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2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

**This is not a textual record. This is used as an
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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: 91107-005

Folder Title:
Presidential Meetings - Memorandum of Conversations 7/14/89 - 10/2/89

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 Great Britain (3 pp.)	7/14/89	(b)(1)	TS
02. Memcon	Re: Meeting with Prime Minister Sosuke Uno of Japan (2 pp.)	7/14/89	(b)(1)	C
03. Memcon	Re: Meeting with Ruud Lubbers, Prime Minister of the Netherlands (5 pp.)	7/17/89	(b)(1)	S
04. Memcon	Re: Working Luncheon with Ruud Lubbers, Prime Minister, of Netherlands (2 pp.)	7/17/89	(b)(1)	S
05. Memcon	Re: Meeting with Lee Sang Hoon, Minister of Defense of Korea (3 pp.)	7/20/89	(b)(1)	C
06. Memcon	Re: Meeting with President France Albert Rene of Seychelles (2 pp.)	7/20/89	(b)(1)	C
07. Memcon	Re: Meeting with Foreign Minister Choi Ho Joong of the Republic of Korea (3 pp.)	7/24/89	(b)(1)	C
08. Memcon	Re: Meeting with Foreign Minister Mohammed bin Mubarak (3 pp.)	8/2/89	(b)(1)	C
09. Memcon	Re: Meeting with General Youssef Abu Talib, Defense Minister Egypt (2 pp.)	8/8/89	(b)(1)	C

Page 1 of 3

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 7/14/89 - 10/2/89

Pinksheet Number: cap914

OA/ID Number: 91107-005

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
10a. Memcon	Re: Memorandum of Conversation (3 pp.)	9/1/89	(b)(1)	C
10b. Memcon	Re: Memorandum of Conversation (8 pp.)	9/1/89	(b)(1)	C
11. Memcon	Re: Meeting with John Major of the United Kingdom (4 pp.)	9/11/89	(b)(1)	S
12. Memcon	Re: Meeting with Uruguayan President Julio Maria Sanguinetti (6 pp.)	9/15/89	(b)(1)	S
13a. Outline	Re: Meeting with Prime Minister Sandiford of Barbados (2 pp.)	9/19/89	(b)(1)	S
13b. Talking Points	Re: Points To Be Made for Meeting with Prime Minister Sandiford of Barbados (2 pp.)	n.d.	(b)(1)	S
14. Memcon	Re: Meeting with Eduard Shevardnadze, Foreign Minister of the Soviet Union (8 pp.)	9/21/89	(b)(1)	S
15. Memcon	Re: Memorandum of Conversation (5 pp.)	9/25/89	(b)(1)	S
16. Memcon	Re: President's Lunch for Allied Representatives (3 pp.)	9/25/89	(b)(1)	S
17. Memcon	Re: Memorandum of Conversation (4 pp.)	9/25/89	(b)(1)	S
18. Memcon	Re: Meeting with Venezuelan President Carlos Andres Perez (4 pp.)	9/25/89	(b)(1)	S

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
19a. Memcon	Re: Meeting with Foreign Minister Gyula Horn of Hungary (1 pp.)	9/25/89	(b)(1)	
19b. Memcon	Re: Meeting with President Janez Drnovsek of Yugoslavia (2 pp.)	9/25/89	(b)(1)	
20. Memcon	Re: Memorandum of Conversation (2 pp.)	9/25/89	(b)(1)	S
21. Memcon	Re: Meeting with Foreign Minister Krzysztof Skubiszewski of Poland (2 pp.)	9/25/89	(b)(1)	
22. Memcon	Re: Meeting with Theo Waigel, Chairman of the Christian Social Union of the Federal Republic of Germany (3 pp.)	9/26/89	(b)(1)	C
23. Memcon	Re: Meeting with President Carlos Menem of Argentina (7 pp.)	9/27/89	(b)(1)	C
24. Memcon	Re: Memorandum of Conversation (3 pp.)	9/27/89	(b)(1)	S
25. Memcon	Re: Meeting with President Virgilio Barco of Colombia (8 pp.)	9/28/89	(b)(1)	S
26. Memcon	Re: Meeting with President Mubarak of Egypt (5 pp.)	10/2/89	(b)(1)	S

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01. Memcon	Re: Meeting with Margaret Thatcher, Prime Minister of Great Britain (3 pp.)	7/14/89	(b)(1)	TS

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Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 7/14/89 - 10/2/89

Document Partially Declassified
(Copy of Document Follows)
 By MM (NLGB) on 03/31/2011

Date Closed:	1/23/2009	OA/ID Number:	91107-005
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(89)	MR Case #:	2010-0187-MR(89)
AR Disposition:	Released in Part	MR Disposition:	Released in Part
AR Disposition Date:	11/29/2007	MR Disposition Date:	11/10/2010

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

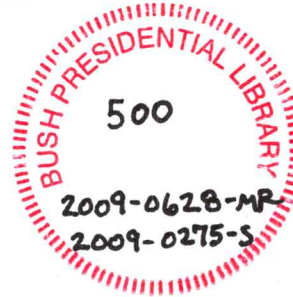
(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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 (b)(7) Release would disclose information compiled for law enforcement purposes [(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

~~TOP SECRET/NODIS~~

~~TOP SECRET~~
THE WHITE HOUSE
WASHINGTON

DOWNGRADED FROM
TOP SECRET TO SECRET
(S) 2/17/06

6824



MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Margaret Thatcher, Prime Minister of Great Britain (U)

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 July 14, 1989, 8:45 am - 9:30 am
AND PLACE: Ambassador's Residence

The Prime Minister began the meeting by noting the importance of an IMF agreement for Poland, without which the reforms and assistance will be stalled. (S)

The President agreed and mentioned that Chairman Jaruzelski had said that it might be helpful to have the Head of the IMF on television in Poland to explain what they are trying to do. (S)

The Prime Minister said that flexibility is needed. (S)

The President then turned the discussion to North-South issues. (S)

The Prime Minister said that many of the developing countries realize that privatization is the key. If there is a pot of gold out there, it lies in private enterprise, which in turn depends on reform. Reform is the responsibility of the countries, debt is being worked on and aid should be carefully given. (S)

The President asked about the Prime Minister's earlier point that Third World countries are trying to sell the North commodities that are not needed but which are in surplus. (S)

The Prime Minister said that President Mitterand would surely raise the issue. But the goal for these countries is to get their economies functioning properly in order to attract private capital. She pointed out that aid would not increase markedly anytime soon. North-South dialogue should not be forced through a Summit. In fact, some leaders, like Gandhi, realize this. (S)

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Declassify on: OADR

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DECLASSIFIED IN PART
PER E.O. 13526

2010-0187-MR
11/10/2010 MM

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The Prime Minister then raised the issue of refugees. The most immediate problem is Hong Kong where many of the residents want the UK to issue an insurance policy. (C)

The President asked whether the Prime Minister had contact with the new people in China. (C)

The Prime Minister

(b) (1)

(b) (1)

The President said that he had reason to think that there was hope for the Chinese leadership. Some have said that Li Peng is pretty good. The key question is what the West should ask China to do. (C)

The Prime Minister

(b) (1)

(b) (1)

The President turned to the question of Chinese students in the United States and said that a number were choosing to have children in the U.S. who would then be U.S. citizens. (C)

The Prime Minister added that the students will want to stay and that Britain intends to grant them working visas. (b) (1)

(b) (1)

The Prime Minister then turned to the problem of Cyprus, (b) (1)

(b) (1)

The President remarked that he saw no reason not to back the Secretary General. (C)

The Prime Minister then asked about the President's assessment of the situation in Israel and the position of Prime Minister Shamir. (C)

The President said that the Israelis were upset but that they would not dictate American policy. Some are after Secretary

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Baker whom the President said he backed fully. The goal is to keep the election process on track. There are few answers to the problems there, he said. (S)

The Prime Minister

(b) (1)

(b) (1)

(S)

The President said that he had a lot of faith in people like Rabin when he was there but hoped to work with this leadership. Discussing the political situation further, the President noted that Egyptian President Mubarak appeared relaxed about the situation. (b) (1)

(TS)

The Prime Minister

(b) (1)

(b) (1)

The President closed the discussion of the Middle East, saying that some European states want to rehabilitate Qadhafi, a position that the United States rejects. (S)

The Prime Minister

(b) (1)

(b) (1)

(S)

The President remarked that he worried about another "aspirin plant" in Libya and consequences like the Iraqi nuclear reactor raid of several years ago. (S)

The President turned the conversation to structural problems in the Western economies asking Mrs. Thatcher's opinion. (S)

The Prime Minister noted that the British have a budget surplus and still a trade deficit even though the two are closely linked. (S)

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memcon	Re: Meeting with Prime Minister Sosuke Uno of Japan (2 pp.)	7/14/89	(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 7/14/89 - 10/2/89

Document Partially Declassified
(Copy of Document Follows)
 By SCS (NLGB) on 7/20/11

Date Closed:	1/23/2009	OA/ID Number:	91107-005
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:	1999-0471-F(29)	MR Case #:	2009-0628-MR (501)
AR Disposition:	Released in Part	MR Disposition:	Released in Part
AR Disposition Date:	2/7/2011	MR Disposition Date:	11/10/2010

RESTRICTION CODES

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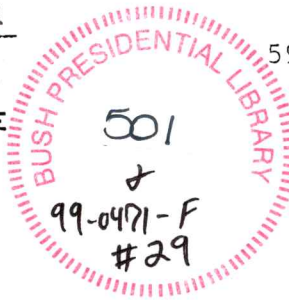
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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
THE WHITE HOUSE
WASHINGTON

5975



MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Sosuke Uno of Japan

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 Zoellick, Counselor to the Department
of State
David Mulford, Under Secretary of the
Treasury for International Affairs
Richard Solomon, Assistant Secretary of State
for East Asian and Pacific Affairs
Deane Hoffmann, NSC (notetaker)
Fumiko Gregg (interpreter)

Prime Minister Sosuke Uno
Hiroshi Mitsuzuka, Foreign Minister
Nobuo Matsunaga, Ambassador to the U.S.
Takamori Makino, Deputy Chief Cabinet
Secretary
Michihiko Kunihiro, Vice Minister for
Foreign Affairs
Tatsuo Arima, Director General for North
American Affairs Bureau
Yoshiyasu Sato, Director General for Economic
Affairs Bureau, Foreign Ministry
Seiroku Kajiyama, MITI Minister
Kouji Tsuruoka, Interpreter

DATE, TIME July 14, 1989, 4:18-4:34 p.m.
AND PLACE: Ambassador's Residence, Paris

The meeting began without the Prime Minister, who was late arriving. (U)

(b) (1)

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Declassify on: OADR

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DECLASSIFIED IN PART
PER E.O. 12958, AS AMENDED

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(b)(1)

(The Prime Minister arrived at 4:27 p.m. -- two minute photo op.)
(U)

[Japanese fumble for notes, pass out paper in kanji.] (U)

The President said it is time to go, that maybe a meeting can take place in a corner later. Japanese-U.S. relations are very important; the countries must work together. (U)

(b)(1)

The Prime Minister departed at 4:34 p.m. (U)

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~~CONFIDENTIAL~~

Confirmed Mtg. w/
Beatrice of Netherlands
on Jul 17th

NO MEMCON

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6824

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Ruud Lubbers, Prime Minister
of the Netherlands (U)

PARTICIPANTS: The President
The Vice President
James A. Baker, III, Secretary of State
C. Howard Wilkins, Ambassador
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
Roger B. Porter, Assistant to the President
for Economic and Domestic Policy
William K. Reilly, Administrator,
Environmental Protection Agency
Robert Zoellick, Counsellor to the
Department, Department of State
James Dobbins, Acting Assistant Secretary for
European Affairs, Department of State
Robert D. Blackwill, Special Assistant to
the President for National Security Affairs

Prime Minister Ruud Lubbers
Rudolf de Korte, Vice Prime Minister
Hans van den Broek, Minister of Foreign
Affairs
Onno Ruding, Minister of Finance
Ed Nijpels, Minister of Housing
Richard Fein, Netherlands Ambassador to U.S.
Henry Wijnaendts, Director General, Political
Affairs
M.J.D. van der Voet, Director, Information
Service
Robert Meys, Head of Western Hemisphere
Directorate
Jan Willem Holtslag, Advisor to the Prime
Minister

DATE, TIME July 17, 1989, 11:40 am - 12:45 pm
AND PLACE: Binnenhof 20, The Hague

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Declassify on: OADR

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DECLASSIFIED
PER E.O. 12958,
AS AMENDED
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2000-0429-5

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Prime Minister Lubbers said he was gratified and honored to host the President in the Netherlands and expressed the hope that the President could relax after his taxing European journey.

The Prime Minister said he particularly welcomed the President back. It is not a cliché that our countries share fundamental values. The Dutch are grateful to the President, especially for the determination the President expressed in Brussels to overcome the division of Europe. (U)

The President replied that it was hard to be formal with a man he considers a friend of long standing. The President said he was touched by Queen Beatrix's coming back from vacation to meet the President at the airport. The President, offering to share his impressions of the Economic Summit, said he would ask Secretary Baker to sum up the actions taken, especially as they might affect the Netherlands, and ask Mr. Reilly to discuss the environment. The President added that he would also like to discuss Eastern Europe and the amazing changes that have occurred in Poland and Hungary in the last two years. (U)

Secretary Baker began by saying the Summit was a great success. It was his ninth in one capacity or another and one of the most successful he had attended. The Summit dealt with trade, monetary policy, and debt, which is the most serious problem. The Summit participants agreed to a certain amount of debt relief for the Third World, especially for sub-Saharan Africa. The Secretary noted they also talked about the Uruguay Round and thanked the Prime Minister for his government's help in moving the process along. On questions of development, the Summit agreed on the importance of structural adjustment. There were extensive discussions on the environment, about which Mr. Reilly would be dealing with expertly, and on drugs. (C)

Secretary Baker, continuing, noted that the Summit also issued political declarations on East-West relations, reflecting the breathtaking changes in Eastern Europe, and on China, human rights, and terrorism. The President had stressed the importance of supporting change in Poland and Hungary. In Poland, the economy is in desperate shape, but political changes are quite dramatic. In Hungary, there are also political reforms and more encouraging economic reforms. The Secretary said that in three to four weeks there would be a follow-up meeting, to which he hoped the Netherlands would come, chaired by the EC Commission. There had been little debate on China. The President's policy of avoiding isolating China was adopted in Paris. Finally, there were strong declarations on human rights and the importance of combatting terrorism, and especially aircraft safety. (C)

The President added that it is important to ask what we want China to do now and what China can do now, mindful of the constraints on this aging generation. The U.S. is trying to preserve what it can of this relationship because of its

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strategic importance. The President said the Administration is thinking this through and wanted to discuss this with the Dutch. (Ø)

Mr. Reilly observed that the Summit was wholly without precedent with regard to the environment, which accounted for one third of the communique. The Seven said action on an urgent basis is required to address a full phase-out of fluorocarbons, support for the Inter-Governmental Commission on Global Climate Change, and to focus special attention on developing countries and on Eastern Europe. Acid rain and pollution of rivers were of special concern. The Summit also supported industrial scientific research without delaying action. The Seven discussed the problem of tropical rain forests and the idea of debt-for-nature swaps. In short, he concluded, the Summit moved the environment from the margin to the mainstream. (Ø)

Secretary Baker added that the Summit Declaration welcomed changes in the Soviet Union but emphasized the need for a strong NATO. (Ø)

General Scowcroft said it was not clear whether Chairman Gorbachev had sent his letter to make news, but such was its result. His broad suggestion for closer cooperation shows a definite departure from past autarkic approaches. If the Soviet leadership is serious, this initiative may be part of this historic shift. It is not clear, however, whether they realize how far they have to go. (Ø)

The President alluded to press speculation about whether Gorbachev might attend a G-7 meeting. That would be impossible, of course, but the Summit did not want to be begrudging. This had been a major topic at the President's press conference. (Ø)

Mr. Fitzwater observed that this surprising element became important because the rest of the Summit had gone so smoothly. (Ø)

Prime Minister Lubbers found it reassuring that Gorbachev, with all his problems, had time to write a letter. The Prime Minister said that the Dutch are positive about the G-7 summit but somewhat apprehensive about how the G-7 fits in with other Western institutions, especially regarding financial and economic matters. (Ø)

Foreign Minister Van Den Broek said the communique was helpful and harmonious, but wondered how the discussions on monetary coordination would be carried out. Would it be in the G-7, where the Dutch do not participate, or in the IMF and other multilateral financial institutions, as the Dutch would prefer? The U.S. had created these institutions, and the Foreign Minister said he hoped the U.S. would protect them. The Dutch are often

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asked to follow up on G-7 decisions, and would like to be involved from the beginning. The Foreign Minister asked to what extent the Russians have in mind obtaining credits through, for example, the IMF. That would make the IMF a different sort of institution. As to the international debt strategy worked out by Secretaries Baker and Brady, the Dutch would have to examine the question of whether more capital resources should be made available for the IMF. (S)

The President replied that the Soviets will try to get economic help from the West in any way they can. Gorbachev knows his economy is in trouble. (S)

Secretary Baker noted that all the discussions within the G-7 assumed that the international monetary institutions would remain the center of this effort. As to the Dutch wanting to be present at takeoff as well as landing, the U.S. would take note of this very sensible point. The Soviet Union's joining international financial institutions is premature and would fundamentally change the charter of the IMF and World Bank. GATT would have to come before the others. (S)

The President commented that General Jaruzelski said he would welcome it if the heads of the World Bank and IMF came to Poland to speak to the Polish people on the need for sacrifice and reform. This would help Jaruzelski shift the onus for austerity from himself to an external body. His was a cri de coeur. The President said he could not imagine that happening in the Soviet Union. Nor could the scene in Gdansk, with the enormous crowds, happen yet in the Soviet Union. In Poland and Hungary, as well as at the G-7, the President had stressed that the U.S. offers no threat to Gorbachev. (S)

Prime Minister Lubbers said he hoped for intensified global efforts on the economy, but also expressed worry about new tensions between North and South. Forests are a global problem, which must be worked on together with the South. (S)

Mr. Mathis said it might be possible to establish a link between the World Climate Convention and the G-7 to address the CFC problem. (S)

Mr. Reilly noted that the question of international funding for world environmental issues is a delicate one. Perhaps the World Bank and the regional banks would be possible sources of funding. (S)

Governor Sununu noted that the U.S. will spend a quarter of a billion dollars this year on research modeling for environmental efforts. (S)

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Mr. Mathis added that at a conference in the Hague in November, the Dutch hoped to improve our capacity to cooperate on the environment. (C)

Mr. Reilly emphasized the need for concentrating efforts on existing institutions. (C)

Prime Minister Lubbers agreed that this was an increasingly important issue for politicians everywhere. He stressed the need for a pragmatic approach and close cooperation between the U.S. and the Netherlands. (C)

The President, concluding, mentioned that he had discussed the environment with President Sarney at the Hirohito funeral and agreed that this is a very sensitive issue that demands careful handling. (C)

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THE WHITE HOUSE

6824

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Working Luncheon with Ruud Lubbers, Prime Minister, of Netherlands (U)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
C. Howard Wilkins, Ambassador
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
Roger B. Porter, Assistant to the President
for Economic and Domestic Policy
William K. Reilly, Administrator,
Environmental Protection Agency
Robert Zoellick, Counsellor to the Department
Department of State
James Dobbins, Acting Assistant Secretary for
European Affairs, Department of State
Robert Blackwill, Special Assistant to the
President for National Security Affairs
(Notetaker)

Ruud Lubbers, Prime Minister
Rudolf de Korte, Vice Prime Minister
Hans Van den Broek, Minister of Foreign
Affairs
Onno Ruding, Minister of Finance
Ed Nijpels, Minister of Housing
Richard Fein, Netherlands Ambassador to U.S.
Henry Wijnaendts, Director General, Political
Affairs
M.J.D. van der Voet, Director, Information
Service
Robert Meys, Head of Western Hemisphere
Directorate
Jan Willem Holtslag, Advisor to the Prime
Minister

DATE, TIME July 17, 1989, 12:55 pm - 2:35 pm
AND PLACE: Jacob Catshuis

Prime Minister Lubbers asked the President if the French
bicentennial had been successful. (U)

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~~SECRET~~

Declassify on: OADR

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
O&I 8/21/2009
2000-0429-F

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The President answered that it had been marvelous and that the French should take pride. The President asked Prime Minister Lubbers to give his views of the role of the European Parliament. (U)

