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Record Group/Collection:	George H.W. Bush Presidential Records
Collection/Office of Origin:	Scowcroft, Brent, Collection
Series:	Middle East Peace Process Files
Subseries:	Chronological Files

OA/ID Number:	91142
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Folder Title:
Middle East Peace (March 1989)

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Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	Eric Melby to Brent Scowcroft Re: Paris Economic Summit Preparatory Meeting (1 pp.)	3/8/89	(b)(1)	C
01b. Cable	American Embassy Paris to Secretary of State Washington DC Re: Report on Sherpa Meeting - February 24 - 26 (6 pp.)	3/3/89	(b)(1)	C
02a. Memcon	Re: President's Meeting with President Richard von Weizsaecker of the Federal Republic of Germany (4 pp.)	2/24/89	(b)(1)	S
02b. Memcon	Re: Meeting with President Francesco Cossiga of Italy (4 pp.)	2/24/89	(b)(1)	S
02c. Memcon	Re: President's Meeting with Prime Turgut Ozal of Turkey (4 pp.)	2/24/89	(b)(1)	S
02d. Talking Points	Re: Talking Points (2 pp.)	n.d.	(b)(1)	
02e. Talking Points	Re: Nuclear Modernization (1 pp.)	n.d.	(b)(1)	
02f. Statement	Re: CFE Talks (1 pp.)	n.d.	(b)(1)	
02g. Statement	Re: Turkey's Interest in Asian Development Bank Membership (1 pp.)	n.d.	(b)(1)	
02h. Memcon	Re: President's Meeting with President Mario Soares of Portugal (4 pp.)	2/23/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Pinksheet Number: cap1180
OA/ID Number: 91142-001
Date Closed: 5/19/2009
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
02i. Memcon	Re: Meeting with Prince Norodom Sihanouk of Cambodia (7 pp.)	2/26/89	(b)(1)	S
02j. Memcon	Re: Bilateral Meeting with President Aquino of the Philippines (2 pp.)	2/24/89	(b)(1)	S
02k. Memcon	Re: Meeting with Prime Minister Chatchai Chunhawan of Thailand (3 pp.)	2/23/89	(b)(1)	S
02l. Aide-Memoir	Re: Aide-Memoir (3 pp.)	2/23/89	(b)(1)	
02m. Memcon	Re: Meeting with President Mohammed Hosni Mubarak of Egypt (5 pp.)	2/23/89	(b)(1)	S
02n. Memcon	Re: Meeting with King Hussein I of Jordan (5 pp.)	2/23/89	(b)(1)	S
02o. Letter	Re: Personal for the President (8 pp.)	n.d.	(b)(1)	TS
02p. Letter	From King Hussein I (2 pp.)	n.d.	(b)(1)	TS
02q. Letter	Re: Personal for the President: Chronology of Jordanian Efforts fro Peace 1967-89 (3 pp.)	n.d.	(b)(1)	TS
02r. Outline	Re: United States' Commitments and Positions on Peace Settlement (3 pp.)	n.d.	(b)(1)	TS
02s. Memcon	Re: Meeting with President Chaim Herzog of Israel (4 pp.)	2/23/89	(b)(1)	S

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
02t. Memcon	Re: President's Meeting with Prime Minister Benazir Bhutto of Pakistan (5 pp.)	2/24/89	(b)(1)	S
02u. Memcon	Re: President's Meeting with President Ramaswamy Iyer Venkataraman of India (3 pp.)	2/23/89	(b)(1)	C
02v. Memcon	Re: President's Meeting with President Jose Sarney of Brazil (4 pp.)	2/25/89	(b)(1)	S
02w. Memcon	Re: Meeting with President Ibrahim Babangida of Nigeria (3 pp.)	2/25/89	(b)(1)	S
02x. Memcon	Re: Bilateral Discussion with President Sese Seko Mobuto of the Republic of Zaire (3 pp.)	2/24/89	(b)(1)	S

Collection:

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Date Closed: 5/19/2009
FOIA/Sys Case #: 2009-0275-S
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1227
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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

March 8, 1989

Natl Sec Advisor has seen

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: TIMOTHY E. DEAL

FROM: ERIC MELBY

SUBJECT: Paris Economic Summit Preparatory Meeting

Richard McCormack has sent you, by cable (Tab A), his report on the Sherpa meeting held February 24-26 outside Paris. It tracks closely with the report Steve Farrar has already sent you.

