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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: 91107-009

Folder Title:
Presidential Meetings - Memorandum of Conversations 4/13/90 - 5/17/90

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Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Coversheet	Re: Memorandum of Conversation (1 pp.)	n.d.	(b)(1)	S
02. Memcon	Re: Meeting with Goh Chok Tong, Prime Minister-Designate of Singapore (5 pp.)	4/16/90	(b)(1)	S
03. Memcon	Re: Meeting with Goh Chok Tong, Prime Minister-Designate of Singapore (5 pp.)	4/16/90	(b)(1)	S
04. Memcon	Re: Memorandum of Conversation (7 pp.)	4/17/90	(b)(1)	C
05. Memcon	Re: Memorandum of Conversation (4 pp.)	4/17/90	(b)(1)	C
06. Memcon	Re: Telephone Call to Prime Minister Ruud Lubbers of the Netherlands (3 pp.)	4/17/90	(b)(1)	C
07. Memcon	Re: Meeting with President Mitterrand of France (5 pp.)	4/19/90	(b)(1)	S
08. Memcon	Re: Meeting with President Mitterrand of France (7 pp.)	4/19/90	(b)(1)	S
09. Memcon	Re: Meeting with Jacques Delors, President of the European Economic Community (4 pp.)	9/24/90	(b)(1)	C
10. Memcon	Re: Meeting with President Aristides Pereira of Cape Verde (5 pp.)	4/27/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 4/13/90 - 5/17/90

Pinksheet Number: cap918
OA/ID Number: 91107-009
Date Closed: 1/26/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
11. Memcon	Re: Memorandum of Conversation (2 pp.)	4/30/90	(b)(1)	S
12. Memcon	Re: Meeting with Rabbie Namaliu, Prime Minister of Papua New Guinea (6 pp.)	5/1/90	(b)(1)	S
13. Memcon	Re: Meeting with Prime Minister Michael Manley of Jamaica (6 pp.)	5/3/90	(b)(1)	C
14. Memcon	Re: Meeting with Prime Minister Michael Manley of Jamaica (6 pp.)	5/3/90	(b)(1)	C
15. Memcon	Re: Meeting with Manfred Woerner, Secretary General of North Atlantic Treaty Organization (4 pp.)	5/7/90	(b)(1)	C
16. Memcon	Re: Meeting with President Jaime Paz Zamora of Bolivia (4 pp.)	5/8/90	(b)(1)	C
17. Memcon	Re: Meeting with President Jaime Paz Zamora of Bolivia (5 pp.)	5/8/90	(b)(1)	C
18. Memcon	Re: Meeting with President Abdou Diouf of Senegal (8 pp.)	5/14/90	(b)(1)	S
19. Memcon	Re: Meeting with President Ben Ali of Tunisia (3 pp.)	5/15/90	(b)(1)	S
20. Memcon	Re: Plenary Meeting with President Ben Ali of Tunisia (6 pp.)	5/15/90	(b)(1)	S
21. Memcon	Re: Meeting with Chancellor Kohl, Federal Republic of Germany (4 pp.)	5/17/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
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File Location: Presidential Meetings - Memorandum of Conversations 4/13/90 - 5/17/90

Pinksheet Number: cap918
OA/ID Number: 91107-009
Date Closed: 1/26/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

MEMORANDUM OF CONVERSATION

SUBJECT: Memcon of Pres Mtg w/ Thatcher on Apr 13 1990

CLASSIFICATION: ~~Secret~~/Sensitive - **Limited Access**

For a copy of this document please ask the Director of Secretariat.

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ATTACHMENTS
8/21/09

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THE WHITE HOUSE

~~SECRET~~ WASHINGTON 2960

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Goh Chok Tong, Prime Minister-Designate of Singapore (U)

PARTICIPANTS: Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Richard Solomon, Assistant Secretary of State for East Asian and Pacific Affairs
Robert D. Orr, Ambassador to Singapore
Karl D. Jackson, Senior Director for Asian Affairs, NSC (Notetaker)

Goh Chok Tong, Prime Minister-Designate
George Yeo Yong Boon, Minister of State for Finance and Foreign Affairs
Tommy Koh Thong Bee, Ambassador to the U.S.

DATE, TIME AND PLACE: April 16, 1990, 11:00 - 11:30am EST
Brent Scowcroft's Office

General Scowcroft met for thirty minutes with Prime Minister-Designate Goh in his office.

PM-Designate Goh: Good to be here in Washington to reestablish contacts. (U)

This is especially important in terms of two upcoming matters: the U.S. presence in Asia and Cambodia policy. (C)

I want to reiterate the importance of maintaining U.S. presence in the region. Two developments may affect this: first, Eastern Europe and your rapprochement with the Soviet Union and second, your budget deficit. These two factors will combine to reduce your presence in the Western Pacific. (C)

We think this would be a mistake -- either to reduce drastically or to withdraw entirely. You have invested years in that part of the world, building up Japan and other Asian countries. A reduced presence would lead to reduced influence. When Britain pulled out in 1973, it lost influence in Asia. Likewise, the British pulled out from the Persian Gulf area and left it to the Iranians. (S)

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~~SECRET~~

Regarding your presence in the Philippines, I reiterate the importance of maintaining U.S. presence. Do not pull out unless you are forced to do so. Reduce your presence if you must, but don't pull out. If you are forced out of the Philippines, you should consider Brunei. (The Sultan was receptive when this matter was raised by Lee Kuan Yew). Thailand is a second possibility. In extremus Singapore would put aside one of its outlying islands for use by the United States. If necessary, we are prepared to put aside an island for you. (S)

General Scowcroft: I appreciate your comments with which I agree. We are a Pacific power and think it is important to retain our presence. The world is changing rapidly as are the Soviets. In the midst of this change, the U.S. presence is a stabilizing factor. One thing that will change is the extent to which we are insistent on maintaining a U.S. presence in the face of local resistance. When cold war was hot, we insisted that these positions were critical. Now we would be more reluctant to do so when the host country shows significant resistance to U.S. presence. We have every intent of staying in the Philippines, but only if this accords with the interests of countries in the region. I know that discussions are going on with Singapore and we hope to reach an amicable agreement. (S)

In the Philippines, if they do not think we are forcing ourselves upon them, they will come to their own conclusions based on their own perception of their national interests. (S)

PM-Designate Goh: I met with Ramos recently in Singapore. He sees America staying on until at least 1998 and after that the bases might go on from there. He understands the implications of a near-term America withdrawal. (S)

General Scowcroft: With the current pace of change, 1998 is a long time off. International politics in the Pacific is different because the Soviet role is changing much more gradually. Therefore, we need to be more cautious. (S)

PM-Designate Goh: Any change in balance of power in Asia would let loose forces that would be very threatening to us in the region. If the U.S. withdrew, China would become much more powerful and the Soviets still maintain a big presence. Events are not following Eastern European model. (S)

Furthermore, Asia and the Pacific will become a big market for American investment and for the sale of American products. (C)

We are alarmed at the talk of Americans suffering from Cambodian fatigue. These are people who want quick solutions. It would be a mistake to show the world that you lack the will to see the situation through to a solution. The UN-supervised solution is the preferred scenario. There is a fair chance that the NCR, under Sihanouk, will win the election. (S)

If this cannot be maneuvered, the war will become a contest between the KR and PRK, neither of which is favorable to our interests. We do not think there will be a military solution. The stalemate must be maintained; this will lead people to make the compromises necessary to bring about an election. We understand that your public is apprehensive about the NCR-KR link. The problem is that we do not think the NCR has a chance on the battlefield and this is why we must move toward elections. I would like to impress upon you the need for resolve. We are entering the end game. When victory is quite near, we would be stupid to hand it to the KR or the PRK. (S)

General Scowcroft: End game? Are we really in one? (S)

PM-Designate Goh: Yes. In one or two more years there will be a conclusion. (S)

General Scowcroft: Is it essential for elections that the Hun Sen regime withdraw from governing the country? Results from Nicaragua show that not withstanding Ortega's control of the government and the Army, he got beaten. Why wouldn't this be possible in Cambodia? (S)

PM-Designate Goh: The situation in Cambodia is much more complex and it is different. If Hun Sen organizes the elections, this amounts to recognition of Hun Sen's government. (S)

General Scowcroft: Why not bring the UN into Cambodia but do so without tampering with Hun Sen's government. (S)

Ambassador Koh: I think what Brent is saying, is why not follow the Ortega model? (S)

Following the Nicaragua model just won't work. Neither KR nor PRC would agree to participate in such an election because it would recognize PRK legitimacy. Without KR and PRC agreement a free election cannot take place. We need a compromise like decapitating the regime (inserting UN authority over the critical ministries but leaving the ordinary personnel in place). (S)

General Scowcroft: We have never had a UN operation such as the one you are describing. (S)

Ambassador Koh: That's not a good reason not to try. The Perm Five process is working relatively well. The PRK, in principle, has accepted the idea of a UN interim role in administering Cambodia. (S)

General Scowcroft: There is a growing lack of enthusiasm in Congress. This is very important. I think that many of them are just listening to their own fears. Also, the Thai are becoming ambivalent about staying the course in Cambodia. (S)

PM-Designate Goh: This is why I am seeing as many Congressmen as possible during my stay here. (S)

We need to convince them to see this through to the end. The NCR must be given the best possible chance. (S)

General Scowcroft: What is your sense of where Vietnam is going? (S)

Ambassador Goh: Vietnam is hardening its position because it can sense ambivalence in Thailand and in the West. We must try to disabuse them of this impression. (S)

General Yeo: The Vietnamese are patient but the Chinese are even more patient. (S)

General Scowcroft: Our journalists tend to overlook the KR roots of PRK. I think of PRK and the KR as two branches of the same tree. You should disabuse the journalists of this tendency to depict the PRK as wholly innocent. (C)

Ambassador Koh: Some of our Khmer friends have written op ed pieces in Washington which have the PRK just as guilty as Pol Pot. The leaders of the PRK ran the eastern region of Cambodia under Pol Pot. (C)

General Scowcroft: The perception is damaging because it brings forth the idea that the only thing we need to do is to prevent the KR from returning to power. (C)

Ambassador Goh: Patience is the key word. (U)

Ambassador Koh: Patience is in short supply. Solarz has stayed the course. Robb has held back Cranston in the Senate. I will be bringing my ministers to see Foley, Mitchell, Broomfield, Solarz, and Leach. (C)

General Scowcroft: I really appreciate your hard work. We need some help. (C)

Regarding the Philippines, the budget aspect will weigh heavily with Congress. They would like to think that all military problems are a thing of the past. (C)

-- End of Conversation --

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Memcon	Re: Meeting with Goh Chok Tong, Prime Minister-Designate of Singapore (5 pp.)	4/16/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 4/13/90 - 5/17/90

Document Partially Declassified
(Copy of Document Follows)
By CSL (NLGB) on 10/4/10

Date Closed:	1/26/2009	**OA/ID Number:**	91107-009
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(171)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

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

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P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Goh Chok Tong, Prime Minister Designate of Singapore (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Richard Solomon, Assistant Secretary of State for East Asian and Pacific Affairs
Robert D. Orr, U.S. Ambassador to Singapore
Karl D. Jackson, Senior Director for Asian Affairs, NSC (Notetaker)

Goh Chok Tong, Prime Minister-Designate
George Yeo Yong Boon, Minister of State for Finance and Foreign Affairs
Tommy Koh Thong Bee, Ambassador to the U.S.

DATE, TIME AND PLACE: April 16, 1990, 2:00 - 2:20pm EST
The Oval Office

The President commented on one of the issues shouted out by the reporters. (U)

The President: Lithuania is on everyone's mind. It is a front burner item. As these pressures mount, it is difficult to maintain all of the other things we want to accomplish with the Soviets such as arms control. (U)

Welcome. I don't need to tell you how important the relationship with Singapore is to us. Likewise, we have a special affection for Prime Minister Lee Kuan Yew. We are very pleased with how things stand in our general relationship at the present time. We are all fascinated by the changes in Eastern Europe, and in this hemisphere where new, young leaders are appearing. We do not want any of this to create the impression that we want to disengage from the Pacific. We consider ourselves a Pacific power and intend to remain one. We have been grateful for advice on the Philippines from Prime Minister Lee Kuan Yew. I hope we can resolve the matter with the Philippines. I am interested in your opinions regarding the Philippines. We are very grateful for your willingness to increase American presence. We are grateful for your flexibility in these matters because we do want to stay in Asia. We appreciate what you have been doing very much. ~~(S)~~

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PM-Designate Goh: I have a message from the Prime Minister. He wants to congratulate you on the way you have handled China and he is pleased with your initiative at Palm Springs, getting the Japanese to restructure their economic system. The United States is a world power and should remain a Pacific power. We want you to remain as an active force in the region. The Philippines remains a problem. We are not sure that Aquino can pull the country through its crisis. Frankly, we are more pessimistic than two years ago in terms of Aquino's ability to govern the country. The Filipinos want the bases to remain in the Philippines. However, they are unrealistic. The world has changed. We are not sure we will be able to get them to see reality. ~~(S)~~

The President: We greatly appreciate the Prime Minister's advice and we have been able to keep it confidential. Please tell him I appreciate the message you have delivered very much. ~~(S)~~

PM-Designate Goh: Regarding the Philippines, you should not leave unless you are forced to leave. If you are forced out, Brunei and Thailand or even a small island off Singapore would provide a location for your presence. ~~(S)~~

The President: There has been discussion of increased U.S. presence in Singapore. We are very grateful for this. Are you optimistic about change in Vietnam? ~~(S)~~

PM-Designate Goh: There will be no significant change until the old leaders go in the next 2 - 3 years. ~~(S)~~

The President: I am a little pessimistic about the Philippines. The support we gave her at the time of the coup has complicated matters for her politically. ~~(S)~~

There is a big change in the U.S. Many Americans feel we have done our part in Europe and are asking what we are going to do about Cleveland, Ohio or the homeless in New York City. ~~(S)~~

We are worried that President Aquino has had some slippage in being able to hold it all together in the Philippines. ~~(S)~~

PM-Designate Goh: You should put it to the Philippines in very straight terms, that you cannot be asked for just everything. There are limits. ~~(S)~~

The President: We want to maintain our relationship with them. I am not relaxed about stability there at all. ~~(S)~~

PM-Designate Goh: It is important to remember that she is the only one who can do so. ~~(S)~~

The President: Will there be another coup? Will she survive? ~~(S)~~

PM-Designate Goh: There will be another coup, but she will survive. We think she became a lame duck because she announced that she would not stand for President again. ~~(S)~~

(b) (1)

The President: I wish we could be as confident that we are near victory. You are right in sensing our unease. We have been disappointed in how coalition might work. Sihanouk looks less dependable to us, or am I being too harsh? ~~(S)~~

PM-Designate Goh: (b) (1)

(b) (1)

Secretary Baker: We are not contemplating any move toward Hun Sen. Even if we were, it would not settle anything because neither the PRC nor the KR would cooperate. We need to find a way to a transitional regime. Only the PRC and the Soviets can decide. It does not matter what we (U.S. and ASEAN) do, so long as we do not withdraw totally. ~~(S)~~

PM-Designate Goh: So long as we stay in the game, we will succeed. (S)

The President: Can you help me with your thoughts on the China issue? ~~(S)~~

PM-Designate Goh: Do not isolate China. You should not condone what they have done, but you should know they are unlikely to change their policies. Jiang Zemin said to me "China is a huge

mess and I am a huge mess (referring to his weight problem). If you want to come into this, you will get hurt." You must see this problem through until old guard passes away in China. Isolating China will not help the world. China is prepared to exist without the outside world. China will open up again when she has solved her internal political problems. ~~(S)~~

The President: Zhao has not been kicked out of the party. We do not want to isolate China or be isolated from her. We have some trade decisions to be made by Congress. If this relationship is undone, it will result in further isolation for China. Ironically, China blames us for its troubles even though we are the restrained some of Western powers from moving more vigorously on economic sanctions. If China could do more in terms of amnesty or forgiveness, this would help. ~~(S)~~

PM-Designate Goh: It remains up to them, but I do not think they are absolutely confident that they are in charge. ~~(S)~~

Secretary Baker: We are looking forward to the APEC meeting that you will host. We have been approached by the press who have asked us not to go to the meeting in Singapore. We will go, of course. We want the reporting on the APEC meetings to concentrate on something other than the subject of press freedom. If you could take a look at this, it might be helpful. ~~(S)~~

The President: I take it we are referring to the Wall Street Journal. Prime Minister Lee makes the call on this, but I think Jim Baker is right about how it will be played by the press. ~~(S)~~

PM-Designate Goh: I will be giving an interview to the Wall Street Journal while I am here. ~~(S)~~

Secretary Baker: Maybe you can declare victory on this issue... (and simply return to normal). ~~(S)~~

PM-Designate Goh: We only need their recognition of our two positions: non-interference in our domestic politics and the government's right to regulate things in Singapore. ~~(S)~~

The President: How is the economy moving? ~~(C)~~

PM-Designate Goh: Our growth rate this year should be around 8 percent. ~~(C)~~

The President: Delighted to see you. (U)

In closing, the President reassured Prime Minister-Designate Goh that the U.S. had "No intention of shifting its priorities away from the Pacific. We are doing better with Japan. China remains a big anomaly." ~~(S)~~

Prime Minister Designate Goh: I can assure you that there will be no change in our foreign policy with a new leadership. ~~(S)~~

-- End of Conversation --

Confirmed Pres Mtg w/
Henry of Cook Islands
on Apr. 17th

NO MEMCON

THE WHITE HOUSE
WASHINGTON

MEMCON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Rafael Leonardo Callejas of Honduras (Ø)

PARTICIPANTS:
The President
The Vice President
Nicholas F. Brady, Secretary of Treasury
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
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
Cresencio S. Arcos, Ambassador to Honduras
William T. Pryce, Senior Director for Latin American Affairs, NSC (Notetaker)
Barbara Phillips, Interpreter

Rafael Leonardo Callejas, President
Mario Carias Zapata, Foreign Minister
Jorge Ramon Hernandez Alcerro, Ambassador to the United States
Rodolfo Irias Nava, President of the National Congress
Carlos Montoya, Member of Congress (Majority Leader)
General Arnulfo Cantarero Lopez, Commander in Chief of the Honduran Armed Forces
Gilberto Goldstein, Presidential Chief of Staff
Ricardo Maduro, President of the Central Bank

DATE, TIME AND PLACE: April 17, 1990, 11:15 - 12:00 p.m. EST
The Cabinet Room

The President: I waived my covenant against speaking to the press during photo opportunities to speak about Lithuania. The Soviets have threatened to curtail natural gas shipments. These are pretty strong measures. People can't cook without natural gas. They looked like they were together and ready to talk yesterday and now appear not to be. We recognize that there are numerous, and complicated problems involved in our talks with the

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Soviets, including disarmament, START, trade, and regional issues like Nicaragua. They are all affected by our conversations with Gorbachev. Some people want us to say "stop everything for Lithuania." But that is not what we need to do. We are trying to do things with adherence to principle in a way that will be helpful. (C)

President Callejas: There's a lot at stake. (U)

The President: Very much. We get hit at from all angles, but need to take actions which will be good in the long run. But I didn't mean to bore you with our problems. (C)

Welcome! I thought we would start by letting you say whatever is on your mind, and then when we have discussed that, I have a few points. But I want to start by saying that from our viewpoint, the relationship between our two countries is a very good one. We view you as a friend and we also welcome you as the new President of Honduras. (U)

