had been receiving, in return, "$400, 600, 800 million each year" even though Pakistan also had a human rights problem. "When I go up to meet with the Congress, I will speak frankly and bluntly about a U.S. policy which is shocking to us." "We attach no price tag to our friendship", he said, "but you need to review your policy." (∅)

The President replied that it was important for President Mobutu to make these points to the Congress, and said the U.S. acknowledged that there were some inequities in the way the U.S. was able to divide its assistance resources. On the GECAMINES loan, he pointed out that there was a legislative prohibition, "the Garn Amendment", precluding U.S. assistance to foreign "copper" projects. And finally, he pointed out, "some of the things we do in other parts of the world, such as Pakistan and Afghanistan, indirectly help Zaire." But, the President said, "I'm listening attentively, and I sometimes wish the U.S. President could make foreign policy instead of the Congress." (C)

Secretary Baker noted that both the Departments of State and Treasury had wanted to vote in favor of the GECAMINES loan, but ran up against the legislative prohibition. (C)

Turning to South Africa, the President asked President Mobutu's views on how to deal with that country. President Mobutu said his experience was that if one dealt with the South African Government privately and quietly, it was more likely to listen than if one simply attacked them publicly. He recited a number of instances where he had dealt directly with South Africa's President P.W. Botha and Botha had been very responsive, including not sending Nelson Mandela back to prison after his recent hospitalization, commuting the death sentences of the "Sharpeville Six", and supporting Mobutu's efforts to bring Angola's President Dos Santos and UNITA's Jonas Savimbi together. (C)

When the President asked President Mobutu's view of future South African President De Klerk, President Mobutu said he had met with him on May 6th and De Klerk told him "once I am in power, you (Mobutu) are the first African head of state I want to meet with." He concluded by saying he thought the key to dealing with the South Africans was to be open to them and respect the confidentiality of private communications. (C)

The President expressed appreciation, and said if President Mobutu had further suggestions along those lines, he'd be grateful to have them. He said the U.S. objective was to move toward racial equality in South Africa, "but I think we probably have less influence with them (South Africans) than in the past -- but still, we must try." (C)

The President then suggested the group move to the Residence Old Family Dining Room for lunch. (U)

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THE WHITE HOUSE

WASHINGTON

6824

MEMORANDUM OF CONVERSATION

SUBJECT: Bilateral Meeting with Wojciech Jaruzelski, Chairman of Poland (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs (Notetaker)
Interpreter

Wojciech Jaruzelski, Chairman
Notetaker
Interpreter

DATE, TIME AND PLACE: July 10, 1989, 9:30 a.m. - 10:15 a.m.
Belwedere Palace

Chairman Jaruzelski began the meeting by presenting the President two volumes of "War in the Pacific" which included a picture of the President. He noted that few of the generation that fought in the war survive today. (U)

The President said that he had asked a young soldier in the United States whether young people still remember their history and the soldier had said yes. The President said that he was skeptical and wondered if young people in Europe and the United States could understand the tragedy of World War II. (U)

Chairman Jaruzelski said that the Poles are concerned that the memory of the war has lapsed and that the Right is growing in Germany. (C)

The President asked if he meant the Republicaners. (C)

Chairman Jaruzelski answered yes. The concern, he said, is that displaced persons who are not yet dangerous might grow and push for reunification. (S)

The President said that the United States had been very concerned about reunification which could put great pressure on East-West relations and that he wanted to hear Jaruzelski's views. (S)

Chairman Jaruzelski said that Prime Minister Thatcher had made an interesting point that reunification might take the form of a loose

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federation for all German speaking people rather than unification into a single state. Nevertheless, even this could be dangerous since the Germans have great discipline and reunification should be a matter of concern for the Western Alliance. (S)

Turning to the President's visit, Chairman Jaruzelski, expressed appreciation and called the visit a step forward and a contribution to the process of reform in Poland. He suggested that the meeting cover internal, bilateral and international issues and then asked the President to begin the discussion. (C)

The President expressed his pleasure at returning to Poland at a time of remarkable change -- changes that the world has watched with wonder. He said that he would do nothing to complicate the difficult and delicate job that Poland and Jaruzelski face. The President remarked that he would avoid rhetoric which would complicate the situation and that he had not come to Poland to place strains on the Soviet alliance. Rather, he noted that the United States would contribute positively to the reforms while stopping short of interference. The President asked Jaruzelski to advise him on ways that the United States could help without interfering so that the aspirations of the Polish people could be met. (S)

Chairman Jaruzelski thanked the President for expressing his intentions so frankly and said that he was aware of the respect that the President receives as leader of a superpower. He related that Gorbachev had said that during his visits to Germany and France he had been careful to do nothing to imperil U.S. interests. Jaruzelski remarked that it was heartening to see the two leaders so responsive to the needs of East-West cooperation and of reform in the East bloc. (C)

Chairman Jaruzelski assured the President that Poland has a wider spectrum of pluralism today than at any time in recent history. Within the Sejm, pluralism is restricted but far less than was originally planned. Democracy, he said, is not just a tactic. Quoting Churchill, Jaruzelski said that "democracy is not a very good system but it is better than all others." Political and economic changes must go together in order to insure progress. (C)

The Chairman went on to describe the new triangular Polish governmental structure with two houses of the legislature and a Presidency. He noted that the Polish Senate has real possibilities since the opposition controlled it. In order to prevent disruption of state functions, it was important to have a strong President but his power would be less than that of the French President. (C)