The Prime Minister answered that the authority of the Parliament is currently limited. Gradually the powers have increased but it is a slow process but as the European Community's stature grows, so will the power of the Parliament. The Prime Minister added that Austria has applied to join the EC but that its neutrality poses a strategic decision. The issue was raised with Gorbachev as well as whether the Council of Europe might be an appropriate institution for forging relationships with East European reformist regimes. (Ø)

Secretary Baker asked about the European Community's movement toward monetary union. (Ø)

The Prime Minister replied that the French are now positive about the prospect of monetary union but that the British are proving to be very difficult. It may take many years to move from a single market in 1992 to monetary union. (Ø)

The President asked how Turkey would be handled. (Ø)

Vice Deputy Minister Korte replied that Greece and Turkey are problematic because of their low GNPs and violations of human rights. (Ø)

The President asked why Austria wanted to join the EC but Finland had made no such approach. (Ø)

Vice Deputy Minister Korte answered that trade patterns explained the differences in the two approaches. (Ø)

The President continued, asking if these countries were not worried about the single market. (Ø)

Vice Deputy Minister Korte said that the European Free Trade Association (EFTA) is itself increasingly prosperous. (Ø)

The President then asked whether it was imaginable that a party could come to power in Germany that would call these trends into question. (Ø)

Prime Minister Lubbers answered that all Europeans are increasingly worried about emigration and that this has fueled the rise of the Republicaners who might question the single market. (Ø)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Lee Sang Hoon, Minister of
Defense of Korea (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President
for National Security Affairs
Paul Wolfowitz, Under Secretary of Defense
for Policy
Robert M. Gates, Deputy Assistant to the
President for National Security Affairs
Henry Rowen, Assistant Secretary of Defense
for International Security Affairs
Karl Jackson, Special Assistant to the
President for National Security Affairs
(Notetaker)

Lee Sang Hoon, Minister of National Defense
Park Tong Jin, Korean Ambassador to the U.S.
Han Mun Sik (Translator)

DATE, TIME July 20, 1989, 11:10 - 11:25am EDT
AND PLACE: The Oval Office

The President welcomed the Minister of National Defense to the White House and described the ceremonies going on with regard to the twentieth anniversary of the American landing on the moon.
(U)

Minister Lee congratulated the President on his successful trip to Eastern Europe and extended greetings from President Roh Tae Woo. (U)

The President inquired about President Roh and said that he wished his visit to Korea had been longer. The President asked whether Minister Lee was optimistic about the general situation in Korea, and especially the situation vis-a-vis the North. (U)

Minister Lee began by expressing his deep appreciation for the excellent arrangements made for the SCM by Secretary Cheney and Admiral Crowe. The Minister thanked the President for the strong

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statement that he had given in Korea regarding the U.S.-Korean security relationship. (U)

The President interjected, reaffirming that commitment. (U)

Minister Lee said based on the President's strong commitment, the SCM was successful and reaffirmed the importance of U.S. presence in the Republic of Korea. The Minister described a previous conversation with Ambassador Lilley. Ambassador Lilley said that in spite of Soviet peace overtures, the Soviets are still providing sophisticated weaponry such as MIG 23s, MIG 29s, and SA-5s to the North. Lilley also felt that the current disturbances in the South would continue for 2-3 years. The Minister said that the North intended to exploit these and that the North still seeks to spread communism to all of Korea. For this reason the importance of the U.S. presence could not be overestimated. (Ø)

The President said that the U.S. has no plan to change its policy. On Capitol Hill the Administration needs help from Korea to maintain support for the continued U.S. presence in Korea. The President stated that the United States will continue to resist the attempt to spread communism to South Korea. Except for North Korea, everyone else in the world has embarked upon a different political direction. (Ø)

Minister Lee raised the question of anti-Americanism in South Korea. He assured the President that the majority of people in South Korea like and respect the American people and understand the need for U.S. forces to remain in Korea. (Ø)

The President said that we do not like to see anti-Americanism but we nonetheless understand it and do not worry about it. (Ø)

Minister Lee said that a special committee had been formed consisting of the Minister of Defense, Minister of Foreign Affairs, and high level representatives from the Blue House to develop countermeasures against anti-Americanism. The Minister said that for the sake of peace he hoped to see the USA remain a strong, influential, and dedicated Asian and Pacific power. (Ø)

The President replied that the U.S. will continue to be a Pacific power with many friends in the region, including special friends such as Korea. There will be no shift away from this position. The President said that nothing will move us away from our commitment to Asia and the Pacific. The President raised events in China saying that the U.S. was upset by the tragic events like everyone else in the world. (Ø)

Minister Lee delivered a letter to President Bush from President Roh which the President opened. The President said he had great

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respect for President Roh and that Minister Lee could tell him that the United States remains firmly committed to a U.S. presence in Korea. He remarked to the National Security Advisor that we should find an opportunity to publicly express the firmness of the U.S. commitment. The President said that there should be no doubt where we stand on this matter. (P)

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President France Albert Rene of
Seychelles (U)

PARTICIPANTS: The President
Lawrence Eagleburger, Deputy Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Herman J. Cohen, Assistant Secretary of State
for African Affairs
Robert M. Gates, Deputy Assistant to the President
for National Security Affairs
James Moran, U.S. Ambassador to Seychelles
G. Philip Hughes, Executive Secretary
David Kaeuper, Director for Africa (notetaker)

President France Albert Rene
Danielle de St. Jorre, Foreign Minister
Marc Marengo, Charge d'Affaires

DATE, TIME July 20, 1989, 3:10 - 3:30 p.m.
AND PLACE: The Oval Office

The President opened the meeting by warmly welcoming President Rene to the United States, noting that he had never been to Seychelles but had visited Kenya and Somalia. President Rene said he had just arrived in the United States. His last visit to the United States was as a "visitor grantee" twenty years previously. (U)

The President said that he had just signed a Presidential Determination making Seychelles eligible for U.S. military assistance. He had been glad to do this and a modest sum of money was being made available to improve Seychelles' capability for policing illegal fishing in its coastal waters. The President said he understood that lease negotiations were about to begin on the U.S. satellite tracking facility and that he hoped these would go well, and congratulated President Rene on Seychelles' purchase of a very fine aircraft, the Boeing 767. (U)

President Rene responded that bilateral relations had been very good for the past several years and hoped they would remain so. The Seychelles was ready to begin negotiations on the satellite

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tracking facility agreement, and he appreciated U.S. assistance for improving Seychelles coastal patrols. He also hoped that "one day" the U.S. would take the initiative to make the Indian Ocean "a zone of peace" whether or not an "Indian Ocean Zone of Peace" conference were held anytime soon. (Ø)

The President answered that he wanted to make the whole world a zone of peace. He was very serious about working effectively with the Soviet Union and wanted some of our friends who were uncertain about it to understand this clearly. Improved U.S.-Soviet relations would be beneficial to all, especially smaller countries. Though the U.S. could not endorse the concept of nuclear free zones, we are very very serious about making and keeping peace. President Rene repeated that he hoped for an American initiative (on the Indian Ocean) if it could be managed. (U)

The President asked President Rene about the Seychelles' economy and economic health. President Rene said that tourism and fishing were the most important economic activities. Tourism was "not doing badly," and Seychelles was developing a fish processing industry based on tuna, much of it exported to the United States and to Puerto Rico. Seychelles was planning to buy its own fishing vessels. Seychelles policy on tourism was to restrict the total numbers of visitors at any given time to 4000 as this not only pleased the tourists but also attracted "better quality." Responding to several questions by the President, President Rene described the distribution of tourists in Seychelles, and noted that transportation to outlying islands was a problem which was being resolved, in part, by the purchase of two new Cessnas. (U)

Bringing the meeting to a close, the President asked President Rene if anything could be done to make his visit more pleasant. He thanked President Rene warmly for Seychelles' cooperation, and wished him a good visit to Colorado Springs, to the Boeing facilities in Seattle, and a successful, record-setting non-stop return to Seychelles aboard his country's new Boeing 767.

President Rene thanked the President for receiving him and said he was being treated very well with nothing more to be done or to ask for. (U)

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Foreign Minister Choi Ho Joong
of the Republic of Korea (U)

PARTICIPANTS: The President
The Vice President
James A. Baker, Secretary of State
William Clark Jr., Acting Assistant Secretary
of State for East Asian and Pacific
Affairs
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Deputy Assistant to the
President for National Security Affairs
Karl D. Jackson, Senior Director for Asian
Affairs

Choi Ho Joong, Minister of Foreign Affairs
Park Tong Jin, Ambassador
Shin Doo Byong, Director General for North
American Affairs
Chung Tae Ik, Political Counselor

DATE, TIME July 24, 1989, 11:00 a.m.-11:15 a.m. EDT
AND PLACE: The Oval Office

Foreign Minister Choi began by conveying warmest regards from
President Roh Tae Woo. (U)

The President remarked on the fact that the ROK Defense Minister
had been in to see him the previous week and that it was a
pleasure to welcome Foreign Minister Choi. The President opened
by discussing a new undercurrent of adverse opinion on U.S. troop
strength in Korea. The President mentioned that Senators Nunn
and Warner had raised the subject of drawing down U.S. troop
strength. (U)

Foreign Minister Choi thanked the President for his speech before
the Korean National Assembly in which he had reaffirmed his
strong commitment. (U)

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The President replied that this problem needed to be worked on Capitol Hill. He suggested that the Foreign Minister should discuss the matter when he met with particular Congressmen. In addition, the President raised the issue of burden sharing by saying that the more Korea could do to support U.S. troops the better because much of the desire to withdraw U.S. troops is driven by a budgetary rather than a strategic rationale. (Ø)

Foreign Minister Choi said that in his meetings with Congressmen and Senators he would stress continuing the American troop presence and the necessity of close consultation between the ROK and U.S. He indicated that President Roh conveyed his warmest wishes to President Bush and accepted the invitation to visit Washington. He also passed the President a personal letter from President Roh. (Ø)

The President thanked the Foreign Minister for the letter which he said he would answer and discussed the October 17 visit and the possibility of playing some tennis. (U)

Foreign Minister Choi inquired about the possibility of President Roh addressing a joint session of Congress just as President Bush had addressed the National Assembly in Korea. (Ø)

The President said that this would need to be decided by Congress itself. The Executive can weigh in but the Korean side would also need to contact the Speaker of the House and the Majority Leader of the Senate. The President went on to say that the bilateral relationship was a good one. There are some trade problems and we now have the problem of troop strength. (Ø)

Secretary Baker intervened by raising the matter of the relocation of U.S. Army Headquarters from Yongson. He said that what we needed was prompt agreement between the two governments which would diffuse some of the negative sentiments. The matter is driven by the bilateral trade problem as well as by relocation costs for the U.S. Army. (Ø)

Foreign Minister Choi congratulated the President on his successful trip to Eastern Europe and said that the ROK was also trying hard to establish relations with socialist countries. (U)

The President replied that there were still big problems ahead but that he was very pleased with the trip. The change toward democracy is inescapable and it is in everyone's interest to encourage the change. (U)

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Foreign Minister Choi then extended an invitation to the Vice President to visit Korea in conjunction with his attendance at the IDU Conference in Tokyo. (U)

The Vice President accepted the invitation, if it could be worked out within his schedule. (U)

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5540 ADD-ON 2

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Foreign Minister Mohammed bin Mubarak

PARTICIPANTS: The President
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Ambassador Sam Zakhem, Former U.S. Ambassador
to Bahrain
Sandra Charles, NSC, Notetaker

Sheikh Mohammed bin Mubarak
Ghazi Muhammad al-Gusaybi, Ambassador to the
U.S.
Karim Ibrahim al-Shakar, Representative to
the UN

DATE, TIME Wednesday, August 2, 1989, 1:30 p.m.
AND PLACE: The Oval Office

The meeting began with the President thanking Sheikh Mohammed for his statement to the press on LTC Higgins that had preceded their meeting. (U)

Sheikh Mohammed replied that LTC Higgins was their man as much as ours and they shared our concerns. He then presented a message from His Highness the Amir. (U)

The President inquired about the Amir's health, and recalled his visit to Bahrain and the hospitality he had received from the Amir and the Crown Prince. He noted that it had been a short but wonderful visit. (U)

On the hostage situation, the President said he had received with interest what the Foreign Minister had told Brent Scowcroft, and that he would appreciate hearing any other thoughts the Foreign Minister had. The President continued that LTC Higgins was an international issue as the Foreign Minister had stated so eloquently. He was an American officer, and as Commander-in-Chief, the President said he was responsible for U.S. forces. He noted there were no easy answers, yet there had to be some action taken to stop hostage-taking. We were considering doing something, but what was not clear. Since we don't know enough, we were doing the prudent thing. Now there

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had been threats against Waite and Cicippio. The President commented that if there was an execution every twenty-four hours that would be bad. (P)

The President continued that he had called for the release of all hostages held. He explained that from our independent information we had reason to believe that Obeid had ties to the Higgins' kidnapping. The President reiterated that our policy remained that we would not negotiate with hostage holders because, if we did, then there would be another American seized there or somewhere else in the world. He welcomed the Foreign Minister's comments. (P)

Sheikh Mohammed said that he believed we had been successful in fighting terrorism. Ten years ago it was spreading, planes were being hijacked everywhere. Now the circle was closing and one area remained where these actions started -- Lebanon. We now knew the area where terrorist actions originated. He stated we should not blame the people but the countries behind them. He believed that we should press those countries -- they were the ones who had given the people guns, brainwashed and bribed them. Working together we should be able to close off this area of threat. Sheikh Mohammed suggested that it was not just this issue, but we needed to react to the larger issue collectively. This was not just a threat to Israeli, European, or U.S. citizens, but to all. Therefore, we needed to cooperate; no country could do it alone. He mentioned the courage the Kuwaitis had shown previously in refusing to negotiate with hijackers. (P)

The President told Sheikh Mohammed that he had called King Hassan, Chadli Bendjedid and King Fahd earlier. He had saluted their Tripartite Initiative on Lebanon and told them he was sorry it was on the shoals. He revealed that King Hassan had told him that he had just completed a long letter saying that the group had received no cooperation from Syria. The President said he told King Hassan that we supported the initiative and if the United States could help to get it back on track, we would do that. The President also agreed that we should look at the whole situation as well as the hostage situation. (P)

Sheikh Mohammed stated that the first step had come from the three Heads of State committee. He felt they needed to convene another meeting and then another Summit. They had received support from other Heads of State, and needed an incentive to continue. He believed if the Committee succeeded and submitted its report, then we could take some action. And if there was one country that was not cooperating then we must say so. (P)

The President agreed, saying that King Hassan certainly intended to do this with this letter which would be circulated to many magazines and journals. The letter would summarize the actions taken by the Committee, the three Heads of State would sign it, and it would point a finger at Syria. The President had told King Hassan that he felt that Syria was trying to help on the

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hostage matter; but King Hassan had cautioned that what Syria did with one hand, they would take away with the other. The President said we were not naive. Continuing, he noted that Iran did not want anything to do with the hostage problem, but we had seen some hopeful signs. He then asked the Foreign Minister if he thought out of the Rafsanjani era there might be improved chances for better relations. (Ø)

Sheikh Mohammed said that he believed the post-Khomeini era was a step forward, noting there were better people to deal with there, including Rafsanjani. He was not sure that Rafsanjani was in control, and he felt we needed to know that. The Foreign Minister believed that Khomeini may have some power over Rafsanjani, but it was unclear. It also was unclear what role Parliament under Ahmed Khomeini would have, or what kind of government would be formed. He was hoping for a strong government, one with which to have some "give and take" since they had to deal with Iran. In the past, he said, the Iranians had made too many promises and not delivered. (Ø)

The President then mentioned that the Interior Minister in Iran had made some terrible statements about the hostage issue. That showed that the situation in Iran was not under control. He then expressed his gratitude for the Foreign Minister's statements on Colonel Higgins. He asked that if he discussed this matter at home and thought they could be helpful in getting the body back, we would appreciate it. He recognized there probably was not very much, but he was asking everyone to do what they could on the return of the body. He agreed that on the larger question of Lebanon we should stay in touch. (Ø)

In closing the President said he was grateful for the continued close relations between our countries, noting that it was not always easy standing shoulder-to-shoulder with the United States as Bahrain had done with us in the Gulf. (U)

Sheikh Mohammed agreed that our relationship, particularly on the military side, had been successful. We had tested freedom of navigation in the Gulf, speeded the peace between Iran and Iraq and stopped the war from expanding. (U)

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ADD ON 2

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with General Youssef Abu Talib,
Defense Minister of Egypt (U)

PARTICIPANTS: U.S.
The President
Richard B. Cheney, Secretary of Defense
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Marlin Fitzwater, Assistant to the President
and Press Secretary
Richard N. Haass, Senior Director, Near East
and South Asian Affairs, NSC (Notetaker)

Egypt
General Youssef Abu Talib, Egyptian Defense
Minister
El Sayed Abdel El Reedy, Egyptian Ambassador
General Mahmoud Fouad, Defense Attache

DATE, TIME August 8, 1989, 10:05 a.m. - 10:20 a.m. EDT
AND PLACE Oval Office

Following a photo opportunity and an exchange of pleasantries, The President said that he viewed the U.S.-Egyptian relationship as one of enormous importance and that strong, close relations with Egypt both militarily and diplomatically were vital to us. He added that he knew the Minister's predecessor well and that he hoped to develop the same sort of friendship with the Minister.
(Ø)

Minister Abu Talib said that Egypt and the U.S. had been full partners in the political and military realms for some 15 years and would continue given their mutual interests. With modern armed forces, Egypt could contribute to its own defense and to the stability of the region. In so doing, Egypt had no intention to participate in a regional arms race. (Ø)

The President said that Secretary Cheney was determined to work with the Minister. He wanted to take this opportunity, however, to make two points. Although there was no reason to think that Egypt was in a position to help, he hoped that Egypt would do what it could to bring about the return of Col Higgins' remains. If Egypt could do this it would never be forgotten by Americans.
(Ø)

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Second, and as he had raised with President Mubarak in Paris, there was the question of Qadhafi. The position of the U.S. had not changed. We hoped Mubarak would be able to talk sense to Qadhafi. Unfortunately, we had seen no evidence that Qadhafi had changed and was prepared to live in the family of nations. (Ø)

Minister Abu Talib said he would respond to these two points by communicating President Mubarak's message to the President. The Egyptian President wanted to convey his personal grief over Col Higgins. President Mubarak admired greatly President Bush's efforts to resolve the hostage situation. President Mubarak was trying to help without drawing publicity to himself and was willing to do more if President Bush desired. (Ø)

The President said that he could not think of anything to ask right now but at some point he might call President Mubarak. (U)

Minister Abu Talib then raised the issue of dealing with Qadhafi, pointing out that as the former director of artillery in Egypt's army he had destroyed a Libyan brigade. Mubarak had agreed to accept Qadhafi's expressions of good will. Thus far Qadhafi was not interfering in the Sudan and was behaving better toward Chad. (Ø)

The President said the Egyptians deserved credit for this. (Ø)

Minister Abu Talib said it was Egypt's goal to force others to deal with Egypt on its terms. This was true for Qadhafi as it was true for the Arab League. The Minister also wanted to convey a personal message to the President and Mrs. Bush from President and Mrs. Mubarak wishing the President success in the current situation. In addition, President Mubarak recalled with appreciation his conversation with President Bush in Paris and along with that his hope that the U.S. would support Egypt in its dealings with the IMF and the World Bank. Last, the Minister noted that President Mubarak would be visiting New York on September 29 in his capacity as President of the OAU and that he looked forward to seeing President Bush at that time. (Ø)

The President said that he hoped to see President Mubarak then and that we would try to work something out. (U)

Minister Abu Talib reminded the President that the two of them had met when he had been Governor of Cairo and the President had been Vice President. (He handed over a book of photographs). (U)

The President thanked the Minister for the book of photographs. The meeting ended. (U)

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Confirmed mtg. w/
Schluter of Denmark
on Aug 24th
NO MEMCON

Confirmed mtg w/
Mulroney of Canada
on Aug 30th
No MEMCON

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Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 7/14/89 - 10/2/89

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Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
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AR Disposition Date:		MR Disposition Date:	2/7/2011

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Toshiki Kaifu, Prime Minister of Japan (U)

PARTICIPANTS: The President
John H. Sununu, Chief of Staff
Karl D. Jackson, Senior Director for Asian Affairs
Fumiko Gregg (Interpreter)

Toshiki Kaifu, Prime Minister
Tatsuo Arima (Interpreter)

DATE, TIME September 1, 1989, 11:00 - 11:38am EDT
AND PLACE: The Oval Office

The President welcomed the Prime Minister to Washington and inquired about when Prime Minister Kaifu had last been in the White House. (U)