President Callejas: Thank you. We appreciate all the efforts you and your government have made regarding our institutional loans -- there have been problems for Honduras. Your Administration has pushed hard on our most serious short-term problem -- a bridge loan. But I'll come to that later. (C)

We do have important areas of opportunity in Central America. For the first time we have five elected presidents. If the selection process in Nicaragua is finalized, we have the possibility of five democratic governments in Central America. We have never had such a unique opportunity as we have now. We will have elections in Guatemala and will have either the Christian Democrats or the Central Union in power. Both represent democracy. Once a Nicaraguan political solution is given, we will have a unique opportunity to accomplish things politically. (C)

But the main problem is Honduras' economic situation. We have built a solid political system, but now we must develop a strong economy. I hope the polls will keep up approval of the way we are ready to take difficult measures, and that the political costs are manageable. We hope that the difficult times will be over quickly. We have been trying to work on a bridge loan. What is necessary is a bridge loan before the month of June. We can't see any possible prospects for our country without establishing credibility. Our program is not feasible without a bridge loan. (C)

The important point is that the bridge loan has to be constituted quickly. It is hard to ask for more when you get such strong support, but I understand that it is the American tradition to give 110 percent. If we can't get the loan in a very short time, we will not be able to follow through with our trade program. Our currency will move. If the program is not sustained we will

go to the bad side -- committed to a difficult program, but not able to come through on the positive side. (Ø)

There are many other programs which will suffer. The Central American Development Program, CBI -- nothing will be possible if we don't get a short-term bridge loan. This specific point will make or break the Government. It is the only way to generate positive exchange flows, to achieve increased exports, to attract foreign investment. Our commitment to the program needs 110 percent support from your government. (Ø)

The President: You will be meeting with Brady. He is here, and you will have a separate meeting. We are impressed by the early approach you have taken on making a pledge and commitment to a sound structural adjustment program. We are working with the international financial institutions and other countries to construct a program to clear your arrears. We have worked with Spain and Mexico and Taiwan, and, of course, Japan. I have asked Treasury to do all we can to be helpful. (Ø)

I hate to say it, but have to say that our overall AID resources are less than we would like. We are being pounded on all sides, and now have problems with overall ceilings. We will do all we can to help. (Ø)

I can't argue with your assessment. We will do all we can do. (Ø)

President Callejas: You have been doing quite a lot. (U)

Mr. Maduro: I would like to add that the Treasury Department has been most helpful in playing a key role in helping put the package together. Time is critical. If we can't put a concluded package in June, things will be very difficult. Someone has to take a very direct role because we need to put in place a number of commitments. That is why it has been so helpful to have Treasury working along with us. We are very grateful. We hope they will accompany us to the end of the bridge. (Ø)

The President: What is the size of the bridge? (Ø)

Mr. Maduro: Two hundred, forty-seven million. It comes from the three IFI's, Treasury's fifty-seven million, forty million from Honduras from ESF. Pending are Mexico, Spain, and Taiwan. Taiwan is being helpful. I will be talking about a six-month bridge. This will give us the ability to get larger flows from the IFI's for '90 and '91. It is the only way to get a long-term agreement. This year we will have negative growth and inflation of 25 percent. (Ø)

The President: Does any one want to say anything else before we move on? (U)

Secretary Baker: Mr. President, you have covered it fully. We want to be as helpful as we can. We want to get the loan in place as soon as possible. Bernie do you want to add anything? (C)

Assistant Secretary Aronson: We need to send a signal that we are coming through. (C)

President Callejas: To give you an idea of our program, we have cut the deficit to $10.6 million which is five percent of the GNP and have increased fiscal taxes by seven percent of the GNP. We have liberated the currency -- not devalued from the traditional 2-1 rate, but dealing with the country's exchange rate is like poking a beehive -- you know the bees are in there, but you don't know how many or what they are going to do. We hope to balance the budget by 1993. We want to leave office with as close to a balance as we can. We have been able to sell our program -- at a high political cost but no social upheavals. There was one soldier killed yesterday. (C)

There is no doubt that aside from the assistance we are seeking directly, there are other programs which could be helpful. On the CBI and its extension, we worry that what has been considered seems to be smaller rather than broader. We hope that the CBI can be modified to be more positive on trade and tariffs. Take clothing and sugar for example. We know that these create difficulties for you but they are important to us. The effect of the reduction in sugar and coffee prices is substantially greater than U.S. aid. We hope that we can have trade instead of aid. We know that you have worked very hard on coffee and we are very thankful. We know that sugar has problems for you. (C)

Central America is still primarily an agricultural economy. Any effect that the CBI can have on sugar would be very helpful. An increase of two million hundred weight in sugar exports would mean 20,000 jobs. (C)

We are reducing our defense budget by 20 percent by 1992. We are willing to pursue Central American integration and a close integration of currencies, and an increase in our trade. We should be your 9th or 10th trade partner as a region. Any increase would be another benefit of the CBI. (C)

The President: When we were at Cartegena, President Barco made the point clearly that if we could make a way for increased trade, that would help on narcotics. We are taking a broad look at trade policy. There are political problems -- especially on sugar. I agree that increased trade is the best way to help each other. I don't know when the review will be through and what we will be able to do when it is. We will try to do as much as we can. (C)

President Callejas: The region also has deficits. To give you an idea of our situation of owing $270 million in arrears,

Nicaragua is over $300 million in debt to us and Central America. We could be helped if we had a way to clear up these inter-regional debts. We supply Nicaragua with electrical energy, but they don't pay. But we have to continue to supply the energy. We should try to see how we can pay each other. Nicaragua will find itself with a more difficult problem than we have. We are telling Nicaragua that they owe us enough money to cover 25 percent of our bridge loan. Money for Nicaragua would help them and us. I think that the area of economic integration will quickly come alive. The possibilities are there. In the area of integration, the idea of a Central American common market is ripe. (Ø)

The President: Who would be in? (Ø)

President Callejas: The five Central American countries and Panama. When Guatemala has relations with Belize, they would be asked to join too. We have invited Panama to our next regional economic meeting so that we can move to closer economic integration with them. (Ø)

Secretary Baker: I would add to our discussion of the problems of textiles that we would be glad to make improvements, but we went to the House on this and lost, and then we tried in the Senate and lost. We can't seem to overcome the political problems. There is not much hope for sugar. We need to keep trying on textiles, footwear and apparel. (Ø)

President Callejas: Perhaps at the next Presidential meeting we could make a request to the Administration and the Congress on this matter. (Ø)

The President: That would be helpful. Mexico is not part of this? (Ø)

President Callejas: No. They are much too big. There is a big gap between us and them. They are trying to be helpful in the payment of the debt. We get a strong discount when we pay our debt to them. Cement and tourism are big items. Costa Rica has had a favorable experience. (Ø)

We have had stronger support from you on our budget and ESF for '91. Eighty million, we would hope. (Ø)

Secretary Baker: On all categories of financial assistance for FY 1991, Honduras will be over the figures for '90? (Ø)

Assistant Secretary Aronson: All categories. (Ø)

Secretary Baker: This is what we have asked for, it may not be what we will get. (Ø)

The President: We will, of course, defend our request. (U)

President Callejas: We have a good relationship regarding the security situation. We are excited about a new idea on military exercises which has to do with the environment. We are creating "green battalions." My hope is that we will be able to have military elements from the U.S. which will be helpful in improving our environment. (Ø)

The President: Is the U.S. presence oppressive? To be frank, is it causing a political problem? (Ø)

President Callejas: No. My position in the campaign was that we would continue as long as there was a need and Honduran troops were being trained. The opposition was centered on discussions of the Contras. We are positive on that. The other view is out of the opposition agenda. Once the Contra issue is settled, they will attack the presence of U.S. troops. Yes, this will come out as an issue. We will try to manage it as best we can. No doubt this will be an issue. (Ø)

The President: But you will be meeting with Cheney on this? (Ø)

Foreign Minister Carias: We think that there should be reductions of troops, but we worry that there may be social problems which could be caused by economic problems. (Ø)

President Callejas: Military aid is vital. We have agreed to reduce ten percent. We have eliminated privileges. The effect of our economic adjustment program is heavy on defense. (Ø)

The President: Do you use your armed forces on narcotics or is this done by other forces? (Ø)

President Callejas: The army does all our work against narcotics. We have passed a law which sets up a drug program. We are setting up a specific program under the Attorney General to deal with drugs. We are working closely on the radar program against drugs. The army tends to be more involved. If there is a reduction of tensions we could reduce our army. There are one million weapons in Central America. We would reduce even though we caught a big shipment from Nicaragua to El Salvador. (Ø)

The President: They're still doing that? Do you think that this is known at the top, is it known to Ortega, or is the ministry doing it on its own?

President Callejas: I think that they are some how involved in it at the top although perhaps not aware of individual shipments. (Ø)

Foreign Minister Carias: With the Contra question settled then there will be opportunities. (Ø)

Secretary Baker: Is there anything to show whether the arms came from Nicaragua or directly from Cuba? (Ø)

General Cantanero: From Nicaragua. (Ø)

Ambassador Arcos: Our intelligence indicates that they came from Nicaragua. (Ø)

Secretary Baker: What about the indications that the Sandinistas have given weapons to small groups? (Ø)

President Callejas: We have a report that the Sandinistas have distributed 35,000 rifles. Yes, and Ortega said yes to Christiani when he brought the subject up, and said that he had political control of the FMLN. (Ø)

Secretary Brady: Do we have any idea of how long ago the arms came from Cuba? (Ø)

The President: We appreciate the help on the military situation and on narcotics. We realize that other countries feel that our demand is creating great problems for them. We have approached you about a radar. If that is possible, and money could be found, this would be helpful. (Ø)

President Callejas: We will discuss that. Perhaps the initial funding could come from the U.S government and we keep up the maintenance. We are so constricted by trying to reduce our expenditures. Perhaps the building of the road could be done by the U.S. and maintenance done by Hondurans. (Ø)

The President: I think we are due to continue work at lunch. We can bring along our unfulfilled agendas. I would like to get your views on how Cuba would some day fit into the InterAmerican system. I'd also like to know how you think Mrs. Chamorro is doing. (Ø)

* The meeting then adjorned and all participants went into the Old Family Dining Room for lunch.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon with President Rafael Leonardo Callejas of Honduras (Ø)

PARTICIPANTS:
The President
The Vice President
Nicholas F. Brady, Secretary of Treasury
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
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
Cresencio S. Arcos, Ambassador to Honduras
William T. Pryce, Senior Director for Latin American Affairs, NSC (Notetaker)
Barbara Phillips, Interpreter

Rafael Leonardo Callejas, President
Mario Carias Zapata, Foreign Minister
Jorge Ramon Hernandez Alcerro, Ambassador to the United States
Rodolfo Irias Nava, President of the National Congress
Carlos Montoya, Member of Congress (Majority Leader)
General Arnulfo Cantarero Lopez, Commander in Chief of the Honduran Armed Forces
Gilberto Goldstein, Presidential Chief of Staff
Ricardo Maduro, President of the Central Bank

DATE, TIME AND PLACE: April 17, 1990, 12:00 p.m. - 1:15 p.m. EST
The Old Family Dining Room

The President: Do you think democracy will go forward in Nicaragua? (Ø)

President Callejas: Yes. Ortega won't put an obstacle to it. We flew with him to the inauguration of Alwyn in Chile and Gonzalez (Felipe Gonzales PM of Spain) lectured Ortega saying that he should be a 1917 Socialist, that he needed to give power to the people. CAP (President of Venezuela) told him that if you want a political future you have to turn over power. (Ø)

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Mr. Goldstein: I believe Ortega will turn over power. (Ø)

The President: Ortega tried to move away from rigid Marxism in his campaign and to appear more open, but what is his heart beat? (Ø)

President Callejas: He wants to get back into power and will do what he thinks is necessary to achieve this. The Sandinista will now become more mercenary -- they will emphasize revolution less and will want salaries. They will try to adapt to the new system. My perspective of the military is that they are trying to be more professional. (Ø)

The President: Are there some true professionals? (Ø)

President Callejas: There is now a tendency to try to keep positions. (Ø)

Foreign Minister Carias: They will try to come back. (Ø)

The Vice President: Will Ortega leave? (Ø)

Honduran (probably Army Chief of Staff): Maybe. (Ø)

The President: It's important the Violeta expand her circle and move out more. (Ø)

President Callejas: The international press is good for Violeta. (Ø)

The President: Much of the U.S. press was there to support Ortega. (Ø)

Secretary Baker: Nobody else got visas. (Ø)

The President: What about the Vice President {Godoy}. (Ø)

President Callejas: He is an old line politician. (Ø)

The President: What do you think of Cuba? (Ø)

President Callejas: They have been trying to make contact with us. We are not doing much. They are trying to generate cultural groups and exchanges. We don't want to go further than that. They have an interest in expanding their influence in other countries. (Ø)

The President: But without making any internal changes. He seems to be hardening his line. (Ø)

President Callejas: He has no past. He can't blame anyone else. His history began with him. (Ø)

The President: Is TV Marti contentious? (Ø)

President Callejas: Nobody pays much attention to it. (C)

The President: We are getting a lot of pressure for programming. When President Havel was here he went over to VOA and while he didn't recognize faces, he did recognize some of the voices of people who had broadcast to Czechoslovakia. He told me in the Oval Office that he will always be grateful for the broadcasts VOA made. I wonder if TV Marti is too ambitious or too aggressive? (C)

President Callejas: No. (U)

The President: We need to be sure that we are doing it legally. Frankly, it is not as effective as we would like. (C)

President of Congress Nava: I have a special opinion on Cuba. There is no doubt that there is resentment -- strong resentment. But his (Castro's) control is strong. He is not Noriega. He has total control. When I was president of Congress, Cuba sent many delegations. I sensed a desire for change, but this is long term -- not like Panama -- or Nicaragua. It is long term. They are more isolated every day. Castro is seeking space in Latin America. He is looking for aid to replace what he is losing from Communist countries. I think that his achilles heel is to stop his tourism income. I'm told that TV Marti television is blocked but that the radio has a wide audience. People can't see but they can hear. (C)

The President: We get the feeling that we should try to improve the situation in Cuba but don't see anything to work with -- except the people. I've been so impressed with the people in Miami. They are really wonderful and have accomplished so much. We can't think of anything that would help the people of Cuba that would not help Castro. We are told that he has lightened up a little on the Church. (C)

The reason I asked is that I think we are in a position of holding where we are. My inclination would be not to look like we would reward the one last holdout to democracy. (C)

Secretary Baker: Not only a hold out regarding democracy, but for all he does destructively regarding the FMLN. (C)

The President: Are you optimistic about Chile? (C)

President Callejas: It's a long way away. (C)

The Vice President: How is the idea of a Central American Parliament coming along? (C)

It will probably be set up by the end of the year without Costa Rica. It's difficult for them. (C)

The President: Has Arias announced plans? (C)

President Callejas: He wants to lecture. He might set up a Central American grant where the Nobel prize would start a foundation. Don't think there will be much support from President Calderon. (Ø)

The Vice President: Is the demobilization effort going well? (Ø)

President Callejas: Yes. A good number will surrender. (Ø)

The Vice President: What about the Nicaraguan refugees? (Ø)

President Callejas: About 50% will stay. (Ø)

Foreign Minister Carias: The Contras have to realize that they will have to live peacefully with Chamorro. (Ø)

The President: Bernie, how about the Nicaraguans in the U.S.? (Ø)

Assistant Secretary Aronson: About 1,300 are going back to look around. Some are worried about their visa status. (Ø)

The President: What are the basis economic figures for Honduras? (Ø)

President Callejas: Twenty percent inflation. We are concerned with cash flow. We have a negative of $100 million. Unemployment is 28%. Underemployment is 40%. The per capita income has fallen to $580.00. We have had ten years of negative per capita growth. (Ø)

The President: Do you have to make payments for the unemployed? (Ø)

President Callejas: No. (Ø)

Secretary Baker: Do you have much tourism? (Ø)

President Callejas: About $40 million a year. We hope to create 70,000 jobs. We are trying to create wealth by helping people get the land where they have built houses as squatters. Forty percent of Tegucigulpa are squaters. We need $200 million of housing. (Ø)

The President: I think the press is waiting for us to go out and make statements. (U)

-- End of Conversation --

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Call to Prime Minister Ruud Lubbers of the Netherlands (U)

PARTICIPANTS: The President
Ruud Lubbers, Prime Minister
Robert Hutchings, NSC Staff (Notetaker)

DATE, TIME AND PLACE: April 17, 1990, 4:20 - 4:32 p.m. EST
The Oval Office

The President initiated the call in response to a request from Prime Minister Lubbers. (U)

The President: Hello, Ruud! How are you? (U)

Prime Minister Lubbers: Good. This is an easy-going country, as you know. Things are going quite all right. Of course, there are a number of problems in Europe. The Lithuanian situation is very difficult. (U)

The President: What is your public position? (U)

Prime Minister Lubbers: To keep quiet. This is also for formal reasons. When we recognized the USSR, we recognized the Baltic republics as part of it. The political realities are a different matter, of course, but we don't want to make life for Gorbachev more difficult than it already is. (C)

The President: We are in a difficult position. There is pressure for the U.S. to take leadership. (C)

Prime Minister Lubbers: I hope the Polish Government will do something. For historical reasons, and also the Church, the Poles are better placed than we. Our involvement could be seen as interference. But we may need to do something -- perhaps together. You will be seeing Mitterrand. Will you discuss this? (C)

The President: Yes. We have lots to discuss, but I will take it up with him. (U)

Prime Minister Lubbers: Maybe we could try to combine your position with a European stand. (U)

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The President: I don't know how much time we have. Have you seen this latest thing -- cutting off gas supplies? We thought this morning that we would have talks going, but it doesn't look so good now. I don't want to do anything rash. We have a big agenda and want this man to succeed, but given our historical background, we have to say something. (C)

Prime Minister Lubbers: We should do something, too, to spread the responsibility. (U)

The President: I will talk with my experts. We have a meeting in about 30 minutes. (U)

Prime Minister Lubbers: I hope they will start talks -- in the UN, perhaps. (C)

The President: Cuellar said today that it is an "internal matter." That will please them in Moscow, although not in some other places. What else do you have for me? (C)

Prime Minister Lubbers: I am glad the European Bank is going. We have a Dutch candidate, Onno Ruding. The French have also proposed Attali. (C)

The President: Ruding's a good man. (C)

Prime Minister Lubbers: I talked to Mitterrand. He said it was hard for him not to support the candidacy of Attali, because they are so close, but he said he hates the situation in which there are so many French in high positions in international institutions. He personally likes Ruding but must support his own man. He proposed an arrangement whereby Ruding would serve for some years under Attali and then succeed him. I looked into the statutes of the Bank. There would be a Governing Board to elect its own President. It could offer Attali the post for some years, so that he could be the founder, but then turn it over so that the Bank wouldn't have someone with no banking experience. I suggested to the French that they think it over. I have had no reaction from Mitterrand yet. As long as it is clear that many countries support Ruding, they might consider this arrangement. But if big countries support the French, they might not. I wrote you a letter on this, which you will receive tomorrow. (C)

The President: I appreciate your views. Everybody feels Ruding is an excellent candidate. Our problem is that Treasury may have already committed to Attali. But if something is working, we will try to stay flexible. Attali has no banking experience at all. (C)

Prime Minister Lubbers: I don't think Treasury has committed. Kohl likes Ruding; so does Thatcher. I'm not so pessimistic. You know,the French like to say that other countries have supported their position. (C)

The President: I am glad to know that others are for Ruding. Mrs. Thatcher is fixed on London as the site for the Bank. (Ø)

Prime Minister Lubbers: She wrote to me supporting Ruding. (Ø)

The President: That is interesting. I didn't know. We will share this with Brady and Baker. If no commitment has been made, I will make sure I get a recommendation. If I can get Mitterrand off alone, I will discuss it with him. I hope you're not getting negative feedback from this environmental conference. Your environment guy is pushing pretty hard and giving his own press conferences. I don't like to complain, but he is giving us a little grief. We are spending a billion dollars on research on global climate change. (Ø)

Prime Minister Lubbers: I know your position. I will try to get him under control. (Ø)

The President: Thanks for calling. I will tell Brent about your ideas on Lithuania. (Ø)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting With President Mitterrand of France

PARTICIPANTS:

U.S.
The President
Brent Scowcroft, Assistant to the President for National Security Affairs

France
Francois Mitterrand, President
Jacques Attali, Special Counselor to the President

DATE, TIME AND PLACE: April 19, 1990, 11:30 am - 1:05 pm
Key Largo, Florida

The President: I have no agenda, but I want to have a clear view of your ideas. (S)

President Mitterrand: Regarding the German problem, my position is simple. It is a matter for the German people. We should not intervene. The consequences concern us all, however, and especially the four occupying powers. The first problem is that of the borders of Germany. Recognition of Germany's borders is a must, especially for the Eastern Europeans. Helmut Kohl says that only a unified German parliament can decide on this issue. I say yes, but you can indicate your interest. (S)

The President then described what Chancellor Kohl had told him on this issue at Camp David. (S)

President Mitterrand: I think that is right, but it is not clear how it will actually work out. Public statements on this issue differ. When Prime Minister Mazowiecki came to see me, he showed me a leaflet printed by the Christian Democrats for the East German electoral campaign. It had a map showing the Polish territories in a unified Germany. So we do need clarification. (S)

The second issue is that of a unified Germany within the Alliance. This also concerns us all, not just the Germans. (S)

The President: What if Kohl publicly stated what he told me? (S)

President Mitterrand: Yes, that would be good, but he hasn't done it. Prime Minister Mazowiecki is pressing for treaties. It will turn out alright, but it is best to clear it up now.