The President said that he would ask who the next President would be but that such question might be regarded as interference. (S)

Chairman Jaruzelski answered that there were no secrets about this issue. The President must be one in whom all have confidence and the powers of the office were described to do that. Jaruzelski

stated that it was unofficially agreed that he would be a great candidate but after the election, polls were taken that showed that the opposition would vote against him. It would be a tug of war that Poland does not need at this time. In the meantime, Walesa said that Kisczak would be more electable. Jaruzelski went on to explain that legislative support for Kisczak was actually quite weak and that he (Jaruzelski) appears to be the strongest candidate though nothing can be taken for granted and the degree of support should not be exaggerated. (C)

The President asked whether the President of Poland is also commander-in-chief of the armed forces. (C)

Chairman Jaruzelski answered yes and called the issue delicate. (C)

The President related the story of Polish journalists who asked him whether he wanted to see Soviet troops out of Poland. He noted that his affirmative answer was viewed as interference by Gorbachev who then brought up the SNF issue which had already been decided in NATO. The President asked Jaruzelski whether Gorbachev was in fact that concerned. (S)

Chairman Jaruzelski said that Gorbachev was quite concerned and wanted to hear the issue linked to the dissolution of blocs. He said that because of the German question, the Poles would feel more comfortable, even in the future, with one or two Soviet divisions in East Germany. (S)

The President said that he had not mentioned the troop withdrawals to be more contentious, only to look into the future. (S)

Chairman Jaruzelski said that the important thing was to look at how political events are developing. Continuing his discussion of internal Polish events, he noted that Solidarity is not unified but has socialist and social democratic wings as well as those linked more closely to the church. Many voices are being expressed in Poland and only political competition can revive the Communist Party. Jaruzelski argued that Poland needs a coalition government with a communist Prime Minister and opposition deputy prime minister. He remarked that the problem is that any government must undertake very tough economic measures which is particularly difficult for Solidarity which is at once a trade union and a political party. Hard work must be rewarded. (C)

The President remembered Jaruzelski's comment to him that Labor had demanded 3-5 years maternity leave. (C)

Chairman Jaruzelski noted that organized labor controls about 20% of the U.S. work force but will control about 80% of the Polish work force. It is difficult to engender competition under these conditions. He went on to note that in the U.S. there are more goods than people need which brings about competition, while in Poland everything that is produced is sole. Free enterprise and the

private sector are sick. Jaruzelski continued saying that Solidarity is demanding that farmers get three times more for dairy products than the store price. (C)

The President opined that Solidarity must realize that all of this must change. (C)

Chairman Jaruzelski said that the leadership does know but is afraid of losing its constituency. The West can help because in this period in which Poland needs severe austerity, pressure is needed from the outside to adopt the reforms. There are three stages: at present-- to prevent economic collapse; a second period of 2-3 years in which the situation needs to be stabilized; and third, to restructure the economy completely and change the basis of ownership. The final stage would take 10 years or so. Jaruzelski told the President that he had written a letter to the G-7 outlining Poland's problem and hoped that the President would raise these issues in Paris. (C)

Chairman Jaruzelski continued saying that Solidarity has called for workers to have greater authority but the regime believes that powers must be restricted because workers favor distribution of profits rather than surplus. He thanked the President for the points made in Hamtramck. Jaruzelski underlined his agreement with the President that the 1970s could not be repeated. The goal is to obtain IMF help, which controls Poland's situation, and to attract joint ventures. (C)

Chairman Jaruzelski then turned to bilateral issues, saying that Poland looked forward to the creation of cultural centers and wants very much to open a consulate in Los Angeles. Moreover, he said that while he understands COCOM, it is important to think about what might still be possible to increase the flow of technology to Poland. (C)

Turning to foreign policy issues, Chairman Jaruzelski noted that at the Warsaw Pact meeting in Bucharest, Poland had stressed political rather than military coordination in the Warsaw Pact and pressed for further progress on arms control. Poland expressed support for the President's CFE proposal but SNF is still controversial. (C)

Returning to economic issues, The President remarked that he understood Jaruzelski's frustrations with labor demands at a time when competitiveness was the issue. He promised to talk to Solidarity about the matter in Gdansk and to talk to the G-7 about what could be done to help Poland. He then outlined the U.S. assistance package for Poland that would be announced later in his speech to the Polish Sejm. The measures include: a proposal that the West engage in concerted action in support of Polish and Hungarian reform; the establishment of a $100 million private enterprise fund; encouragement of the World Bank to move ahead with $325 million in economically viable project loans; U.S. support for an early and generous rescheduling of the Polish debt which would

defer $5 billion in payments; and a $10 million environmental fund, in part to be used in the clean-up of Krakow. (Ø)

The President expressed his hope that these measures would demonstrate the commitment of the United States to Polish reform, saying that he was aware that some in labor unrealistically expected the West to come up with some $10 billion in assistance. Such assistance, he noted, would be wasted without fundamental reform first. (Ø)

Chairman Jaruzelski agreed but added that the direct linkage is difficult to maintain in the domestic political environment. Other political parties, not only labor, fight such linkages. (Ø)

The President responded that he was interested to learn that other parties held the same view because the U.S. had assumed that the problem was to get labor to cooperate. He promised to talk about the problem in his meetings with Polish labor leaders. (Ø)

Chairman Jaruzelski said that it was important that the President remind Polish workers to keep their feet on the ground and to work hard. It is not enough to simply admire U.S. riches. (Ø)