Prime Minister Kaifu replied that he had been a guest at the White House under President Kennedy and under President Ford. (U)

The President inquired whether Prime Minister Kaifu was the youngest member ever elected to the Diet. (U)

Prime Minister Kaifu replied that he had been elected at the age of 29 but that in a later election someone even younger had been elected to the Diet. (U)

The President congratulated the Prime Minister on the excellent publicity in this country that has surrounded Kaifu's elevation to the Office of Prime Minister. He went on to say that previous Presidents and Prime Ministers have found it very useful and appropriate to establish a personal relationship. If the Prime Minister felt comfortable with this arrangement, he should call the President George and he would call the Prime Minister Toshiki. The Prime Minister accepted this idea as an honor and a privilege. (U)

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The President said that he wanted this visit to be seen as successful from the standpoint of the Prime Minister. The President indicated that there was a good relationship between Japan and the U.S. and that he wanted it to continue. In particular, he wanted to be able to solve the problems that exist on both sides of the relationship. If there is a politically difficult problem for the Prime Minister or if he had a politically difficult problem with Congress, the President said that he hoped they would be able to talk to one another without it getting into the newspapers. As an example of quiet communication, the President raised burden sharing. He said he knew this was very sensitive in Japan and that it was also a tough problem with the U.S. Congress, which would be asking what the President was doing to get the Japanese to do more. On this our Foreign Ministers have agreed to keep working to solve it without large scale publicity. The President said, "I would like to hear your side of this issue and want to be able to discuss my side frankly with you, but not in the newspapers, because I don't want to place you in a difficult political position at home."
(C)

Prime Minister Kaifu thanked the President and said he was very encouraged by what the President had just said. The Prime Minister stated that the reason he had come to Washington almost immediately after assuming office was to prove how important he feels the U.S.-Japan relationship is. He described it as the cornerstone of Japan's foreign policy and vowed to continue the strong policies of his predecessors regarding the U.S.-Japan alliance.
(C)

The President next discussed domestic politics. He said the last thing he wanted to do was to interfere in any way in Japan's domestic politics but that he was "extremely interested in your being extraordinarily successful." He said that he would be coming to the Prime Minister from time to time for help on serious problems but that the main thing to do was to continue the U.S.-Japan relationship at the same unprecedented level of good will.
(C)

Prime Minister Kaifu described his difficult domestic political situation with the Japanese Socialist Party and its real views concerning neutrality and the military. He saw these issues as very serious and expected to do battle on them in the upcoming election. Regardless of the difficulties that Japan may be facing, the President should feel free to approach him if there are any strains because the U.S.-Japan relationship is basic to Japan's entire foreign policy.
(C)

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The President alluded to materials he had read about the JSP's views on foreign policy matters and said that he would be concerned about the U.S.-Japan strategic position if the Socialist leader's views came to dominate Japan. In addition, the President described Mrs. Doi's views on trade as protectionist, the same problem that he was fighting to contain in the American political system. The President stated, "I want to build on what we have and I see you as the leader of Japan and want to work with you. I am enthusiastic about doing so." (C)

Prime Minister Kaifu said that Japanese politics differed from the two party system of the United States in which the major parties are not so far apart. (b)(1)

(b)(1)

(C)

Prime Minister Kaifu stated that he would place more emphasis on making Japan a consumer society as well as a more equitable society. Before moving to the larger group he also wanted to convey two messages from the Emperor. The Emperor expressed his gratitude for President Bush's attendance at the funeral for the Emperor Showa. In addition, the Emperor wished to extend an invitation to the President to visit Japan as a state guest. (U)

The President asked the Prime Minister to convey his respects to the Emperor and stated how honored he was to attend the funeral of the Emperor Showa. Regarding the invitation to visit Japan, the President said, "I accept in principle. I want to go. It's a deal." (U)

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
10b. Memcon	Re: Memorandum of Conversation (8 pp.)	9/1/89	(b)(1)	C

Collection:

Document Partially Declassified
(Copy of Document Follows)
 By SCS (NLGB) on 7/19/11

Record Group: Bush Presidential Records

Office: Scowcroft, Brent, Files

Series: Presidential Correspondence

Subseries: Presidential Memcons

WHORM Cat.:

File Location: Presidential Meetings - Memorandum of Conversations 7/14/89 - 10/2/89

Date Closed:	1/23/2009	OA/ID Number:	91107-005
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Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	2009-0628-MR (509.01)
AR Disposition:		MR Disposition:	Released in Part
AR Disposition Date:		MR Disposition Date:	2/7/2011

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]

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

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WASHINGTON



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MEMORANDUM OF CONVERSATION

SUBJECT: Plenary Meeting with Toshiki Kaifu, Prime Minister of Japan (Ø)

PARTICIPANTS: The President
The Vice President
James A. Baker, The Secretary of State
Nicholas Brady, The Secretary of the Treasury
Richard Cheney, The Secretary of Defense
Carla Hills, U.S. Trade Representative
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Michael Armacost, Ambassador to Japan
Richard Solomon, Assistant Secretary of State for East Asia and the Pacific (Designate)
Karl D. Jackson, Senior Director for Asian Affairs
Fumiko Gregg (Interpreter)

Toshiki Kaifu, Prime Minister
Taro Nakayama, Minister of Foreign Affairs
Nobuo Matsunaga, Ambassador to the United States
Nobuo Ishihara, Deputy Chief Cabinet Secretary
Hisashi Owada, Deputy Minister of Foreign Affairs
Tatsuo Arima, Director General for North America Affairs, MOFA
Sadayuki Hayashi, Director General for Economic Affairs, MOFA
Yukio Okamoto, Notetaker
Koji Tsuruoka, Interpreter

DATE, TIME AND PLACE: September 1, 1989, 11:40am - 12:20pm EDT
The Oval Office

The President opened by welcoming the Prime Minister in the warmest personal terms, saying that they had agreed to

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communicate on a first name basis, and offering to discuss anything the Prime Minister had on his mind. (C)

Prime Minister Kaifu responded by thanking the President and pledged, as his predecessors had, to preserve U.S.-Japan relations as the cornerstone of Japan's foreign policy. (C)

The President raised China policy as an example of the kind of policy on which we must maintain close coordination. He opined that China was having difficult times and that he hoped they would eventually emerge from these. (C)

Prime Minister Kaifu

(b)(1)

(b)(1)

The President interjected that Japan is lucky. China is knocking the United States: "They are blaming us for everything that happened in Tiananmen Square. To use an old Chinese proverb, 'It hurts our feelings.'" (C)

Prime Minister Kaifu stated that in his past discussions with high ranking officials in education he was told that the aim of China is to allow people to read and think for themselves, to become more free and affluent. The basic trend is there. (C)

The President rejoined that change seemed to get out of hand. Zhao had warned us when we visited China and events show just how quickly things evolved. Now Zhao is in disgrace. However, if the U.S. and Japan stay together on China policy with our friends and allies we can manage this terribly important geo-political relationship. (C)

The President next raised the trade issue by saying that in both systems the executive faced pressures from the legislature. He stated that on satellites, supercomputers, and forestry products the negotiations must be successful. If the balance of trade becomes more distorted, this will put even greater strain on the U.S.-Japan relationship. He summed up by saying that the U.S. places great importance on success in the Structural Impediments Initiative (SII) and the trade talks that begin next week. The President pronounced himself as "strongly encouraged by your views" on improving this aspect of the relationship. He added

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that improvements in the structural relationship cannot be a one-way street and that in the battle over the U.S. budget deficit we hope to show a demonstrable improvement next year. (C)

Prime Minister Kaifu said that these problems, to the extent possible, must be resolved quietly. Super 301 has been presented unilaterally in terms of sanctions, a form to which the Japanese people are not accustomed. He stated that he had instructed his people to attend the talks and to work seriously on resolving the outstanding problems. (C)

The President volunteered that the U.S. and Japan work well together internationally on economic matters such as GATT, the environment and debt relief, and that we agree on the need for a successful conclusion to the Uruguay Round. (C)

Prime Minister Kaifu said that Japan was now struggling to become an import superpower, making all sorts of efforts to become so. However, he stated that the figures would not change overnight, but this should not be allowed to become a source of strain between us. He agreed that we need a successful Uruguay Round. He emphasized that the environment is important and that both Japan and the U.S. have had experience in dealing with this and that we should work together conducting studies and project jointly. (C)

The President interjected that there was good agreement at the G-7 on these matters and that he hoped this cooperation would continue. (C)

The President raised the question of U.S.-Soviet relations. He said that Japan was correct about the Northern Islands and that there will be no change in the constancy of U.S. support for Japan's position on this issue. (C)

The President changed the topic to East-West relations in Europe, stating that all of us have a great opportunity at this time of change. We are anxious to make progress on arms control, conventional force reduction and chemical warfare. However, the President emphasized that there would be no surprises for Japan: "There will be no grand agreement that in any way diminishes Japan's interests. There will be no trade-off of anything like the deployment of forces." (C)

Prime Minister Kaifu stated that the Soviet Union should not be confronted but should instead be more fully involved in global affairs. He stated his full agreement with the President's statement on relations with the Soviet Union. Regarding the

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Northern Territories, he expressed his gratitude for continuing U.S. support. "We will keep in contact with you as we face the USSR." (C)

(At this point the party broke for lunch and the President showed Prime Minister Kaifu the inside of his private office and escorted him to the horseshoe pit where both threw a few shoes, with the Prime Minister proud to have put one in the pit while the President's last shot was a ringer.)

LUNCHEON

The President raised the drug problem by inquiring whether drug use was a problem in Japan? (C)

Prime Minister Kaifu replied that stimulants rather than heroin were the major problem in Japan. (C)

The President described drugs as a modern plague that had led to great consternation here. He said he was encouraged by the courageous decision of the President of Colombia to confront the drug cartel. (C)

Prime Minister Kaifu said that Asian heroin is coming through Japan to the U.S. and that the two countries must cooperate to cut the distribution network. (C)

Secretary Baker raised the topic of Cambodia and stated that Japan and the U.S. must remain close together on this topic. He said it was especially important not to reward Phnom Penh with access to financial institutions unless and until Phnom Penh showed a real willingness to engage in power sharing. In addition, he stated that it was important to do what we can for Poland -- food, aid and the follow-up to the economic summit. After all, "Now we are talking about trying to support -- not a communist government trying to reform itself -- but a democratic government trying to survive." (C)

Prime Minister Kaifu replied that his foreign minister had briefed him on the less than completely successful Paris Conference on Cambodia. He asserted that Japan wants a comprehensive settlement rather than only an international solution and was using the same approach as the United States. (C)

Secretary Baker raised Panama and asked Japan to join the U.S. in not recognizing the Noriega government. The Foreign Minister said that he wanted to give this some thought. Secretary Baker

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Prime Minister Kaifu said that they would consult on the Panama issue (b)(1)

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(S)

The President spoke of the death of Colonel Higgins and the way in which the photograph had shocked the American people: "The picture of a U.S. Marine Colonel hanging from a rope while serving the cause of peace for the UN." He remarked that the perpetrators were so brutal that they remained unwilling to return the remains. He said he appreciated Japan's attempt to help. (U)

Secretary Cheney said that FSX was still working its way through Congress. He characterized the overall state of U.S.-Japan security relations as very good. (S)

Prime Minister Kaifu replied that in defense cooperation Japan would continue to make extraordinary efforts because "this is the most important aspect of our bilateral relationship." (S)

Secretary Brady praised the good cooperation with Japan, particularly at the G-7 meetings and on the Mexican debt situation. He said that the success of Mexican debt relief was in large part caused by Japan's efforts." A very important contribution has been made and we are grateful for it." He said that Japan's policy on Mexican debt relief would be noted very positively throughout Latin America. (S)

He stated that the Structural Impediment Initiative talks would begin the next Monday. He described this as a major U.S. initiative. It came at the same time as Super 301 and it remains important to demonstrate to Congress that matters such as these can be resolved without unilateral action. However, to convince Congress, he said, we would need some concrete results. (S)

Prime Minister Kaifu said that Japan was pleased to have Mexico as the first step in Japan's new debt strategy and would like to continue to cooperate in these matters with the U.S. as well as with the international financial institutions. (S)

U.S. Trade Representative Carla Hills underscored the Prime Minister's earlier positive mention of the importance of the Uruguay Round. She said it was important to make the vision of worldwide growth a reality. Much more needs to be done to bring

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down trade barriers, to bring prosperity to all trading partners. There are only 16 months to go to implement the declaration of principles. She looked forward to progress and to her visit to Japan. (C)

Prime Minister Kaifu replied that the two countries were in very close touch on the Uruguay Round and would continue to be so. (C)

The President mentioned the Vice President's upcoming visit to Japan, Korea, and the Philippines. (U)

Prime Minister Kaifu said that Vice President Quayle's attendance of the IDU would lend strength to the LDP and that he looked forward to receiving him in his role as President of the LDP. Turning to the Vice President he said that the government of Japan also looks forward to the visit. (U)

The Vice President said it had been 10 years since he was last in Japan and that he looked forward to his visit to the space program and to the IDU conference. (U)

Prime Minister Kaifu said, "You are wholeheartedly welcome. Please feel free to convey any requests to the LDP or the GOJ." (U)

The President mentioned President Roh Tae Woo's October 17 visit and indicated that he was curious about Kaifu's views regarding North Korea. (C)

Prime Minister Kaifu replied that any problem arising in the Republic of Korea would immediately be reflected throughout Asia. He said he hoped the DPRK-ROK will not engage in a military confrontation but would engage instead in talks. (b)(1)

(b)(1)

The President

(b)(1)

(b)(1)

They are way behind on reform and there is nothing on the horizon leading one to think that there would be a rapid improvement in U.S. relations with the North. (C)

Prime Minister Kaifu returned to Secretary Brady's comments regarding SII. He said, "I cannot promise that we will come up with results by next Spring. These issues will require more time to settle them in the long run. Short term problems should not obstruct the overall picture." He said Japan wishes to promote a global partnership on aid to developing countries and the global

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environment. He recollected that he helped found Japan's volunteer corps. He said he was very sorry to hear about Congressman Leland's fatal crash, and as an example of global partnership with the U.S., he proposed a foundation to do research and to train people to work on issues of hunger in the developing areas. (C)

The President said Leland came from his hometown in Texas and that he has great respect for Congressman Leland's humanitarian concerns. (U)

He strongly endorsed Secretary Brady's comments on SII. "I know that we have differences but believe me it is terribly important that we make progress. There is a tidal wave in Congress. I am telling you, as a friend, we must find ways to agree on SII. We cannot brush our differences under the rug but we must preserve the relationship. There should be no arrogance on the U.S. side but these are problems that we must solve." (C)

Prime Minister Kaifu replied, "We have heard you and I have instructed my people to listen very carefully." (C)

Secretary Baker stated, "We won't be able to form a global partnership unless we have a strong bilateral relationship. The SII was a substitute for what Congress wanted to do immediately." He said that progress by late Spring is a necessity. In 1984-85 the trade imbalance created a similarly critical position but actions were taken. Now the trade imbalance has stopped declining and SII provides the way out. (C)

Prime Minister Kaifu said "I understand your concerns on SII and your desire for meaningful results because I understand it is a substitute for more unilateral 301 action. However, I remind you that structural changes are very difficult and I cannot promise progress by next Spring." He characterized next Spring as a very short time but stated that he had instructed his representatives to approach the talks in a very serious and sincere manner. "But, I cannot make promises." (C)

The President said that both countries must try hard, "as a two-way street." He said there were enormous and mounting pressures and that he did not wish to imply by his silence anything less than his complete agreement with what has just been said. (C)

Mr. Arima then explained that the Leland Foundation was a Japanese initiative with no obligations for the USG. Over the next few years the GOJ would contribute \$5 million as well as seeking training and research. The program has been set up in consultation with U.S. Aid for International Development. (C)

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The President closed by saying that this was a very thoughtful gesture.

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with John Major of the United Kingdom (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
Marlin Fitzwater, Assistant to the President
and Press Secretary
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Robert D. Blackwill, Senior Director,
European and Soviet Affairs, NSC Staff
(Notetaker)
Raymond Seitz, Assistant Secretary of State

United Kingdom
John Major, Foreign Secretary
Sir Antony Acland, Ambassador to the U.S.
Sir Patrick Wright, Permanent Undersecretary
Stephen Wall, Private Secretary
Andrew Burns, Press Secretary

DATE, TIME September 11, 1989, 10:00 a.m. - 10:35 a.m.
AND PLACE: Oval Office

The President welcomed the Foreign Secretary and hoped that he would have a good discussion later in the day with Secretary Baker. The President felt the U.S. and the U.K. were together on most issues. He had talked to Prime Minister Thatcher and they were in agreement on Poland, the anti-drug effort, and what the G-7 might do regarding Columbia. The only difficulty was in the Alliance's failure to meet its September 7 deadline for tabling the remainder of its new proposal in the CFE negotiations. That had caused the President some grief. The Allies need to move this matter forward. NATO must keep momentum and not signal a loss of interest. (S)

The Foreign Secretary thought the obstacles within the Alliance on CFE could be overcome and that he and Secretary Baker could make progress later in the day. He hoped there would be no undue

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delay. The Foreign Secretary felt the President understood London's concerns about non-circumvention; the new U.S. language was very helpful. (S)

The Foreign Secretary added that, as the President knew, the Prime Minister hoped to come to the United States as soon after the opening of Parliament on November 14 as could be arranged. (S)

The President said he hoped for an informal session with the Prime Minister on a wide array of issues. (S)

The Prime Minister would like that, the Foreign Secretary replied. She has Gorbachev on her mind, he said, in quite a big way. On drugs, the President's initiative is going down very well in the United Kingdom. The U.K. had its own team in Bogota last week and London wanted to help. The British government would also be pushing its European partners for more involvement. (S)

The President asked if the British sensed that Barco was going to last the course. (S)

The Foreign Secretary said yes. Barco has made clear his determination to stand up to a bunch of hoodlums. (S)

On Poland, the Foreign Secretary said the U.S. and the U.K. shared the same objectives. The Poles need a proper IMF agreement. The West should not smother them with so much help that they do not take the necessary steps. The British government was also wondering what Gorbachev's real goals are in Eastern Europe. The Foreign Secretary said he did not know. (S)

The President said that Prime Thatcher would have a chance to look into this question when she was in Moscow on September 23rd. Congress had discovered Poland and pressure was building on the Hill. The U.S. might be able to do more on food aid, but the West should be sure it was not throwing money at the problem without the needed structural reforms in Poland. (S)

Secretary Baker asked if the British government was on board for Paris Club rescheduling before an IMF agreement. (S)

The Foreign Secretary said his Treasury Department would prefer an IMF agreement first. (S)

The President asked if Boris Yeltsin would be visiting the U.K. (S)

Not yet, the Foreign Secretary said. Continuing, he noted that there were a couple of problems of special concern to the Prime Minister. First among these was Hong Kong and the Vietnamese boat people. This issue had taken an immense amount of the Foreign Secretary's time. On Hong Kong, London knew where it wanted to go,

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but was not sure about how to get there. There were no signs of panic in Hong Kong, but much less confidence than before June. The Chinese leadership was now being uncooperative about Hong Kong and the modalities that still need to be negotiated. (S)

The President asked about what had happened in the Hong Kong market. (S)

The Foreign Secretary said the market had survived remarkably well. This was a mixed blessing, because the Chinese asked how the British could cite a loss of confidence when the stock market was doing so well. Still, it would be quite a job to restore the confidence of the population of Hong Kong. (S)

The President asked if the Foreign Secretary was under pressure to be tougher on the Chinese. (S)

The Foreign Secretary said the British government was happy to stay where it was for the time being. (S)

The President noted that there could be further surprises in China; the West needed to be prudent. U.S. domestic pressure was manageable now, but could increase from both the left and the right, and the Chinese were increasingly blaming the U.S. for their problems. (S)

Secretary Baker asked what sort of contacts the British had through their Embassy in Beijing. (S)

Low level, the Foreign Secretary replied. The situation was pretty much a standoff at the moment. Continuing, the Foreign Secretary noted that when the President saw the Prime Minister he had touched on the problem of intelligence, cooperation, and the need to improve it. London had a package which would be given to Judge Webster in October. (S)

The President asked if the Foreign Secretary had any brilliant ideas on how to solve the Lebanon problem. (S)

The Foreign Secretary said that some people were concerned about the U.S. taking its diplomats out because the Syrians might be further emboldened and increase their military effort, and because some might conclude the U.S. had given up. The U.K. was grateful for the U.S. offer to take out British diplomats at the time of the American evacuation, but the British officials were under no unusual threat. The Western nations should try to reduce the degree of shelling, even if they could not stop it entirely. (S)