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The President: I did not realize that he had not said these things in public. (S)

President Mitterrand: That is what I wanted to say on German unification. Now on NATO, I would like to address Secretary Baker's speech and your recent letter to me. What are your basic questions? (S)

The President: It is in the U.S. interest and that of stability for the United States to stay in Europe. Most, but not all, Americans agree. The question is how the U.S. will retain its involvement. We are not seeking a 13th seat at the EC table. The CSCE cannot be a guarantor of security in Europe, but we do see an expanded role for NATO. That is what I would like to explore with you. It appears to me to be the main way that the U.S. can remain involved. There are various ways in which we can do this. We respect French historic positions on NATO. We don't think that what the U.S. wants cuts across French interests. But you are a historian. I think that we should stay in Europe with a reasonable level of forces. We won't stay as mercenaries in Europe, however, and if we were not wanted in Germany we would be out in a minute. I think that most Eastern European countries want the U.S. to remain. I am rambling because it is not all clear to me, but I think this is the right general approach. (S)

President Mitterrand: The role of NATO is already large. How could it be made larger? (S)

The President: Its role is changing. It will be guaranteeing us against instability, etc. Its role will be different. The organization must be flexible. (S)

President Mitterrand: The risk of war has decreased. The Soviet Union will have difficulty retaining its unity. The Eastern Europeans are no longer enemies. Nevertheless, a threat remains. Gorbachev may have to take certain dangerous postures if he is forced by necessity, so we must retain our security arrangements. We can't ask the Americans to stay and not have a voice. NATO should thus consider the whole range of security issues facing Europe. The Soviet Union is not reassuring: a great power which is in a weakened condition is dangerous. The U.S. should have a say in all issues that effect equilibrium in Europe. I have written this out (he reads from notes and says he will provide them). (S)

This policy is based on three postulates:

1. The first postulate is that the U.S. and France are friends and Allies and always have been. Nothing of importance divides us. (S)

2. The second postulate is that the Alliance has its own rules, in areas defined by a treaty. It is the forum for these discussions. (S)

3. The third postulate is that France has its own unique defense posture, which we will retain. (S)

The Alliance is the organizational forum for the discussion of issues regarding European security and equilibrium. We are a nuclear power, but we do not participate in the integrated military structure. We would use our nuclear weapons on behalf of our Allies, but we do not want to use nuclear weapons for Australia or Japan. Our nuclear weapons are a form of deterrence for us and for our Allies. (S)

Those are the current postures of France. New conditions are arising; new opportunities are arising in Eastern Europe. These countries should take part in a confederable organization which would encompass our common concerns. This is an idea for the long term, and the confederation would be allied with the United States. (S)

Now let us turn to the EC. The EC has no military responsibility and Ireland is a neutral country. So there must be agreements between the EC and the United States. There must also be ties to Eastern Europe and to EFTA. We should seek European unity in the long term, and then we should have a treaty with the United States. Economic cooperation between the U.S. and the EC is weak; we argue all the time. (S)

The President: We need better cooperation, and should give consideration to agreements. (C)

President Mitterrand: We should have a treaty with the United States. A third area is conventional disarmament. It must continue. What should the Alliance do? Maintain its cohesion; keep U.S. troops in Europe; keep Germany in NATO, but without having the Soviet Union think it is against the USSR. (S)

The President: I think that can be done. (C)

President Mitterrand: I agree. The Soviet Union will prefer to have a unified Germany within NATO rather than have Germany exercising its own military sovereignty. (S)

We should not exclude the United States in roles of security. I mean that in the sense of equilibrium. We must also be able to verify within the Alliance on disarmament. France does not have a different position on this. We must simply insure complementarity among NATO, the EC, and CSCE. Why shouldn't we be able to organize regular ministerial contacts at Foreign Minister level to discuss political issues? I am ready to convene a NATO conference to discuss this. Delors says that this would compete with the EC, but that is not at all what I have in mind. Europe is larger than the EC. Also, the East Europeans don't know where to go. They would have to come to an enlarged EC like beggars. What we should do is organize a forum to deal with this problem. There is CSCE, but that is not really

appropriate. Gorbachev talks about a European home, but that is just a vision. I would envision a treaty between the EC and the U.S., with a permanent organization for discussion. It will take a generation to work all of this out completely. A European union--which will not happen in my time--should have a treaty with the U.S. People say I don't want the Americans in Europe any more; that is wholly wrong. I want the Americans to be a part of this. (S)

The President: To sustain the U.S. presence, at a time when the role of NATO has changed, won't work if NATO itself does not change. NATO must be more active than simply drawing target levels. (S)

President Mitterrand: Let us have meetings, then, where we will talk about all this. (S)

The President: You mean a NATO Summit? (S)

President Mitterrand: Yes. (S)

The President: I like that idea very much. It is exactly what I have in mind. For example, NATO should meet before there is a CSCE meeting. (S)

President Mitterrand: Certainly, if necessary. The CSCE is useful because it contains all of the Europeans, but it is useful only for some things. (S)

The President: Could I talk about U.S.-Soviet relations for a minute? I am worried about Lithuania. If the Soviets cut off oil and gas I cannot fail to act. I must do something. I recognize that this is a difficult situation. (S)

President Mitterrand: What can he (Gorbachev) do? (S)

The President: I have been in touch, as has Secretary Baker. As of yesterday, Shevardnadze said that no coercion would be used and that we should judge the Soviets by their acts, not by their words. If they do cut off oil and gas, I must do something. I won't stop arms control negotiations, but one thing I could do would be to stop the MFN negotiations. It might be possible to do something there, and maybe something else. If they do cut supplies, I will consult with our Allies; that will buy us a couple of days. I don't have a clear answer, but I will have to do something. What is your view? (S)

President Mitterrand: We are in a terrible contradiction. Our interests are in keeping Gorbachev where he is, and in supporting Lithuania's independence. Gorbachev did not have time to revise the constitution regarding nationalities. Those he has to work out arrangements in some cases for independence, but he wants to do it in accordance with Soviet law. Otherwise he cannot sustain

himself in power. We should try to negotiate to give him time to introduce the changes that he needs. We should encourage the Lithuanians to be wise. (S)

The President: They are not being wise. (S)

President Mitterrand: Gorbachev has inherited an empire. It is now in revolt. If the Ukraine starts to move, Gorbachev is gone; a military dictatorship would result. He has inherited several centuries of history. We have never recognized the incorporation of the Baltic states into the Soviet Union; they still have legations in Paris. Lithuania was given to the Germans in the war, and by De Gaulle to the Russians. But the gold is still there. However, we must recognize the complications. Sending Ambassadors would complicate the situation. It would be as if the United States sent an Ambassador to Alsace. (S)

The President: What worries me today is that the Soviet military may be more concerned than previously. Admiral Crowe found Akhromeyev very difficult. Brent met with him and did not find him that way. (S)

President Mitterrand: I think we must act in the interests of the Western world. We must take reprisals, but if we go too far, we will get a military dictatorship. Then where are we? (S)

The President: Exactly. I don't want to return to the Cold War environment. (S)

President Mitterrand: We are building for the future. We are on a ten-mile stretch of road and we have only gone 500 yards so far. (S)

The President: If the Soviets cut off all oil and gas, what would you do? (S)

President Mitterrand: I would take economic measures and nothing more. I wouldn't threaten what I would not want to do. We cannot send troops. The Soviet Union is capable of a violent reaction. Historically, these areas were part of Russia. (S)

The President: I did not have much confidence when I saw Landsbergis on television. (S)

President Mitterrand: During their 20 years of freedom, the Lithuanians were not democratic. (S)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Mitterrand of France

PARTICIPANTS: U.S.

The President
James A. Baker, III, Secretary of State
John H. Sununu, Chief of Staff
Nicholas Brady, Secretary of Treasury
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Walter J.P. Curley, U.S. Ambassador to France
Robert Zoellick, Counselor, Department of State
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs
Raymond Seitz, Assistant Secretary of State

France

President Mitterrand
Roland Dumas, Minister of State for Foreign Affairs
Jacques Attali, Special Counselor to the President
Jacques Lanxade, Chief of Military Cabinet, Office of the President
Hubert Vedrine, Presidential Spokesman
Loic Hennekine, Technical Advisor to the President on International Affairs
Elisabeth Guigou, Advisor to the President on International Economics and Foreign Commerce
Jacques Andreani, Ambassador to the U.S.
Bertrand Dufourcq, Ministry of Foreign Affairs Political Director

DATE, TIME AND PLACE: April 19, 1990, 1:07 - 2:15pm
Key Largo, Florida

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The President: Let's ask the Secretary of State and the Foreign Minister to tell us what they learned in their meeting. (C)

Foreign Minister Dumas: We talked about Lithuania and the Alliance. We discussed the problems of today and tried to analyze the problems of tomorrow. There are internal constraints on Gorbachev. We concluded that there is a possibility that Soviet measures will be continued. If so, what do we do? I told Jim Baker we had suggested that there be a committee of experts of the EC-12 to assess the danger to Lithuania and what we could do to compensate that danger. Some countries are moving in that direction: Norway has already decided to supply Lithuania with oil. Consultations are going on among the EC-12. We need to know what the Alliance will do. (S)

Regarding the Alliance, we thrashed things out thoroughly. We began with our differences. I said that the EC will be more and more of a reality. The European Monetary Union will move ahead; this will be a reality. The idea of a confederation will become more prominent. The landscape is changing. We need to imagine a changing nature for the Alliance, with the EC-12 having the closest links among themselves. Instead of being obsessed with a few problems, I have said that we need a new approach. The U.S. should not criticize the Twelve for talking about their own security. We understand that our American friends want to discuss these things within the Alliance, and we want U.S. troops in Europe. We are told that American troops are linked with the idea of a political dimension for the Alliance. We need a new approach. (S)

Secretary Baker: That was a very fair presentation of what Roland and I discussed. Europe needs a continued U.S. presence in Europe. We want to stay as long as we are wanted. The Allies and some Warsaw Pact members think that the U.S. is a force for stability, but we need to be part of a political dialogue. As the military threat recedes, we need a more political NATO to justify the U.S. presence. The CSCE is important, but this is not the same as consultations within NATO. We are not seeking a veto over EC decisions, but we do want to enhance U.S.-EC institutional interaction. A member of the French delegation raised the EC decision regarding a CSCE summit. We are not arguing that the EC cannot take this decision, but it fundamentally affects European security. This is the kind of political decision that we think we must be a part of if we are to justify a continuing U.S. troop presence. We need to discuss these sorts of issues in NATO. I gave five or six examples of such problems. We agreed that we have to continue to work together in order to get a meeting of the minds. (S)

The President: We had a similar discussion. President Mitterrand gave me the benefit of his serious long-term thinking. I pointed out that the U.S. presence in Europe cannot be seen by the American people as constituting a mercenary force. Our presence must be broader, which requires an expanded role for

NATO. This does not conflict with CSCE or with the EC, where we are not seeking a chair at the table. We are stepping up contacts with the EC. It would not be possible to sustain U.S. public support for the U.S. presence if it seemed that we were not involved with the overall security decisions of Europe. We had a good discussion. (S)

Also, I asked President Mitterrand's views about Lithuania. I learned a little history. President Mitterrand said that we had to be careful about not hurting the people of Lithuania. (S)

President Mitterrand: I would like to make things even simpler. On the question of the role of NATO, our answer is very simple. We consider it natural that NATO should have authority on all matters of security and concerning the political equilibrium of Europe. There can be no question of asking the Americans to stay in Europe and pretend that the Americans should not be there when the decisions are made. We should institutionalize NATO and U.S.-EC links. Very simply, the U.S. troop presence continues to be necessary. Yes, there have been changes, but the risk of conflict continues. Gorbachev has not yet gone half way in the route that he has to cover. He may not reach the end of his road, and the Soviet Union maintains a tremendous military potential. So much more has to change in Europe. Regarding the CSCE, this is an important meeting place where all of the Europeans are present. We want a meeting of this institution in moments of international tension. NATO should discuss the CSCE, either at its regular meetings or in a special meeting at NATO. If there is a CSCE Summit, it would be good for NATO to meet beforehand. Things will become complicated if we refuse to face up to this need. We must avoid internal suspicions and anxiety. (S)

Eastern Europe is all alone, poor and humiliated. This is the reason for my idea of a confederation. They will come with their hats in hand like beggars. This is bad. There needs to be a place for these countries to do their work where they are respected and treated with dignity. This is vital, believe me. For instance, the Poles have visceral anti-Russian feelings, and yet they say the Soviets should stay in Poland because they are afraid of Germany. This is bad. We need to open up another possibility. This future union needs a contract or a treaty with the United States. This confederation may be visionary, but it is important. Its purpose would not be to replace the EC-12, but to build on it. Chancellor Kohl and I sent a memo to the Irish President of the EC saying that we wanted to talk about both a monetary and political strengthening of the EC. (S)

My idea of a confederation is not designed to get rid of the United States; this would be idiotic. But the Europeans need to feel European. If one day in the far future we have strengthened Europe, we will need stronger institutional contacts between the U.S. and the EC. There must be treaties and agreements. (S)

On Germany, we agreed that a unified Germany should remain within NATO. However, we do not want to raise Soviet anxieties, and therefore there should be no NATO forces in what is now East Germany. (S)

Regarding the American commitment in Europe, the U.S. must take part in European political developments because they will design the future shape of Europe. We need to develop a new political order over time. France will be fully involved. France will not change its status within NATO. However, that has not prevented us from having excellent military-to-military contacts. That will continue. Regarding the North Atlantic treaty, its area is defined. Let's stick to it. We must maintain NATO. Unlike some of my predecessors, I don't wish to shut myself off from NATO. (S)

Regarding the CSCE, you are a little more reluctant than we, but we are not dreamers. The CSCE cannot solve all problems. There is no such thing as a CSCE political entity. In the future it could be tempting on Gorbachev's side to give CSCE another face. Germany is in contact with the Russians. Germany is a grave problem, including German public opinion. Regarding a unified Germany joining NATO, the majority of Germans are against it. Demagogy will be effective I fear, especially in the electoral campaign. If you argue in Germany that all foreign armies should leave, you will win the election. (S)

If you accept the French special role in NATO, including its nuclear strategy, I don't see any problem. If France can be destroyed in 15 minutes in a nuclear war, that decision can only be made by a French head of state. I told Ronald Reagan and Mrs. Thatcher that I did not like flexible response. The fact that I didn't like flexibility shocked them. We need a massive nuclear threat so that the Soviet Union would never consider moving militarily. France is your logical ally and will remain so. We talk with the Americans and not against them. But diplomats and military men may interpret these ideas of mine differently than at this table. (S)

The President: On NATO, NATO should project a different role and especially a political component. We can discuss this at a NATO Summit. I mentioned an expanded role in arms control verification, and in proliferation. This serves as a guarantor of the interest of the U.S. people in keeping U.S. troops over there. Too many Americans believe we need a peace dividend. This is wrong. An expanded role for NATO does not mean that Eastern Europe should not have a place to talk. CSCE is a place for that. Regarding Germany, if we can convince the Soviets that it is in their interest to have Germany in NATO then the problem is solved. (S)

President Mitterrand: They are prepared to draw that conclusion. (S)

The President: Havel and the Poles are coming around on this. We are in agreement regarding Polish borders. President Mitterrand made an important point. I mentioned Helmut Kohl's approach. The Poles want two treaties. It would be good to have Kohl state his position publicly. (S)

President Mitterrand: The unity of the two German states is a matter for the Germans themselves, but the consequences matter for everyone. So we need a guarantee on borders quickly. As long as this is not yet done, it causes anxieties in Europe; it worries the Danes, the Dutch, the Belgians and the English. (S)

The President: The Polish border issue is now in reasonably good shape. Is the average Frenchman worried about a united Germany? (S)

President Mitterrand: No, there is no such fear at all. There is a vague feeling that German unification would create a considerable new power. However, we've had this for a thousand years and we have dealt with it. We are adapting well. Why have an inferiority complex? It is not at all warranted. Also, we have good friends, including you on two occasions. The Soviet Union is afraid of Germany's potential for expansion and for claiming former territory, and the possibility of German nuclear weapons. (S)

The President: We foresee no change in our position, in our support for French nuclear policy. We would never try to bargain that with the Soviet Union or anyone. I am glad we have had cooperation in this field, and we will continue to have it. (S)

Secretary Baker: When we suggest arms control verification in NATO, only France disagrees. (S)

President Mitterrand: I don't know what you mean. If it's a question of verification as it relates to the security of Europe, the answer is yes. If it relates to the security of Japan, no. We must examine things on a case by case basis. If you will tell me exactly what you mean by a political enhancement of NATO, there will be no problem, I can assure you. (S)

The President: It is hard to define precisely, but in the new situation, with a diminished Soviet threat, there is less targeting on tanks. We need to evolve and discuss proliferation and arms control verification for example, so that we can maintain the U. S. presence. We have no hidden agenda. As Europe changes, NATO has to change too. If we sit down in NATO, in a NATO Summit before a CSCE Summit, we should talk about the future of Eastern Europe. (S)

President Mitterrand: My dear friend, by being more precise you have been precise. I said political in relation to European equilibrium, and proliferation only insofar as it contains German proliferation. Iranian proliferation is not for NATO. (S)

The President: Regarding proliferation, it is good if the U.S. public sees NATO talking about these things, and about terrorism too. (C)