The President remarked that he understood better the different forces in Poland and would speak wherever appropriate about the dangers of levying heavy demands on the economy. (Ø)

Chairman Jaruzelski added that he wanted the President to know that Polish people are coming together. He acknowledged his respect for Walesa, saying that he had progressed since 1980 and had become a full partner in seeking solutions to Poland's problem. It was therefore a sensitive matter for him (Jaruzelski) to be seen as criticizing Solidarity in his conversations with the President. (Ø)

The President promised to discuss reform without representing the issues as Jaruzelski's views. He stated that he was aware of the sensitivity of appearing to carry a message from Jaruzelski to Solidarity. The President called the current period a delicate one in which it is important not to lose ground on the tremendous Polish accomplishments that the West views so favorably. Reflecting on the contrast with China, the President called that situation tragic and an example of what happens when political and economic reform are delinked. He asked Chairman Jaruzelski if he worried about the effect of the Polish reforms on the Soviet Union. (Ø)

Calling the matter sensitive, Chairman Jaruzelski said that each East European state must find its own way. Dictators have certain advantages in that they control labor while democratization in Poland has given the Polish party less control. (Ø)

The President remarked that there was concern for awhile that the U.S. did not want Gorbachev to succeed and was pulling back from

him. Saying that he did not want to get too deeply into Polish affairs, the President asked whether the Poles wanted Gorbachev to succeed. He reiterated that he was not in Poland to "stick a finger" in Gorbachev's eye nor to lecture on the road to reform. The President said that he believed the U.S. system to be the best but recognized that it is the U.S. system and may not be transferrable. The U.S. will support reform whatever form it takes. (S)

Chairman Jaruzelski responded that there is a belief that Europe supports Gorbachev more than the U.S. because the Europeans see the benefits of stability. He told the President that their conversation had convinced him that this view was wrong and that he would communicate this to Gorbachev. Jaruzelski noted that Gorbachev held positive views of the President even before his election and hoped to see him soon. (S)

The President asked whether a meeting would be valuable even without an arms control agreement. (S)

Chairman Jaruzelski responded that it was difficult to say and that the President was a better judge. But it should be remembered that Reykjavik looked like a lost cause initially but turned out well because the two sides' positions drew closer. (S)

The President said that he saw U.S.-Soviet relations as on track. The review of policy has been completed and Secretary Baker has met with Foreign Minister Shevardnadze several times. The President explained to Jaruzelski that Secretary Baker is not just the foreign minister but a close personal friend. He said that many small but positive things going on in the relationship, including the visit of the Chairman of the Joint Chiefs of Staff to the Soviet Union. He said that he felt that East-West relations were on track and that the U.S. would do nothing to make the course of reform more difficult. (S)

Chairman Jaruzelski remarked that Americans and Russians are similar in their flamboyance. He noted that Gorbachev told him that people look at perestroika and see mobs plus ethnic problems; that the French, for instance, give perestroika little chance. But reform has already made a big difference and there have been involuntary changes already that make it impossible to reverse course. (S)

Brent Scowcroft asked whether Jaruzelski was worried that political reform will outrun the economy in the Soviet Union. (S)

Chairman Jaruzelski said that the Soviets are actually moving on both fronts, reforming the structure. He closed by saying that all of the economies of the East need to be more competitive and to improve efficiency. (S)

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THE WHITE HOUSE

WASHINGTON

6824

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Meiczyslaw Rakowski, Prime Minister of Poland (U)

PARTICIPANTS:

The President
James A. Baker, III, Secretary of State
John Davis, Ambassador to Poland
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Roger B. Porter, Assistant to the President for Economic and Domestic Policy
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert Zoellick, Counsellor to the Department Department of State
Margaret Tutwiler, Assistant Secretary for Public Affairs, Department of State
James Dobbins, Acting Assistant for European Affairs, Department of State
Curt Kamman, Deputy Assistant Secretary for European Affairs, Department of State
Dennis Ross, Director, Policy Planning Staff, Department of State
Condoleezza Rice, Director of European and Soviet Affairs, National Security Council (Notetaker)
Interpreter

Meiczyslaw Rakowski, Prime Minters
Kazimierz Olisiak, Deputy Prime Minister and Minister of Agriculture
Ireneusz Sekula, Deputy Prime Minister
Tadeusz Olechowski, Minister of Foreign Affairs
Mieczslaw Wilczek, Minister of Industry
Andrzej Wroblewski, Minister of Finance
Andrzej Wojcik, Vice Minister of Foreign Economic Relations
Jan Majewski, Vice Minister of Foreign Affairs
Jan Kinast, Polish Ambassador to the United States

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Edmund Pawiak, Director General, Council of Ministers and Secretary to the Prime Minister
Kazimierz Duchowski, Director of Department III (The Americas), Ministry of Foreign Affairs
Krzystof Litwinski, Interpreter
Notetaker

DATE, TIME AND PLACE: July 10, 1989, 3:15 p.m. - 3:45 p.m.
Council of Minsters

Prime Minister Rakowski opened the meeting with comments on the President's speech to the Polish Parliament. He said that he found the speech permeated with realism and that he personally valued nothing more highly than realism. Poland has entered an historic phase of radical and profound change. Within months a new legal and governmental system would be in place and Poland would begin the road to economic reforms to free production of dogmatic approaches. The Prime Minister cited two major stumbling blocks to reform: the time factor -- the reforms need to bear fruit quickly; and the barrier of the peoples consciousness and receptivity to free market reforms. The latter barrier, he said, opens the way to conflicts and social strains. Poland's chief problem, according to the Prime Minister, is to introduce reforms while avoiding serious unrest. Every responsible politician has to take into account the public's mood. (ℓ)