The President said the U.S. took its people out because this crazy, Aoun, was threatening them. (S)

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The Foreign Secretary commented that moderates in Amal would want the U.S. to return its Embassy as soon as possible. (S)

The President said he hoped to do that. The situation was so complicated, and so sad. Did the U.K. have any representation in Syria? (S)

Permanent Undersecretary Wright said it was only an interest section, a very small operation. (S)

The Foreign Secretary wondered how much longer the Palestinian problem could remain static. (S)

The President remarked that the only game in town is elections in the occupied territories, but he was pessimistic. (S)

The Foreign Secretary asked if Shamir was willing to make concessions. (S)

Secretary Baker said that would only be known when there are face to face negotiations. Shamir's willingness could not be tested before that point. (S)

The President said the situation was discouraging. (S)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Uruguayan President Julio Maria Sanguinetti (U)

PARTICIPANTS: The President
Lawrence Eagleburger, Deputy Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
for National Security Affairs
Everett Ellis Briggs, Senior Director, Latin
America and the Caribbean
Michael Skol, Deputy Assistant Secretary of State
for Inter-American Affairs

Julio Maria Sanguinetti, President of Uruguay
Luis Angel Barrios Tassano, Minister of Foreign
Affairs

Ricardo Zerbino Cavajani, Minister of Economy
and Finance

Hector Luisi, Ambassador to the United States

DATE, TIME September 15, 1989, 3:05 - 3:50 p.m. EST
AND PLACE: The Oval Office

The President and President Sanguinetti met for 45 minutes in the Oval Office on September 15, 1989. (U)

The President, after an exchange of pleasantries during which the American and Uruguayan media representatives were allowed to be present, referred to the visit President Sanguinetti had just made to Japan. The President said he had noticed a significant difference between the new Japanese government and the Socialists, not only on defense policy but on trade issues. The Socialists, he said, were pure protectionists. He said the U.S. had a big stake in Japan's leadership choice, and thought the new team was showing a lot of nerve. (S)

The President then noted that President Sanguinetti was a short timer, and said he must be proud of the superb job he had done. (U)

President Sanguinetti said, "fortunately!" He added, smiling, that he wasn't sure what exactly he had accomplished, but he knew he had avoided a lot of trouble. (U)

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The President said he appreciated Uruguay's leadership in showing willingness to stand up for democracy in Panama. He regretted all of us acting together had not been able to achieve the changes sought by the Panamanian people. We seemed to be back at square one. He asked what President Sanguinetti thought should be done now. (Ø)

President Sanguinetti said we were back at the square one, but on a different playing board. There was now a greater awareness worldwide about the Panamanian situation, and this was important in political terms. (Ø)

The President agreed that this was the case. He said that the picture of Billy Ford spattered with blood and of the violence committed by the dignity battalions were imprinted on everyone's mind. (U)

The President assured President Sanguinetti that the U.S. had no argument with the Panamanian Defense Force as such. Improved relations with Panama would be instantaneous, he said, if Noriega were to leave power. He said the problem was very frustrating. (Ø)

President Sanguinetti felt what was needed was a combination of patience and perseverance. As with other problem areas, time might produce changes, as was occurring in Nicaragua. (Ø)

The President asked if President Sanguinetti thought there was a possibility for genuinely free and fair elections in Nicaragua. (Ø)

President Sanguinetti replied that he thought the elections would be "relatively" fair. He asked rhetorically how a country without democrats could hold a democratic election. Nicaragua, he said, had no democratic tradition, so the elections could not be expected to be "perfect." What was important, he felt, was that there be a genuine "opening." Look at Paraguay, he said. There was Stroessner, ruling a country that had never had democracy, when all of a sudden he was overthrown in a palace coup, whereupon an election had been held that although not perfect had been free. One could not call the election "clean," exactly, but freedom now existed in Paraguay. (Ø)

The President said he was very pleased to hear this. And speaking of Paraguay, he was grateful to President Sanguinetti and several of his colleagues for being so nice to his daughter at President Rodriguez' inauguration. (U)

President Sanguinetti acknowledged that he had enjoyed meeting the President's daughter in Asuncion. (U)

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The President said he had wanted to send a member of his family to the inauguration, as a personal gesture. (U)

President Sanguinetti, returning to the earlier theme, said that the Paraguayan example showed progress was possible, even without perfection. (S)

The President asked if President Sanguinetti were going to the San Jose Summit. (U)

President Sanguinetti replied, "yes." He congratulated the President on his speech on drugs. He approved of the President's approach, he said, of addressing both supply and demand. He said Uruguay was working hard to keep from becoming a part of the problem. He cited the case of an individual recently arrested in Uruguay who was to be extradited on a charge of money laundering. The case, he said, was proceeding nicely. The Uruguayan government meanwhile was studying the possibility of a treaty dealing with banking secrecy. Uruguay had to reconcile its system of complete economic freedom with support for drug control. Uruguay was examining the Swiss system, and soon the Central Bank would offer a draft for an information exchange treaty. (U)

The President asked what Uruguay's chief drug problem was - whether drug abuse, corruption of society, health of youngsters. Was Uruguay getting caught in the international trafficking web, he asked. (U)

President Sanguinetti said Uruguay as a small country did not offer a big enough market to interest international traffickers, but since it had the most open financial system in South America it was attractive to would-be money launderers. Therefore his government was looking for ways to retain banking freedom without falling prey to drug money. What it was seeking was some preventive medicine. (U)

The President asked President Sanguinetti for his opinion as to whether President Barco of Colombia would be able to stick with his courageous stand against the drug cartels. (U)

President Sanguinetti said the big problem for Colombia was "political." He said he was well acquainted with Colombia and its brave people. Despite 16 out of 24 supreme court judges having been assassinated, the institution was still working. The police were holding on. So were journalists. He had been a personal friend of the journalist Guillermo Cano, who had been assassinated and whose newspapers headquarters had been blown up. The newspaper was still being printed, and still attacking the

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drug traffickers. What was going on in Colombia was war. Imagine, he said, if the world had tried to fight the Nazis with judicial process and marshals. What he meant by "political" was that the Conservative Party must give its full backing to Barco to take exceptional measures to deal with the drug problem. Barco must be able to declare a State of Emergency. (S)

The President observed that a recent poll in Colombia had showed strong support for what Barco was doing, including extraditing criminals. It also showed strong disapproval of the use of foreign (not just American, any foreign) troops. This came as no surprise to him, said the President. He was sensitive to Colombian views. Because of widespread opposition to the use of military force, he had tried in the case of Nicaragua and Panama to use a multilateral approach, though he was terribly disappointed that the OAS had failed to deal effectively with Panama. The U.S., he said, had no plans to send troops to Colombia, but the American press went crazy whenever we did anything. For example, we sent equipment and some people to Colombia to help set it up but if one believed the press, we had sent a division of troops. Some of our European allies had suggested putting together an international force, something we would be prepared to do, but we had found no interest in Colombia for that, either. He said he wanted President Sanguinetti to know we had no plans. Only "if someone grabbed our Embassy or took hostages, then..." The U.S., he said, had no secret game plan. He asked President Sanguinetti if he had any advice. (S)

President Sanguinetti said no, the important thing was to try first to create a multilateral framework for dealing with the problem. The Vienna Convention was a start. Perhaps, he said, we needed a follow-up treaty to focus on the fact the drug fight was universal in scope. Returning to his earlier point, he said that the important thing was to ensure there was full political support inside Colombia for Barco, to deal harshly with the narcotraffickers. They were not so invulnerable, he thought. Everything they had was displayed openly: their homes, their farms, their power. The problem must not be handled as if it were a matter of simple crime. He did not think President Barco lacked courage. He considered him a good executive, a good president. The problem was: could he get support from Pastrana and Belisario Betancourt? They must support him. (S)

The President said that what had made a profound impression on him when he read biographic background information on some of the Colombian drug lords was that someone like Rodriguez Gacha was nothing but a common criminal; not a great brain, just a thug. The mayor of Medellin had suggested negotiating with the drug lords, as if they were a serious group, but they were crooks who

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did not deserve such consideration. He said he had one other question: did President Sanguinetti think that when Castro had Ochoa executed, it was because he was guilty of drug activity; did Castro know himself what had been going on in Cuba? (S)

President Sanguinetti said that "basically" the reason for Castro's action was "military." He had been expecting something like that to happen. A few months ago, at President Borja's inauguration, Mario Soares had made some interesting comments. There was Fidel Castro, with his "show." Mario Soares said the man was very smart, but he did not realize what was going to happen when all his troops started to return from Angola. Portugal had gone through such an experience. Castro did not know what was going to hit him. (S)

President Sanguinetti continued: In Africa, the Cuban forces had not been under Havana's direct control, and considerable independence of action had developed among the military leadership in the field. They dealt directly with the Soviets. Furthermore, over half the troops were infected with AIDS. Their return home was going to be terrible for Cuba. Within two months of the return of the first units rumors of possible military trouble began to circulate. Castro moved when he had to, to retain control. It was probably true about Ochoa's drug involvement, but what was at stake was Castro's power. He had put Ochoa on television, and what came across was a man of stature, a leader. So after one TV appearance, the cameras were turned off, because Ochoa was the sort who could sway the people. (S)

The President asked if Ochoa could have been involved in drug trafficking without Castro's knowing. (S)

President Sanguinetti said he did not know. The Cuban army had become very autonomous. Individuals traveled to and from Angola freely. (S)

The President said that Cuba had withdrawn most of its forces from Ethiopia. If it were true that so many had AIDS, Castro had a problem. (S)

President Sanguinetti said he had a couple of "Uruguayan" issues to raise. Smiling, he said he was always a bit frustrated because people talk to him about Argentina or Colombia but rarely ask about Uruguay. He wished to make two comments: First, he appreciated the military assistance the U.S. had provided. It was an example of how to help without sacrifice. The U.S. had sent secondhand material to upgrade the Uruguayan forces, and this was fine. The Armed Forces had been pleased to accept it. They had remained absolutely loyal to the civilian government. There had been no incidents, despite the fact they had been given a small budget. Uruguay was now asking for additional help for the Armed Forces. He did not foresee any problems with obtaining it. (S)

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President Sanguinetti said the second comment was that Uruguay was trying to use the Brady Plan to reduce its debt. Some in Washington seemed to think that the Brady Plan should only apply to those in really bad shape, those who had committed serious errors. Uruguay has been meeting its debt payments, and would continue to do so. Some of his advisers had suggested, in jest, that the way to attract more favorable treatment would be for Uruguay to declare a moratorium on its debt payments, as others had done. The trouble, he said, smiling, was that no one would believe it. So Uruguay would continue to pay up, but the problem was that this stifled growth. During his first year in office Uruguay had had a 14 percent growth rate, but this past year had brought stagnation because of several factors over which they had little control: the worst drought in the nation's history; the spillover effect of their neighbor's economic problems; and the need to make excessive use of their hydro power. Recovery would take two years. Meanwhile, the situation was difficult. They were trying to reduce their debt while retaining a rhythm of growth. Uruguay wanted to proceed with a final negotiation on resolving its debt. That would make Uruguay the first debtor to overcome its problem, and he would appreciate any support the President might give in this connection. Messrs. Brady and Mulford, he said, were fully aware of the circumstances, and he hoped the President would encourage them to be helpful. (C)

The President said he would. He asked if President Sanguinetti would be seeing Secretary Brady. (U)

President Sanguinetti said he had an appointment next Monday. (U)

The President said he would speak to Secretary Brady before then. He said the U.S. would like to see countries besides the big ones achieve success. He then asked about the IMF. (U)

President Sanguinetti said Uruguay had had one stand-by agreement with the IMF, had met the conditionality, and was now discussing a new stand-by. He was confident there would be agreement. A meeting with the Uruguayan banks was scheduled for September 27. He commented that Uruguay's case was a strong one; conditions were easier than for Argentina or Brazil. Uruguay had already achieved a good, peaceful transition to democracy, and now was the time to show positive results on the economy. (C)

The President asked about the position of the contenders for the presidency: were the presidential candidates committed to following the same policies? (C)

President Sanguinetti said he saw no problems. The government and opposition candidates agreed on lowering tariffs and working with the IMF. There were some technical differences among them, but not differences of substance. (C)

After a final exchange of pleasantries, the meeting ended at 3:50 p.m. (U)

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THE PRESIDENT 7324

THE WHITE HOUSE

WASHINGTON

September 19, 1989

MEETING WITH PRIME MINISTER SANDIFORD OF BARBADOS

DATE: September 20, 1989

LOCATION: Oval Office

TIME: 2:15 p.m. - 2:25 p.m.

FROM: BRENT SCOWCROFT

I. PURPOSE

To underscore the friendly relations between the United States and Barbados and our commitment to democracy and economic development in the Caribbean region.

II. BACKGROUND

Prime Minister Sandiford is in Washington to attend the annual World Bank meetings on September 25-29. He also will meet with several members of Congress, including Speaker Foley and Chairman Rostenkowski, Treasury, and USTR officials.

Barbados has had close and cordial relations with the United States since gaining independence in 1966. A multiparty parliamentary democracy, its major political parties are moderate with similar objectives of economic development, political stability, and pro-Western outlook. The House of Assembly is the third oldest elected body in the Western Hemisphere and recently celebrated its 350th anniversary. Sandiford, who took over upon his predecessor's death in June 1987, is in firm control of his party and the government and does not face re-election until 1991.

✓ Despite our close relations, Barbados has been unhappy with us recently over its decreasing sugar quota, the delay in CBI II legislation, and a Congressionally mandated change to the bilateral tax treaty when it expires at the end of the year. U.S. sugar imports have fallen some 70 percent since quotas were established in 1982. In the tax treaty case, Senator Dodd led the move to kill a tax exemption clause for off-shore insurance firms--an amendment we opposed--which will cost Barbados \$4-6 million.

You should assure the Prime Minister of your strong support for CBI II, although noting that the sugar provision of the bill is a problem. Although acknowledging that our financial constraints have caused a decline in assistance to

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cc: Vice President
Chief of Staff

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the Eastern Caribbean, you should tell him that we are continuing to look for ways to help and our interest in the region remains high. Last week, we announced that sugar quotas would be extended on a straightline basis through September 1990.

Barbados has played a leading role in regional drug cooperation and has cooperated with U.S. interdiction efforts. Barbados hosted a Caribbean Ministerial Drug Conference in March 1988 and its Attorney General will soon introduce strict new anti-drug laws including longer sentences, stiffer fines, and asset forfeiture provisions.

The Prime Minister supports a strong anti-narcotics role for the Regional Security System, a cooperative security mechanism of seven Eastern Caribbean states. It is headquartered in Bridgetown and the Barbados Defense Force plays the leading role in the organization. U.S. military assistance to Barbados and the other Eastern Caribbean states has dropped off sharply over the last two years, which in 1984-87 was running about \$5-6 million to the region annually. We are sending a package forward for FY 1990 to restore spending to prior levels, largely focused on anti-drug efforts.

You should commend Prime Minister Sandiford for his public condemnation of Noriega's attempt to steal the May elections in Panama and for his support for the OAS declaration of July 20 demanding that he leave power by September 1. Sandiford was one of the few heads of government to reply to your circular letter asking for support for OAS efforts (Tab B).

III. PARTICIPANTS

See Participants List

IV. PRESS PLAN

Pool Coverage

V. SEQUENCE

Photo-op followed by brief discussion

Prepared by:
David Pacelli

Attachments

Tab A	Points to be Made
Tab B	Sandiford Letter to the President, September 1, 1989
Tab C	Participants List
Tab D	Biography

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POINTS TO BE MADE FOR MEETING WITH
PRIME MINISTER SANDIFORD OF BARBADOS

- It is a pleasure to welcome you. We value the close and cordial ties we have had with Barbados for many years.
- I congratulate you and the Barbadian people on your recent celebration of 350 years of parliamentary democracy.
- Although our budgetary constraints have caused a decline in assistance to the Eastern Caribbean, we continue to look for ways to help; our interest in the region remains high.
- My administration is committed to obtaining new legislation to extend and enhance the Caribbean Basin Initiative; I must note, however, that we do have serious problems with the provisions on sugar.
- We value your leadership in regional cooperation in the fight against drug trafficking; we are determined to address the demand side of the problem here in the United States, but we will not neglect interdiction.
- I appreciate your strong public stance on behalf of restoration of democracy in Panama, and I want to thank you for replying to my recent letter on that subject.
- I want to thank you for accepting the nomination of Joy Silverman; she will make a terrific Ambassador.

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Letter from Prime Minister Sandiford

September 1, 1989

Dear Mr. President:

I thank you for your letter of August 22 concerning the situation in Panama.

As you are aware from our previous correspondence on this matter, I share with you an abhorrence of the brutal manner in which the democratic process in Panama was aborted in May of this year by the military authorities under the command of General Noriega. I publicly condemned that act of repression at the time.

Since then the government of Barbados has strongly supported the efforts of the Foreign Ministers of the Organization of American States to resolve the crisis and restore the democratic rights of the people of Panama.

In particular my government endorses the OAS declaration of July 20 calling for a transfer of power in Panama by September 1, 1989, and the holding of free elections as soon as possible. I shall make a public statement on the matter.

I remain convinced, as I know you are, that if the democratic community stays united and firm to its commitment to democracy, a peaceful resolution in the crisis can be found in the best interest of the people of Panama.

Sincerely,

L. Erskine Sandiford

Prime Minister

End of Text of Letter.

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Eduard Shevardnadze, Foreign Minister of the Soviet Union (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
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Jack F. Matlock, Ambassador to the Soviet Union
Paul Wolfowitz, Under Secretary of Defense
Raymond Seitz, Assistant Secretary of State
Robert D. Blackwill, Special Assistant to the President for National Security Affairs (notetaker)
Dmitry Zarechnak (Interpreter)

Eduard Shevardnadze, Minister of Foreign Affairs
Viktor Karpov, Deputy Foreign Minister
Alexander Bessmertnykh, First Deputy Foreign Minister
Yuriy V. Dubinin, Ambassador to the United States
A. Obukhov, MFA Chief of US and Canada Directorate
T. Stepanov, Assistant to the Foreign Minister
S. Tarasenko, MFA Chief of General Secretariat
G. Mamedov, MFA First Deputy Chief of US and Canada Directorate (notetaker)
P. Palazhchenko (Interpreter)

DATE, TIME AND PLACE: September 21, 1989, 2:00 p.m. - 3:05 p.m. EDT
The Oval Office

The President: Let me welcome you to the United States. I am delighted with the letter from President Gorbachev and was very

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pleased to receive it. There is a great deal of interest across the country in your visit. I am pleased that you and Secretary Baker can continue your dialogue. We are very pleased with the preparations for this visit. (U)

I feel in a personal sense that I have a good relationship with President Gorbachev. We feel nothing but affection and warmth for him and I want him to understand this at a personal level. I hope he knows I want to accelerate this relationship. I can comment on your arms control proposals and Secretary Baker will later faithfully represent my views. There are no serious elements in the U.S. that want Soviet reforms to fail. Please reaffirm that to President Gorbachev, although I hope it is not necessary. We support perestroika and we do not want to complicate your reform efforts. In New York, President Gorbachev said some elements in the United States did not want perestroika to succeed. That does not include either me or my Administration. Please tell him that. We have confidence in him, and please do not place great weight on the gloomy forecasts sometimes heard in both our countries. The important thing is that the reforms continue. Between us, President Gorbachev and I can create a whole new fabric of U.S.-Soviet relations. (S)

Foreign Minister Shevardnadze: Thank you, Mr. President. On behalf of all my colleagues I would like to greet you here in the White House. This is my first meeting with you as President. You have made a personal contribution to U.S.-Soviet relations. I would like to convey to you most warm greetings from President Gorbachev and the leaders of the Soviet Union. I recall the meeting and good talk I had with you when were Vice President, during the election campaign. The thoughts you expressed were captured in the phrase, "the new closeness." This fully reflects our concept of U.S.-Soviet relations at the current stage. (S)

During the last few years we have gone through an important period of establishing a level of mutual understanding. Having this positive experience in building our relationship, we can move to partnership where possible, and we are ready for this further stage. The INF treaty and the steps forward in bilateral relations, such as over 40 bilateral agreements signed in the last few years, demonstrate how far our relations, including people to people contacts, have come. (S)

We can be bolder. There has been an erosion in both of our countries in the image of the enemy. The atmosphere of U.S.-Soviet relations is quite different than when I became Foreign