President Mitterrand: We will never refuse to talk about those things. (S)

The President: You don't have to talk about them in NATO, but it helps. It falls short of your vision, but it gets us past present problems. It answers the question as to who is the enemy: uncertainty. It's a good subject for NATO. (S)

What if the military says that's enough, Mr. Gorbachev. We need NATO for that contingency. So we need an organization that respects the French traditional role and also talks about those problems. (S)

President Mitterrand: There is nothing you have said that I disagree with. You have been precise and I deeply appreciate it. Regarding Lithuania and the other Soviet Republics, we should not demand of Gorbachev what we could not get from a dictator who could replace him. (S)

The President: We need to recognize Gorbachev's problems with his own right wing, but we must remember that it is immoral to accept the Soviets cutting off gas supplies to Lithuania. Economic countermeasures may be the best solution. (S)

Secretary Baker: I said that a Lithuanian suspension of its declaration of independence would be helpful. I suggested that France attempt to persuade them. Gorbachev would then perhaps meet Landsbergis outside of the Council of Ministers. (S)

President Mitterrand: Things have gone too fast for Gorbachev. When I saw him in Kiev last year, I thought he was getting ready to accept autonomy, even independence on the part of some republics. But the Lithuanians were too hasty. If they had waited another three months, until after the pertinent Soviet legislation had passed, it would have been better. However, the Lithuanian leadership does not have much leeway either. If Lithuania suspended its declaration of independence, and the Soviets removed their intimidation and promised independence eventually, that would be the only way out. We can not have a bloodbath. American public opinion will press you for certain harsh steps; that would be a mistake. We, you and I together, my dear Mr. President, are in complete agreement. We are not the policemen of the world. We can make things worse. (S)

The President: Lebanon is such a heartbreak. (C)

President Mitterrand: And now the Christians are fighting among themselves. (C)

The President: Are you worried about escalation? (C)

President Mitterrand: Not really, I do not foresee any Syrian intervention. It's a terrible country. People do nothing except quarrel with one another. (S)

THE WHITE HOUSE

WASHINGTON

MEMCON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Jacques Delors, President of the European Economic Community (U)

PARTICIPANTS:
The President
The Vice President
James A. Baker, III, Secretary of State
Nicholas F. Brady, Secretary of the Treasury
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
Robert Zoellick, Counselor, Department of State
Thomas M. T. Niles, Ambassador to European Communities
Adrian Basora, Director for European Economic Affairs (Notetaker)

Jacques Delors, European Economic Commission President
Fran Andriessen, Vice President and Commissioner for External Relations
Andreas van Agt, Ambassador
Horst Krenzler, Director General for External Relations
Pascal Lamy, Chef de Cabinet to Delors

DATE, TIME AND PLACE: April 24, 1990, 3:30 - 4:00 p.m.
The Cabinet Room

The President: Welcome to Washington. As you know, the United States seeks more contact with the EC. I know we have agreed to have meetings like this one at least twice a year. We do not wish to be a roadblock to European integration, nor a member of the EC. However, we do want to be as involved and active as useful. If you agree, I have a number of points I would like to make. (Ø)

President Delors: Please go ahead. (U)

The President: My first point is that we should have an expanded U.S.-EC dialogue at this time of rapid change in Europe. A stronger European Economic Community is in the interest of the

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United States, along with a vigorous NATO. As you know, I am a strong supporter of the EC integration, but it is important that EC 92 not lead to protectionism and that European integration not undercut NATO. In my view, NATO and the EC are complementary institutions. (Ø)

For example, as regards the CSCE, NATO and the EC can both discuss this issue in parallel. I would be interested in your views on this subject. In my opinion, neither organization should dictate to the other and both have a legitimate interest in CSCE. (Ø)

As to U.S.-EC relations, we need a more intense dialogue -- both on the broader range of economic issues and in new areas such as environment. I do not see closer U.S.-EC relations as being incompatible with European integration. The contrary is true, as we have in the G-24. However, nothing would undermine U.S. public commitment to maintaining U.S. forces in Europe more than having them perceived as mercenaries. This is why we need a larger and more intense relationship. It would be a non-starter if U.S. troops were seen as "hired guns." I made this point as clearly as I could to Francois Mitterrand the other day. The continued involvement of U.S. troops, where they are wanted, is seen as a stabilizing force throughout most of Europe. (Ø)

I had a long talk with President Havel with regard to de-linking the idea of Soviet troops withdrawal from Eastern Europe to U.S. troop withdrawals from Western Europe. (Ø)

I am intrigued by the idea of a G-24-like group for Central America. Such a group could involve the Japanese. (Ø)

I would also like to mention the Uruguay Round. I know that this may sound like a broken record, but I really want to see us achieve ambitious results, especially on agriculture. Our agricultural specialists will need to work on this. A failed Uruguay Round would hurt U.S.-EC relations. I would therefore ask you to use your personal influence with the EC member states in order to ensure that we work together towards the successful termination of the Uruguay Round. (Ø)

President Delors: Secretary Baker took the initiative for having two U.S.-EC Ministerial meetings a year. The EC Commission favors a vigorous NATO, and we are prudent about the continuing danger. The CSCE is becoming a sort of matrix which will help us in our strategy of incorporating the Eastern European countries. The EC's strategy consists of the following three basic points: (Ø)

-- We will support German unification; the April 28 EC Council Summit Meeting will take steps to facilitate the unification of the two Germanies.

-- We will also extend the facilities of the EC market to the EFTA countries;

-- We will help the Eastern and Central European countries through the G-24 process and by means of bilateral agreements. In this, we have the support of the IMF and the World Bank. I am hopeful that the EC Council will accept a new form of association agreement, stopping short of membership, for the Eastern European countries.

Our goal is to have a large zone of peace and economic progress in Europe. (U)

We also favor the U.S. maintaining its presence in Europe. I suppose you are familiar with the Kohl/Mitterrand idea of moving ahead on EC political union, and I imagine that you discussed it with Francois Mitterrand last week. The problem for the U.S. in working out a better means of dialogue with the EC is that economic integration is proceeding at one pace, whereas political integration is proceeding at a slower pace. This is why Chancellor Kohl and President Mitterrand -- and Prime Minister Martens as well -- have proposed increased efforts towards political union. This would include a security role for the EC, a sort of European pillar of NATO. Our goal is to reinforce NATO and to discourage neutralism. Neutralism is always a temptation in Germany, and Gorbachev may try to encourage it. (Ø)

Mr. President, you must take this political integration as reinforcing the Alliance. Perhaps Vice President Andriessen can speak regarding the Uruguay Round. (Ø)

Vice President Andriessen: I have just returned from Mexico and I have come back encouraged. The Uruguay Round is a top priority for the ministers with whom I met in Mexico. We have set the end of July as the deadline for coming up with comprehensive work plans for solving all 15 sets of negotiating issues. On this basis, the Director General of the GATT will be asked to make an assessment as to how the Uruguay Round will come out. (U)

The EC would not have volunteered to host the final meeting of the Uruguay Round if it were not committed to its success. But the EC could not do this all alone. The less developed countries and other countries must contribute, especially as we are bringing new issues into the Uruguay Round, such as intellectual property rights and other issues. Regarding the U.S.-EC positions, we have much more in common than we have divergences on trade. (Ø)

On agriculture, during this visit to Washington, we have agreed on procedures to solve our problems by the end of the year. Our discussions with Clayton Yeutter and Carla Hills have turned out much more positively than we expected. Our differences have more to do with modalities than with objectives. The EC depends on multilateral trade, and therefore a successful Uruguay Round is in our interest. We share your goal. We agree that there needs to be a success by the end of the year. (Ø)

President Delors: The efforts and focus of the EC right now are to accomplish a larger Europe, but we are all for stronger relations between the EC and the U.S. The difficulties arise from the EC's two separate tracks. But if political cooperation advances, then we can move ahead in terms of linkage to the U.S. I hope that, during the Italian presidency, I will be able to visit you along with the EC presidency. In this way, we will be able to give you a common, global view of the EC's viewpoints. (C)

Secretary Baker: I am happy with the progress we have made on political contacts, for example, through the troika. Things are improving on the political coordination side as well. (C)

The President: I recognize the complexity of your task and I hope that Lithuania will not turn out to be a roadblock to progress in Europe. (C)

President Delors: On Lithuania, the EC sent a message to the Deputy Foreign Minister advising our Lithuanian friends to moderate their tone. (C)

The President: Do you feel that either side will do so? (C)

President Delors (did not seem to understand the question): I want to give you my best wishes for the Houston Economic Summit. I hope we can speak about issues such as environment and drugs. (U)

-- End of Conversation --

Confirmed Pres Mtg w/
Perez of Venezuela
on Apr 20th
NO MEMCON

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Aristides Pereira of Cape Verde (U)

PARTICIPANTS:
The President
Robert Kimmitt, Acting Secretary of State
Robert M. Gates, Assistant to the President and Deputy National Security Advisor
Herman J. Cohen, Assistant Secretary of State for African Affairs
John M. Ordway, NSC staff (notetaker)
Marcel Bouquet (interpreter)

President Aristides Pereira
Jose Luis Fernandes-Lopes, Ambassador to the U.S.
Joao Pereira Silva, Minister of Rural Development and Fisheries

DATE, TIME AND PLACE: April 27, 1990, 2:30 - 2:58 P.M. EST
The Oval Office

The President: I am very happy to see you again. I still remember your hospitality in Cape Verde so long ago. Are you going to other cities in the U.S. on this trip? (U)

President Pereira: No. I am only going to be in Washington for this medical checkup. (U)

The President: The floor is yours. When I heard you were coming, I wanted to take some of your time to express our respect for you and your relations with the U.S. We are excited about some of the changes taking place in areas of interest to us, including South Africa and Namibia. On Angola, I am very anxious to get your views. There are lots of things happening in your country, too, and I want to hear about them. (Ø)

President Pereira: I am very glad to see you again, and want to thank you for finding the time to spend with me. I even said to my ambassador that I was coming here for a private visit, but I wanted to say hello to you as a friend. Since we have the opportunity, though, perhaps I could say a few things beyond that. (Ø)

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The President: Please do. (U)

President Pereira: Let me start with the things that are happening in our country. There is a political transformation underway. There are a lot of changes happening, which is a natural development of the path we have been following since independence. We achieved independence in special circumstances. The country was all but destroyed, and priorities had to be to taken care of, such as the survival of the people and the building of the state. I think we were lucky and successful in our effort, due in part to foreign aid, including the generous aid of the United States, which allowed us to build our state and achieved a rate of growth unparalleled in Africa. (Ø)

All of this economic and social progress had to be accompanied by political development, and the decision was taken to open up the system to many political parties. Much is left to be done. We must create the legislative basis for the process, and amend the constitution. But the first steps have been taken. We have opened the way for the process and are going through a period which requires much work on our part so that the process can be carried out in stable fashion. (Ø)

The President: We admire what you are trying to do in the economic area. I hadn't followed the political area so closely. Do you have dates for multi-party elections, or are they down the road further? (Ø)

President Pereira: The process is more or less structured. We will have legislative elections in December. All will depend on our ability to legislate the process and take steps to allow new parties to arise. All is ready for other parties to run in December, if there are other parties to run. (Ø)

The President: What is your view of the neighborhood? I am very encouraged by developments in South Africa. And, I'd like to hear your views on Angola. (Ø)

President Pereira: I think both leaders, de Klerk and dos Santos, seem to be on a good path, and have decided to continue on this path. Our view is that both presidents need to be helped. (Ø)

De Klerk has a problem with both the black and white communities. In think for Africa there is a consensus, among heads of state, that de Klerk wants to take reform to its ultimate stage: the elimination of apartheid. Of course, the first problem is the war among the black community, who are killing each other, preventing de Klerk from lifting the state of emergency. The

situation is such that Mandela supports de Klerk keeping the state of emergency in place. (Ø)

The President: That's an interesting historical twist. (U)

President Pereira: It is a question of common sense. (U)

The President: Do you know Mandela personally? (U)

President Pereira: I knew him before -- in 1962 and 1963. (U)

The President: That was a long time ago. (U)

President Pereira: President de Klerk has another problem. The white community has now accepted his reforms, and economic sanctions are still in place. What whites are arguing is that, he carries out reforms, but sanctions stay in place. Therefore, we are now forced to think about economic sanctions, relaxing a little bit to give de Klerk better standing in the white community. The situation seems to be blocked. Sanctions stay in place because of the state of emergency. The state of emergency cannot be lifted because of the fratricidal struggle among the black community. Perhaps we could a middle of the road solution. (Ø)

The President: We have de Klerk coming --next month is it? And Mandela later -- in the fall? (Ø)

Mr. Kimmitt: De Klerk is coming in June. (Ø)

The President: I am looking forward to seeing them. (U)

I think people understand our position. We have no colonial heritage in that part of the world. Maybe we can be helpful. (Ø)

I'm not too hot on sanctions, but we will leave them on. I think giving de Klerk something to show for his moves is good, but I don't know what it would be. We will leave sanctions on for now, resist any further sanctions, and see what we can do. (Ø)

President Pereira: As far as Angola is concerned, President dos Santos, knowing I might meet with you, asked me to carry a message. He had meetings with Secretary Baker and Assistant Secretary Cohen in Windhoek, and this meeting was very encouraging for dos Santos. He re-affirmed his willingness to find a solution as soon as possible. When he was told that he might come to the U.S. and be received by President Bush as long as there was an agreement on a ceasefire, plus direct contacts with UNITA, he liked that idea, and wanted it to be confirmed by

you, Mr. President. Once he has received confirmation, this will give him a better position to act in the leadership to get direct contacts with UNITA and to move toward peace. (S)

Dos Santos has a problem with the leadership in his country. There are different tendencies, some for peace and some for war. He needs to be strengthened. If he came to the U.S. and was received by you, as was said by the Secretary of State, he would be in a very strong position with the leadership. (S)

The President: Hank, where do we stand on this? (C)

Mr. Cohen: If there are ceasefire and talks, then he could come here on a private visit. (S)

The President: I mean on the status of the talks. (C)

Mr. Cohen: They have just had some preliminary talks, and that is a good start. We are unsure about the ceasefire, because many people in Luanda are opposed to it. (C)

The President: I have heard good things about dos Santos. I am anxious to see him. We have no hostility toward him. I have a feeling that he doesn't want to be locked into a Marxist Government, since that can't last anyway. (S)

President Pereira: President dos Santos is very reasonable indeed. For example, he very quickly gained strength when he got into office after President Neto died. He was only 37, and not ready, but he took office anyway. He didn't have enough charisma for Angola, and Africa. He was too young. Some people called him a young boy. But he has been steady, and has endeavored for peace. If he gets some help, he will get there. (C)

The two parties have met in Lisbon, and there is talk about meeting in Cape Verde. We are ready, as long as both parties want to meet. If they want to meet in Portugal, or Cape Verde, whichever, is a good sign. As far as the negotiation is concerned, dos Santos is learning lessons from the whole world, and Africa. He is ready to carry out reforms. (S)

The President: This is a very interesting coincidence with what we think about the man. (C)

How is your health? Is there anything we can do? (U)

President Pereira: I have done almost all the tests. So far, the doctors assure me that the results are excellent. (U)

The President: Where are you doing them, at Walter Reed? (U)

Mr. Cohen: At Bethesda. (U)

President Pereira: My wife has some small surgery as well. (U)

The President: Give her our best. (U)

I am pleased that you are here in our country. (U)

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Endara of Panama (S)

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

Guillermo Endara, President

DATE, TIME AND PLACE: April 30, 1990, 11:00 - 11:15am EST
The Oval Office

The President: Anything sensitive you want to discuss we can do it alone. I was so upset with our Congress on the legislation. It is not Panama, it is petty maneuvering. (S)

President Endara: I and the Panamanian people understand this. It is the price of democracy. (S)

The President: Anything sensitive? (S)

President Endara: Yes. I spoke to Thurman. All intelligence should be under Panama, not the Army or anywhere else. We have been talking about this off and on with Hinton, who is an excellent man. But this leaves a void and I fear it will be filled by the police force. (S)

The President: Brent, will you call Webster and find out where it stands. (S)

President Endara: I will see him this afternoon. (S)

The President: It is important you get it straightened out. It is vital to you and should come directly to you. What have you done with our friends the Cubans and Libyans? (S)

President Endara: We are just waiting to break relations with Cuba. Libya is more difficult. They have been very quiet and to break relations without a reason is tough. (S)

President: No, you can't do that. How are things within the government? The Troika's getting along? (S)

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President Endara: Very well. We have different interests but we work very well together. My party had a conference recently. (Gives the President a party card and button.) (S)

The President: How are you coming with recognition? (S)

President Endara: Very well. CAP is helpful and being a good friend. Garcia is being friendly. Bolivia is a problem because of a leftist environment -- they will be quiet for now. (S)

The President: Any pro-Noriega sentiment? (S)

President Endara: None. There is no opposition. Democracy needs an opposition government. Right now there is none. The government is getting high marks from everyone. (S)

The President: I would like to accept your invitation to visit. I think it would send good signals, both here and in Panama. (S)

-- End of Conversation --

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NATIONAL SECURITY COUNCIL
WASHINGTON, D C 20506

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3502

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Rabbie Namaliu, Prime Minister of Papua New Guinea

PARTICIPANTS: The President
James A. Baker, Secretary of State
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Desaix Anderson, Acting Assistant Secretary of State, East Asia and Pacific Affairs
Peter S. Watson, Asian Affairs, NSC Staff (Notetaker)

Rabbie Namaliu, Prime Minister
William Dihm, Secretary of Foreign Affairs
Margaret Taylor, Ambassador to the United States
James Melegepa, Deputy Secretary, Prime Minister's Office

DATE, TIME AND PLACE: May 1 1990, 3:00 - 3:40pm, EST
Oval Office and the Patio

The President and Prime Minister Namaliu met in the Oval Office at 3:00pm, and then proceeded to the patio for the remainder of the meeting. (U)

The President: Well, welcome. Today is such a nice day, in a minute we might go outside for the meeting if that suits you. (U)

Prime Minister Namaliu: That would be very nice. (U)

The President: I am pleased that you were able to join us this morning at the signing ceremony, it was good that we were able to walk out together. (U)

Prime Minister Namaliu: It was a very pleasant occasion. Thank you very much for asking me to join you. (U)

The President: Well, let's go outside for a while shall we? (U)
(The meeting then relocated to the patio outside the President's private office quarters.) (U)

The President: This is hard to beat. I am very pleased that you could join us during this trip to Washington. We want to let you

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know that we remain very interested in your part of the world. We want to do what's right in the region -- we have no interest in neglecting the area. We are going to remain a Pacific power. (U)

Prime Minister Namaliu: We really appreciate the visit. This is the first time that I come here as the Prime Minister. (U)

Secretary Baker: I remember when we met when you were the Foreign Minister. We attach great importance to this visit, and to the relations between PNG and us. They are growing in diplomatic and economic terms, including in trade and investment, and technical assistance. (U)

Prime Minister Namaliu: This is being continued with the recent arrival of your new Ambassador. Yesterday he and the Foreign Minister signed an agreement on aid. This opens a new chapter in our future relations. Although these programs are small, they will grow over the years. Especially important to us are programs to assist technical assistance, and professional assistance. (~~C~~)

We are also seeing an increase in our relations in the defense area -- an increase in defense cooperation. We appreciate this -- some have not had the same understanding. Our force needs are increasing, especially in the training area. We attach priority to addressing the shortage of trained personnel. (~~C~~)