The meeting was a general overview of the main issues likely to be discussed by Heads of State and Government when they meet July 14-16 in Paris. Jacques Attali, the French Sherpa, said that President Mitterrand wanted no surprises and a harmonious outcome at the Economic Summit. He stressed that the French would not use the Bicentennial celebrations to overshadow the Summit nor let visiting non-Summit Heads of State or Government become involved in the Summit process. Despite such best effort commitments, we can expect some of the non-Summit leaders in Paris for the celebration to seek bilaterals with the President (e.g. Gandhi, Bhutto, Aquino and Perez of Venezuela). Early decisions on how to handle such requests, should they materialize, would be desirable.

The main economic issues likely to be discussed in July are: economic coordination, debt, trade (including East-West) and the environment. Mitterrand wishes to discuss a flood control initiative for Bangladesh. Political issues likely to come up include terrorism, human rights, chemical weapons and the Middle East.

A White House survey team is visiting Paris this week to review logistics for the Summit. The White House Summit Group should meet soon to discuss important substantive and logistical issues connected with the Summit.

Attachment
Tab A Telegram from Embassy Paris

DECLASSIFIED
PER E.O. 13526
2010-0387-MR
EB 2/17/15

cc: Robert Blackwill
David Miller
Karl Jackson
Richard Haass

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Declassify on: OADR

Withdrawal/Redaction Sheet
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01b. Cable	American Embassy Paris to Secretary of State Washington DC Re: Report on Sherpa Meeting - February 24 - 26 (6 pp.)	3/3/89	(b)(1)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Middle East Peace Process Files
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WHORM Cat.:
File Location: Middle East Peace (March 1989)

Document Partially Declassified
(Copy of Document Follows)
By MM on 12/1/03

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:	1999-0471-F(1.01)	**MR Case #:**	
AR Disposition:	Released in Part	**MR Disposition:**	
AR Disposition Date:	12/1/2003	**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

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<SUBJ>SUBJECT: REPORT ON SHERPA MEETING - FEBRUARY - 24-26

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<TEXT>
~~C O N F I D E N T I A L~~ SECTION 01 OF 05 PARIS 07302
DEPT. PASS WHITE HOUSE, TREASURY AND USTR
DEPT. FOR E
E.O. 12356: DECL:OADR
TAGS: KSUM, FR, EFIN, ETRD
SUBJECT: REPORT ON SHERPA MEETING - FEBRUARY - 24-26
1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.
~BEGIN SUMMARY~
2. SUMMARY: AT A MEETING OF SHERPAS TO PREPARE FOR THE 1989 PARIS ECONOMIC SUMMIT, THE FRENCH DESCRIBED THE FORMAT OF THE MEETINGS AND LED A DISCUSSION OF THE MAIN ISSUES. THE SUMMIT WILL TAKE PLACE IMMEDIATELY FOLLOWING THE CELEBRATION OF THE BICENTENNIAL OF THE FRENCH REVOLUTION. AT LEAST 15 HEADS OF STATE FROM AFICAN, LATIN AMERICAN AND ASIAN COUNTRIES WILL BE PRESENT FOR THE BICENTENNIAL. FRANCE HAS TOLD THESE LEADERS THAT THEY WILL HAVE NO OFFICIAL CONTACT WITH THE GOF ONCE THE ECONOMIC SUMMIT STARTS, AND THAT FRANCE DID NOT WANT THE EVENT TO BECOME A NORTH-SOUTH SUMMIT.
3. AMONG SHERPAS, THERE WAS DISAGREEMENT AS TO WHETHER INFLATION OR THE CONTINUED NEED FOR ADJUSTMENT OF TRADE AND PAYMENTS IMBALANCES WAS THE PRIORITY MACROECONOMIC TASK.. SHERPAS WERE DISPOSED TO WAIT UNTIL THE GATT MIDTERM REVIEW SESSION TAKES PLACE IN APRIL UNTIL SHAPING TRADE ISSUES FOR THE SUMMIT. SIMILARLY, THE SHERPAS RECOGNIZED THAT WORK WAS UNDERWAY IN THE G-7 ON DEBT PROBLEMS. THERE WAS GENERAL AGREEMENT THAT THE ENVIRONMENT SHOULD BE A MAJOR TOPIC OF EMPHASIS AT THE SUMMIT. THE FRENCH DISTRIBUTED A PAPER ON PRESIDENT MITTERRAND'S INITIATIVE TO ASSIST BANGLADESH. THE U.K. SUGGESTED AN INITIATIVE ON EXPORT FINANCE. SHERPAS AGREED TO PROCEED WITH FRANCE'S PROPOSED STUDY OF MONEY LAUNDERING PROBLEMS, AND TO POOL INFORMATION ON NATIONAL APPROACHES TO INSIDER TRADING.
4. FRENCH SHERPA ATTALI PROPOSED THAT POLITICAL ISSUES BE DOWNPLAYED AT THE SUMMIT AND THAT THERE BE NO POLITICAL STATEMENT. ALL THE OTHER SHERPAS OBJECTED, AND ATTALI ADMITTED SUCH A POSITION WAS UNSUSTAINABLE. THE FRENCH WILL HOLD A TERRORISM EXPERTS MEETING IN THE PERIOD BEFORE THE LAST SHERPA MEETING. OTHER POLITICAL TOPICS THAT ARE LIKELY TO COME UP IN PARIS ARE: HUMAN RIGHTS, CHEMICAL WEAPONS, AND MIDDLE EAST POLICY. END SUMMARY.
REPORT OF MEETING OF PERSONAL REPRESENTATIVES TO PREPARE FOR THE 1989 PARIS ECONOMIC SUMMIT LA ROQUE GAGEAC, FRANCE, FEBRUARY 24-26, 1989