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Minister four years ago, when the tone was so confrontational. Now, we are planning a joint statement on human rights. The Soviet Union is moving toward the highest standards in this area and we appreciate your support for holding the CSCE human rights conference in Moscow. The Supreme Soviet will soon adopt new legislation on entry into and exit out of the U.S.S.R. (Q)

You spoke warmly of President Gorbachev. I would like to stress the important political asset represented in your personal relationship with President Gorbachev. Nothing must spoil or poison this trust. (P)

I would not wish to idealize our relationship, but one truth is elementary. Relations between states can only develop if there is domestic stability. Therefore, we appreciate the high degree of U.S. interest in democratization and renewal in the U.S.S.R. We have reassessed and condemned our previous policies quite a bit recently, but we will not wipe out or negate the accomplishments of the decades of our country. There are tragic events in our past which are difficult to explain. But the historical goal we have traversed is glorious and only on the basis of these accomplishments can we move forward on reform. We must not forget our two countries together saved world civilization in the Great Patriotic War. There is no alternative to perestroika. We have just completed a Central Committee plenum on the nationalities problem, a painful problem. We are a union of 15 states, as stated in our constitution, which poses special problems. We believe we have now adopted policies that ensure each state will be self-governing, and that will restore stability. We are creating a new political culture and we have made mistakes. But we do not see anything bad about this expanding political awareness. People in the Soviet Union are in favor of perestroika, although there are conservatives who oppose it. But our people believe in perestroika, want perestroika, and this process cannot be reversed. (Q)

It is not easy to develop our new laws on the economy, including those on cooperatives -- which produced 6 billion rubles of goods last year. We are trying to reduce the incompatibility of our economy with those in the West. Thus, we have emphasized joint ventures, 1500 in all and 80 with the United States. I call your attention to all this work on our economic legislation because these developments should allow more economic interaction between us. We are not asking for aid from you. We want only equal cooperation. We have no doubt, to conclude, that perestroika will succeed. I know some of my friends say we have 5 months, or

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1 year, or 18 months and then we will collapse. This is not a serious view. I know my country, and predictions of catastrophe for perestroika are not serious at all. We will succeed. (Ø)

Let me say a few words about President Gorbachev's letter. In the past several months, we have moved forward in arms control. But the goal of 50% reductions in START remains to be achieved. The main theme in President Gorbachev's letter is that we must remove obstacles to agreement in Geneva on strategic arms. You were right when you said in your letter of June 20 that there is a conceptual gap on the ABM issue. We should stick to the Washington formulation and return to the subject after a START treaty is concluded. We will have to decide what is permissible under the ABM Treaty. Research and testing could be permitted except for ABM components. We would not insist on a fixed period for non-withdrawal from the ABM Treaty. Our political decision to eliminate the Krasnoyarsk radar site demonstrates our commitment to the ABM Treaty. (Ø)

One important question remains and I would like to speak frankly. A year ago, your scientists visited the Krasnoyarsk radar. It would be good if our experts could visit your radars in Greenland and the United Kingdom. (Ø)

On the issue of SLCMs, the question is different. Important political decisions need to be taken. We should look at this problem in a broader way, in the effort to rid the seas of nuclear weapons. We hope you will join us in this effort. We should concentrate on verification, without which no progress is possible. A limit on SLCMs could be set by means of mutual obligations which would be made in connection with the treaty, but outside of it. (Ø)

On ALCMs and heavy bombers, we are ready not to count B-52s and other aircraft that are conventionally armed within the 1600 limit. These aircraft would be counted outside the 1600, perhaps with a limit of 100. The U.S. side should then accept a realistic counting of ALCMs and reaffirm a 600 kilometer range cut-off in defining such systems. There should be interim work on verification measures, as you have proposed, but covering all strategic offensive arms. We have the same approach to data exchanges. We hope to sign an agreement with notifications for strategic exercises. (Ø)

We do not see any insurmountable obstacles to agreement on nuclear testing, based on work already done. Work should be

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completed at the end of this year and can be signed at the Summit. (Ø)

We would like to ban fissionable material. I will discuss this with Secretary Baker. (Ø)

On chemical weapons, we should speed up work on a convention banning CW. Your personal interest and that of President Gorbachev will assist that effort. It would be good for us to set a target date to complete a treaty, in 1990 or 1991. (Ø)

On CFE, I will discuss this with Secretary Baker. We think we can get results, as you have suggested, in 6-12 months. We are ready to work together with you. We would like to have the 35 CSCE Foreign Ministers meet in 1990 to work on a treaty and, by the end of the year, hold a Summit to sign the agreement. (Ø)

In order to accelerate work in Vienna, we need to start negotiations on short-range nuclear forces. Conditions are ripe for such discussions. We could start moving toward elimination of these weapons. (Ø)

We are interested in your Open Skies plan. We shall participate in an international conference on this subject. We have some suggestions that we will put forward in Wyoming. (Ø)

Concerning regional problems, there is a great range of possibilities for cooperation: Lebanon, the Middle East, Central America, Asia, Cyprus, and other problems. I would like to discuss with Secretary Baker the situation in and around Afghanistan. This is very important to us. (Ø)

To conclude, Secretary Baker and I have already had useful meetings this year. We have developed a frank, businesslike relationship that makes it possible to discuss all complex problems and move toward solutions. (Ø)

The President: Thank you. I was hoping to hear such a broad treatment of the issues. On the regional issues, President Carter was here this morning discussing the upcoming elections in Nicaragua. The question of Nicaragua is a thorn in the side of our bilateral relationship. I want Secretary Baker to discuss this with you in detail in Wyoming. On the subject of Afghanistan, we have no interest in seeing an anti-Soviet regime installed in Kabul. Secretary Baker will elaborate on this. We should be able to find a solution to the Afghan problem. We need

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to make progress. (S)

On conventional forces, I am pleased with the Soviet willingness to see positive aspects in the NATO proposal. We want to move forward, keep the momentum. An early CFE agreement would be good. (S)

On START, we, despite what columnists here say, are interested in an early agreement that enhances stability and will reduce the risk of war. You are not going up against a stone wall in START. We are ready to move. Secretary Baker will go into this more later. (S)

Secretary Baker: I think the letter from President Gorbachev is interesting, but it does raise questions we will want to go into detail on in Wyoming. (S)

The President: On DST, a START treaty should not be held hostage to an agreement on Defense and Space, negotiations which should stand on their own. (S)

I appreciate what you said on chemical weapons and this is an area on which we must find a solution. Secretary Baker will discuss a new CW initiative on our part. If we can reach a CW agreement, we will greatly reduce our stockpile. Secretary Baker will give you the details. As we lead up to full ban, we can make major reductions in our respective stockpiles. (S)

I also appreciate your position on Open Skies. Secretary Baker will go into this in more detail. (S)

On the issue of nuclear testing, we have made good progress on verification, and I think decisions on our side will push forward the negotiations and allow us to finalize the nuclear testing treaties in the near future. (S)

Turning to the subject of perestroika, we are fascinated by the process of reform in your country. We have great respect for the principle of cultural autonomy. We are sensitive to the changes going on in the U.S.S.R. I do not want our interest, however, to be misunderstood, to complicate developments in the Soviet Union. This is a delicate issue, and needs to be handled carefully. (S)

It is important that you and Secretary Baker have a good, frank discussion about Eastern Europe. We think the Soviet leadership has handled the Polish situation admirably. We hope you feel the

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same way about our policy. We want to support changes toward democracy in Eastern Europe, but do not want to be reckless or silly about it. We also admire your policy approach toward Hungary. On Eastern Europe, I want us to be in such close touch that we do not misunderstand each other's intentions. (S)

We need to work on mutual problems together. I would love to hear your view on Cuba and Castro, who is so far behind the power curve. (S)

Foreign Minister Shevardnadze: I cannot promise that, but I will discuss Nicaragua, where I will stop after New York. This will be my first visit to Nicaragua, the first by a Soviet Foreign Minister. We want a free, fair election and the Nicaraguan leaders want that too. I want to say we are not sending weapons to Nicaragua. We gave our word and we have kept it. Before the election, there will be no arms supplies to Nicaragua. (S)

The President: I hope you will have a good talk with Secretary Baker on this problem. We are troubled by the flow of substantial arms shipments into Nicaragua. The arms are coming from somewhere. I do not question what you say, but we need to talk in detail with you about this. (S)

Foreign Minister Shevardnadze: It is one thing when a journalist makes such a charge, another when a U.S. official makes such a charge. We keep our word. (S)

Secretary Baker: You need to tell us who that official was and when the charge was made. The level of East bloc shipments to Nicaragua has increased and that is what we have said. If we said it was Soviet arms, then please give us chapter and verse. (S)

The President: We can iron this out, but we are concerned. The total amount of Bloc arms supplies to Nicaragua has increased. (S)

Secretary Baker: In a spirit of candor, we think arms are coming through Cuba and are East Bloc, including Soviet, in origin. (S)

Foreign Minister Shevardnadze: I have no reason to suspect the Cubans but, in any event, the Soviet Union cannot be held responsible for all countries with whom we have good relations. (S)

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The President: We appreciate your coming. You and Secretary Baker have much to talk about. (U)

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Sarney of Brazil
on Sep 25th
NO MEMCON

Confirmed mtg. w/
Cerezo of Guatemala
on Sep 25th

NO MEMCON

Confirmed Mtg. w/
Paz Zamora of Bolivia
on Sep 25th

NO MEMCON

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with United Nations Secretary
General Perez de Cuellar (P)

PARTICIPANTS: The President
James Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Thomas Pickering, US Ambassador to the
United Nations
John Bolton, Assistant Secretary of State
(International Organizations)
Nancy Bearg Dyke, National Security Council
(Notetaker)

Perez de Cuellar, Secretary General of
the United Nations
Virendra Dayal, Chef de Cabinet,
United Nations
Marrack I. Goulding, Under Secretary General
for Special Political Affairs
Ronald Spiers, Under Secretary General for
Political and General Assembly Affairs and
Secretariat Services, United Nations
Luis Maria Gomez, Acting Under Secretary
General for Administration and Management
Alvaro de Soto, Executive Assistant to the
Secretary General

DATE, TIME September 25, 1989, 12:20 - 12:50 p.m.
AND PLACE: The Indonesian Lounge, United Nations

The President expressed his pleasure at being back at the UN, then referred to the tragedy of Colonel Higgins, expressing appreciation for what the Secretary General has already tried to do. (U)

The Secretary General introduced the subject of peacekeeping, and the two exchanged comments about the increased budget requirements to support new and continuing peacekeeping requirements around the world. (U)

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The President: We want to try to help on peacekeeping. (U)

Secretary General: With new operations in Central America, Cambodia, and the Western Sahara, we will have 12 peacekeeping operations. (U)

Secretary General: Regarding Cambodia, they are now asking me to send UN observers based solely on the withdrawal of Vietnamese troops. The danger is that significant hostilities will resume. (Ø)

The President: That would be bad. We were disappointed about the conference in Paris. Sihanouk took a strange turn at the end. (Ø)

Secretary Baker: Sihanouk did not carry the case very well. (Ø)

Secretary General: He may have been too shrewd for his own good. (Ø)

Secretary Baker: The Soviets are very interested in pushing us with respect to a moratorium on arms deliveries to the Cambodian resistance. Shevardnadze raised it in Wyoming. (Ø)

Secretary General: I do not know if the Chinese are interested in halting arms shipments to the Khmer Rouge. (Ø)

Secretary Baker: They may want to move in the direction of only a partial settlement, but that may make it more difficult in getting an overall internal political settlement. (Ø)

The President: Is there anything on the UNGA agenda that affects the Chinese -- anything re Tiananmen Square? Are you hearing anything in the halls? (Ø)

Secretary General: Anything on that would likely occur in the Human Rights Commission in February. (Ø)

The President: We are cautious on China and are trying not to harm the "sensitive" interests of China in our public statements. There are steps we need to take regarding the military relationship. We are concerned about what happened but we do not want to shove them into isolation. So, I wondered about any initiatives that might come forth at the UNGA. (Ø)

Secretary General: A very difficult situation. (U)

The President: I did learn something from the Chinese: "standing with hands in sleeve." Sometimes it does not hurt to stand on

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the sidelines and not do anything for a time. We do not want to isolate China. (Ø)

Secretary General: I would like to thank you for the support we are receiving from your country for UNTAG and UNAVEM. (U)

The President: It has to be there. (U)

Secretary General: There are continuing threats to free and fair elections in Namibia. A demonstrably free and fair election is necessary. We will try to sustain what we have begun in Namibia. (U)

Secretary Baker: We are very supportive of your position. (U)

The President: Very. (U)

The President: What will happen about the PLO in this session? What if the whole session is dominated by this? (U)

Secretary Baker: The problem has been more in the collateral agencies, such as World Health Organization (WHO). It is less likely to come up in the Security Council because of the veto. (Ø)

The President: But it could come up in the General Assembly. (Ø)

Secretary General: They are observers now and they may push to become state observers, if they can get it. (Ø)

Mr. Dayal: They have not shown their hand at all in this session. (Ø)

Secretary General: The PLO will try to see what the reaction is. They may ask for a visa. (Ø)

The President: We will get back to Ambassador Pickering with our position. I know it would be an easier question if they applied later if at all. (Ø)

Secretary Baker: The timing is important. If we can get Israel to pick up on Egypt's proposal, we will be better off. Having the PLO issue come up now would not help. (Ø)

Secretary General: Maybe in November. If I can, I will argue with them not to press their case right now. (Ø)

The President: Afghanistan. (U)

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Secretary General: Things are improving and much depends on the Soviets. We are trying to put a delegation together for discussions to obtain a national consensus. (Q)

Secretary Baker: It is hard to generate a national consensus that way unless there is agreement in principle about the transfer of power. I do not think the AIG will be willing to sit down until then. (Q)

Secretary General: Any solution requires a unified resistance. Otherwise, you have the same scenario as Cambodia. (Q)

Secretary Baker: We are more and more interested in looking at avenues for a settlement. (Q)

Secretary General: The time will come when the Soviets' friends will be willing to make a deal. Right now, Najibullah is mightier than before. (Q)

The President: Yes, he has more stature now. (Q)

Secretary Baker: We were closer last February to a solution than we are now. (Q)

Secretary Baker: On the PLO, I would like to reiterate a critical point. We want the Israeli election proposal to move along. If action were taken that gave the PLO increased status at the UN, we flag for you the problems it raises for the US. (Q)

UN Staff: Everybody knows this at the UN. (U)

Mr. Dayal: They have arrived at a strange status short of a state. (Q)

Secretary General: I will use my small influence. (Q)

The President: Nicaragua. (U)

Secretary General: We are involved. 1) We are monitoring the elections. 2) We are sending a group of observers to be sure the territory cannot be used against another country. Spain, Germany, Canada, and Venezuela will participate. 3) Disarming and repatriation is more complicated. We have the Contras on one side; the FMLN on the other. (U)

Secretary General: All in all, things are moving in many countries. Are you very concerned about Panama? (U)

Secretary Baker: We took a multilateral approach for Panama and we were very disappointed about the OAS. (U)

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Secretary General: Some former American administrations were distrustful of the UN and went to the OAS. The OAS showed a real lack of resolve on this. (Ø)

The President: We wish there were a quick solution but there is not. We will keep making the effort. We do not have an argument with the Panamanian Defense Force. We are not sure they believe it, and we need to get the message to them better. All will sigh a great sigh of relief when Noriega leaves. As Secretary Baker said, we tried the OAS but the effort fell apart and we are getting the flak for it. (Ø)

Secretary General: What is needed is a target of democracy. At the end of this year, all will be democracies in South America. (U)

As both the President and the Secretary General rose, the meeting was concluded with appreciation on both sides. (U)

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Lunch for Allied Representatives

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
John H. Sununu, Chief of Staff
Thomas Pickering, U.S. Ambassador to U.N.
Brent Scowcroft, Assistant to the President
for National Security Affairs
Marlin Fitzwater, Assistant to the President
and Press Secretary
Raymond Seitz, Assistant Secretary of State
for European Affairs
Robert Blackwill, Special Assistant to the
President for National Security Affairs
(Notetaker)

Manfred Woerner, Secretary General, NATO
Peter Wilenski, UN Ambassador, Australia
Mark Eyskens, Foreign Minister, Belgium
Joseph Clark, Secretary of State for External
Affairs, Canada
Uffe Ellemann-Jensen, Foreign Minister,
Denmark
Roland Dumas, Foreign Minister, France
Han-Dietrich Genscher, Foreign Minister, FRG
George Papoulias, Alternate Foreign Minister,
Greece
Gianni De Michelis, Foreign Minister, Italy
Taro Nakayama, Foreign Minister, Japan
Jacques Poos, Foreign Minister, Luxembourg
Hans van den Broek, Foreign Minister,
Netherlands
Thorvald Stoltenberg, Foreign Minister, Norway
Joao de Deus Pinheiro, Foreign Minister,
Portugal
Francisco Fernandez-Ordonez, Foreign Minister,
Spain
Mesut Yilmaz, Foreign Minister, Turkey
John Major, Foreign Secretary, United Kingdom
Choi Ho Joong, Foreign Minister, South Korea

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DATE, TIME
AND PLACE:

September 25, 1989, 1:30 - 2:30 pm
Conrad Room, Waldorf Astoria, New York City

The President: Let me welcome everybody here. We are delighted you are with us. I am new at this, but I understand this luncheon has become a custom. As I said in my speech, we are living in interesting times. I want to ask Secretary Baker to discuss his talks with Foreign Minister Shevardnadze. My meeting with Shevardnadze went well, as did Secretary Baker's. We have problems, but we have the possibility of real progress. Who would have expected, a year ago at this luncheon, the changes we have seen in Eastern Europe and the Soviet Union? I have been criticized for my caution, but I think we have demonstrated that we can take the offensive and we can be out in front. We will be prepared to meet with Gorbachev half-way; we want to see him succeed. We handled Yeltsin carefully during his visit to Washington but if Gorbachev can see Teddy Kennedy, why can't I see Yeltsin? I made this point to Shevardnadze. I am optimistic that we can keep this process going in accord with Western interests.
(P)

Secretary Baker: I want to start by thanking everyone who helped NATO table its CFE initiative in Vienna last Thursday. We believe we are moving from competition to dialogue and even, in some instances, cooperation. This is true across the full range of a five part agenda: arms control; human rights; regional conflicts; bilateral issues; and transnational problems like drugs, the environment, and terrorism. We had a very productive ministerial meeting and the Soviets feel the same way. (P)

During the 4-1/2 hour flight to Wyoming, I had a good discussion with Shevardnadze about what is going on in the Soviet Union. They are quite preoccupied with their domestic problems, were candid about them, and clear on what they intend to do about them. Shevardnadze was confident and said the nationalities were the biggest problem, then economic restructuring, and third, the entrenched bureaucracy. They say Gorbachev's political position is solid. On nationalities, they decided at the Plenum to give the republics economic and political autonomy. But independence and separation are not on the agenda. (P)

We spent a good deal of time on arms control and made good progress. I hope we won't hear any more about dragging our feet. We agreed to hold a Summit in the late spring or early summer next year. The Soviets dropped their linkage between a START treaty and a Defense and Space agreement. They agreed to dismantle the Krasnoyarsk radar without preconditions. We broke a 15 year deadlock on two nuclear testing treaties. We signed an MOU to exchange data on chemical weapons and test verification methods. We dropped our request for a ban on mobile missiles in START, contingent on Congressional approval for our own mobile missile program. We also moved forward on how to verify limits on mobile missiles. We reached an umbrella agreement on the President's proposal for interim verification and stability measures. The Soviets responded positively to the President's Open Skies proposal

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changed their definition for coverage of aircraft in the CFE talks. We also had a two hour discussion with them about their economy, at their suggestion. (Ø)

Foreign Minister Van der Broek: Did the Soviets express worry about Western activities in Eastern Europe? (Ø)

Secretary Baker: They say it is up to the countries in Eastern Europe, but they do not want us aggressively fomenting change. They will allow changes as long as the East European states remain in the Warsaw Pact and the CEMA. (Ø)

Foreign Minister Genscher: Did you agree to give the Soviets data about chemical weapons on German soil? (Ø)

Secretary Baker: We agreed to give aggregate numbers, but no details about chemical weapons on German soil. (Ø)

Foreign Minister Stoltenberg: How was the SLCM issue addressed? This is of interest to us. (Ø)

Secretary Baker: Treatment of SLCMs and ALCMs are the biggest remaining issues in START. The good news is that they want to handle SLCMs outside of START. The bad news is that they want to do it within the context of naval arms control. (Ø)

Foreign Minister Choi: Was there discussion of Asia and the situation around the Korean peninsula? (Ø)

Secretary Baker: We talked about nuclear proliferation and North Korea. The Soviets said they would push the North Koreans. (Ø)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: 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, Press Secretary
 John Kelly, Assistant Secretary of State
 (NEA)
 Dennis Ross, Director for Policy Planning,
 Department of State
 Margaret Tutwiler, State Department
 Spokesperson
 Thomas Pickering, Ambassador to the UN
 Notetaker: C. David Welch, NSC

 Shimon Peres, Deputy Prime Minister and
 Finance Minister
 Nimrod Novick, Political Advisor
 Avraham Gil, Media Advisor
 Moshe Arad, Israeli Ambassador to the U.S.