The President: Is most of your trade with Australia? (U)

Prime Minister: Yes, in terms of imports. We send most of our exports to Japan and West Germany. These range from agricultural products to minerals to coffee. In terms of investment, we see most of this in mining and petroleum. (~~C~~)

The President: What region does this investment go in? (U)

Prime Minister Namaliu: Mainly in the Highlands, the Northwestern part of the country, and in the center stretching to teh border. This is where we find the majority of the deposits. Chevron has made substantial investments in some of these areas. (~~C~~)

The President: It is a solid and reputable company. Are you finding problems with your developments? (U)

Prime Minister Namaliu: We find shortages in capital and training of manpower in the technical skills. We see an

increasing role for the U.S. in these respects. Again, because of the scarcity of manpower, training is a major priority, including on-the-job educational training. We are not in the position of providing skilled workers as our personnel needs grow. (Ø)

The President: It's a nice problem to have -- an availability of jobs. (U)

Prime Minister Namaliu: Well, at present we are relying on overseas expertise for technically specialized areas. I would like to explore with you the possibility for training in the United States for our nationals. (U)

The President: At what level? (Ø)

Prime Minister Namaliu: Post graduate, mostly. (Ø)

Secretary Baker: Are there increasing peace corps workers in PNG? (U)

Prime Minister Namaliu: Yes, we are seeing more come -- which we are pleased about. However, it is still a relatively new program. (Ø)

Secretary Baker: How many of them do you have presently? (Ø)

Mr. Dihm: About 100. (Ø)

Secretary Baker: It's a good program. (U)

The President: Desaix... what can we be doing about student exchanges? (Ø)

Mr. Anderson: We will look at every aspect, and see what we can do. (U)

The President: (Addressing Anderson) This is in our own interests as well as yours. And there are lots of private colleges and universities who can provide opportunities. (Ø)

Mr. Anderson: We will find out... see what can be done. (Ø)

Secretary Baker: How do you feel about the developments at Bougainville? (Ø)

Prime Minister Namaliu: This is the most difficult situation we have faced since Independence. (Ø)

The President: How are you going to get it resolved? (S)

Prime Minister Namaliu: It is a difficult situation. But we are committed to resolving it through peaceful means. We don't want security forces in there. I don't know what else we can be doing. It is very complicated. Moreover, our security forces are not well trained for the type of situation out there -- they are trained only for conventional situations. (S)

The President: Are you referring to your police units? (S)

Prime Minister Namaliu: The military too. They are not trained for insurgency situations. (S)

The President: Do you have properly trained officers? (S)

Prime Minister Namaliu: No. They need training too. (S)

The President: (To Desaix Anderson) Can we help? (S)

Mr. Anderson: Yes, we can. (S)

Prime Minister Namaliu: Perhaps it is worth our team spending some time at the Pentagon on this while they are here. (S)

Mr. Dihm: I mentioned this to the Assistant Secretary this morning. One way of assisting is through your Defence Attache who will be stationed in PNG, starting later this year. (S)

The President: Make sure that he knows what your particular requirements and needs are in terms of training. (S)

Prime Minister Namaliu: A number of your NCO's are there now, but I do not think they are trained in these areas, that is one of our problems. In another area, the problem we have in Bougainville now is giving rise to rethinking our overall mining regimes i.e. we need to review our existing policies; we need to introduce changes to take into account the interests of the landowners. (S)

The President: How long a trip is it to get back home? (U)

Prime Minister Namaliu: About 28 hours in all -- it is a long trip. Before going, let me just say that your former Ambassador to PNG, Everett Bierman, did a lot to promote the growth in our relations. (S)

The President: Thank you -- he is a very serious man. And we hope that this growth continues. Thank ou for coming by an spending some time with us. (C)

Prime Minister Namaliu: Thank you very much for your hospitality. (U)

-- End of Conversation --

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Michael Manley of Jamaica (U)

PARTICIPANTS:

The President
The Vice President
Nicholas F. Brady, Secretary of Treasury
Lawrence Eagleburger, Acting 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
Bernard W. Aronson, Assistant Secretary of State for Inter-American Affairs
Glen A. Holden, U.S. Ambassador to Jamaica
William T. Pryce, Senior Director for Latin American Affairs, NSC (Notetaker)

Michael Manley, Prime Minister and Minister of Defense
David Coore, Foreign Minister and Minister for Foreign Trade
Peter David Phillips, Minister of State
Keith Johnson, Ambassador to the U.S. and the Organization of American States
Donald Brice, Permanent Secretary to the Prime Minister
Hartley Neita, Press Secretary, Office of the Prime Minister
Anthony Bogues, Special Assistant to the Prime Minister

DATE, TIME AND PLACE: May 3, 1990, 11:25 a.m. - 12:05 p.m. EST
The Cabinet Room

The President: I did take the opportunity in our private meeting to say how much we looked forward to this visit. Welcome! I suggest that you start off and cover any items you would like,

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and then we can bring up a few points. We can then continue informally at lunch. (U)

Prime Minister Manley: Thank you for your very warm welcome. The ceremony at Arlington was so impressive. I will mention our economic problems. I am hoping for your analysis of how things are going in general. (C)

To set things in context, I'm looking at how far we have come. I think we have had a spectacular success in the economic area -- in the sense that we have got the country together. Even the trade unions have been supportive. We have achieved something important -- real consensus. Our government is going forward in education, in development, in tourism. We had 5% growth last year. The private sector is doing its job because it wants to. (C)

What is the down side? Growth is putting great pressure on the economy. The principal problem is the cash flow problem. The foreign exchange part of this is critical. There are a couple of life lines which would be disastrous if they were stopped. On the bilateral trade agreement, we worry that our success could endanger or put in jeopardy the agreement. On foreign exchange we want to be within the context of reality. You have many obligations in Eastern Europe and throughout the world. I can't ask for another $100 million. But I can say, "don't divert funds from us." And I can ask for a little increase in money to fight drugs. (C)

Cash flow is very important for us. The question is, "how can we get it?" If we can't get incremental cash, we must use ingenuity. Let me elaborate. In the first half of the 1980's, there was a $900 million net transfer out. From 1986 to 1991 there will be a $1.1 billion transfer out. This is hard. The biggest problem is the IMF and the World Bank. There will be a $208 million net outflow this year. This does not make sense. If we can just bring this down to zero, it would be a big plus. (C)

I talked with Secretary Brady yesterday. And I mentioned it this morning [at breakfast hosted by Acting Secretary of State Eagleburger]. I wonder if we could set up a small group, a task force, to look at imaginative ways to look at debt. (C)

The President: Nick [Brady], I might ask you to respond to this now. I understand the problem. I would like you and others to respond later, but would you like to respond preliminarily now? (U)

Secretary Brady: Certainly, Mr. President. Jamaica gave us a complete review yesterday. The steps they are taking seem good. The problem for Jamaica is a little different because our new debt strategy deals with commercial debt. The problem with Jamaica is that 42% of their debt is to International Financial

Institutions and 37% is official bilateral debt. So 80% is outside the plan you put forward last year. We want to deal with it, but it is difficult because the IMF and the IDB have problems with rescheduling debts, and they basically don't do it. (Ø)

Setting up a task force is a good idea. It is in keeping with what you have asked us to look at for all of Latin America. We will get right to work on it with Jamaica. The IMF has been involved in programs which encourage the return of flight capital. We should work with the IFI's and the private banks to get some new loans. (Ø)

The President: They [the IFI's] don't refinance? (U)

Secretary Brady: No. (U)

The President: Well, let's set a group up. By going to different sectors, perhaps we can get a positive solution. (Ø)

Secretary Brady: Well, the problem is that 42% is IFI's and they don't refinance or let up on requirements for interest payments. We support that position. We can't ask for an exception to refinancing, because then the IFI' would become like commercial banks. We don't have a solution at this time. But the steps that Jamaica has taken will bring flight capital back. (Ø)

Prime Minister Manley: What would be worse is if we were to stop having new flows in. We need to have positive momentum. (Ø)

The President: Let's see what we can do. I'm asking Treasury to set up a working group to address this problem and give it whirl. (Ø)

Prime Minister Manley: The second thing is investment capital. The question of 936 capital. There is now $18 billion sitting in the fund, and it is growing at $1 billion a year. Nobody can find a way to spend it. We have a few programs, and airport project -- there are administrative difficulties. Because people want to be sure that their debt is secure, they want major U.S. companies to underwrite the debt. We can sometime do this, but not always. We have been looking at alternative ways of guaranteeing the debt. Perhaps the International Finance Corporation could share part of the debt. We need to try new programs designed to help Puerto Rico and the Caribbean if this does not hurt Puerto Rico. (Ø)

The President: What you are saying is that the 936 rules should be more flexible. (U)

Prime Minister Manley: Yes. Particularly regarding private sector involvement. If we could improve this, it would help on privatization. (U)

The President: Knowing this, aren't there discussions going on regarding privatization? The task force could throw it in as an additional item. (C)

Prime Minister Manley: The last part on investment. I have the idea that you have had imaginative ideas regarding Hungary. I wonder whether you could make Jamaica a similar target of interest. (C)

The President: We need to ask Larry about this, he has been in charge of our Eastern European operation on this. Is OPIC involved? Is that helping at all? (C)

Mr. Eagleburger: They have been very supportive. If they have been down to Jamaica -- {Prime Minister Manley interrupts} (U)

Prime Minister Manley: They have been very supportive. (U)

Ambassador Holden: I got them down in 30 days and they have been superb. (U)

The President: Excellent. (U)

Mr. Eagleburger: Let's look at the experience in Eastern Europe and see if it could be transferred. (C)

The President: Eastern Europe is much behind Jamaica on this. And the Soviet Union is way behind. They have no real concept of private property. Before they can run, they have to learn to crawl. Let's see if we can do something. These funds [Eastern European] are targeted? (C)

Mr. Eagleburger: Yes. They are appropriated funds. (U)

The President: I want to say in front of our colleagues here, that I think that in the Hemisphere there is a feeling that we are so involved in Eastern Europe that we forget the Hemisphere -- I can understand why CAP might have thought that -- he took me aside at one point and balled me out about it. This is not the case. This must not be the reality. We do not want it to be the reality. What I'm trying to do is to get Europe to help in the Hemisphere, in the Caribbean, in Central America. And Japan too. I just stopped by a meeting with Japanese Minister Miti, (the President stopped by a meeting General Scowcroft was having with the Japanese Minister) where he was saying that they want to help in your area. We want them to have a greater interest in the Hemisphere. It may be over a longer period of time -- but it need not be. I will be talking with the Economic Group of Seven this summer. I have talked with the president of the EEC Mr. Delors when he visited here. He made a positive verbal response. This is how we are working on it. I want to see these countries pulled in. I want you to know that this in on our mind. We think there is reason to be hopeful. There is a chance for success. (C)

Prime Minister Manley: That is good to hear. (U)

The President: We are getting proper lip service. (C)

Prime Minister Manley: I would like to say a word about trade in the Caribbean. Please protect the programs we have there. In textiles if the advantages of the program were lost we would lose 25,000 jobs. If we keep the program we could create 100,000 new jobs. This is very important. Seventy thousand jobs exist because of the licensing program in the Dominican Republic and Jamaica. (C)

The President: There is an ignorance factor at play here. Some people say that this program hurts the U.S. This is not true. We'll continue to resist and fight the textile lobby on this. Tentatively, the industry is doing pretty well. They are modernizing and using these programs. The Unions think that if you get rid of growth and then protect, then you will have higher prices. When I was running for President, I went down and talked with the people in the state in support of free trade. We will stay with that policy. There are political problems. John [Sununu] do you want to say anything on this? (C)

Governor Sununu: We are getting pressed. We are putting off improvements for a year. They have a very powerful lobby. They may pass a bill over our objections. (C)

The President: I will fight protectionism. We will argue that our system will work to the benefit of all. This also affects our relations with Mexico and the Machilladora industry along the border. This also fits into trade relations with Japan. To Kaifu's credit, he has moved forward so that under Super 301 we would not name Japan. There is a move in the Congress to name Japan, but we will seek ties to favor less protection. (C)

Fortunately the employment side of our economy is pretty good. Some even say that we have full employment with an unemployment rate of 5.2%. I don't want to accept a situation where people who want jobs don't have them. If the employment situation changed, you would see more domestic pressure for protectionism. This would shrink markets and not be helpful, but there still is this idea of protectionism. (C)

Prime Minister Manley: We could talk with people if that would be helpful. (C)

The President: If we could get some key members of Congress to go down and work with you, Charlie Rangel for instance, I think that would help. I think that it would be helpful for people to get a better view of what you are doing. (C)

Prime Minister Manley: May I say a word about the CBI? (C)

The President: Yes, of course. (U)

Prime Minister Manley: We are convinced that an area like the Caribbean must begin to rationalize its production. We need to take advantages of economies of scale. We are working on ways to rationalize means of production. I say that if Europe is integrating, who are we not to do so. I was wondering, looking down the road on CBI, whether there could be built into it something which lead to integration. We need to help the process of integration. Perhaps with seed capital. We want to have a partnership and work in the direction of integration. We actually have programs on this but there is great difficulty in getting ten governments to work on the same thing at the same time. It's not your problem, but if a window of opportunity were created in the CBI this would help CARICOM to do what it ought to do regarding economic integration. This is a new thought that I wanted to raise. (Ø)

The President: All right, let's think about that. We can continue our discussion informally over lunch. (U)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Michael Manley of Jamaica (U)

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Anthony Bogues, Special Assistant to the Prime Minister

DATE, TIME AND PLACE: May 3, 1990, 12:15 - 1:10 p.m. EDT
The Old Family Dining Room

The President: I thought I might say a quick word about U.S.-Soviet relations. From all we hear, the Soviet economy is in horrible shape. And we hear that this is a very difficult time for the Soviets. They are actually far behind Jamaica in terms of knowing how to develop a successful market economy. Most of them have no real idea of how a modern economy works. To give an example, at Malta, Gorbachev said that he thought that there was no longer any significant private ownership in the United States. He was thinking in terms of Henry Ford no longer owning the Ford Motor Company. He had no concept of private

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ownership in terms of people owning, say 100 shares in a company. They are very behind in terms of their capacity for economic development. You hear that everything Gorbachev does is related to domestic tactics. He has to think of what would happen if things get very bad on the economic front or the nationalities front. You might see a reversion to a more military regime. There could be a stepping up of repression. (Ø)

On the Lithuanian front, we would, of course like to see them succeed. The approach suggested by Mitterrand and Kohl seems to offer a good possibility. I had a lot of questions about Gorbachev at a press conference this morning. People say I'm gullible regarding the Soviets. We want to handle this in a way that the Soviet troops go out. And also out of Poland and East Germany. We think that the Mitterrand-Kohl proposal was a good approach. We have talked with them about it. The Soviets have said they would not negotiate because this implies foreign intervention in their affairs, but dialogue is okay. The joint letter asks for dialogue -- although we did not have anything to do with it. (Ø)

I'm determined not to cancel the summit, nor to cancel arms control talks. The Soviets have had interesting reactions regarding Cuba and Afghanistan. They have reacted well to the election of Chamorro. We are in a constructive area. We want to keep things moving forward. But we are not going to be less than enthusiastic about helping the Lithuanians. I'm going to see Prime Minister Prunskiene this afternoon. Larry, you saw her this morning. Why don't you give us your impressions. It will be interesting for us, and help me in my meeting. (Ø)

Mr. Eagleburger: I did see her briefly, between breakfast and lunch with the Prime Minister. She is very bright, impressive. She said they would be prepared to suspend the laws' implementation, but that they needed some assurances from the West. She didn't say just what they were, but took a very legalistic approach. She says they were prepared to accept the Mitterrand-Kohl proposals with qualifications. Everything was wrapped around a legalistic approach. (Ø)

The President: On the question of how does the U.S. participate in post German unification Europe, we want to see a continued NATO in Europe. Maybe with not so many troops. If countries don't want us to keep troops in their territory, we don't want to stay. But we also don't want to be a mercenary power. We don't want to have troops there if we don't participate in the formulation of policy. We have always said we want to have a role in the European Community. This is why we are interested in a greater participation in the EEC. CSCE is a very big organization and is not conducive to determining policy. On the question of 2 + 4 talks, we don't want these to go beyond what was envisioned at the end of WW II. We don't want that group to

be dictating how post war Europe should be set up. The Soviets would like to see this group used because they see it as giving them more influence. (C)

Now this affects you especially, we want to keep moving on arms control -- and the question of whether we live in a world of more or less tension is affected by whether the Soviets can keep a peaceful evolution. And if we think the Lithuanians can do what Larry says, maybe we can get the right outcome on this situation. (C)

Prime Minister Manley: We have been very admiring of all your actions in this situation. (C)

The President: It is important to me to have your opinion. We want people to know that we fully support the Lithuanians. (C)

Prime Minister Manley: To what extent does Gorbachev have flexibility? (C)

The President: I think Gorbachev has unleashed forces which are stronger than he realized, and perhaps he feels that the movement is getting ahead of him. Things are going much faster than he wanted -- or thought would happen. Who would have thought that the GDR would have developed the way that it did? There are some who think that maybe it would be a good idea to keep troops in Poland and East Germany to keep stability there for a while. Maybe Larry would like to give us his impressions on this. (C)

Mr. Eagleburger: I think that Gorbachev is a superb tactician, but not a good strategist. By pushing Honneker I don't think he expected to see German unification come on like it has. He is courageous, more a tactician, but creative. (C)

The President: Bob Gates is our resident hard-liner. Would you like to add something, Bob? (C)

Mr. Gates: Well, in 1986 Gorbachev said that he would make things up as he went along, and that is what he has done. (C)

Mr. Phillips: What are the prospects for the Soviet economy? (C)

The President: Not good. Brent, what would you say about that? (C)

General Scowcroft: I think that the economy is even worse than it was before. He is talking about moving backward now, saying that he can't do all that he wanted. He probably could do better by trying to move forward even more dramatically. He has made command decisions, but he is having trouble in implementation. (C)

Secretary Brady: They don't have any idea of the energy which would be unleashed in a true market economy. We talked about cooperatives at one point and the Soviets said that they had proved to be more effective, but the people hated the members of the collectives because they had more than the others. They don't understand a market economy. At one point we suggested that they get people who have been exposed to market economies, who have lived abroad and understand about supermarkets and radio stations, perhaps children of diplomats, and bring them together to see if they couldn't use their experience to apply it to the Soviet economy. The Soviets had said that there were probably not more than 40 or 50 people who had that experience. The President has pushed us to be more forthcoming, but there is no receiving end. (Ø)

Mr.Phillips: The Chinese are more receptive. (Ø)

Mr. Eagleburger: They are very bright about economics. (Ø)

The President: What are your chances of attracting investment from Japan, Taiwan, maybe Korea or Western Europe? I would think that they would like to see you succeed. Have you talked with them? (Ø)

Prime Minister Manley: Not much. The free zone of the CBI has attracted interest. The Japanese are interested in Jamaica as a possibility for production. What attracts them is that Jamaica is a pleasant place to live, with golf courses. If we could get them to think of Jamaica as a corporate headquarters it would be very helpful. (Ø)

The President: What are your views on Nicaragua? My good friend Carlos Andres Perez thinks he is an expert, and he is, and he thinks things are going well. I'm a little worried. Can you help? (Ø)

Prime Minister Manley: I can't help, but we all think she (Mrs. Chamorro) is a very astute person. She has been very smart over the long term. A lot of my interpretation of Latin America I get from my good friend Carlos Andres Perez. He knows more than me on these matters. He feels strongly that she is very astute and hopes that she will get support. (Ø)