The Prime Minister continued, saying that socialism had caused a demobilization of society in which hard work was no longer appreciated because an egalitarian philosophy dominated the minds of the people. Moving away from those precepts requires courage and the Prime Minister thanked the President for his encouragement of the private sector. He pointed out that while a robust private sector is key, the very existence of private enterprise implies differentiation of material standards and leads to jealousy among the population. He noted that the Cabinet has been accused of giving the nation's material wealth over to private hands. Prime Minister Rakowski opined that it would be a full generation before Poles accepted the consequences of stratification of wealth. (ℓ)

The Prime Minister remarked that some in Poland thought that President Bush would come with a blank check for the Polish people. He said that he was pleased that the President did not because the check would bounce. The point is not to get Western aid in the sense of untied credits but to convince the West to create the conditions for Poland's reform. This means encouraging the World Bank and the IMF to display flexibility in order to facilitate repayment later. Poland needs breathing

space and would be pushed to the brink of conflict if that space is not provided. He stated that Poland's leaders know that economic and political reform must go hand in hand because one without the other is a recipe for a social explosion. He went on to say that the economic errors of the past constitute a closed chapter but that Poland's leaders knew that they could not repeat those mistakes. (S)

The Prime Minister then turned to the political situation, which he characterized as filed with emotion and hope. The issue, he said, is whether all forces in Parliament display common sense. Poland is trying to move to a new foundation without spilling blood. While both the Soviet Union and China have experienced violence, Poland has so far succeeded in carrying out a bloodless revolution. The Prime Minister noted that many of the reforms that were voluntarily launched could not have gone forward without Jaruzelski but that not everyone one is willing to admit that. He remarked that only history can write the final story of Jaruzelski and Walesa. If no blood is spilled, they will be judged great historical successes. (S)

The President stated that he agreed completely with the statement that economic reformers must always be cognizant of political circumstances. He said that it was not his intention to encourage the Polish government to do things that would break the treasury. The President related Jaruzelski's story of the labor union's demands for five years paid maternity leave for pregnant mothers. That story, he said, drove home to him the demands that are being made upon the regime. (S)

The President went on to say that the West will help but that the United States with a $150 billion deficit cannot present Poland with a blank check. But the United States can help to create a propitious atmosphere internationally and help in innovative ways with the Polish economy. (S)

The President promised to avoid hot rhetoric but to encourage essential reforms while speaking up for principles of democracy and free enterprise. He said that the United States desperately wants to see Poland succeed and will encourage sound macroeconomic reform. (S)

The President remarked that Jaruzelski is a controversial but widely respected figure in the United States. There is a level of recognition that he is trying to lead Poland to new era. He continued saying that he was not in Poland to pit Bush against Gorbachev but to lend genuine support for reform; the United States wants to see perestroika succeed in the Soviet Union too. (S)

Prime Minister Rakowski thanked the President for his prudence and said that he had tried to use his time to express the historical significance of the moment. He remarked that people

are tired of the age-old tensions and looking for a better life. There is now a possibility to relieve those tensions thanks to the realistic view of President Bush and of Gorbachev. He said that Poland does not wish to disturb either the U.S. or the U.S.S.R. He closed, reiterating both Poland's need for Western support and his support for Jaruzelski who he characterized as a man of stature and the right person for the current period. (Ø)

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THE WHITE HOUSE

WASHINGTON

6824

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Meiczyslaw Rakowski, Prime Minister of Poland (U)

PARTICIPANTS:

The President
James A. Baker, III, Secretary of State
John Davis, Ambassador to Poland
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Roger B. Porter, Assistant to the President for Economic and Domestic Policy
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert Zoellick, Counsellor to the Department Department of State
Margaret Tutwiler, Assistant Secretary for Public Affairs, Department of State
James Dobbins, Acting Assistant for European Affairs, Department of State
Curt Kamman, Deputy Assistant Secretary for European Affairs, Department of State
Dennis Ross, Director, Policy Planning Staff, Department of State
Condoleezza Rice, Director of European and Soviet Affairs, National Security Council (Notetaker)
Interpreter

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Kazimierz Olisiak, Deputy Prime Minister and Minister of Agriculture
Ireneusz Sekula, Deputy Prime Minister
Tadeusz Olechowski, Minister of Foreign Affairs
Mieczslaw Wilczek, Minister of Industry
Andrzej Wroblewski, Minister of Finance
Andrzej Wojcik, Vice Minister of Foreign Economic Relations
Jan Majewski, Vice Minister of Foreign Affairs
Jan Kinast, Polish Ambassador to the United States

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Edmund Pawiak, Director General, Council of Ministers and Secretary to the Prime Minister
Kazimierz Duchowski, Director of Department III (The Americas), Ministry of Foreign Affairs
Krzystof Litwinski, Interpreter
Notetaker

DATE, TIME AND PLACE: July 10, 1989, 3:15 p.m. - 3:45 p.m.
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The Prime Minister continued, saying that socialism had caused a demobilization of society in which hard work was no longer appreciated because an egalitarian philosophy dominated the minds of the people. Moving away from those precepts requires courage and the Prime Minister thanked the President for his encouragement of the private sector. He pointed out that while a robust private sector is key, the very existence of private enterprise implies differentiation of material standards and leads to jealousy among the population. He noted that the Cabinet has been accused of giving the nation's material wealth over to private hands. Prime Minister Rakowski opined that it would be a full generation before Poles accepted the consequences of stratification of wealth. (¢)