DATE, TIME September 25, 1989, 3:45 p.m. - 4:20 p.m.
AND PLACE: The President's Suite, Waldorf-Astoria Hotel,
 New York City, NY

The President: I am very pleased to see you again. I don't know how you would like to spend this time, but we can talk about any subject you like. Just let me say that we have taken a little flak in the press here for not being activist in our foreign policy. They have written especially about us not moving fast enough in our relationship with the Soviets. But the Soviets know, on the other hand, that we want to see perestroika proceed. We hope this relationship will work to benefit our friends, especially Israel.

Deputy PM and Finance Minister Peres: In a sense, Mr. President, the Bush era that dates from 1988 will be seen in its first year as the year of democracy. Communism is collapsing. Even the Soviets have had elections. There have been student demonstrations in China. The French celebrated their revolution's anniversary more with regret than joy, and you will recall Margaret Thatcher's remarks. The communist systems have failed economically and socially. The gates to emigration have been opened in the Soviet Union, and maybe this will be good for us. After years of decline, the Arabs are asking themselves "where did we go wrong?" You know, Mr. President, that there was

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a period in history when the Arabs were ascendant, at the top of history. The Soviet Union is no longer an example to these nations, so there are now voices in the Middle East saying "let's try democracy." This could be the beginning of historic change away from the rule of the gun that has characterized Arab regimes.

Deputy PM and Finance Minister Peres: There have been some initial successes in the peace process. You supported the elections idea; now Egypt does as well. The Palestinians at least do not reject it; maybe some even accept elections. The Soviets are not prominent players and do not seem to seek a spoiling role. Syria is weakened in Lebanon. Asad looks like a man of yesterday, not a man of the future, of tomorrow.

Deputy PM and Finance Minister Peres: The Egyptian plan is not so bad, although it raises some issues for us. The composition of a Palestinian delegation is one issue, but we must recognize that this is the first time we have a Palestinian side to talk to. Differences remain in Israel over the question of including "outsiders" in a delegation of about 10 persons. Egypt forged a -- pardon my words -- Talmudic compromise by suggesting recent deportees. On the 10 points themselves, Egypt has clarified that this is the opening position. As a government, we must respond to the issue of the composition of the delegation, because at a minimum, the Egyptians and the Palestinians have accepted the idea of elections. It is entirely proper, as well, that they should demand the right for East Jerusalemites to vote. Of course, the Israelis fight internally over these things -- we are, after all, both democratic and Jewish. For example, when Sadat came to Jerusalem, we went through a similar debate that divided the two parties, forming strange parliamentary coalitions that paired portions of each party rather than each party simply opposing the other.

Deputy PM and Finance Minister Peres: We are as close as ever before to starting negotiations, which of course would change things dramatically in the Middle East. The Soviets are diverted. Mubarak is strong and knows the heart of the matter for us. There is no substitute for the role of the United States. Furthermore, there is no opposition to the Egyptian role per se. We should act now and decisively to tackle the heart of the conflict -- the Palestinian issue. With the end of war in the Middle East and the beginning of democratization, we could turn to repair of our economies. Japan is a successful model -- it has a minimum of military power, but a maximum of economic power. Compare it to the USSR, with a maximum of military power, and a minimum of economic power.

The President: It is interesting what you say about the splits in the political parties during Sadat's initiative. Is this the situation now with Mubarak's 10 points? Or, is the split along party lines?

Deputy PM and Finance Minister Peres: For the time being, the divisions are pretty much along party lines. Now, Likud is

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skeptical whereas Labor is supportive; the religious parties are in the middle camp. Among the latter, there are interesting developments: the chief rabbi of Israel's Sephardic Jews went to Egypt, met Mubarak, and came back and issued a statement that land is sacred, but human life is more sacred. Now, the dispute is a classic one between the two major parties. A decision to go ahead would keep the coalition intact, running away from a decision would hurt the coalition.

Deputy PM and Finance Minister Peres: No one is asking Israel to accept the 10 points. On the contrary, many in Israel are hoping and asking the Palestinians to accept the 10 points because they are so favorable from their point of view. Look at what is not in the 10 points. There is no mention of the PLO, no mention of the right of return, no mention of a return to the 1967 borders, no call for a Palestinian state, and no call for self-determination. Elections are the way to peace.

Deputy PM and Finance Minister Peres: A second point I would like to mention is the economic situation in Israel. We are turning the corner. The government's policy is gradually to privatize government-owned industry. I always say that if we want to give away dollars like socialists, then we must earn dollars like capitalists. The entrenched bureaucracy is another problem; we need to weaken their grip. Unemployment, though high, is going down.

The President: What is the unemployment rate now?

Deputy PM and Finance Minister Peres: It was 9.4 %, but the number of employed has actually been increasing. One thing keeping the unemployment ratio up is that the number of Bedouin registering to collect benefits has been increasing. Now we are looking at what we must do to prepare to receive more Soviet Jews. Operation Moses, which the United States was such a big part of, brought a forlorn tribe back to their land. Now we need Operation Joshua for the Soviet Jews.

The President: How do we work with you on this? Our situation is delicate. We face severe financial problems. There is a need to control our immigration policy, yet we also want to preserve the image of the Statue of Liberty welcoming people with open arms. We don't want to turn people away.

Deputy PM and Finance Minister Peres: For years, Soviet propaganda painted Israel as an inhospitable desert. Soviet Jews were understandably reluctant to come to Israel because they thought it would be a hardship. Soviet Jews must be brought to see what Israel really is. We need \$3 billion to absorb the 100,000 that possibly could be coming to Israel. Of this, we can pay \$2 billion from our own resources; we must raise the remainder.

Deputy PM and Finance Minister Peres: Our relations with the Soviets are strange. They permit great openness in some things,

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such as the ballet coming to Israel. They seek dairy technology and we export cows to the USSR. They are looking to barter for fruit supplies to Moscow, Kiev, and Leningrad. The Soviets suggested that we take civilian cargo planes in return, but El Al refused the planes. What is required is to improve the Soviet aircraft by technical modifications. We want to know if this would be all right with the United States. The idea is to expand our relations with the Soviet Union so that Soviet Jews begin to get a fuller picture of their nation.

Deputy PM and Finance Minister Peres: We want to encourage Soviet Jews to come to Israel. If we can open their eyes, Israel will be more attractive. 200,000 Jews came in the 1970's; none have left. The 20,000 Soviet tourists who have visited us leave surprised by what Israel looks like because of what they were told by the Soviet authorities before.

The President: You want us to encourage those who want to come to the United States to go to Israel?

Peres: Yes -- those with an Israeli visa should come to Israel.

Secretary Baker: We are changing the process of reviewing refugee applications to Moscow, away from Rome and Vienna. You could help us in this effort by telling American Jewish groups that the United States is not cutting back in the number of Jews from the Soviet Union granted refugee status.

Deputy PM and Finance Minister Peres: We want a stronger presence for Israel in the USSR so as to show our people what Israel is about.

The President: The Soviets are sensitive to this issue as well.

The meeting then terminated; the President and Peres stayed on for a ten minute private one-on-one.

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Venezuelan President Carlos Andres Perez (U)

PARTICIPANTS: The President
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
William T. Pryce, Director, Latin American Affairs, NSC Staff
Stephanie Van Reigersberg, Interpreter

Carlos Andres Perez, President
Reinaldo Figueredo, Foreign Minister
Simon Alberto Consalvi, Ambassador
Andreas Aguilar, Permanent Representative to the United Nations
Danute Rosales, Interpreter

DATE, TIME AND PLACE: September 25, 1989, 5:30-6:00 p.m. EDT
Presidential Suite
Waldorf Astoria Hotel, New York City

The President and Venezuelan President Perez met in The President's Suite to discuss regional problems. (U)

The President: Welcome, Mr. President. It's so good to see you. I always look forward to talking with you and getting good free advice. (U)

President Perez: I don't give any free advice. (U)

The President: We have been involved in lots of work lately with the domestic educational summit and people coming to Washington. How about you? (U)

President Perez: Very busy also. I have been working on my U.N. speech. (U)

The President: When do you give your speech? (U)

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President Perez: Today. Mr. President, I bring a present from the people of Venezuela. (U)

The President: Should I open it now? (U)

President Perez: Yes, please do. (U)

The President: (Opens and admires present which is a round rug or hanging which is brightly embroidered by hand.) (U)

The President: We have a million things to talk about in a short period of time. I'd like to talk about Panama and Nicaragua. What would you like to talk about? (Ø)

President Perez: I think that the most important problem we have now in the Hemisphere is Panama. In spite of the problems in Central America, things are going in the right direction there. I think that we have to react to Panama. Unfortunately, we had a bad experience with the OAS. The Commission didn't do a thing. The meeting is still open. We have to clear it up if we go back. I don't think there's much opportunity there. I have thought about a number of things. One thing is that we have another meeting of the Group of 8 coming up and that Panama should be on the agenda. We should expel Panama from the group. We should have the group that is going consult ahead of time, so that if we can agree on what should happen, we can take action. It would be absurd to have met and let another date go by without doing anything about Panama. The whole constitution of Panama has been destroyed. (Ø)

President Perez: We have to ignore the case of Haiti, but in the rest of Latin America there is progress, but the countries have been hard pressed. We have helped prevent coups in Argentina, Ecuador and Peru, and allowing a military coup in Panama is very dangerous. It could be the beginning of a new phase of coups. (Ø)

The President: It could have a bad effect on Nicaragua. If the elections are close, the Sandinistas will say, "What the hell. If Panama can overturn elections, why can't we do the same?" (Ø)

President Perez: The events in Panama can act as a stimulant for the Guatemalan army. At the group of 8 meeting we must move to find a solution. I have been talking with a number of leaders. One who is most firm is Menem. He sent a special delegate to me to ask what position should we adopt regarding Panama. I suggested the group of 8 where it would be agreed. (Ø)

President Perez: I think it is essential that we agree on what happens in Venezuela. On the third of November there will be a big meeting for the defense of democracy that will specifically

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deal with the Panama problem. I hope to stimulate advocacy for the Panamanian opposition. The independence day of Panama (November 3) is an important date. We need to get more international interest in Panama. We need action by the Socialist International, the Christian Democratic International, the Liberal International, and the Conservative International. This would be important because we would cover the whole political gamut. We are working on this idea. I'm thinking of phoning important political leaders. I haven't decided whether to invite the U.S. Democrats and Republicans. We have to think about this. It may be better not to invite them in order to keep the Latin flavor. (Ø)

The President: I'd like to ask a frank question. Has our exercise of treaty rights been counter productive? We have not tried to have confrontations. I wonder what you are getting on feedback. Have we been too muscular? (Ø)

President Perez: There may have been some excesses when there was a process of negotiations. This was exploited by Noriega. Unfortunately the action of the commission had no weight. We discuss the problem of treaties. January 1 is a crucial date in the treaties. No matter what the circumstances, we will have the problem of giving the administration of the canal to the representative of an illegal government. Can we pressure them enough to make a democratic government? In my speech, I talk about this. Noriega has a problem of sustaining or not sustaining the treaties. (Ø)

The President: Noriega is smart. He maintains the treaties. (Ø)

Secretary Baker: A Panamanian Administrator nominated by Noriega would never be ratified if nominated. We've got to get him out. (Ø)

President Perez: That is the problem. I think the key error is to make Noriega the problem. It is, but the problem of democratization is crucial, from that - if you get a democratic president, Noriega would have to leave. Noriega may be part of the problem. (Ø)

The President: The question is, where do we go from here? What can or should we do? (Ø)

President Perez: First, at the group of 8, have concrete action taken on Panama. See the position of all the presidents. We know the Mexican position. But perhaps we could get them not to be an obstacle. We could have a program to: (1) expel Panama; (2) recall all ambassadors and military attaches; (3) get others to take similar action; (4) have a meeting of democratic forces in Caracas. This could create a climate and solidify opposition. (Ø)

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Secretary Baker: A question. Would Mexico not be amenable to seeing Panama removed? (Ø)

President Perez: We haven't brought it up yet. I'm going to talk to him. (Ø)

Secretary Baker: President Salinas has sent a message to Noriega and sent a message to the government saying it is time you left office. We think there is evolution in Mexican thinking. (Ø)

Foreign Minister Figueredo: I met the Foreign Minister of Mexico. He said they shared the same view but would not say so publicly. They would not withdraw their Ambassador but would continue to provide pressure. (Ø)

Secretary Baker: Does it take a unanimous vote to exclude? (Ø)

President Perez: No, we can try. I will say we can look to the time of Samozá. There is a precedent. (Ø)

Mr. Aronson: If the group of 8 takes action, if the group presents a strong position, you could go to Panama, you and other Presidents could go to Panama and pressure for a democratic government. (Ø)

The President: If Noriega does go, we don't want to have a similar government take his place. (Ø)

Secretary Baker: You could ask for instant removal. (Ø)

The President: I wonder if there is not a widespread feeling that all people in the Guard would suffer if Noriega went. That is not so. I was troubled at a recent Coast Guard Academy graduation where we could not play the Panamanian national anthem for the Panamanian graduates who were fine young men. Our problem is with Noriega not the PDF as an institution. (Ø)

The President: I understand that you want to talk with me privately for a few minutes. (Ø)

President Perez: Yes, for a few minutes if it is not inconvenient. (Ø)

The President: Let's go over here. (U)

NOTE: During this part of conversation, President Perez told the President that the Foreign Ministers of Peru, Ecuador and Colombia had been very unhelpful on the Panama question at the recent non-aligned conference in Yugoslavia and had contravened instructions from their Presidents after the Presidents left. They had supported a very soft Cuban resolution on Panama, instead of a resolution by the Yugoslavs, the hosts, which was much stronger. Perez suggested that the President mention this to the Presidents of Peru, Colombia and Ecuador. (Ø)

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Foreign Minister Gyula Horn of Hungary

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
Robert D. Blackwill, Special Assistant to the
President for European and Soviet Affairs

Gyula Horn, Foreign Minister

DATE, TIME September 25, 1989, 8:15 - 8:20 p.m. EDT
AND PLACE: Grand Foyer, Metropolitan Museum of Art,
New York

The President and Foreign Minister Horn met briefly during the President's reception for Heads of Delegation, Permanent Representatives and spouses, on the occasion of the 44th Session of the United Nations General Assembly.

The President: I wanted to tell you how much I enjoyed my visit to Hungary in July. Please pay my respects to your Government for its courageous handling of the East German refugee situation.

Foreign Minister Horn: Congratulations on your speech today. It was new in style and content, and very successful. I heard this from many delegations, and not just out of courtesy. I am also glad that what you said in Budapest has carried through.

The President: We are committed to the success of your reforms and want to help in every way we can.

Foreign Minister Horn: We do need help, although we know we have to rely on ourselves. We treasure your support and sympathy.

The President: We were impressed at the time of our visit and have been enormously impressed with your diplomacy since then.

--End of Conversation--

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Janez Drnovsek of Yugoslavia

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
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs

Janez Drnovsek, President
Budimir Loncar, Foreign Minister
Dragoslav Pejic, Permanent Representative to the United Nations

DATE, TIME AND PLACE: September 25, 1989, 8:30 - 8:35 p.m. EDT
Grand Foyer, Metropolitan Museum of Art, New York

The President met briefly with President Drnovsek during the President's reception for Heads of Delegation, Permanent Representatives and spouses, on the occasion of the 44th Session of the United Nations General Assembly.

The President: How long will you be in the U.S.?

President Drnovsek: We are leaving tomorrow. There are problems in Yugoslavia to attend to.

The President: Are these on the financial side or the political?

President Drnovsek: We try to do our best on the economic side but face real difficulties. We want a market-oriented economy, but the problem is that inflation is running at 30% per month. We are putting more emphasis on the private sector, introducing a stock exchange, and completely reforming the financial institutions. It is difficult to do everything, especially with so many social problems.

The President: Is unemployment bad?

President Drnovsek: It is uneven around the country. The average is 15%.

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The President: With Larry Eagleburger and Brent Scowcroft, there is a special desire to have strong ties with your country. We will try.

President Drnovsek: Can the Brady Plan be applied to Yugoslavia?

The President: In terms of concept, we are for that and are trying to get the banks involved to help work these matters out. I will check with Secretary Brady. The concept is much broader than Latin America; it needs to be world-wide.

--End of Conversation--

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Moshe Arens of Israel (S)

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
Ambassador Thomas Pickering, Ambassador to
the UN
Notetaker: C. David Welch, NSC

Moshe Arens, Israeli Foreign Minister

DATE, TIME September 25, 1989, 8:30 p.m. - 8:36 p.m.
AND PLACE: The Metropolitan Museum, New York City, NY

The President: I just wanted to take a few moments in private to touch base with you on where we stand in the peace process.

Foreign Minister Arens: There is a lot of political turmoil in Israel. It seems President Mubarak does not understand the Israeli coalition and the nature of our politics. Had Mubarak pursued his initiative differently by meeting with Shamir, things would have turned out differently.

The President: What do you mean by political turmoil? Is there the possibility of a breakup of the government?

Foreign Minister Arens: There has been talk of the coalition breaking up. The best way to proceed now in the peace process is for us to convince Mubarak to meet with Shamir. Mubarak has gone about this completely wrong if his objective was to attract Shamir into the process. By putting forward his initiative with Rabin, inviting Rabin to Cairo, he was inviting the third best.

The President: I don't think Mubarak was being mischievous in this. He honestly wants to make progress.

Foreign Minister Arens: He doesn't appreciate the intricacies of Israeli politics. I will see Mubarak on Thursday. I understand that he is reticent about a meeting with Shamir. I will talk to him about this and I think you should do so also.

The President: We could discuss it with him, to see what his thoughts are. However, he has been pretty clear that he's willing to meet Shamir if there is something to show for it.

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Foreign Minister Arens: If Mubarak met Shamir, then the 10 points would likely be more acceptable.

Secretary Baker: His view is that a meeting could be worked out if the outcome is positive. Getting a dialogue going between Israelis and Palestinians might provide the right circumstances, and Mubarak has said something public about this.

Foreign Minister Arens: It is difficult to say to a Prime Minister that he must agree beforehand on something like the 10 points.

Secretary Baker: But that's not the issue, no one has said anything about Israel or Shamir having to agree on the 10 points; the 10 points are Egypt's and the Palestinians' position.

General Scowcroft: You don't have to agree on the 10 points. The issue is the dialogue with Palestinians.

Foreign Minister Arens: Mubarak says that he will not meet with Shamir unless Shamir agrees.

The President: The main thing is to avoid negative answers.

Foreign Minister Arens: This is an issue because of the way it was handled, not because of the substance.

The President: What does the opposition say?

Foreign Minister Arens: The invitation to Rabin was a problem.

Secretary Baker: There was the image of Egypt dealing with Labor, not with Likud, that was a problem.

The President: We kind of had that problem with Boris Yeltsin during his visit, but I didn't let it bother me when he visited with Ted Kennedy and others. I don't see any reason to get offended about that.

Foreign Minister Arens: Your speech today was great. If democracy ever comes to the Arab world then everything will change for the better. I still think that what you must do is convince Mubarak to meet with Shamir. This is the right way to go.

The President: Well, we'll look into it, and see what he says about the idea.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Foreign Minister Krzysztof Skubiszewski of Poland

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
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs

Krzysztof Skubiszewski, Foreign Minister

DATE, TIME September 25, 1989, 8:35 - 8:45 p.m. EDT
AND PLACE: Grand Foyer, Metropolitan Museum of Art,
New York

The President met briefly with Foreign Minister Skubiszewski during the President's reception for Heads of Delegation, Permanent Representatives and spouses, on the occasion of the 44th Session of the United Nations General Assembly.

The President: The next time I see you, I hope we can put our feet up and have a longer discussion.

Foreign Minister Skubiszewski: I would like to thank you for your interest in our country. There are historic situations when destiny is present. Now is such a time, in which we must shape our future. Your moral support is crucial, as is what you do on the material plane. We do not live in an era of Marshall Plans, although some in Solidarity do not realize that. Help must come from within to organize a market economy. I would like to congratulate you on your speech, especially for helping Third World countries through market mechanisms. This is also a problem in Poland. In foreign affairs and our quest for external sovereignty and internal independence, I can assure you that the Polish Government has no intention of destabilizing Europe.