My second source of input comes from President Carter and Bob Pastor. They thought that the Ortegas are now very much interested in taking the democratic approach and need someone to teach them about parliamentary procedure, and asked if we could get the PNP to help them. We have a lot of Parliamentary experience, and are very well organized. What do you think? (Ø)

The President: I hope he's right. I was glad to see Ortega accept the elections. We're working with Violeta. I would think that you don't want to make it look like Jamaica is trying to help get Ortega back into power. Bernie do you want to say anything? (Ø)

Mr. Aronson: Maybe it would be better to offer to help all the assembly. (Ø)

The President: We don't want to say that nobody should talk to Ortega. He may be taking the democratic approach, and if he does and he comes to power, we will work with him. (Ø)

Prime Minister Manley: Very interesting. I have reacted with a great deal of caution. (Ø)

Mr. Aronson: Mr. Prime Minister, I think what the President and I are saying is that Jamaica is a great model and we are not saying "stay away", but rather to use caution. (Ø)

The President: We don't think that Ortega is a died in the wool communist, that he is in a different mode now. We may be surprised with Daniel Ortega. He is not a bad man. (Ø)

Mr. Pryce: There are of course varying elements among the Sandinistas some of which are not at all democratic. (Ø)

The President: What is going on in Surinam? Any news? (Ø)

Prime Minister Manley: Not much. We are concerned about Haiti. (Ø)

The President: We have talked with Brian Mulroney on that. We have thought that perhaps we and the Canadians and the French could do something. We share the view that she is honest and tough. Have any of our people met her? (Ø)

Mr. Aronson: I have talked with her on the phone. My deputy has met her and was impressed. She is fearful. (Ø)

The President: You mean she is afraid for her life. (Ø)

Prime Minister Manley: The trouble is with the Ton-Ton Macoutes. There are about 20 or 30 thousand of them. Nobody knows how Haiti will solve its problems. CARICOM has been seeing what it can do to support free elections. What we need is the stick and carrot approach. If the elections come about as expected in September, it would be helpful to have a massive international presence for the elections. I don't know what else to do. We will do what we can. (Ø)

The President: Do you know the Chairman of the Joint Chiefs of Staff, Colin Powell? He is a truly great American in a very

difficult job. I hadn't really focused on his Jamaican background. He is 100 percent American and such a fine, able person. (C)

Mr. Eagleburger: He was with us at breakfast. (U)

Prime Minister Manley: We consider him our most respected export. (U)

One last thing, could you do customs preclearance? We suggested a program several years ago but U.S. customs didn't like it. It would be a great help to us. (C)

The President: (looking at Secretary Brady) Well, you're looking at the person who is in charge of this. We would certainly be glad to take a look at it. (C)

The conversation ended with a brief discussion of the farewell ceremony. (U)

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THE WHITE HOUSE

WASHINGTON

3716

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Manfred Woerner, Secretary General of the North Atlantic Treaty Organization (U)

PARTICIPANTS:
The President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
William H. Taft, Permanent Representative to the North Atlantic Council
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Robert D. Blackwill, Special Assistant to the President for National Security Affairs
Raymond Seitz, Assistant Secretary of State for European and Canadian Affairs

Manfred Woerner, NATO Secretary General
W. Robert Pearson, Deputy Assistant Secretary General
James Cunningham, Director of Private Office
Roland Wegener, Deputy Director Private Office

DATE, TIME AND PLACE: May 7, 1990, 10:05 - 10:45am EST
Oval Office

The President: It's good to see you. First, can we talk about dates for the NATO Summit? (U)

Secretary General Woerner: Thank you. Your speech came at the right moment. It has made a great impression in Europe. It opened the way for the success of our Ministerial meetings. We now have developed the structure for the NATO Summit. As to timing, this morning at NATO there was general support for holding the Summit on the 5th and 6th of July. (C)

The President: I want to be flexible. The 4th is our holiday. But we could leave that night. I could then go from London to Houston. (U)

Secretary Baker: Chancellor Kohl would like to hold the Summit after the Soviet Party Congress which begins on July 2. (C)

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2000-0469-F

The President: We can sign off on July 5 & 6. Our fallback could be 15-16 July. Does everyone agree on London as the site, including the Canadians? (C)

Secretary General Woerner: No one supported the Canadian proposal. (C)

The President: How should the substantive discussions go at the NATO Ministerials? (C)

Secretary General Woerner: We would work at the Summit in July on the four topics you listed in your speech: NATO's new political mission, conventional defense and arms control, the role of US nuclear forces in Europe, and the Alliance's ideas for the future of the CSCE. We would finalize NATO's views on these subjects. There should be as many clear statements on these topics as possible. We should not give a sense that we are studying these problems, drifting. (C)

The NPG and DPC meetings will review our military strategy. The Summit should announce our position on the substance of the SNF arms control negotiating position. There has already been enough work to prepare our arms control offer. We need to move, after your speech, to a proposal that would get rid of land-based missiles and address nuclear artillery. We do not want to use the Summit to open up questions for six or eight months in which NATO's role is being challenged. (C)

I have recently visited France. They want to restrict NATO's political role. They are in favor of NATO but see limits on NATO's political cooperation rather than possibilities for improvement. They want political cooperation to be in the EC. We should not let the French use the Summit for those ends. Your speech set the stage. We should reach a Summit Declaration that finishes the question of why NATO is necessary. NATO should not be questioned any longer. This can be done. It needs extensive work but it can be done. (C)

The President: Who did you see in France? (U)

Secretary General Woerner: Foreign Minister Dumas and Defense Minister Chevenement. They want to restrict NATO to being a military alliance with no real political decisionmaking role. NATO for them is an instrument of American influence. We can drag them along if we don't construct the Summit around what NATO will do in the future. Now NATO must act. (C)

The President: I agree. (C)

Secretary General Woerner: The press is now concentrating on TASM. I said look, we need a nuclear requirements study. I avoided being pinned down on the TASM issue. The tactical situation is such that I strongly advise you not to make TASM an issue at this moment. The German elections would concentrate on that. That would be

dangerous. (Ø)

After the elections, there is no problem. If we make TASM a domestic German political issue, it will be like FOTL was a year ago. We should keep open the TASM issue through study and finalize the commitment next spring, after we are out of the German elections. This is my tactical advice. We need to handle this in an elegant way. The Summit should give a political message, include an arms control offer, indicate our objectives for CFE II and for CSCE. That would be a major accomplishment. (Ø)

Secretary Baker: And it could point the way for our ongoing review of military strategy. (Ø)

The President: President Gorbachev needs to be convinced NATO isn't dangerous in the new era. That is a big assignment, especially among his military. (Ø)

Secretary General Woerner: In Soviet eyes, especially from the military perspective, they see NATO as the enemy. We have to transmit a new message: NATO is a force for peace and European security, in cooperation with the Soviet Union. We want a partnership in a cooperative structure. (Ø)

Secretary Baker: They are beginning to realize that there could be no US presence in Europe outside of NATO. And they want that presence. (Ø)

The President: The agenda you have outlined is just right. There is a lot of work to do, but it is damned important. (Ø)

Secretary General Woerner: How did your meeting go with President Mitterrand? (Ø)

The President: Good, but maybe he's only telling us things to make us feel good. Or he may be leaving it to the French bureaucracy, which only wants to stiff us. We have to keep pressing them. (Ø)

Secretary General Woerner: What do you think about German unification? (Ø)

Secretary Baker: My view is that this is the most sensitive issue for the Soviets, especially in advance of the Party Congress. They are trying to buy time. They are being schizophrenic: first they want a package deal, then they say they can accept unity now and give sovereignty later, which of course is a non-starter. I was encouraged about what is going to happen because of Allied solidarity, but not encouraged about the Soviet Union. They have a real problem there with public opinion. They don't have any cards, only Four Power rights. They have little leverage, so ultimately they will have to come along. (Ø)

The President: Might we change the name of NATO to reflect a new mission, to help take heat off the Soviets? It may be cosmetic, but it might help show the soviets that NATO isn't only military

and only hostile. (Ø)

Secretary General Woerner: The name is not as important as the substance if they believe we are really changing our strategy. (Ø)

The President: That too, but names matter; let's think about it. Maybe that great word "stability" is in there, to take away the connotation of NATO as an enemy to Eastern Europe and the Soviet Union. I hope they come around on this. (Ø)

Secretary Baker: The Poles raised the point with me that if the Soviet withdrawal from the GDR will be paid for by the Germans, why shouldn't they pay for withdrawal from Poland too? (Ø)

Secretary General Woerner: The Poles, the Czechs, and the Hungarians are having trouble explaining why they are in the Warsaw Pact. (Ø)

Secretary Baker: CSCE can help. (Ø)

Secretary General Woerner: We have to persuade the Soviets that CSCE is a place for them too. (Ø)

Secretary Baker: The Soviets dropped their demand to synchronize German unity with progress in the CSCE at the Two Plus Four meeting, but they will still make the argument that they need a new European security structure. (Ø)

The President: Our long-range goal is work on the shift from a confrontational to a cooperative image for NATO. (Ø)

I hope I can get Lithuania solved. It is causing major problems, and it will cause more if we can't make progress. (Ø)

Secretary General Woerner: Do the Soviets appreciate how restrained you have been? (Ø)

The President: I hope so. (Ø)

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THE WHITE HOUSE

WASHINGTON

MEMCON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Jaime Paz Zamora of Bolivia (U)

PARTICIPANTS:

The President
Nicholas F. Brady, Secretary of Treasury
Carla Hills, United States Trade Representative
William Bennett, Director of National Drug Control Policy
Lawrence Eagleburger, Acting Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Bernard W. Aronson, Assistant Secretary of State for Inter-American Affairs
Robert Gelbard, U.S. Ambassador to Bolivia
William T. Pryce, Senior Director for Latin American Affairs, NSC (Notetaker)
Lillian Nigaglioni, Interpreter

Jaime Paz Zamora, President of Bolivia
Carlos Iturralde Ballivian, Minister of Foreign Relations
Guillermo Capobianco, Minister of Interior
Dr. Gustavo Fernandez Saavedra, Minister of the Presidency
Mr. Enrique Garcia Rodriguez, Minister of Planning and Coordination
Mr. Angel Zannier Claros, Minister of Energy and Hydrocarbons
Jorge Crespo-Velasco, Bolivian Ambassador to the United States
Mr. Samuel Doria Medina, Economic Adviser to the President
Maria Teresa Guzman Willett, Interpreter

DATE, TIME AND PLACE: May 8, 1990, 11:05 a.m. - 11:25 a.m. EST
The Cabinet Room

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Declassify on: OADR ~~CONFIDENTIAL~~

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OSI 8/21/2009
2000-0429-F

The President: I apologize to our friends for taking so much of your President's time. With your permission we will go until about ten minutes after 12:00 and then break for the luncheon where we can continue our discussions. I will turn the floor over to the President, but only after I say how pleased we are to have you here. We have noted the economic progress you have made and are very pleased to see you get inflation in good shape. It is with great respect that I greet you as President and I have to let our friends know how much I appreciate our cooperation in so many fields. (Ø)

President Paz: Many thanks, Mr. President. We have been very well received. Not only personally, but I convey the feeling of all my delegation. Something new is in the offing between our two countries. We have a long tradition of cooperation, but I think we are embarking on something new. Our wish is that in the future we can cooperate and it will involve friendship, fraternity -- in the letter you sent me you spoke of our common home. We need to learn to love each other, our hearts need to be together so that we can get good results. We wanted to raise several things. Narcotics, which has taken us much time. We are working on joint responsibilities which we share. I want to reiterate that we are totally committed and ready to proceed with all our support in this struggle. I think that our effort is quite well balanced and has laid the basis for the future not only in terms of public awareness which can be very important, but internally. Here I refer to the eradication program where we have met the quota we set for ourselves for 1990. On interdiction, we have captured 8,500 kilos. (Ø)

What is the additional cooperation we envision? We need cooperation on alternative development. We have developed after Cartagena a special cooperation. What is the level of cooperation for alternative development? We need flexibility for this development. This is one matter that I think is important. (Ø)

A second matter is the use of the Armed Forces. It is important that Bolivians believe we are not waging war. In our nine months, we have had only one casualty. We want to find out what happened there. In order to clear thousands of acres of coca, we need to have an overall deal. Our helicopters have been flown by Bolivians. So far there have been no accidents. This has been a good track record. This is a significant indicator of what we think in terms of the fight. We need to be careful that we don't bring violence into an area where there is no violence. (Ø)

In Colombia or Peru, the situation is very different. We have narcotics traffickers but they are not cartels. We want to substitute other crops for coca. On interdiction, this is the way we are doing it. Today we have the police fighting directly against the traffickers. I think this is working well. Each of

the boys of the police who work with this make about $100 a month. That is a problem. They are putting their lives on the line. Not only does their salary not reach $100 a month, pardon me for talking about figures, but they do not have the equipment that is needed. They don't have a building to live in. They are living in tents. I have information that there is a shortage of beds. In some cases, two soldiers share one bed. We should be able to solve this problem. We think that these young men who are working well should be paid well and supplied well. (Ø)

Our people need to be well equipped. I don't think I should give orders for war or that I should order unnecessary force. I think that the people of Bolivia should fight the traffickers, but in an effective way and in a peaceful way. I think we need to avoid rumors of a militarization of Bolivia. (Ø)

I also wanted to raise what we said at our first meeting. I am even more convinced that Bolivia wants to cooperate as much as possible, and the best way to do this is to have more investment in Bolivia. I was therefore happy to hear about your speech to the Chamber of Commerce where you asked the United States to invest in Latin America and Bolivia. This is the message we have heard from the the U.S. Government. I think we could help the U.S. Government achieve its goal of a better life for Latin Americans through investment. (Ø)

I was in Europe and talked to leaders not only about the war against drugs, but also about development. We talked about financing alternative development. We said that although the United States was the major source of demand for drugs, they should not do it all. Others need to help. They have committed themselves to cooperate. It has to be most important for the U.S. and Europe to cooperate in terms of programs. (Ø)

Regarding U.S. cooperation, we have been talking about direct cooperation. The U.S. has been providing funds for special programs such as CBI and Puerto Rico, which is a very special case. The U.S. 936 program is for the Caribbean. Perhaps it could be expanded. We could make a broader program. Regarding the question of a gas production facility with Brazil to produce power. We need resources. We have talked with Brazil and Japan. They are looking for guarantees, and Brazil has said that the best guarantee they can give is a guarantee to buy our gas. But the World Bank wants a guarantee for the whole project. They want an absolute guarantee. I have talked with our Bank Director on this. With the influence and weight you have in the World Bank, I hope that you could help us on this. (Ø)

The President: On that project, the information that comes to me is that it makes good sense. If we are covinced, we can weigh in. I don't know why a gas contract wouldn't be good collateral. In principal, we are with you on that, and will see if we can't give you the support you are asking for. (Ø)

I want to repeat one thing I said in our private meeting. I told President Paz in there that I don't want to send a signal that we are neglecting Latin America. I have talked with the EEC about helping more in this area. I have talked with Japan. Trade Representative Hills and Secretary Brady have talked. We don't want to neglect Taiwan on this. They have lots of money. We have taken this up with Japan and the EEC and got general expressions of interest. Not about your country specifically, but in general. (Ø)

We should walk over to the lunch and continue or discussion there.

-- End of Conversation --

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
17. Memcon	Re: Meeting with President Jaime Paz Zamora of Bolivia (5 pp.)	5/8/90	(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 4/13/90 - 5/17/90

Document Partially Declassified
(Copy of Document Follows)
By GJL (NLGB) on 10/4/10

Date Closed:	1/26/2009	**OA/ID Number:**	91107-009
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(184)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

(b)(1) National security classified information [(b)(1) of the FOIA]
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(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

MEMCON

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Jaime Paz Zamora of Bolivia (U)

PARTICIPANTS:

The President
Nicholas F. Brady, Secretary of Treasury
Carla Hills, United States Trade Representative
William Bennett, Director of National Drug Control Policy
Lawrence Eagleburger, Acting Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Bernard W. Aronson, Assistant Secretary of State for Inter-American Affairs
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Jaime Paz Zamora, President of Bolivia
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Mr. Enrique Garcia Rodriguez, Minister of Planning and Coordination
Mr. Angel Zannier Claros, Minister of Energy and Hydrocarbons
Jorge Crespo-Velasco, Bolivian Ambassador to the United States
Mr. Samuel Doria Medina, Economic Adviser to the President
Maria Teresa Guzman Willett, Interpreter

DATE, TIME AND PLACE: May 8, 1990, 12:15 p.m. - 1:15 p.m. EST
The Old Family Dining Room

The President: (The conversation began with a discussion of sports including President Paz's description of a soccer game he played with Argentine President Menem where they played on the

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2000-0429-F

same side, and the President's description of the tennis match he and Secretary of State Baker played against Menem and President Borge in San Jose Costa Rica. President Paz's son played on his team and they both scored a goal.) President Menem is a good man who has very serious economic problems. ~~(C)~~

President Paz: Menem is having serious problems which impinge on us. They owe us 18 million a year for gas shipments, and have trouble paying. ~~(C)~~

The President: I have great respect for him and what he is trying to do. ~~(C)~~

President Paz: I also have respect for him. Under his administration, the Argentines are trying to pay their gas bill. They are doing better than the previous government, they are making most of the payments. ~~(C)~~

The President: How is he doing with his military. I had heard that there were some reports that some elements of the military were causing trouble, or that they had been. ~~(C)~~

President Paz: I think that he is doing okay. I want to be careful how I say this so I will not be misinterpreted, but we say about the Argentines that they are very special, so if you feel a certain way with the civilians, think how you would feel about the military. So it is very complicated. There is an improvement in our relations. ~~(C)~~

The President: Have you talked with President Barco lately? We need to keep up support for him to keep up the fight. ~~(C)~~

President Paz: I certainly encourage him. ~~(C)~~

The President: Did you see that article about the "Stinger?" The narco-traffickers came up to Florida to try to get "Stingers" so they could shoot down President Barco. ~~(C)~~

President Paz: Colombia, unfortunately has a long history of violence not only regarding narcotics, but their politics are also violent. ~~(C)~~

The President: Yes. I was very sorry to see that former guerrilla member, who changed from being a guerrilla, killed. It was a shame. ~~(C)~~

President Paz: Violence has been a problem in Colombia for years. ~~(C)~~

The President: Violence somehow seems more bloody in Colombia. We of course have our own problems of violence on our own streets. ~~(C)~~

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President Paz: Colombia has a violent culture. The average Colombian is nice, but if a Colombian can get away with something, he will. This leads to violence. (Paz told a story of being stopped in the middle of the jungle in Colombia near Venezuela and being forced to give all his money to a group of native dancers and their supporters who had blocked a bridge with a chain.) ~~(C)~~

Secretary Brady: The President has just told me that you reviewed the economic progress you made with him. We are very impressed. There is a shortage of capital in the world and capital tends to go where the conditions are best. We were talking earlier (at Treasury) about the fact that some flight capital is coming back to Bolivia. When you compare the success you have had in Bolivia with Brazil or Argentina, not that the problems facing them are not very difficult, usually we have a long session complaining about steps which need to be taken, but we are impressed with all you have done to attract funds to your country. ~~(C)~~