The Prime Minister remarked that some in Poland thought that President Bush would come with a blank check for the Polish people. He said that he was pleased that the President did not because the check would bounce. The point is not to get Western aid in the sense of untied credits but to convince the West to create the conditions for Poland's reform. This means encouraging the World Bank and the IMF to display flexibility in order to facilitate repayment later. Poland needs breathing

space and would be pushed to the brink of conflict if that space is not provided. He stated that Poland's leaders know that economic and political reform must go hand in hand because one without the other is a recipe for a social explosion. He went on to say that the economic errors of the past constitute a closed chapter but that Poland's leaders knew that they could not repeat those mistakes. (C)

The Prime Minister then turned to the political situation, which he characterized as filed with emotion and hope. The issue, he said, is whether all forces in Parliament display common sense. Poland is trying to move to a new foundation without spilling blood. While both the Soviet Union and China have experienced violence, Poland has so far succeeded in carrying out a bloodless revolution. The Prime Minister noted that many of the reforms that were voluntarily launched could not have gone forward without Jaruzelski but that not everyone one is willing to admit that. He remarked that only history can write the final story of Jaruzelski and Walesa. If no blood is spilled, they will be judged great historical successes. (C)

The President stated that he agreed completely with the statement that economic reformers must always be cognizant of political circumstances. He said that it was not his intention to encourage the Polish government to do things that would break the treasury. The President related Jaruzelski's story of the labor union's demands for five years paid maternity leave for pregnant mothers. That story, he said, drove home to him the demands that are being made upon the regime. (C)

The President went on to say that the West will help but that the United States with a $150 billion deficit cannot present Poland with a blank check. But the United States can help to create a propitious atmosphere internationally and help in innovative ways with the Polish economy. (C)

The President promised to avoid hot rhetoric but to encourage essential reforms while speaking up for principles of democracy and free enterprise. He said that the United States desperately wants to see Poland succeed and will encourage sound macroeconomic reform. (C)

The President remarked that Jaruzelski is a controversial but widely respected figure in the United States. There is a level of recognition that he is trying to lead Poland to new era. He continued saying that he was not in Poland to pit Bush against Gorbachev but to lend genuine support for reform; the United States wants to see perestroika succeed in the Soviet Union too. (S)

Prime Minister Rakowski thanked the President for his prudence and said that he had tried to use his time to express the historical significance of the moment. He remarked that people

are tired of the age-old tensions and looking for a better life. There is now a possibility to relieve those tensions thanks to the realistic view of President Bush and of Gorbachev. He said that Poland does not wish to disturb either the U.S. or the U.S.S.R. He closed, reiterating both Poland's need for Western support and his support for Jaruzelski who he characterized as a man of stature and the right person for the current period. (C)

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Private Meeting with Bruno Straub, President of Hungary (U)

PARTICIPANTS: The President
Robert D. Blackwill, Special Assistant to the President for National Security Affairs (Notetaker)

Bruno Straub, President
Laszlo Kovacs (Notetaker)

DATE, TIME AND PLACE: July 11, 1989, 8:20 a.m. - 8:35 a.m.
Nandorfehervar Room, Parliament Building

President Straub thanked the President for his visit to Hungary and for his remarks. He noted that the visit of an American President, the first such visit, is valued highly by the Hungarian government. This is especially true since history is moving ahead rapidly. He said that the United States has helped a great deal, including setting up the highly successful management institute. (C)

The President said that he had come to Hungary to demonstrate the interest of the U.S. in the unfolding events in Hungary not to put the government on the spot. The President said further that he did not wish to complicate things for Gorbachev and did not view the trip as a part of a personality contest between the two of them. Rather, he intends to treat Hungary with sensitivity that recognizes how remarkable the country is. The President said that he wanted all Hungarians to understand how excited Americans are about the developments and how anxious the American people are to help Hungary move along the course of reform. He added that this was a policy that he was personally committed to as was Secretary Baker. The President said that Hungary's leaders should know that he is aware of the great differences among East European countries. (C)

President Straub said that Hungary is proud of its reformist heritage and believes that it is at the forefront of change. (C)

The President agreed and said that he hoped to share his experiences with his colleagues at the Paris Economic Summit and

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to share Hungarian perspectives with them. In U.S.-Soviet relations the U.S. is pushing forward with both START and CFE. He mentioned that Chairman Jaruzelski had been positive about arms control and that he had assured him that the U.S. intended to make progress. (C)

The President remarked that not all in the world was positive and commented that he was "sick" about China. (C)

President Straub said that he had been to China many times, in fact only two years ago and that he had been impressed with how individualistic the Chinese were. (C)

The President said that the great danger now was that everything, even science and education, would slip back. It is important not to cut off contact with China. He noted that there are 40,000 Chinese students in the U.S. and that this represents a breakthrough. At the same time, it is important to condemn the brutal actions of the government. (C)

President Straub said that he regretted events in China but was glad that things were moving favorably in Eastern Europe and the Soviet Union. (C)

The President told President Straub that he had asked a Pole to identify Gorbachev's greatest problem and he had said ethnic conflict. (C)

President Straub agreed saying that it had always been there beneath the surface. Now that ethnic groups can speak out that is what they are doing. (C)