The President: I know that. I would like to bring you over to have a fuller talk. We have respect for your leadership, including General Jaruzelski.

Foreign Minister Skubiszewski: I agree.

The President: We want you to succeed. We want to help you, and to do what is right. So when you are in Washington, please let me know. You and Jim Baker can follow up on this, but I do not want to complicate your efforts through U.S. zest.

Foreign Minister Skubiszewski: Your policy has transformed zest into specific, helpful measures. Your influence was very, very important in achieving a final compromise in Poland. Your name was rendered in our debates, and you made a difference.

--End of Conversation--

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THE WHITE HOUSE

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Theo Waigel, Chairman of the Christian Social Union of the Federal Republic of Germany

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
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs
James Dobbins, Principal Deputy Assistant Secretary of State for European and Canadian Affairs

Theo Waigel, Chairman of the Christian Social Union
Juergen Ruhfus, Ambassador

DATE, TIME AND PLACE: September 26, 1989, 10:00 a.m. - 10:28 a.m.
The Oval Office

The President and Chairman Waigel met in the Oval Office at 10:00 a.m. (U)

The President: Have you started your finance meetings? (U)

Chairman Waigel: We have begun our sessions. It has been a very busy week. Congratulations on your UN speech. (U)

The President: I am anxious to know what you say when people ask about "German reunification." I want to handle it right. (C)

Chairman Waigel: I would like to thank you for your personal interest in and support for reunification; this is very important for our people. No one ten years ago could have imagined the changes we are seeing in the Soviet Union, Hungary and Poland. They give us a chance to dismantle borders. We have

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an opportunity to end the division of Germany, within the context of a Europe peace order and self determination for all people. In the long term, no regime will survive against the will of its people. Only two people in the world still believe in Communism -- Castro and Honecker -- and they will be surmounted, too. We are observing a struggle between two Germans: Karl Marx and Ludwig Erhard. Erhard's ideas of free society are winning out over Marxist ideas. (C)

I would like to thank you for your arms control proposals in recent days. There has been a very positive reaction in the FRG. We welcomed your leadership at the NATO Summit. Regarding security, in spite of glasnost, we need a security policy. (C)

The President: On chemical weapons, verification is very difficult. We need to stay on the offensive vis-a-vis the Soviet Union. The Alliance is in a good position now. Sometimes I get criticism for going too slow with Mr. Gorbachev, but things are moving in our direction. We do not feel under enormous pressure to make unilateral concessions to Mr. Gorbachev. (C)

What is your view on Poland? I want to stay together with you on Poland and Hungary. The Congress has discovered Poland, especially some from Chicago who are running for reelection, and want to throw money at the problem. We want to be responsive, but we don't have bushels of money. (C)

Chairman Waigel: We discussed Poland and Hungary at the IMF and G-7 meetings. We must support developments in Poland. I met the Polish Finance Minister last night. We can help in three ways: through IMF and World Bank expertise and knowhow on financial and economic policy (Poland could also receive help under the Brady Plan); food aid; and bilateral aid from the FRG to Poland -- which is already six billion DM. We are willing to terminate and reschedule Poland's debt and extend credit guarantees that will help Poland earn foreign currency. We have done more than any other country so far. (C)

The President: I met with the new Polish Foreign Minister and was very impressed with him. Maybe we will have a good team to work with, including President Jaruzelski. We want to stay together with you on this, and we are thinking along the same lines. (C)

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Chairman Waigel: The problem with Poland is that leaders of government are full of good will and want to strengthen the market, but they are under personal and political stress because of the communist bureaucracy. I want to ask about your budget process. Do you foresee a positive U.S. decision regarding raising the IMF quota? (C)

The President: There is a possibility of it, but we have distinct problems in the U.S. I would not rule it out. Are there enough resources in the IMF now? (C)

Chairman Waigel: In the medium term, the IMF is afloat. But it would be good to increase IMF resources. (C)

The President: We don't want to undermine the IMF. (C)

Chairman Waigel: Thank you for your willingness to spend time with me. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Carlos Menem of Argentina

PARTICIPANTS: The President
Nicholas Brady, Secretary of the Treasury
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Lawrence Eagleburger, Deputy Secretary of State
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
David C. Mulford, Under Secretary of Treasury for International Affairs
Terence Todman, Ambassador to Argentina
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
Everett Ellis Briggs, Special Assistant to the President and Senior Director for Latin America and the Caribbean

Carlos Menem, President of Argentina
Domingo Cavallo, Foreign Minister of Argentina
Guido Di Tella, Argentine Ambassador to the United States
Nestor Rapanelli, Minister of Economy of Argentina
Alberto Kohan, Chief of Staff to President Menem
Humberto Toledo, Spokesman for President Menem

DATE, TIME September 27, 1989, 11:50 a.m.-12:40 p.m. EST
AND PLACE: The Cabinet Room

The President received President Menem at 11:40 a.m. in the Oval Office, after which the two stopped briefly at the edge of the Rose Garden for a friendly exchange with the media pool before going to the Residence to meet Mrs. Bush. They returned to the Cabinet Room at noon for the formal meeting.

The President: I wanted to show President Menem the White House and introduce Mrs. Bush to him. And I wanted our press to see for themselves the affection we feel for this president and friend. I welcome you. Why don't you start? (U)

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President Menem: Thank you. I appreciate this departure from protocol, having a chance to see your beautiful residence, and most of all, to meet your wife. And it is especially nice to see how the American people react to their president, to see how much they love you. (U)

The President: I had a chance to introduce President Menem to some tourists inside the White House. They were surprised to see two presidents! (U)

President Menem They were especially pleased to see their president. (U)

President Menem: I consider the relations with the U.S. now to be excellent. This was not always so. I have wanted to turn Argentina into a serious, reliable country, to build the best relations with the U.S. and the rest of the world. I've put into motion our economic program, with excellent results thus far. Our respective teams are working very well together. (U)

President Menem: As you know, I am governing in a period that is not mine. My predecessor, who is also a personal friend, left office six months ahead of schedule. So I assumed responsibility early, at Argentina's worst time, with the country perhaps near to civil war and with a runaway inflation rate of over 200 percent. We have succeeded in drastically reducing the hyperinflation, and by the end of the year we hope to have brought it under control, and keep it to a "civilized" rate next year of no more than 15 percent. I hope my economists are not misleading me! (U)

President Menem: We are especially eager to improve cooperation with the U.S. in all areas and fields where we need to grow, and towards which we wish to project Argentina in the future. We are making great efforts to simplify what we are doing, including in our foreign relations. (U)

President Menem: We look forward to a series of exchanges with the British. We are meeting here with the British foreign secretary, and will continue our talks in Madrid between October 16 and 17. We need your help as we work towards restoring functioning relations, with embassies in each other's capitals, by the end of this year or the first half of next, at the latest. Restoration of relations with the UK will affect not only our two countries, but will be good for all of Latin America whose countries, in showing solidarity with Argentina, have found themselves in varying degrees of confrontation with the British. (Z)

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President Menem: We are working as hard as we can to lighten our foreign debt. It would help us financially if we could sell off some of our excess armaments. We would like to see restrictions on weapons sales lifted. They date from the Malvinas War, but no longer are warranted. We would like to be able to sell some frigates and submarines built in Argentina. We don't need such armaments, and the restrictions block us from selling them. (Q)

President Menem: We are holding talks here at the ministerial level on reducing the debt, addressing interest payments and the problem of arrears. We don't want material help from you, but we do need help to make it possible for us to sell our primary products. We'd like to see subsidies eliminated. (U)

President Menem: For its part, Argentina will unconditionally fight terrorism, subversion and the drug traffic. In a few days some rigorous new legislation will be enacted to deal with these issues. I spoke with Bennett today. We agreed on many aspects of the drug question. He asked for our help, and we will provide it. I have organized my government in a way similar to yours. I have a new secretariat to deal with the drug problem. Of course, as Argentine President I lead the struggle. (U)

President Menem: We are doing all we can to help Colombia despite our economic difficulties. I have donated three combat aircraft to Barco for use against the narcoterrorists. I see a great possibility of success in this war. And if Barco asked for troops from Argentina, and our congress approved it, we would be willing to help in that way, too. I should like to say this: we are totally committed to fight this terrible evil that is threatening society in the Americas, in Europe, and elsewhere as well. (Q)

President Menem: We have lifted restrictions on visits and investment by foreigners in Argentina. American citizens can travel to Argentina without a visa as tourists, or settlers. (U)

President Menem: I talked with Treasury Secretary Brady today about a series of laws we have put in motion to consolidate what we are doing. So far the results are excellent. I do not intend to give in to any pressure to stop what we are doing. We shall privatize the State-owned entities. We have opened the doors to private capital, including from abroad, without limitations and under the same conditions as with domestic capital. There will be full repatriation of earnings. We are solving some of our problems. This is not some kind of Argentine "perestroika." What is going on here is a commitment to honesty, decision, and courage. The people are reacting positively to this. Polls show a 50 percent approval rating overall, with 80 percent supporting

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the economic program, and 89 percent endorsing the restoration of relations with the UK. We shall continue. I should like to hear any questions you may have about what we are doing, or any doubts you may care to express. I suppose you have many. (U)

The President: I am glad you are here. I am sorry about your previous engagement at the press club (which will prevent our having lunch together). It is a marvelous forum and I am glad you are speaking to them. I want to congratulate you on your reforms. I am personally interested in hearing about them. You inherited some tough economic problems, and have taken some courageous steps. Have you gone into the question of our supporting an IMF standby, Nick (Brady)? We will support this, and I urge you to stay in close touch with us. Secretary Brady knows my keen interest in seeing Argentina succeed. (U)

The President: On drugs, your Vice President was here recently and we were all very impressed with what Argentina is going. This issue is of vital importance. I also agree that we need to help (Colombian President) Barco. He will be here tomorrow night; and he will be talking as well to our Congress. (U)

The President: You know our concerns on nuclear proliferation. If you can implement the treaty that would be helpful. It would enable us to resume mutually advantageous nuclear relations with Argentina. (U)

The President: Has the Condor issue been touched? (Ø)

Ambassador Todman: Yes, it was discussed this morning. (U)

Foreign Minister Cavallo: In the meeting with Secretary Baker. (U)

The President: I understand you are interested in selling an airplane. (U)

President Menem: It is an excellent aircraft. It flies. (U)

The President: Well, we shall see you get full consideration, though I have to say there is intense competition. (U)

The President: It is very important that you resolve things with the UK. If you can work it out, you can count on our full support. I hope you can reach full normalization. We should like to play a supportive role. You know about our historic, special relationship with the UK, but that does not mean that we would ever want to be unfair to Argentina. So, if you wish, feel free to call me any time, by phone. (Ø)

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The President: I expect that the Commerce Department has mentioned the problem of property rights, especially regarding pharmaceuticals? (U)

President Menem: Yes, it is being discussed. (U)

The President: I want to raise another matter - Panama. We especially do not want the aborting of the Panamanian election to spill over into other countries, such as Nicaragua. With your own recent experience in an election, you can have enormous credibility on the Panama question. Any advice from you would be welcome. We have an historic relationship with Panama; we have the Treaty. We want to see Panama prosper as a democracy. (Z)

The President: In Cuba, Fidel Castro is swimming against the tide of history. There were some comments from Cuba about being helpful on narcotics, but we have not seen much there, and I am pessimistic that there will be any real change for the better soon. (Z)

The President: I guess we do not have time for a discussion of the Middle East, but I know of your interest. With your recent election and your background, I suspect you might have some good ideas. (Z)

The President: Those are the main points I wanted to raise. There is a feeling here, in the Department of State, at Treasury, at Defense, that we want your bold initiatives to succeed. We do not want problems to interfere. (U)

The President: I want to say something else: our ambassador is not only a respected diplomat, but also an old friend. When he speaks he speaks on the basis of a relationship between us that goes back a long way. I want you to know that. (U)

President Menem: I should like to make a brief comment, starting with the last thing you said. You sent us someone who is more than an ambassador. He is a gentleman and a professional of the highest order. Our relations with him are excellent. I know that when I speak to him, I am speaking to you. (U)

President Menem: On nuclear non-proliferation, I want you to know that we are moving forward and anticipate signing (the Tlatelolco Treaty). We are studying it. I hope to have word on this, soon. (Z)

President Menem: On the Condor, the objective has been realized. The whole point was to gain new technology, not to produce a new weapons system. Our purposes are technological, not warlike. This took several years. Argentina exists for peace, not war. (Z)

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President Menem: On Panama, Argentina has not requested an agreement for a new ambassador, and has no ambassador in Panama now. At the Group of Eight meeting in Peru, October 11 and 12, we will discuss what to do about Panama. We should like to have the certainty that the U.S. will absolutely comply with the Carter-Torrijos Treaty. We would then have sufficient authority to demand a change in Panama. We also wish to avoid seeming to be interfering in Panama's internal affairs, but we all want democracy in Panama, as elsewhere. (C)

President Menem: On Cuba, this is difficult, too. The regime has been in power some 34 years. I think the problem will persist until Castro dies. This seems to be the case in several parts of the world, where there are strongmen who have mutilated freedom and imposed totalitarian systems. (C)

President Menem: As you said, I can talk with your ambassador in Argentina, or with you on the phone. The same thing goes for me. I think we can cooperate on everything. We have excellent relations with the U.S. now. We want to put an end to the problems of the past. We do not want to revive the old problems. For our part of the continent we want the same kind of arrangement the U.S. has with Canada. We have to get close to our neighbors, in a union based on openness. (U)

President Menem: I have some advice for you, if you will permit me. Put more emphasis on this continent. Not less on Europe, just more on us. (U)

The President: I agree. There is a perception that the U.S. neglects its friends. That is sound advice. We recognize the importance of our relations with the Hemisphere, based both on our friendship, and on our own self-interest. (U)

President Menem: There are 600,000,000 people in Latin America - twice the population of Europe. Our economic potential is much greater than Europe's. Everything is still ahead of us. If the U.S., as the big brother, does not lead us, it could live to regret it, as democracy fails and Latin America is unable to continue as the world's breadbasket. (U)

The President: I only wish we had four more hours to talk. But you have to get to your luncheon. By the way, are you going to Costa Rica for that summit? (U)

President Menem: Yes. (U)

The President: What are we going to do there anyway? Do you know? (U)

President Menem: Drink coffee, maybe. (U)

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The President: Or maybe cerveza. (U)

President Menem: (Laughs) (U)

The President: But we really ought to think about it. I am worried about what is planned. How can you and I have some useful conversation? How can we be properly respectful of Costa Rica but still accomplish something? I am not sure Oscar Arias really knows what he is getting into. We love the guy, but has he thought about the invasion he is going to get from Argentina, the U.S. and Brazil? (Ø)

The President: I wanted to ask you: Do you have any reason to believe Barco would welcome foreign troops? (Ø)

President Menem: Our offer was based on a fear that Colombia is impotent to deal with its problem effectively. I spoke to him by phone. Actually, he called me to thank me for our support. I said I would even be willing to send troops, if he wanted me to, and if our congress approved. It was a gesture of cooperation so he would not feel alone. (Ø)

Foreign Minister Cavallo: Yesterday I spoke with (Colombian Foreign Minister) Londono. He said there was intense sensitivity in his congress regarding foreign troops. So we are being careful about what we say. (Ø)

President Menem: It was meant just to demonstrate our support - that we are available to help. (U)

The President: The reason I mention this is that there has been a lot of speculation here regarding U.S. troops. That sent us a signal, so I let Barco know we had no intention of sending troops unilaterally. But at the same time we sense a growing willingness abroad, including among the Europeans, to send help, if he needs it. The G-7 in Paris, for instance, would be willing. But let me assure you we have no intention of moving on our own. That would be totally counterproductive. (Ø)

President Menem: The last subject I wanted to mention: the Middle East. I know you are trying hard to find a way to peace. I have met the leaders of both sides. They seem positively inclined to our helping in the quest for peace. So if there is any way we could contribute to this, we are ready, and have told the parties. (Ø)

The President: That is good. It is very constructive. Thank you for coming. (U)

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Shimon Peres of Israel (S)

PARTICIPANTS: Brent Scowcroft, Assistant to the President
for National Security Affairs
Notetaker: C. David Welch, NSC

Shimon Peres, Israeli Deputy Prime Minister
and Minister of Finance
Nimrod Novick, Political Adviser
Avriham Gil, Media Adviser
Oded Eran, Deputy Chief of Mission

DATE, TIME September 27, 1989, 3:40 p.m. - 4:05 p.m.
AND PLACE: General Scowcroft's Office

Deputy Prime Minister Peres: The most important thing that is needed now is a clear U.S. position. (S)

General Scowcroft: A clear position regarding what? (S)

Deputy Prime Minister Peres: A clear position should be articulated on the (Egyptian) 10 points and the Government of Israel's plan. It is today one package. The sooner things happen, the more will happen. Egypt has now suggested guidelines for a Palestinian delegation that offers the possibility, the opportunity, of a Palestinian partner. The perception in certain quarters in Israel is that this will emerge as a PLO delegation because this effort has the approval of the PLO. Some others are not as bothered by that. I will be meeting Mubarak this week and I will tell him that the 10 points can be the basis of the Palestinian position; we do not need to sign on to them. (S)

Deputy Prime Minister Peres: I know that there is a worry here regarding the possibility of a crisis in Israel and the fall of the coalition government. My view is that action will save the government; inaction will endanger it. This is a golden opportunity before us. The Soviets are outside the process. Jordan is distracted with its internal situation. Syria is imbedded in Lebanon. Somehow, Egypt has managed to engage the PLO. While the involvement of the PLO is not an ideal thing, it is better that the PLO agree than that it shoots people. Each of the two major Israeli parties would need to seek coalition partners it does not like in order to form a coalition; for this

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reason, I do not think either party has the chance for a narrow coalition. I had a trauma with the London Agreement, so I don't want to miss this opportunity. (S)

General Scowcroft: I agree that this is a moment of opportunity and we want to be active. But we don't want to be in a position to interfere in internal politics. We wholeheartedly back the Israeli government's initiative. I do not think that we should directly endorse the 10 points, since that is the platform for the Palestinians. The critical point now is to get a Palestinian delegation formed in a way acceptable to you and without a PLO stamp of approval. Is there any possibility that 1-2 deportees could be included as members of the delegation? (S)

Deputy Prime Minister Peres: Some of us already agree to it. Rabin and I do not reject this. There are different sorts of deportees. Perhaps we should just agree on "agreed deportees." For example, Muhammad Milhim's name has been mentioned. Though he is not involved in violence personally, he is a member of the PLO Executive Committee, and thus unacceptable. In fact, under current Israeli policy some deportees are able to return in accord with their behavior. The agreement on a Palestinian delegation is something that should be done now. (S)

General Scowcroft: The important thing, you're right, is to get the delegation in order to move to the next step. Is there value in a Mubarak-Shamir meeting? I know Mubarak holds back. (S)

Deputy Prime Minister Peres: How can I say anything but yes? But Mubarak looks upon it as an incentive. This incentive is for the delivery, not for a promise. If Mubarak asks me tomorrow, then I would say yes. Let me remind you that we were instrumental in arranging a meeting (for Shamir) with another senior Arab. Did it help or not? I don't know. (S)

General Scowcroft: What can we do? (U)

Deputy Prime Minister Peres: The things you said and asked about the Palestinian delegation should become a clear U.S. call for action. We are talking about peace, not partisan politics. There must be a timetable, also. (S)

Deputy Prime Minister Peres: The second point I wanted to raise is regarding the Russians. They want trade with us. For our part, we are interested, because trade can spread our people throughout the USSR. With our large concentration of Russians, Israel is ideal in terms of being able to understand the Russians. They want three things from us: cooperation in agriculture; medical scanners; and cargo planes (sic). In this last one, there is a problem. We could use Soviet cargo planes to take our goods to the USSR, and return with Soviet Jews. However, these Soviet planes are only good for Russian pilots; we want to Westernize them. (S)

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General Scowcroft: Would you own the planes? (S)

Deputy Prime Minister Peres: Yes -- they would be ours. With your permission we would like to put on U.S. engines and other equipment. If anything else is done with the aircraft, we would ask your permission as required by law. The Soviets know this -- I told them that we would need your permission. They have invited me to Moscow. On the Middle East, they show interest but I do not feel that they have a coherent involvement. The small Israeli Communist Party is old-fashioned -- it has not had a glasnost. (S)

General Scowcroft: We would have no problem in looking at this aircraft issue, if they are to be yours. (S)

Deputy Prime Minister Peres: The third point I wanted to raise is Soviet emigration. We have reached an agreement with the Jewish community that going to Israel will get a priority. Israel needs these Jews more than they do, and they need Israel. We are glad that the immigration decision will be in Moscow. We estimate that 100,000 Jews will want to come out over the next several years. To absorb them will cost \$3 billion, and \$2 billion of that will come from our budget over the next three years. It is expensive, but the value is greater than the cost. Jewish fund campaigns here can raise \$500 million over the next three years. We need to fill the shortfall, and one source is guarantees for housing investment. We would like to get \$400 million in U.S. AID housing investment guarantees. This would be an off-budget item, since Israel always pays its debts. (S)

DCM Eran: Our preliminary check is that it would have zero budget implications. (S)

General Scowcroft: We can look into this idea. Our resources are very limited. (S)

Deputy Prime Minister Peres: If Palestinians go for elections it will be a great example for the area. The first consideration is the time element; there must be an inner target. (S)

General Scowcroft: I agree, but there is a limit to what we can do. (S)

Deputy Prime Minister Peres: We don't know how far Mubarak can go. He is not terribly strong on the fine print and not great on our internal politics, either. (S)

The meeting adjourned. Mr. Peres remained behind for a few minutes to make some private points. (U)

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 THE WHITE HOUSE
 WASHINGTON

2 October 1989

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Virgilio Barco of Colombia

DATE, TIME September 28, 1989, 5:45 - 8:00PM
AND PLACE: Residence

PARTICIPANTS: The President
 Richard Thornburgh, Attorney General
 John H. Sununu, Chief of Staff
 William Bennett, Director of National Drug
 Control Policy
 Brent Scowcroft, Assistant to the President for
 National Security Affairs
 Lawrence Eagleburger, Deputy Secretary of State
 Robert M. Gates, Assistant to the President and
 Deputy for National Security Affairs (Notetaker)
 Thomas E. McNamara, Ambassador to Colombia
 Lillian Nigaglioni (Interpreter)

Virgilio Barco, President of Colombia
 Julio Londono, Minister of Foreign Affairs
 Fernando Alarcon, Minister of Finance
 Maria Mercedes Martinez, Director of National
 Planning Department
 Rafael Munoz, Director of Anti-Narcotics,
 Colombia National Police
 Victor Mosquera, Ambassador of Colombia to the
 United States
 Leopoldo Villar Borda, Permanent Representative to
 the Organization of American States
 Gabriel Silva, Advisor to President Barco
 Ximna Casalino, Minister of the Colombian Embassy

The President: I'm pleased to welcome you to this house. There
 is great respect on the part of all Americans for what you are

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doing against the drug traffickers. I am eager to hear what you have to say. Your success holds the answer to our success. You should know that Ambassador McNamara is reporting daily both to State and here. I know the coffee agreement has cost you resources and I am prepared to talk about that. Again, welcome, and please proceed.