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5. I ATTENDED THE FEBRUARY 24-26 MEETING OF PERSONAL REPRESENTATIVES (SHERPAS) TO PREPARE FOR THE 1989 PARIS ECONOMIC SUMMIT, ACCOMPANIED BY

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PER E.O. 12958, AS AMENDED
1999-0471-F
12/1/2003 MM

TREASURY UNDER SECRETARY-DESIGNATE FOR MONETARY AFFAIRS DAVID MULFORD, AND NSC SENIOR DIRECTOR FOR INTERNATIONAL ECONOMIC AFFAIRS STEPHEN FARRAR.

6. FRENCH SHERPA JACQUES ATTALI USED THE MEETING FOR A FIRST IN-DEPTH "EXCHANGE OF VIEWS" ON THE MAIN ISSUES OF THE 1989 SUMMIT, AND TO EXPLAIN THE RELATIONSHIP OF THE SUMMIT TO THE FRENCH BICENTENNIAL CELEBRATIONS. ATTALI STRESSED TO THE GROUP THAT PRESIDENT MITTERRAND WANTED NO SURPRISES, AND A HARMONIOUS OUTCOME, AT WHAT THE FRENCH HAVE DUBBED "THE ARCHE SUMMIT."

7. ATTALI DISTRIBUTED SHORT PAPERS ON FRENCH "INITIATIVES" THEY WOULD LIKE TO THE OTHERS TO CONSIDER (DESCRIBED BELOW), AND ASKED THE REST OF US TO AVOID LAST-MINUTE PROPOSALS.

8. ATTALI ALSO STRESSED THE IMPORTANCE OF FORGING A "LASTING CONSENSUS" AT THE SUMMIT ITSELF, TO AVOID A REPEAT OF THE VERSAILLES SUMMIT WHERE WE AND THE FRENCH IMMEDIATELY DISAGREED OVER THE MEANING OF KEY PASSAGES OF THE COMMUNIQUE.

RELATIONSHIP BETWEEN THE ARCHE SUMMIT AND THE FRENCH BICENTENNIAL.

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9. ATTALI SOUGHT TO ALLAY OUR CONCERNS (WIDELY SHARED BY THE OTHER FIVE) THAT THE ARCHE SUMMIT COULD BE SEEN TO BE A SIDE-SHOW TO THE FRENCH BICENTENNIAL, OR THAT DEVELOPING

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DEPT. PASS WHITE HOUSE, TREASURY AND USTR
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SUBJECT: REPORT ON SHERPA MEETING - FEBRUARY

COUNTRY LEADERS ATTENDING THE FRENCH CELEBRATION COULD DOMINATE THE AGENDA OF THE SUMMIT BY MAKING COORDINATED DEMANDS UPON THE SEVEN.