President Paz: Thank you. The sacrifices we have made have been great, but people know we are going down the right path always. We have to pay for it with sacrifice. People don't depend on the reaction of one President or one Government but on a trend. Nevertheless people say fine, but when will we see the benefits of growth for which we are sacrificing. That is why we want things to happen -- like the gas pipeline to Brazil we spoke about earlier. People need to see things happen. ~~(C)~~

Foreign Minister Iturralde: Since we said this would be a chance to continue our previous talks, I'd like to bring up three or four points. ~~(C)~~

The executive agreement is sort of an overall agreement to follow up on what happens. There are three annexes: 1) which talks about amounts (interdiction); 2) which talks about alternate development; and, 3) which covers the involvement of the armed forces. We are creating an umbrella which will mention economic assistance in 1991. That will be 86 million dollars which is the amount requested of Congress -- that is one half. The other half is that 175 million asked for all of the Andean countries of which Bolivia will get 65 million. We are talking about 150 million for 1991. There would be 33 million or so for military equipment, and if we included other military items where would be about 40 million in this. We know this is the higher level of assistance which has been mentioned. Nothing has been mentioned about Cartagena. We in Bolivia follow closely these matters. We could say that we could do more against more. ~~(C)~~

Another problem is that there is assistance pending for $18 million and the U.S. wants to list the tons of cocaine eradicated. Now we think that it is important not to mention any figures. There should also be no link to balance payments with

figures. At this time we have already exceeded our quota, so why rock the boat? (C)

On this we should set up a task force to handle looking at this question with the White House Chief of Staff, Mr. Bennett, and other appropriate people to review the progress we are making and see how things are going. (C)

The President: Why don't you bring this up in you talk with the Secretary of State. (C)

Mr. Bennett: Since we are having an informal meeting and continuing to work, I'd like to take the opportunity to talk about violence a little. My understanding is that the Bolivians are also brave. I'd be curious about the notion that the cartels which are operating in Colombia are now also operating in Bolivia. [redacted] We have stressed to our public and stressed to the Congress the need for equipment. There is a great amount of money involved, and the traffickers won't give up without a fight. What does the President {Paz} intend to do? We too don't want to see a situation like in Colombia, but we know that traffickers will not give up power voluntarily. (C) (b)(1)

The President: Was that a question? (U)

Mr. Bennett: Yes, and an assessment. (U)

President Paz: I maintain that this is a special situation. In Bolivia they don't kill people. They got 3,500 kilos of cocaine in four months without one killing. No other countries do that. In my opinion the traffickers used to depend upon Colombia for delivery. Now Bolivia is trying to operate independently. Maybe they would act independently, or through Brazil. Traffickers react violently when attacked or when cocaine is seized. We have a Ministry of Interior who has appropriate forces under his command. We need 15 aircraft so we can see where attacks need to be made. We want to get at the problem of traffickers. The Bolivian citizen wants to make a quick buck and leave the coca business when he has a grub stake. The Colombian wants to stay in and keep power. (C)

Mr. Bennett: May I ask our Ambassador to Bolivia how he sees the situation with traffickers in Bolivia? (C)

Ambassador Gelbard: Over the last two or three years we have seen a significant increase in violent reactions because traffickers are becoming more involved in the fight. We have seen more Colombians in Bolivia and Colombian organizations are becoming more involved in violence. (C)

Foreign Minister Iturralde: Violence which means one death in nine months. That's not much. There may be violence, that may

happen, that's why we need alternative development. That is why we need to prepare programs to meet violence. ~~(C)~~

President Paz: We are making an effort to develop a single registry and a single ID card. At this point, we don't have it. We need to know for sure what Colombians there are operating in Bolivia. With a program of this type we would have better control. If the situation should become dangerous, we would take action. You have met my sons. They don't need protection to walk the streets of Bolivia. Maybe the father needs protection, but not the sons. We should not underestimate the problem. We should move forward. That is why the equipment needs to be better. In areas where the narco-traffickers are active there should be a well equipped military unit near by. This is important. If the narco-traffickers get the idea that our Armed Forces are not well equipped -- this would be bad. ~~(C)~~

Foreign Minister Iturralde: We are aware that the narco-traffickers are in business and that their financial power could be very dangerous. That is why we are clearly committed to waging war against them (Max Hernandez is an example). In my opinion, Bolivia used to depend on Colombia for delivery. One of the persons who we think is outstanding is the Minister of Interior. This minister is not only outstanding, but compare the people in his programs with the others who were there before. There is a great moral difference. This is important. This impression of U.S. personnel is that there is a difference. This means that traffickers can not buy people in government. After the last operation, they {the traffickers} burned their aircraft because they knew that the people would not give them back their plane as used to happen. ~~(C)~~

The President: I know that you will have time to talk with Secretary Baker and others. I hope you will have an open two way street in your talks. I'm glad you don't have violence. I'd like to have exercises to help see you don't have violence. We hope to continue cooperation. ~~(C)~~

I think that the press is waiting for us. Should we go out to greet them? (U)

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
18. Memcon	Re: Meeting with President Abdou Diouf of Senegal (8 pp.)	5/14/90	(b)(1)	S

Collection:

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

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 4/13/90 - 5/17/90

Date Closed:	1/26/2009	**OA/ID Number:**	91107-009
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(185)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	8/21/2009	**MR Disposition Date:**	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Abdou Diouf of Senegal

PARTICIPANTS:
The President
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President and National Security Advisor
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert M. Gates, Assistant to the President and Deputy National Security Advisor
Herman J. Cohen, Assistant Secretary of State for African Affairs
John M. Ordway, NSC Staff (notetaker)
Alec Toumayan, (interpreter)

President Abodu Diouf
Moussa Toure, Minister of Finance
Abdoul Aziz Diop, Minister Delegate for Planning
Ibra Deguene Ka, Senegalese Ambassador to the U.S.

DATE, TIME AND PLACE: May 14, 1990, 11:00 - 11:45 a.m. EST
The Oval Office

The President: It's wonderful to see you. I know this is a private visit, but I want to hear what you have to say. I have followed your remarkable Presidency. Maybe when you know someone personally, you take more of an interest. I am delighted you are here. (U)

President Diouf: Thank you, Mr. President. I want you to know that not only is this meeting a sign of the special relationship between Senegal and the U.S., but this visit comes in the framework of personal friendship. It is thanks to this that we have achieved this relationship, strengthened by our joint vision, and mutual understanding between the two of us. (U)

We can do more in the future, both in bilateral cooperation and in the context of our joint efforts to achieve greater peace in the world, a more just world, showing more solidarity. ~~(C)~~

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With regard to bilateral cooperation, things are going very well. The only request we would make is in regard to the amount of assistance. If it could be a bit more substantial. But the quality of your assistance is at its best. ~~(C)~~

The President: I believe we are providing about $40,000,000 this year? ~~(C)~~

Ambassador Moose: About $42,000,000 this year. We have been averaging about $40,000,000 recently. ~~(C)~~

The President: I share your view on the close cooperation between our two countries, and the overall relationship. The levels of funding are very tough. We are in big battles with the Congress on funding levels for foreign assistance. This ties into our mega-economic problem, with our massive budget deficit. We will do the best we can, since you have been helpful in every way. I am listening very carefully to what you say. ~~(C)~~

President Diouf: Perhaps there are ways to go beyond what you are doing. For instance, Senegal is not getting PL-480 Title III. This area could be studied, to see why Senegal is no longer a beneficiary of PL-480 Title III. ~~(C)~~

The President: Will you be seeing some of our experts, the new AID administrator, Mr. Rosken, Agriculture? (U)

Ambassador Moose: He will be seeing the AID Administrator, but not Agriculture. (U)

The President: We will encourage them to be as helpful as possible. (U)

President Diouf: Regarding military assistance, we appreciate what has been done, but the figures for the current two years show a decline. My chief of staff will be received at the Pentagon tomorrow and will discuss this with them. Again, let me thank you for the assistance we have gotten, and the very good terms. ~~(C)~~

The President: What are your priorities? What, not in detail, are your major defense requirements? ~~(C)~~

President Diouf: We need help in the military area, for the army. Your assistance has been to support the effort of the Senegalese army to contribute to national development, equipment for civil engineering works. For the navy, your cooperation is best exemplified by the naval base you built. This enables us to better monitor our fishing resources. We have been able to defend our coastal areas. This is important to defending the

national economy, since there is considerable smuggling in our area. ~~(C)~~

Also, I would like to highlight your efforts in the air area, where you have helped in the struggle against locusts. You have made available aircraft with a large amount of spraying capacity. (U)

Regarding defense cooperation, we also see a key role being played by your energetic diplomatic approach when our neighbors went beyond the borders of the permissible -- I am referring to the problem with Mauritania. ~~(C)~~

The President: I wanted to ask you about that. (U)

President Diouf: When I hear Mauritania is trying to escalate tensions, threatening to wage war against Senegal, I ask that Ambassador Moose be notified, even in the middle of the night, so that the U.S. Government will know and can act to make demarches to the Government of Mauritania. ~~(C)~~

The President: Is there any prospect for a greater mediation effort by President Mubarak? I know that has been tried, it is logical. ~~(C)~~

President Diouf: Mubarak is a man of good will and good faith. He has worked on the problem, and we accept Mubarak's proposals. But every time he turns to Mauritania, the Mauritanians turn him down. I was in Cairo, in Mubarak's office, and he offered the following solution. First, resumption of diplomatic relations. Second, resumption of air relations. Third, a meeting between the two presidents to unblock the situation. I agreed, and Mubarak was very happy. He phoned President Taya, who was reluctant, and said he would be sending a minister. Then, he sent a cabinet member and the answer was negative. ~~(C)~~

The President: On all three points? ~~(C)~~

President Diouf: On all three. ~~(C)~~

On the day before I left to come to Washington, the Egyptians proposed that the Ministers of Foreign Affairs and of Internal Security should meet in June in Paris in the Egyptian Embassy, under the chairmanship of Boutros Ghali. I gave my consent. I don't know what the Mauritanians will do. ~~(C)~~

We have observed at ministerial level meetings for more than one year, that the Mauritanian ministers receive instructions to be inflexible, and they view these instructions as rigid. We can't

make progress. My ministers always ask me for instructions, and we try to be flexible. However, we are in a deadlock. (C)

The most pressing problem is a human rights issue, namely that 50,000 Mauritanians have been expelled from their own country, and are now in Senegal. They have lost everything: their homes, their possessions, everything. (C)

The President: Is this on ethnic grounds? (C)

President Diouf: Yes. It is on ethnic grounds. (C)

The President: On human rights, you have been helpful in voting with us on the issue of human rights in Cuba. I know this is not easy, taking a position like that on a third world issue. But I wanted you to know that we have noted your stand with interest. (C)

We don't want to beat up on Castro, but everybody else in the world is moving forward toward human rights and multi-party democracy, and he is moving back the other way. (C)

How is my old friend Qadhafi behaving in Africa? (S)

President Diouf: I share your view. Castro needs perestroyka and democracy. (C)

The President: If he gets perestroyka in Cuba, he's history. (C)

He has some standing with the people there because of his revolutionary zeal, but time is now passing him by. (C)

President Diouf: Regarding Qadhafi, you know that I am hosting the Islamic summit in January 1991 in Dakar. I will endeavor to improve relations with Qadhafi, with all Islamic countries, but especially with two restless countries: Libya and Iran. (S)

I was able to normalize relations, but we have been having lots of problems. For example, with Libya. We went to Qadhafi and other Islamic countries asking them to contribute to the expenses of the Islamic summit preparations. Saudi Arabia has helped us with a $100,000,000 gift. Other countries, less powerful, have made gestures. Kuwait has given $30,000,000. The United Arab Emirates have given $5,000,000. Qatar has given $2,000,000. Even Oman, which is not very affluent, has given $1,000,000. Qadhafi, after keeping us in suspense for more than one year, has given us $1,000,000. And you know how much money he has and how he finances terrorism and other things with his money. (S)

(b) (1)

(b) (1) The last time I saw him, he stressed, above all, that he wanted me to bring about reconciliation with you. Every time he sends an envoy, he asks if I have seen President Bush and that I should seek reconciliation. I say no, I have not yet seen President Bush. I have told Ambassador Moose all about this. (S)

Qadhafi creates a conflict for me. He says that President Bush has a daughter who is in business. Why doesn't he send her as an envoy to me? I wonder if he is thinking about Maureen Reagan.

(b) (1) (b) (1)

(b) (1)

Ambassador Cohen gave the appropriate answer -- that my daughter was going to marry his son! His son and my daughter grew up together. They are very close. (S)

The President: Mubarak tells me he can make progress with Qadhafi. [Imitates Mubarak, saying that Qadhafi is not a problem, that he can tell him what to do.] I said to him, "watch your wallet." He [Qadhafi] is a devious man. (S)

I don't want to dwell on that; however, I have heard that he wants reconciliation, but he is still involved in terrorism. And we know, for a fact, that the Rabta plant was preparing for chemical gas production. There are no grounds now for improved relations. I have no problem with you telling him that you raised it with me, if that would help with your relations. That's fine with me. (S)

President Diouf:

(b) (1)

(b) (1)

(b) (1) I told Ambassador Moose, that I would raise this, and gave my personal opinion. He can't be trusted. (S)

The President: We agree on that. (S)

President Diouf: Regarding Iran, we resumed relations, but are very worried. I had to have the Iranian ambassador called in and

told that if he kept up what he was doing, we would have to expel him and break relations. (C)

The President: They are stirring up radical opposition? (C)

President Diouf: Yes, they are stirring up Lebanese centers. There is a Shiite imam, who was given Senegalese citizenship. These Lebanese Shiites are stirring up trouble throughout West Africa. They are passing out books, extolling the Iranian revolution, and criticizing my friends the King of Saudi Arabia and the King of Morocco. I had the ambassador in to tell him to stop this. He denied having anything to do with it, but I know it was his doing, because it has stopped. (C)

We are very worried because of all that is going on. Our friends in Morocco and Saudi Arabia are very aloof from the situation. We know the problems they are causing for Saudi Arabia. I prefer the French. (C)

On Iraq. We supported Iraq during the war with Iran. I have the impression now, though, that Iraq is falling back into old demons. I have recently received intelligence saying that Iraq wants to carry out missile tests in Mauritania. We have been told they want to carry out chemical weapons testing in Mauritania, too. In Mauritania, the toughest faction is controlled by the Iraqi Baathist party. (C)

The President: Is the President close to Saddam Husayn? (C)

President Diouf: His only trip out of the country since the events with Senegal has been to Iraq. The Iraqi press is against us, with provocations and slander in the newspapers. Husayn says this is not at his instructions and that Senegal and Mauritania are both his friend. But we are very worried. (C)

The President: We are worried, too. We have improved relations with Iraq, but there are very troubling signs, particularly this "long gun." (C)

We have no relations with Iran, but we take some encouragement from Rafsanjani, and Velayati seems like a more reasonable man than his predecessor. But we can have no normal relations with Iran until the hostages are released. Once they are released, we are willing to try to improve relations, if these six Americans are released. We have had some settlement of claims with them, but this is still a big problem. It would be nice to see Iran move back into a more civilized mode. (C)

President Diouf: Let's hope that Algeria won't fall into fundamentalism. (C)

The President: Are you worried? (C)

President Diouf: Yes. (C)

The President: We like President Chadli Bendjedid. He is a reasonable man. But we see some difficulties here. It would be terrible if Algeria fell into a fundamentalist mode. Will you see Chadli soon? (C)

President Diouf: I have no immediate plans to see him. (C)

The President: If you do, please give him my regards and tell him we hold him in great respect. (C)

President Diouf: I don't think he was right to permit an Islamic party to come into being. In our constitution, we prohibited any party based on religion, sect, ethnic group, region, language or sex. I told Bendjedid that he should carry out democracy. He followed my advice. But now, with the Islamic party, that is dangerous. I am afraid, not only for Algeria, but for north Africa as a whole. I want to urge Chadli to resist these pressures. I am told that the fundamentalists have more militants in Algerian than the FMLN. (C)

The President: Your daughter is studying where in the U.S.? (U)

President Diouf: At George Washington University. She is studying civil engineering. (U)

The President: This is wonderful. We view it as a great tribute that she, and your son, are studying here. (U)

President Diouf: Three of my four children are studying here. (U)

The President: Where is the other? (U)

President Diouf: At American University. (U)

I will discuss with Ambassador Cohen in detail some other questions, but I am very interested in the efforts to restore peace in Angola and Mozambique and in your joint efforts in Sudan, Ethiopia and Chad. (C)

The President: Ethiopia is very discouraging, since there are people dying, and we cannot get food in. In Sudan, I hope talks can produce peace in that tragic land which is divided between north and south. (C)

I had a good visit with the President of Mozambique and was very impressed by him. We are staying with him, even though there has been some pressure from some quarters here to support RENAMO. But we are not going to do that. ~~(C)~~

What was the other country? Angola. We want to get talks going there, too. We think negotiation is the way to go. ~~(C)~~

President Diouf: In South Africa, we must support the tandem: de Klerk and Mandela. ~~(C)~~

The President: We agree. De Klerk is coming to see me next month; we don't have a date for Mandela, yet. ~~(C)~~

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Ben Ali of Tunisia (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Shuckran Kamal, Interpreter

President Ben Ali
Abdelaziz Hamzaoui, Tunisian Ambassador to the U.S.
Afif Garbouj, Interpreter

DATE, TIME AND PLACE: May 15, 1990, 10:30 - 11:00 a.m. EST
The Oval Office

The President: With your permission, let's start in here briefly, if you have any subjects you would like to discuss in private. (U)

President Ben Ali: I would like to express my pleasure at being here and continuing our talks, especially since the United States enjoys such prestige and since our two countries agree on democracy, human rights, and economic progress. We can discuss other issues in our general meeting, but if you have any questions on our internal situation? (S)

The President: We have great respect for the way you have been moving. We are concerned about stability in Algeria. It is so important that Tunisia continue its role of a stable element in the region. We have no sense of instability in Tunisia, but stability in the Maghreb as a whole is of concern to us and is very important. We continue to view Qadhafi as a destabilizing force, but I would like to hear your views on him. (S)

President Ben Ali: I would like to discuss religious extremists in Tunisia and Algeria. (S)

The President: Good. (U)

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President Ben Ali: We are watching the religious extremists very carefully in Tunisia. We are giving them a little freedom to see how they behave. There is no pluralism in Islam. They have the "word." The extremists lie and double talk. We let them out of prison, form student unions, publish a newspaper, et cetera. We want them to speak up so people can see and hear what they are. I do not think they are a threat. (S)

The President: Is one worse than another? (U)

President Ben Ali: With each he has his style. He tells Qadhafi that Tunisia's leadership are agents of the United States. Then he comes here and says something different. He doubletalks. He fits his talk to his audience. In Algeria, things have advanced further and we are worried. Their religious party is legal. They go out from mosques to demonstrate and there is violence. Ninety percent of the women wear veils out of fear. They believe they can achieve power. (S)

The President: Does Benjedid believe that? (C)

President Ben Ali: He doesn't think so. We have spoken together about it. I fear negative developments in Algeria. (C)

The President: That would be terrible. Where does Qadhafi stand? We haven't changed our view of him. (C)

President Ben Ali: Qadhafi is Qadhafi. He has not changed. Revolutionary centers are his cure for everything. (C)

The President: How about Morocco? (U)

President Ben Ali: We are a little apprehensive. We believe that maybe the situation in Morocco is a bit tense and the religious elements are beginning to move. The extremists use human rights as a justification for their actions. Our students are protesting for human rights, but I would like to talk to them because they do not understand -- they do not know the facts. (S)