Barco: I do want to talk about the coffee agreement and the need to go to a new agreement. This is of great interest for us. There is a willingness to change behavior and we know it will have an impact on cooperation.

The President: Perhaps Larry Eagleburger can describe our position on the coffee agreement.

Eagleburger: The disagreement is primarily with Brazil and their reduction of coffee prices to countries outside the coffee agreement. The US and Colombia are in basic agreement. This dispute is not between us.

Alarcon: We have to solve the existence of two markets. In the formal negotiations, it is clear that some mechanism is needed to have the non-member countries observe the agreement. The US can be useful in getting other countries into this mechanism and establishing transitional rules. There are differences over the time period of the transition, whether it should be one or two years. But it is possible to work this out and I think Brazil will support such an effort.

The President: So where is the ball now?

Eagleburger: The agreement has lapsed. The issue is whether to bring the parties back together for negotiations. We have some domestic problems with this. A problem posed by the differentiation in price between those in the agreement and those outside it.

Alarcon: The second point is the quality of coffee sold to the US. The US has argued it does not get enough good coffee under the quota arrangement. When prices are high the quotas are adjusted according to some criteria. This problem can be worked out. There is a promising possibility of agreement.

Eagleburger: We will regroup and see what can be done.

Alarcon: At the negotiations in London the attitude of the US negotiator is quite positive and open. We expect something fruitful.

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Bennett: Mr. President I would like for you to hear their report on the war on drugs. I was encouraged by their briefing.

The President: We are very pleased to have your people here for these briefings.

Barco: Let me return to the coffee agreement. The President of the Coffee Federation is in London and things are going well. Things are working there.

Alarcon: We must continue pushing. You must be flexible in the negotiations. The key point is that we are sure an agreement can be reached. We simply must find the formulas.

Londono: The Colombian people think that the actions of the US on the coffee agreement led to this problem. It is important that people think the US has not broken the agreement. They must understand there is US support in this coffee fight. It is important to support for the war on drugs.

President: I understand. I like what I'm hearing; we will keep trying.

Londono: The price of Colombian coffee in the last three months has dropped from a \$1.46 per pound to \$.80. It constitutes half of our exports. Whereas there are very large farmers in Brazil, most of the coffee farmers in Colombia are small farmers. There are about 3 million of these farmers. If they do not work on coffee, they will work on coca. We must avoid the coffee planters going outside the coffee crop. It is important that the Colombian people understand they are not alone in this fight. We will lose \$500 million in coffee revenues. The US has given \$65 million for the drug fight and the contrast between these two is unpopular. You must understand the psychological impact.

Barco: I am grateful for your letter on the coffee problem. Colombia will maintain a flexible and constructive attitude to find solutions to these problems. We hope a middle ground can be found. The situation is serious. The International Coffee Organization estimates that the price of coffee will remain at the current level. Coffee producers worldwide will lose about \$3.7 billion in 1989-90. In Colombia this will be about \$500 million, 10% of our total exports. The collapse of the coffee prices means the loss of about 1% per year in economic growth and about 500,000 jobs. We are aware of what has to be done for an agreement. It is not easy. The US has taken an important step in moving the negotiations forward. We look forward to a positive dialogue. With good will and determination, we will succeed.

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Alarcon: Let me give you a quick roundup on the Colombian economic situation. The whole situation is one of uncertainty, of people's feelings affecting the economic performance. There is a slow down in tourism and trade with a negative impact. We are committed to a healthy economy, not just on coffee but with respect to Brady -- the flow of financial resources for Colombia and enhancements in trade discussed with Ambassador Hills. It is a pity to have a major economic slowdown. Now more than before, we must maintain a good balance. That is why we are so insistent.

President: I understand, especially the situation with respect to the small farmer.

Sununu: What is your marketing season?

Alarcon: Throughout the year. We have two coffee seasons, but we manage our crops to maintain a stable level of exports.

Sununu: But is one time of year more important?

Alarcon: Right now. The crops come in in October.

Silva: You need to understand that in Colombia, as in other countries, the loss of income will increase the pressure on the US for aid and assistance.

Barco: Our coffee affects 35% of the population.

Alarcon: I attended the IMF meeting and heard your speech. You addressed the important point of money laundering and that the industrial countries are fighting against this. It is important to us too. In the major financial centers, they smuggle cash to Colombia, where they change it to pesos to finance their operations. I was happy to hear you address this problem.

Scowcroft: The man in charge of tracking money laundering for our government is the Deputy Secretary of the Treasury. It is receiving high level attention.

President: The G-7 agreed to do more on money laundering during our meeting in Paris. I am very serious about cooperating in every way. We can tighten our intelligence cooperation and the Attorney General is looking at ways to tighten penalties. We have a crime package on the Hill that should have a salutary effect. We will follow up on any leads that you can provide us and visa versa. If there is any area in which we're not doing all we can, please contact our Ambassador. These people are very clever.

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Thornburgh: The first of the criminal defendants has now been returned to the US and it was a money laundering case. This is evidence of our determination to interrupt this flow.

President: How is the drug war going? Are we making headway? Are you optimistic?

Barco: We are beginning to show the terrorists and others that we can create big problems for them. They are losing control of areas. We are moving forward. The General here is in charge of this fight with a special group of national police. I will ask him briefly to explain the situation. The fight is a difficult one because of difficult topography. Everyday we improve our chances to get the heads of these groups.

Munoz: In the anti-drug struggle there are several new factors. We are very optimistic about the situation in the future. First, we have put all the resources at our disposal on attacking this problem. Second, we have given the authorities the legal tools to wage a more effective effort, for example the extradition decree. We have enhanced the powers of the judicial police. In some areas where the drug traffickers were operating freely, they are no longer doing so. Their former supporters are giving intelligence to the authorities. The problem is the long term struggle of weakening their support and the economic well being of these people. They had an infrastructure in place that allowed them to move freely, which they are still using. Although the problem is difficult, the struggle has the strong support of all agencies, law enforcement and friendly nations. We have had support from the US -- the Embassy and DEA have really cooperated enthusiastically, especially with respect to the exchange of information. They are enthusiastic and willing. We hope in the near future to resolve the situation.

The President: Listening to President Barco, if we could bust a major trafficker it would be a big step. Do you believe the three major traffickers are hiding in Colombia?

Munoz: Intelligence information confirms they are in Colombia, in the jungle moving around. They are limited in the areas they can cover. We are gradually making progress.

Barco: It is important to make clear that the population is losing its fear of providing information. The traffickers have much less backing from the population.

Sununu: Do you know where they are?

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Barco: More or less. They are in the jungle in the Magdalena River Valley. You know they had incredible houses, now they are having to move around.

Bennett: We are showing that they can be moved out.

The President: Can you sustain the extradition decree?

Barco: Let me show you the pamphlets we have had prepared.

Londono: The next days will be important in Colombia. We are waiting for the Court. It is listing about 15%. We don't know what the Court will do, but the whole country is waiting. It is difficult to go to our Congress to fix one law or provide one solution. At the same time, in the preamble of the Presidential campaign, the next days, will be important for Colombia as we determine what are the options for the government.

The President: Is just the US extraditing people, or are other countries?

McNamara: The Canadians have two possible indictments. The French have sentenced one man to 20 years. Neither has submitted requests for extradition yet. In essence, President Barco has replaced the extradition treaties with a single decree, an administrative mechanism for extradition which applies to all countries.

The President: So the Court may say that the decrees are not valid and then you have to go to the legislature?

Barco: Given the traffickers' power, it would be difficult for the Congress to approve such legislation.

The President: The congress is afraid?

Alarcon: The traffickers focus their attention on all those who would affect them and they can put pressure on individual congressmen.

Sununu: Is the problem with the Supreme Court fear or bribery or both?

Alarcon: They are always trying to bribe and if the bribes are not accepted they kill them.

Bennett: There are a number of articles in the law and decrees the court can cut and paste, pick and choose, which they which to keep and which they discard.

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Barco: You have a list of 10 to 15 congressmen that is a problem.

McNamara: President Barco is referring to the supposed existence of a list of congressmen by the Embassy who have been refused visas because of their involvement with the drug traffickers. This is not true. There is no list of those cooperating with the narco-traffickers.

The President: What do you mean cooperation?

McNamara: Knowingly accepting money from the traffickers. There is an indictment in the US against one member of the congress.

The President: So this is causing a problem?

Barco: Well, they won't vote for help for the anti-drug fight. They feel persecuted and unfairly accused.

The President: But if they are guilty, won't they vote for the narco-traffickers on the legislation anyway? It is difficult to say they are guilty. They protest their honor.

McNamara: This has a lot to do with the campaign atmosphere. It is useful politically.

Londono: There are difficult debates in the senate about "black lists". They will say that because of the blacklist they will act tough on the traffickers.

Barco: They claim the government has permitted these attacks on them. Well, we should discuss this.

Silva: It is important to maintain a consensus and it is fragile. We must avoid a fracture.

McNamara: We will work closer to minimize the importance of this.

Barco: They are playing for politics.

The President: Do you have time for refreshments?

(During refreshments, Munoz told Scowcroft and Gates that their specific needs for the anti-drug struggle were 15 additional helicopters so that they could open three more bases. He said that Bell helicopters would be best given their maintenance capability but these were obviously not the only ones they would accept. He said they also need radar to cover the eastern and southern part of country, the capability to intercept cellular

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telephone calls among the drug traffickers who are in hiding, and secure communications for themselves. On a drug summit, Londono told Scowcroft and Gates that they support a drug summit in principle, but are concerned that if only the three Andean countries and the US participate the rest of the world will feel that these four have accepted worldwide responsibility for the drug struggle and therefore not be as cooperative.)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Mubarak of Egypt
(U)

PARTICIPANTS: U.S.
The President
The Vice President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Frank G. Wisner, U.S. Ambassador to Egypt
John H. Kelly, Assistant Secretary of State
(NEA)
Dennis Ross, Director of Policy Planning,
Department of State
Richard N. Haass, Senior Director for Near East
and South Asian Affairs, NSC (Notetaker)

Egypt
President Mohammad Hosni Mubarak
Esmat Abdel Meguid, Deputy Prime Minister and
Minister of Foreign Affairs
Osama al Baz, First Under Secretary of the
Ministry of Foreign Affairs and Director of
the President's Cabinet for Political Affairs
El Sayed Abdel Raouf El Reedy, Egyptian Ambassador
to the U.S.

DATE, TIME October 2, 1989, 11:00 - 11:45am EDT
AND PLACE: The Oval Office

The President: It is a good day for us whenever you visit. I see you are wearing two hats, the OAU and the bilateral. I'd like to turn the floor over to you; feel free to talk about multi-national issues or the Middle East, where your role is most constructive. (U)

President Mubarak: Let's start with the Middle East. You are familiar with events since we gave the ten points to Representative Gray to deliver to Prime Minister Shamir. The substance of our message was to tell Shamir that we don't say no to elections, but that we need to clarify some issues to be able to persuade the Palestinians to go along. This was in early July; by September things began to work. I spoke to Shamir recently, making clear that my efforts were not in any way

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against his but were only an explanation for Israel's initiative. I also told him that any negotiation would require the involvement of Palestinians from outside the West Bank and that we were ready to suggest good, moderate names. Shamir told me he would not be ready to respond until after Arens and Peres returned. He also asked if I can meet with them and I said of course. Shamir told me that meeting with Rabin was not enough given the split in the government. I said, "But he is in your government." I told him I've met other members of his government, and invited him to bring all the Likud ministers to Cairo. Arens said that Shamir is sensitive and that it would be an error to just use Rabin. I am afraid that to meet with Shamir without a good result would create problems with the Egyptian public. To help, I phoned Shamir to wish him a happy new year. I told him I would like to meet but that we would need thorough preparations to meet expectations. He told me he agreed. I do not want to have to face my own people without results. Arens told me that Shamir was pleased with the call. I have no sensitivity about speaking with Shamir. But he cannot just say no to everything. I am trying to help him. He raised the issue of the Saudis and whether they would enter into diplomatic relations with Israel. I told him that the Saudis are not in a state of war with either the Soviets or China but they do not even have diplomatic relations with them. Also, the Saudis are helping with the peace process, so don't ask for diplomatic relations. If we make progress, then all this would follow. (S)

The President: Was Shamir making diplomatic relations with the Saudis a condition for moving ahead? (C)

President Mubarak: No. But why even raise the Saudis? They are not the key. Shamir then raised the issue of the Iraqis. I told him they have no intention to create a problem with the Israelis or start an offensive action. By the way, Saddam Hussein told me that the Americans and the CIA are working to overthrow him. (S)

The President: He is crazy. Why would we want to do that? Tell Saddam you raised this with me and I said so. We don't have a history of close relations, but we are not out to get him. Why does he think this? (S)

General Scowcroft: If anything, we are extending a hand to Iraq. (S)

Secretary Baker: Maybe it is because we are discouraging Iraq shipping arms to Lebanon. (C)

President Mubarak: We did the same. (C)

The President: We have no beef with Hussein and we are trying to improve relations. (C)

President Mubarak: He is ready for improved relations. (C)

The President: He is more reasonable than he used to be. (Ø)

President Mubarak: I have spoken to him a lot and told him not to be a problem, and not to exert pressure on his Arab brothers. He promised me he would not. Then one day we found some Baathists in Egypt working against our government. I told him and he was furious. Saddam then told his people never to do this again against an Arab government -- except for Syria. (Ø)

The President: I want to raise a few points about the peace process, that I want you to hear from me. We think your ten points and efforts are very good. What you have done is strong and creative. Your role in moderating Arafat is useful; there is no disconnect between us here. We think we are on the threshold of a key accomplishment if we can get a dialogue launched. I like the idea of your issuing invitations to both sides. If we can help screen names, fine. We need to keep the PLO's fingerprints invisible. If there is a problem with Shamir we can reassure him that the dialogue is on the basis of the Israeli proposal. (Ø)

President Mubarak: I told him exactly this. (Ø)

The President: The ten points are not an alternative. (Ø)

President Mubarak: I said this too. (Ø)

The President: Palestinians should be able to bring the ten points to the table. Israel should also be able to bring its own points to the table. Israel will have to show flexibility on the matter of the Palestinian delegation, including one or two deportees. Shamir fears being excluded. We keep hearing this. Your call helped here but getting him to Cairo could be key. I met with both Peres and Arens -- this may have exacerbated Shamir's feelings by the way we did the Peres meeting. I always hear that I need to shore up Shamir. Again, your phone call helped and if you could invite him to Cairo it would help. (Ø)

President Mubarak: We are ready to meet with him but a meeting with no outcome would be very bad. (Ø)

The President: If there were a bad outcome, it would be bad, but there is no need to solve the whole problem if he comes. (Ø)

President Mubarak: But we need to solve at least part of the problem. Shamir needs to be flexible, to avoid saying no -- for example, on land for peace. We are trying to work with the Palestinians and we need something to work with. (Ø)

Secretary Baker: What if you could arrange a meeting in Cairo at which the question of Palestinian representation would be addressed by the US, Israel and Egypt. Would this be enough? (Ø)

President Mubarak: We could work discreetly with them on this question. (Ø)

Secretary Baker: We should not go down the ten points one by one to see which ones they accept. (Ø)

President Mubarak: I agree. What is important is that they just don't say no and don't increase our problems with the Palestinians. The Israelis need to be practical. I reminded Arens of what Dayan said, a "piece of land for a piece of peace." Right now, "peace for peace" is not practical. (Ø)

On Libya, Qadhafi is better than ever before. I am still being cautious, though. The big problem is Jallud, who gets Qadhafi upset. The latest news is that Jallud brought Iranian, Syrian and Palestinian representatives to Libya a month ago. Fortunately, Qadhafi rejected this anti-Arab coalition after I talked to him. Jallud is constantly working to upset my relationship with Qadhafi but Qadhafi is running after me now. (Ø)

The President: Why? Is he interested in you because of your OAU hat? (Ø)

President Mubarak: No. When we met in Casablanca I was frank with him. I told him you are alienating everyone with your terrorism and insults. He said that it was the first time anyone had ever spoken so frankly with him. (Ø)

The President: We have the greatest confidence in you and know you will not be taken in by Qadhafi. We are still not convinced. Don't let him get his hand in your pocket so he can steal your wallet. We always hear he wants better relations with us. (Ø)

President Mubarak: I told him he must change and stop supporting terrorism. (Ø)

The President: We have not seen this. (Ø)

Secretary Baker: Ask him why he still supports Abu Nidal. (Ø)

President Mubarak: I will. (Ø)

The President: Just meeting with you gives Qadhafi standing. This is good for him, but if you lecture him and give him direction, it is good. (Ø)

President Mubarak: I will meet him again but not in Cairo. If he behaves badly I will say so publicly. (Ø)

Mr. Al Baz: He has not moved against the PLO. (Ø)

The President: What about the Sudan? (Ø)

President Mubarak: He is acting better. (Ø)

The President: Chad? (Ø)

Mr. Al Baz: We have no illusions that he has converted but he is acting better. (Ø)

President Mubarak: In the Sudan he is doing nothing now. (Ø)

The President: If we see something, we will share it with you. I don't want to miss some opportunity, but we are still apprehensive about whether this leopard has changed his spots. (Ø)

President Mubarak: Let's give him some time; for now I am losing nothing. (Ø)

The President: How's Chadli doing? (Ø)

President Mubarak: He is fed up with Qadhafi. He is asking for my help. Sudat always spoke nicely to Qadhafi. I don't. When Qadhafi made some false claims about Sadat in Casablanca I told him to sit down and not to lecture us like students. After that I got him to shut up and just sit quietly for the meeting. (Ø)

(At that point the President and President Mubarak met for a one-on-one that lasted until about 12:15 p.m.)