The President commented that the times were delicate and remarked that talks in Poland had been interesting and open, even about who would be the next President. (C)

President Straub said that Hungary was learning from Poland's changes. (C)

The President talked of the agonizing times through which Solidarity is passing because labor unions and potential governors cannot act in the same way. (C)

President Straub commented that Hungary would likely face the same situation since the communists control the cadres working in government while the opposition has ideas and no experience. (C)

The President thanked President Straub and said that he learned a great deal. Expressing his desire for continued conversation, he said that he believed in talking to people in order to work on real world problems. (C)

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Miklos Nemeth, Prime Minister of Hungary (U)

PARTICIPANTS:

The President
James A. Baker, III, Secretary of State
Mark Palmer, Ambassador to Hungary
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert Blackwill, Special Assistant to the President for National Security Affairs
Robert Zoellick, Counsellor to the Department, Department of State
James Dobbins, Acting Assistant Secretary for European Affairs, Department of State
Dennis Ross, Director, Policy Planning Staff, Department of State
Condoleezza Rice, Director for European and Soviet Affairs, NSC Staff (Notetaker)
Interpreter

Miklos Nemeth, Prime Minister
Gyula Horn, Minister of Foreign Affairs
Thomas Beck, Minister of Trade
Erno Kemenes, Director, National Planning Office
Vencel Hazi, Hungarian Ambassador to the U.S.
Bela Szombati, Interpreter

DATE, TIME AND PLACE: July 12, 1989, 10:10 a.m. - 10:45 a.m.
Delegation Room, Parliament Building

Prime Minister Nemeth opened the discussion, saying that the Hungarian government is honored that the President chose to make this visit in the first year of his Presidency. The visit would give impetus to the Hungarian-American relationship. The Prime Minister noted that American political and moral support are needed as Hungary attempts fundamental political and economic reform. Hungary is trying to improve relations worldwide. The opening is not against any power but is toward many -- Southeast Asia, the West and the U.S.S.R. There is a great deal to do to

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break up the Stalinist system and move toward a more open one. Hungary must achieve a balance between constitutional, parliamentary, governmental and executive processes. The Hungarian Socialist Workers Party (HSWP) also considers it its basic duty to look at the past and open dark spots. At root of the reform is an understanding that the Stalinist model is at a dead end and that radical economic and political reform are needed. (C)

Prime Minister Nemeth called attention to the new draft constitution which does not express the leading role of the Party but does protect basic human rights and freedoms, including: the formation of a multiparty system; freedom of association and demonstration; free emigration; freedom of conscience; and freedom of the press and expression. The problem, he noted, is to simultaneously execute political and economic change. He said that he is confident that this can be achieved successfully. (C)

Prime Minister Nemeth continued, saying that the role of the government in the difficult period of transition is to guarantee peaceful conditions and create a partnership with the opposition parties. Discussing several outstanding issues, Prime Minister Nemeth remarked that the HSWP is committed to free and fair elections because they are the only basis for a stable government. He noted that Hungary is trying to avoid the creation of a power vacuum -- as exists in Poland -- because such a vacuum would be destabilizing and would be especially troubling for relations between the superpowers. He expressed his belief that the HSWP can renew itself and will be able to, through electoral means, gain a dominant position in the coalition. The danger is that if the HSWP is defeated, the opposition is not yet ready to rule. The HSWP is, however, developing a program of organizational assistance to the opposition. The goal is to keep the Interior Ministry and the Army out of politics, a position held by the leadership of these institutions. In summary, the HSWP must announce that it will not abuse its powers and on that basis, proceed to completely democratic elections, respecting the will of the people. (C)

Turning to the economic situation, Prime Minister Nemeth highlighted the high level of foreign debt as a key problem, admitting that the money had not been well spent. He said that in the future Hungary must emphasize working capital and joint ventures and the creation of new forms of ownership in which private, state and public property receive equal levels of protection. The Prime Minister also noted the importance of guarantees for foreign capital, including repatriation of profits and insurance against nationalization. (C)

The Prime Minister continued saying that the most important task, one which is broached rarely, is to reform thought and to engender a break with old ways. Hungary must reinstitute values

of competition, enterprise and the system will only work well if there is entrepreneurial freedom. He cautioned that, while Hungary can learn a lot from other countries, including the United States, the model adopted must be uniquely Hungarian. The adoption of foreign models, before and after World War II, has led to nothing but difficulty. The Prime Minister asked the President to remember that the political and economic institutions of the United States have been developing for 200 years and to expect Hungary to change course completely in 3-5 years would engender disaster. (C)

Rather, Hungary needs tolerance and patience from the outside. In this regard, Prime Minister Nemeth said that Hungary is proceeding from the assumption that the Brezhnev doctrine is dead. This was, he said, affirmed at the Warsaw Pact Summit in Bucharest. Some leaders of socialist countries hold other opinions but not Gorbachev. (S)

Finally, Prime Minister Nemeth emphasized the importance for Hungarian reform of strengthened international financial and economic contacts. He said that in the fall, Hungary will present a concrete three year program and would like to get IMF support. While relations with the IMF are good, he argued that the Fund tends to give the same advice no matter what the disease: create realistic prices and devalue currency; reduce budgetary deficits; and privatize the economy. The Prime Minister stated that Hungary agrees with the prescription but needs flexible terms in undertaking these measures. He asked for the help of the United States and implored the President to raise the issues at the Paris Summit. (C)