The President: Is the (Western) Sahara still a mess? (U)

President Ben Ali: The referendum won't lead to a solution. The King of Morocco won't give up any territory and so long as Algeria supports the Polisario, there will not be any end to the conflict. (S)

The President: I thought that King Hassan and the Polisario had gotten together. (U)

President Ben Ali: They had some talks but not that much came of it. (C)

The President: We would like to help but it is difficult to see how the United States could play a role. (S)

President Ben Ali: Things are worse in Algeria than in Morocco. Economic conditions are the primary cause. When a Muslim is hungry he turns to God. (S)

At 11:00 a.m., the private meeting adjourned to the Cabinet Room. (U)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Plenary Meeting with President Ben Ali of Tunisia (U)

PARTICIPANTS:
The President
The Vice President
Lawrence S. Eagleburger, Acting Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Ambassador Robert Pelletreau, U.S. Ambassador to Tunisia
John Kelly, Assistant Secretary of State, Near East Affairs
C. David Welch, NSC, Notetaker
Shuckran Kamal, Interpreter

President Ben Ali
Mohamed El Jari, Minister and Director of the President's Office
Ismail Khelil, Minister of Foreign Affairs
Mouldi Zouaoui, Secretary of State for Industry and Commerce
Abdelaziz Hamzaoui, Tunisian Ambassador to the U.S.
Salah Baccari, Advisor to the President
Jamaledine Chichti, Advisor to the President
Afif Garbouj, Interpreter

DATE, TIME AND PLACE: May 15, 1990, 11:00 - 11:45 a.m. EST
Cabinet Room

The President: This is a pleasant opportunity to renew the dialogue we started last November. We touched upon one or two matters in the Oval Office. We will have a little time before dinner to talk further. I have great respect for what you are doing in the area of democracy and economic reform. This will benefit Tunisia. So, welcome again. The floor is yours. Let me say that your statement outside was well-considered and well-received. (U)

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President Ben Ali: Thank you, Mr. President. I thank you once again for this opportunity. I would also like to express Tunisia's gratitude for U.S. support -- direct and indirect, through international institutions. We have mentioned the positive cooperation between our nations. It is possible to expand this cooperation. Tunisia is embarked on important reforms. Tunisia meets its debt obligations on time, despite the difficulty, to preserve our credibility. The U.S. financial support is important, but it has its drawbacks. We need resources to back our reforms. I can give examples of drawbacks for our balance of trade and balance of payments, with respect to our growing debt. We have a few solutions to suggest. (S)

President Ben Ali: First, there is the possibility of using debt service to finance development -- the "recycling" idea. Second, there is the possibility of raising the level of U.S. assistance. Third, we can encourage more private investment in Tunisia, especially by allowing U.S. oil companies to explore in the continental shelf. In the trade area, after Tunisia has joined GATT, we can look at getting your assistance on textile imports. Fourth, in the area of agriculture, despite a good rain, we still have a drought. We want the financing of easy term loans, not commercial ones. Fifth, in the social area, we want continued support for family planning, so that Tunisia can reduce its average family size to 2.8 children per family. (S)

The President: May I comment on a couple of these points. We have the highest level of assistance for international family planning for the U.S. government. As for the details of our program in Tunisia, I would like to ask our Ambassador to say something. Bob? (U)

Ambassador Pelletreau: We have had a long program, which is now being phased out in favor of private efforts. (U)

The President: We will take a look at it, Mr. President. About the offshore drilling, I don't know what the constraints may be here... (S)

Ambassador Pelletreau: The joint venture that is contemplated, Mr. President, is with Libya. (S)

The President: Perhaps we could look at separating out the Tunisian part. I told President Ben Ali about our continuing concern about Qadhafi -- our view has not changed. There are things that he can do as convincing evidence of a change, but he has not done those things. He is still involved in terrorism and Rabta is what we say it is. That's a very dangerous plant. We will take a look at whether there is some way we can separate out Tunisia's involvement in terms of our sanctions, since we want to encourage economic cooperation. (S)

Ambassador Pelletreau: The most promising area for exploration would involve a joint Tunisian-Libyan effort. We would need to separate out Tunisia. (S)

Acting Secretary Eagleburger: We will take a look at it. (C)

President Ben Ali: According to our information, the oil is in their area, so Tunisia would stand to benefit more from this joint effort. (S)

The President: We will look at it again. We want to see our companies cooperate more with foreign nations. We'll review it, but it sounds complicated. Qadhafi is a problem. The Europeans think that we are too hard on him; I don't think so. Mubarak thinks that he can tame this wildcat -- I say to him that watch out, this cat will scratch you. I don't want to mislead you -- we have no flexibility regarding Qadhafi, but we will look at the possibility of separating out Tunisia. (S)

President Ben Ali: Qadhafi is in fact an unstable man. We want to do this joint exploration before he changes his mind. Another issue is the students at the Ariana Institute. These students cannot get English instruction in our universities, so we want the scholarship program expanded to include college education. (S)

Ambassador Pelletreau: I can explain a bit. There are secondary schools in Tunisia that have English instruction but the universities do not teach in English. Our program provides only for graduate students. Tunisia wants the flexibility to extend this program to the college level. (C)

The President: Are there undergraduate scholarships for Tunisian kids? How many are we talking about? (C)

President Ben Ali: From 50 to 120 annually. (C)

The President: We will look again at this. I salute your interest in education. We believe it is in our interest to have Tunisia's best and brightest in our universities. You also raised debt; Secretary Brady, whom you will see later in your visit, can explain some of the constraints there to you. We are convinced you are on the right track for attracting foreign investment. Regarding agriculture, if you aren't meeting someone from the Agriculture Department, then Secretary Brady will bring someone from Agriculture into his meeting with you. Do you have another item on your agenda, or should I move to the Middle East peace process? (C)

President Ben Ali: I have mentioned the most important points, except in the defense area, which I will discuss with Secretary Cheney. (C)

The President: Let me salute Tunisia's moderate and reasonable approach. The facilitation of the dialogue we have with the PLO is also appreciated. There was progress in getting to an Israeli-Palestinian dialogue, but, frankly, we're frustrated. There is no government now in Israel, which adds to our frustration. The Secretary of State will continue to look for opportunities to move ahead, and I sense a concern among some in Israel that we should move ahead. The problem is that Shamir is attacked from the right, and has pulled back from his own ideas. We have been working closely with Mubarak, and we won't give up. I'm not sure how much leverage we have, contrary to the impression that is popular in the Arab world that we control Israel. Some say our relations with Israel are not as good as they used to be. Whatever is said, our policy has not changed. We oppose settlement activity in the territories occupied since 1967. Some statements have caused charges that that policy has changed -- it has not. We may differ with you, however, on the issue of Soviet Jewish immigration. We favor it, but not to the Occupied Territories. We think the PLO's recognition of Israel is positive. We encourage others to the degree they can to do what the PLO has done in this regard. We continue to believe that the Zionism as Racism resolution does not contribute to peace and should be stricken from the books. We want to be a catalyst. Not everything is in our hands -- you know the realities in Congress, I don't of course hide behind Congress, but it is a fact in our system, and we know these realities. I would, Mr. President, welcome your comments. (S)

President Ben Ali: Thank you. Tunisia's position on the Palestinian issue is well known, steady, and moderate. It can be summarized as the establishment of two states according to international law. Many of our friends, including the United States, asked us to accept the PLO in Tunisia. It is a pleasure to host the U.S.-PLO dialogue. We are, of course, in contact with the PLO. From these contacts, we are convinced that they are serious in their desire to achieve peace. (S)

The President: Does Arafat have the extremists under control? (S)

President Ben Ali: Arafat does not control all extremists, but he does control most of them. We believe that advantage should be taken of this opportunity to make peace with the current leadership. The PLO has made many concessions. I talked with Arafat before I came out here. He made three suggestions: (1) they want an international conference sponsored by the five permanent members of the Security Council and with the participation of the Palestinians; (2) a Palestinian-Israeli dialogue under U.S. and USSR supervision, or under United Nations supervision; or (3) a resumption of the Geneva Conference, suspended in 1974. Any of these three would be acceptable. (S)

The President: Could you elaborate on the second of these? Especially regarding the UN or Soviet roles. (S)

President Ben Ali: The second point is a dialogue between Palestinians and Israel. Secretary Baker suggested this dialogue take place between the two parties in the presence of the United States and Egypt. Arafat's suggestion is a dialogue in the presence of either the United Nations or the Soviet Union and the United States. I note that Egypt was not mentioned in this point. (S)

The President: Which of the three options does he prefer? (S)

President Ben Ali: The three are in order of preference. (S)

The President: Does he think that an international conference would have some authority to decide or power to impose or does he think that it would serve to facilitate understandings between the parties? (S)

President Ben Ali: Arafat believes he made many concessions without any return. Any solution or any dialogue would be a step toward a comprehensive solution. He is now apprehensive. Many concessions have been made without any return; the extremists say that he has not even been able to produce a simple dialogue in return for all these concessions. Arafat seeks encouragement because of this pressure. He says that he has given up almost everything except for a fig leaf. (S)

The President: What does he think about the Baker proposals? We want to get talks started, not with the PLO but with Palestinians. You have to crawl before you can run. Does he think this leads nowhere? (S)

President Ben Ali: He accepts Baker's plan. Mubarak's proposals to Arafat were actually your proposals. He accepts in principle a dialogue between Israelis and Palestinians. (S)

Ambassador Pelletreau: What we have said to the PLO about Soviet participation is that we have told the Soviets this is something the Soviets and Israel have to work out. (S)

The President: I don't quite see how the Soviets could play a useful part under the Baker proposals. We talk to them, of course, about their role, and fortunately their mission in the Third World generally has changed. Their support for radicals is down. But still, I can't see how they could play a useful role. (S)

President Ben Ali: I don't believe that he is all that interested in the Soviet role; he is really more interested in moving the peace process forward. (S)

The President: Well, we share the sense of frustration in the region over the lack of movement in the peace process. (C)

President Ben Ali: Whenever I see Arafat I have the feeling that they are drowning and looking for any straw to hang on to. He has accepted all that he was asked to accept: recognition of Israel; renunciation of terrorism. Yet, there is nothing to show the extremists, not even a simple dialogue. (Ø)

The President: Do you believe he has really renounced terror? (Ø)

President Ben Ali: I believe he has renounced terrorism. We live with these people and from our knowledge of them, we are convinced that they have given up terrorism. Arafat asked me to convey his great hope in the United States; I share this hope. (Ø)

The President: That is a heavy burden, but we'll try. The first step is to get a new government in Israel, and then we will try to persuade them. I look forward to seeing you this evening. Let me say that I have great respect for what you have been doing. (Ø)

The meeting concluded at 11:45 a.m. (U)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT:	Meeting with Chancellor Kohl, Federal Republic of Germany (U)
PARTICIPANTS:	The President Brent Scowcroft, Assistant to the President for National Security Affairs Gisela Marcuse, Interpreter Helmut Kohl, Chancellor Horst Teltschik, Security Advisor to the Chancellor Dorothee Kaltenbach, Interpreter
DATE, TIME AND PLACE:	May 17, 1990, 10:30 - 11:35 a.m. The Oval Office

Chancellor Kohl: I will be here 6-7 June for the Harvard graduation. I would like to meet briefly with you and talk about Gorbachev. (S)

The President: What day? (S)

Chancellor Kohl: The 8th is the best for me. (S)

The President: I will be in Nebraska and also have some other stops. I could be back for an evening meeting. How about early supper? (S)

Chancellor Kohl: That would be fine. I would like four private hours to walk around Arlington. (S)

The President: You might go to the Vietnam Memorial. (S)

Chancellor Kohl: Good. Maybe Scowcroft could go with me. I am launching an initiative against the drug mafia. I am not satisfied. It is a big danger, including corruption. I read the Claire Sterling book and called her. I asked here to talk with my Minister of Interior and Justice. She told me this man Sapphos was one of the most knowledgeable men in the U.S. on drugs. She suggested this man get in touch with me. I would like to establish a link. (S)

The President: I will talk to Thornburgh and set it up. (S)

Chancellor Kohl: (Gives President a gift -- dry flies.) (U)

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The President: Many thanks. I want to raise one sensitive issue -- SNF. We want to conduct ourselves in a way helpful to you and your elections. I noticed Genscher's comment on TASM. I would like your views. We are flexible and want to be helpful. I want to protect TASM -- not to talk about it but to reach an understanding. (S)

Chancellor Kohl: Not before the elections? (C)

The President: No. (U)

Chancellor Kohl: First, all Germans want to remain in NATO with U.S. forces remaining. I am not talking about numbers. Second, there is no substitute for NATO. Third, NATO must adjust to developments. Just one year ago we argued about FOTL; now the issue is gone. I would like to take a low profile publicly. I will defend myself and not cause myself unnecessary trouble. We should stay in close touch. I can't say what kind of elections there will be. Over the next few weeks I would like to call frequently about the Two Plus Four. I am going to sign a treaty between the two Germanies next week. There will be a big noise when the treaty goes into parliament. Then there will be the D-Mark conversion and the conversion of existing companies in East Germany. That will take about 14 months. Many are saying that all-German elections should be held as soon as possible. I will have to hold elections before January 14 -- that is how we set a date. The CDU in the GDR has two tendencies. The first is for merger with the CDU in the FRG in October. That will be a big signal, and other parties will follow. The second is to institute the old Laender. The tendency is strong to have municipal elections and Laender elections together. So we probably will have all-German elections before the middle of January. (S)

You must know -- as I know -- who has helped us. Bush is a very lucky thing for us. (C)

The question of Lithuania is important. I met Prunskiene and we had a congenial conversation. She speaks German. We were able to speak frankly. I told her they had done almost everything wrong. I told here that we all sympathize with you, but if you push Gorbachev into a corner you hurt your cause -- as in East Germany in 1953 and Hungary in 1956. She asked my advice. I said you can't take back your decision, but you can freeze it. Don't ask him to take off the boycott. You can't talk with the boycott on, but if you will talk, international opinion will get the boycott lifted. Then you can play for time. She said she would do it this way. (S)

The President: Your statement was helpful. We are in a tough position. (C)

Chancellor Kohl: I told her that. (U)

The President: Did she think we were sympathetic? (C)

Chancellor Kohl: Oh, yes. But I told her sympathy won't do it. But on Gorbachev, we are having surprising talks. He told us -- and I have told no one this -- he told Horst Teltschik on Monday that next week he will announce a reform program. He says openly that he has enormous problems with his credit line, short- and medium-term. He really was asking for help from commercial banks and larger financial help. He asked whether German banks could give him 5 billion D-Marks with a Government guarantee. He is also thinking of 10-15 billion from other banks, including U.S. banks. This is for purchases of wheat from the U.S., which Ryzhkov wants. My reaction was that he must also make some concessions. Is that feasible? It is not a financial problem for us. As a debtor they have been good. (S)

The President: We would have problems. It is impossible now, given Lithuania. Second, what we hear about the Soviet economy is very discouraging. I understand why he would want dollars. The banks, without a Government guarantee, would not think the Soviet Union a good risk. I want Gorbachev not to fail. But first, the situation in the Baltics must be solved. Then we can energetically move forward. But on loans, I don't see it without reform. He sounds desperate. (S)

Chancellor Kohl: My question is do we want to help him or see someone else? I think it is him. (S)

The President: Probably, but I can't say who would replace him or how the economy would go. (S)

Chancellor Kohl: I think we could calm the Lithuanians. I think he would like to find a solution. (S)

The President: Yes, but Lithuania is not alone. There are all the others. (S)

Chancellor Kohl: But I think Lithuania is different. I told Prunskiene that if soldiers in the Soviet Union serve only in their areas they would be national armies. They can't have that. They can't do this all at once. They should move gradually. (S)

The President: There is also the question of Russians in the Baltics and minority rights. (S)

Chancellor Kohl: I am very aware of the problem, but we can't afford to prejudice our policies on account of Lithuania. (S)

The President: True, but we can't grant MFN now. I am trying to keep the relationship on track and am continuing with arms control. I am troubled by what you say about financial issues, though. They haven't approached us. (S)

Chancellor Kohl: They will -- at the Summit. (S)

The President: I don't think they can repay right now. They need resources first. (S)

Chancellor Kohl: I don't share your concern about risk. My message to them is you must reform or it won't work out. Where is the greater danger -- supporting him or waiting for someone else? A successor won't be better. (S)

The President: Your people think the military would take over? (S)

Chancellor Kohl: Yes, but not with force. It would be a civil group, but backed by the military. It is not a problem for us, but Poland and others will be upset. (S)

The President: How about Soviet troops remaining in the GDR? (S)

Chancellor Kohl: It is a public relations problem for Gorbachev. He does not want it on substance, but he does have a domestic problem. It is not like the Stalin days. At home he must face some public opinion. I think his meeting with you will be very important, not on substance but appearance. That is because he stands beside you as an equal. He has big problems. His East European allies say they want to be in NATO. (S)

The President: We will treat him as an equal. If only we could solve the Lithuanian problem.... There is one big issue. We probably can't give him money. But we will address regional issues, arms control, and so forth. We don't want the Summit to be a failure. (S)

Chancellor Kohl: If you agree, I can tell him what I think about this issue, that it will be incredibly important if he could deal with this issue ahead of time. (S)

The President: I have a lot of pressure on this issue. (S)

Chancellor Kohl: Okay. I will use my influence on Gorbachev and also press on economic reform. But this should be just between the two of us. My cabinet doesn't know. (S)

Let me give you a short report on the GDR and Two Plus Four. Our position on NATO is unchanged. In the Two Plus Four I propose to accept for troops to remain for a limited period if that is necessary. In the long run Soviet troops there would become demoralized. It would be the same as in Hungary. The situation there got terrible for Soviet troops. (S)

The President: I am on a different wavelength. I know your position but think they should get out. I want you to tell me in June your honest view about U.S. troops remaining in Germany. I think I can convince Gorbachev that U.S. troops should stay in Germany, but I must know that Germany would want U.S. troops. (S)

Chancellor Kohl: On that point, the U.S. troop presence is related to NATO. What sort of NATO would it be, leaving U.S. troops aside? If the U.S. left, NATO would vanish and there might be only CSCE. Where would be the security for Norway or

the Benelux? That is a big argument. A second argument is that if the Soviet Union withdraws, it is still in Europe. If the U.S. withdraws, it is 6,000 kilometers away. That is a big difference. The presence of U.S. troops and NATO give us options. As I look at the future of Europe, I see the U.S. there. In the year 2000 it must be a matter of course to have the U.S. there. (S)

The President: But we can't predict the political climate here or in Germany by then. There are slight isolationist tendencies here. How about in Germany? It would be understandable if they didn't want U.S. troops. (S)

Chancellor Kohl: True, but we can create facts. I will talk at Harvard about my U.S.-German educational project. These things will work against isolationism. What we are setting up now is a Franco-German brigade to do the same thing with the Europeans. In the future we should have German troops exercising on French soil, and so forth. We cannot leave history behind. We must achieve normalization. If the Europeans allowed the Americans to leave, it would be the greatest defeat for us all. Remember Wilson in 1918. (S)

The President: In the large group, we shouldn't talk about SNF. (S)

Chancellor Kohl: No. We should stay in close touch on these issues. And for Gorbachev, it is important that we make a point that Germany in NATO is indispensable. (S)

The President: Good. And we will meet on June 8 at about 6:30. (S)

Chancellor Kohl: Okay. And I will teach Scowcroft about Arlington Cemetery that afternoon. (S)

-- End of Conversation --