10. THE FRENCH BICENTENNIAL TAKES PLACE BEGINNING THE MORNING OF THE 13TH AND CONTINUING THROUGH LUNCHEON ON THE 14TH. ASIDE FROM THE SEVEN, MANY OTHER SENIOR OFFICIALS WILL BE INVITED AS GUESTS OF THE FRENCH GOVERNMENT, INCLUDING SOME 15 HEADS OF STATE. LEADERS WHO HAVE AGREED TO ATTEND INCLUDE: GANDHI (INDIA), BHUTTO (PAKISTAN), AQUINO (PHILLIPPINES) AND PEREZ (VENEZUELA), THE LEADERS OF FIVE FRANCOPHONE AFRICAN COUNTRIES, AND THE PRESIDENTS OF "THREE OR FOUR" OTHER LATIN COUNTRIES.

11. THERE WILL BE NO MEETINGS OF THE HEADS OF STATE ATTENDING THE BICENTENNIAL "ORGANIZED" BY FRANCE, OTHER THAN THE STANDARD COURTESY CALLS BY LEADERS ON PRESIDENT MITTERRAND. THOSE ATTENDING ONLY THE BICENTENNIAL HAVE BEEN TOLD THAT THEIR OFFICIAL INTERACTION WITH THE FRENCH GOVERNMENT WILL END AT 3 P.M. ON JULY 14TH (THE ARCHE SUMMIT IS TO BEGIN AT 4 P.M.).

12. ATTALI EMPHASIZED THAT MITTERRAND DID NOT WANT THE EVENTS OF THE 13TH TO THE 16TH TO BECOME A "NORTH-SOUTH SUMMIT," SINCE HE "DID NOT WANT TO BE HOST TO A FAILURE," OR "TO RAISE EXPECTATIONS ONLY TO HAVE THEM DASHED." HE ADMITTED THAT THE INDIANS HAD BEEN PUSHING TO HAVE THE "SOUTHERN" NATIONS ISSUE A WISH-LIST COMMUNIQUE ON THE EVE OF THE SUMMIT, BUT SAID HE HAD BEEN "VERY FIRM" IN EXPLAINING THAT THE BICENTENNIAL WOULD BE A FRENCH NATIONAL EVENT, AND THAT SUCH STATEMENTS WOULD NOT BE WELCOME. NEVERTHELESS, THIS SITUATION BEARS WATCHING IN THE MONTHS AHEAD.

ECONOMIC TOPICS

INTERNATIONAL ECONOMIC COORDINATION: INFLATION VERSUS IMBALANCES.

~~CONFIDENTIAL~~

13. THE REVIEW OF SUBSTANTIVE ISSUES BEGAN WITH THE U.K., GERMANY AND JAPAN PROPOSING THAT SIGNS OF RENEWED INFLATION SHOULD BE THE PRIORITY CONCERN OF LEADERS AT THE SUMMIT. THE ROOT OF THE PROBLEM IN THEIR EYES IS OUR BUDGET DEFICIT. EVERYONE ACKNOWLEDGED THAT IN RECENT MONTHS THE ADJUSTMENT OF IMBALANCES IN TRADE ACCOUNTS AMONG THE INDUSTRIALIZED COUNTRIES HAD SLOWED, BUT THE GERMANS AND JAPANESE ARGUED THAT THE SUMMIT SHOULD NOT "OVERDRAMATIZE" THIS PROBLEM.

14. WE EXPLAINED THE DETERMINATION OF THE ADMINISTRATION TO MAKE PROGRESS ON THE BUDGET, AND STRESSED THE CRITICAL IMPORTANCE OF CONTINUED PROGRESS ON UNWINDING TRADE IMBALANCES. WE CONCEDED THAT THE U.K. HAD A SIGNIFICANT INFLATION SURGE ON ITS HANDS, BUT ARGUED THE FED HAD THE DEMONSTRATED CAPABILITY AND DETERMINATION TO DEAL WITH ANY SUCH PROBLEM IN THE U.S. WE ALSO CONTESTED HERR TIETMEYER'S CONTENTION THAT INFLATION IN GERMANY WAS ON AN UPWARD PATH, NOTING THAT THE 1988 DATA (WITH A 2.5 RATE THE GERMANS TERM "WORRISOME") WAS DISTORTED BY THE ONE-TIME IMPACT OF AN EXCISE TAX INCREASE.