The President said that he would like to make a few general comments, though he was more interested in hearing further views from the Prime Minister. The President remarked that he recognized the changes going on everywhere, including in the U.S.S.R. He said that he wished to reiterate, as he had earlier, that the United States was trying to undertake policies that would not adversely affect the reform process. The President articulated his support for the IMF and what it is trying to do in terms of broad economic policy but noted the Hungarians' plea for flexibility. The President promised to discuss with the Secretaries of State and Treasury what could be done in this regard. He said that he understood the uniqueness of Hungary's situation and that the U.S. is blessed with economic growth, sometimes modest, sometimes buoyant. If there is a lesson to be learned from the American experience, it is that entrepreneurship, especially small business, can have magnificent results. In the U.S., the 20 million new jobs were mostly in small business. (C)

The President said in conclusion that the U.S. understands that it cannot design a political system for Hungary but that the principles articulated by the Prime Minister are ones that

Americans support. He underscored his intention to do nothing to complicate the process of reform and remarked that he looked forward to the meeting with the G-7 to describe the vibrancy of the Hungarian experience and to work out a plan of concerted action with the allies. ~~(C)~~

Secretary Baker added that Hungary's 61% of GNP in government spending is far too high and that the central government share in the U.S. is much lower. ~~(C)~~

Prime Minister Nemeth agreed but noted that everything takes time. He thanked the President and all of the participants for the exchange of views. (U)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Imre Poszgay, Hungarian State Minister (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
Mark Palmer, Ambassador to Hungary
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert D. Blackwill, Special Assistant to the President for National Security Affairs
Condoleezza Rice, Director of European and Soviet Affairs, NSC Staff (Notetaker)
L. Szimonisz, Interpreter

Imre Pozsgay, Minister of State
Laszlo Kovacs, Deputy Minister, Foreign Affairs
Bela Szombati, Interpreter

DATE, TIME AND PLACE: July 12, 1989, 2:10 p.m. - 3:00 p.m.
Music Room, Ambassador's Residence

The President welcomed Minister Poszgay and told him that he was anxious to get his views of the changes taking place in Hungary. (U)

Minister Poszgay said that he would be happy to give his opinions and hoped that in doing so he was helping U.S.-Hungarian relations. He noted that the President had already met with several leaders of the Hungarian Socialist Workers Party (HWSP), all of whom would agree that Poszgay holds a special view of the situation. He said that the Party must find a way to cope with the pressures of the new reform period and that the new four member leadership was a step toward doing this. He had, he noted, considered separating from the Party and is still not certain that the initiatives for reform that he has been pushing are meeting with success. Nevertheless, he remarked that developments in recent weeks have made him more optimistic that a breakthrough for reform has been made. ~~(C)~~

Minister Poszgay then elaborated, saying that if the HSWP breaks radically with the past, it will have a basis to gain broad acceptance in the country. The Party cannot be a meeting point for Stalinist elements and must show itself to be a socialist

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rather than one that is paternalistic and state-guided. This means, he said, acceptance of Western European principles of democracy, including a spirit of tolerance toward opposition parties. The Party, though, is accustomed to having all the means of power in its hands. But the time has passed when the Party is the sole guardian of truth. Yet, the reflexes of power are strong and some turn to the old ways when challenged. Poszgay remarked that the only solution was the acceleration of the pace of the process of democratization. (C)

The President asked what could reverse the reforms. (C)

Minister Poszgay answered that the most likely case would be a de facto alliance between extremist elements of the opposition and conservative forces if the leadership is unable to deal with the many social problems facing Hungary. (C)

The President said that the old model had failed, however, and asked whether even those Party elements who are old guard realize that it would be difficult to improve the situation using old methods. (C)

Minister Poszgay answered that it is unlikely that this would happen only as an internal solution. Help from the outside would be necessary and, in the present circumstances, that could not happen. (C)

The President said that the United States is pledged to helping to see that those circumstances do not occur. He said that it is important for Soviet reforms to go forward and that the United States does not want to exacerbate Gorbachev's situation or make the Hungarian course more difficult. (C)

Minister Poszgay said that he was not worried about the United States and that he saw only two points of risk: the emergence of civil war which would attract outside intervention; or a Hungarian declaration of neutrality. The former he deemed unlikely and remarked that the latter was simply not possible for Hungary. Hungary can, he said, have an open foreign policy without declaring its neutrality as the President's visit exhibited. In sum, he remarked that he saw no incentive for the U.S.S.R. to intervene. (C)

The President asked whether there were actually some who were asking Hungary to break from the Warsaw Pact. (S)

Minister Poszgay answered that there were extremists who demanded this but they were few in numbers. (S)

Minister Poszgay then turned to a discussion of the internal political situation, stating that the opposition has been very

clear in its demands but slow to shape a political program. As the opposition distances itself from the HSWP it is natural for them to target the communists. This, Poszgay noted, makes some HSWP members uncomfortable but does not disturb him personally. He said that these voices are the natural outcome of forty years of rule and will soon be behind Hungary. When this phase is passed, he said that it will be possible to form a coalition government. The most important step will be to have free elections which some of the opposition wishes to hold in the fall and others next spring. The problem for the opposition is organization and needs the delay in order to prepare for the elections. Whatever the timing, the goal is to have the transition take place peacefully. ~~jet~~

The President asked whether Poszgay was confident that the transition would be peaceful. ~~jet~~

Minister Poszgay answered that he was confident though the old lines of communication have been dismantling making information more difficult to come by. New forms of learning the attitudes of the public are necessary. ~~jet~~

The President asked whether the HSWP is taking political polls. ~~jet~~

Minister Poszgay said yes but that he is suspicious of them. The Polish experience shows that polls are not always reliable because the leaders heard from the polls what they wanted and misinterpreted them only to be shocked by the results. ~~jet~~

Governor Sununu asked about media access for the opposition. ~~jet~~

Minister Poszgay said that he is personally in the middle on this issue because it is his responsibility to control radio and TV and he has been accused of "selling out" to the opposition. On the other hand, the opposition says that he has a monopoly which he uses to his own ends. Legislation is needed but the opposition will be given fair access. He noted that the media covered fully the Nagy funeral. ~~jet~~

The President closed the meeting saying that the United States wants to be a constructive part of Hungary's reform and to work toward common objectives. ~~jet~~

Minister Poszgay remarked that this was evident in the President's trip and that all of Hungary thanks him for coming. ~~jet~~

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Francois Mitterrand, President of France (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs (Notetaker)
Interpreter

Francois Mitterrand, President of France
Jacques Attali, Special Counselor to the President (Notetaker)
Interpreter

DATE, TIME AND PLACE: July 13, 1989, 4:00 pm - 4:35 pm
Palais de L'Elysee, President Mitterrand's Office

The President asked President Mitterrand whether they were meeting in his working office. (U)

President Mitterrand said no that it was his ceremonial office. (U)

The President congratulated President Mitterrand on eloquent and moving ceremony for the celebration of the 200th Anniversary of the Rights of Man and asked whether the performers were actors. (U)

President Mitterrand answered that they were. He went on to say that he holds feelings of respect and confidence for the President that he started to feel before his election. He referred to the warmth of feeling at Kennebunkport and said that he hoped the President would feel absolutely at home. There are always minor squabbles but friendship is secure. (C)

The President said that the old saying "there are no pancakes that don't have two sides" was appropriate in this circumstance. (C)

President Mitterrand remarked that they were lucky to have Attali and Scowcroft to settle all. (C)

The President then made a few remarks about Poland and Hungary saying that he feared that the two countries knew not to expect a blank check and understood that they must help themselves. He said

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that he had found the Hungarian leaders extremely impressive, warm and friendly. They are convinced that Gorbachev wants real change. He noted that he is more worried about Poland where labor demands will make it difficult to introduce reforms. The authority of the regime and the power of the population must find a way to coexist if reform is to succeed. He opined that a state crackdown would bring chaos which would lead to intervention. The Poles cannot move away from their alliances. The President remarked that Jaruzelski was probably the best candidate since he had lived through difficult times and was thus battered but experienced. Moreover, Jaruzelski and Walesa know each other. He then asked President Mitterrand to share his views of Gorbachev. (S)

President Mitterrand said that he thought Gorbachev more imperiled than ever before and may have to assert his authority. Mitterrand said that Gorbachev detested the Chinese course and feels threatened by it. Moreover, he never has time to sleep and is under constant pressure. He noted that Gorbachev had made a few critical remarks about the U.S. not being helpful in Afghanistan saying that the Soviet troop withdrawal had gone unanswered. President Mitterrand said that his suggestion that the Soviets withdraw aid to Najibullah went unanswered. Gorbachev also mentioned the President's remark about withdrawing Soviet troops saying that he would not last one week if he did such a thing. (S)

The President said that he could see Gorbachev's concern about his remark and said that perhaps he should talk with him. (S)

President Mitterrand observed that Gorbachev was not concerned about the President's diplomatic intervention in Eastern Europe. He suggested that the President should meet with Gorbachev. (S)

The President asked whether it would be valuable to do so even without an arms control agreement. (S)

President Mitterrand expressed the opinion that the important thing was that the superpowers talk and exchange views. (S)

The President said that the problem was that there might be nothing concrete to do. (S)

President Mitterrand answered that the two could simply meet as Presidents who had not yet met. (S)

The President asked Mitterrand whether Gorbachev was worried that the U.S. did not want perestroika to succeed. (S)

President Mitterrand said that he did not think so but if he did worry about that it would be a dangerous sign. (S)

The President noted that Gorbachev had said in New York that there was an element in the U.S. that wanted perestroika to fail and that it was a group that would never give up. (S)

President Mitterrand suggested that much needs to be cleared up. Gorbachev established a personal relationship with Ronald Reagan and desired one with President Bush. (S)

Turning to the Middle East, the President asked for President Mitterand's views on the position of the Arab League. (C)

President Mitterrand admitted that he was pessimistic and feared that there would soon be an offensive on East Beirut. He said that Israel had not been helpful but if the great powers keep stressing the importance of a unified Lebanon, Syria would not dare attack. The French are seeking to keep the Iraqis out of Lebanon. (C)

The President asked about politics in Israel. (C)

President Mitterrand replied that the situation was bad. (C)

The President agreed noting the pull from the right on Sharon. (C)

President Mitterrand then asked if the President was tired. (U)

The President responded that he was not because he was so exhilarated by what he had seen. (U)

President Mitterrand said that it was very important not to push the East European states to withdraw from the Warsaw Pact which might have to exist to the end of the century for stability. Western action, especially economic action, is fine but a break with security commitments had been the problem for Imre Nagy. When he declared Hungarian neutrality, Russian troops moved in. It is simply too soon to talk about dissolving the Warsaw Pact. (S)