THROUGHOUT THE DISCUSSION OF MACROECONOMIC PRIORITIES, THE FRENCH WERE HELPFUL. THEY HAVE THEIR OWN PROBLEMS WITH THE GROWING GERMAN SURPLUS, AND AT THE SUMMIT WE CAN EXPECT THEM TO BE SYMPATHETIC TO OUR POINT OF VIEW.

TRADE: WAITING FOR THE GATT MIDTERM REVIEW.

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15. MOST OF THE SHERPAS WERE INCLINED TO LEAVE DETAILED DISCUSSION OF THE TRADE ISSUES, PARTICULARLY THE AGRICULTURAL SUBSIDIES CONUNDRUM, TO THEIR TRADE COLLEAGUES TO SOLVE IN THE RESUMED GATT MIDTERM REVIEW MEETING IN GENEVA APRIL 4-6. WE AND THE BRITISH MADE IT CLEAR, HOWEVER, THAT IT IS CRITICAL THAT THE SUMMIT HIGHLIGHT THE IMPORTANCE OF PROGRESS ON AGRICULTURE, EITHER TO GIVE A POLITICAL PUSH TO IMPLEMENT AN ARRANGEMENT WORKED OUT IN GATT, OR TO RESTART THE PROCESS, IF THE GATT PROCESS BOGS DOWN.

16. ON OTHER TRADE POINTS, WE AND THE EC AGREED THAT THE SUMMIT SEVEN SHOULD REAFFIRM THAT REGIONAL AND BILATERAL AGREEMENTS (U.S.-CANADIAN FREE TRADE AGREEMENT, EC 1992)

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DEPT. PASS WHITE HOUSE, TREASURY AND USTR
DEPT. FOR E
E.O. 12356: DECL:OADR
TAGS: KSUM, FR, EFIN, ETRD
SUBJECT: REPORT ON SHERPA MEETING - FEBRUARY

ARE COMPATIBLE WITH, AND STRENGTHEN, THE MULTILATERAL TRADING SYSTEM. WE SUGGESTED THAT THE SUMMIT MIGHT ALSO UNDERLINE THE IMPORTANCE OF DECEMBER 1990 AS THE FINAL DEADLINE FOR THE URUGUAY ROUND. SEVERAL OF US NOTED THAT WE WILL ALSO NEED TO SIGNAL THE IMPORTANCE OF THE NEWLY INDUSTRIALIZING COUNTRIES (NIE'S) OPENING UP THEIR MARKETS AND DOING THEIR PART IN THE TRADE ADJUSTMENT PROCESS, BUT JAPAN PLEADED THAT WE NOT "OVERDO" THE NIE'S.

DEBT: PRELIMINARY SKIRMISHING.

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17. AS EXPECTED, THE FRENCH ADVOCATED THE MITTERRAND PLAN FOR REDUCING THE BURDEN OF DEBT ON MIDDLE INCOME DEVELOPING COUNTRIES. THE MITTERRAND PLAN INVOLVES USING A PORTION OF A NEW SDR ISSUE TO SECURE BONDS ISSUED IN EXCHANGE FOR DEBT EXCHANGED AT A DISCOUNT. THE FRENCH RATIONALE IS THAT DEBT REDUCTION IS NECESSARY TO ALLOW A RETURN TO SPONTANEOUS LENDING.

18. WHILE THE OTHER SHERPAS ACCEPTED THE POINT THAT THE SUMMIT WILL NEED TO SAY SOMETHING MEANINGFUL ON DEBT, THE MITTERRAND PROPOSAL FOUND FEW TAKERS. UK AND CANADIAN SHERPAS POINTED OUT THAT THE MAIN OBJECTIVE SHOULD BE TO

GET THE DEBTORS TO DO A BETTER JOB OF REFORM. TIETMEYER (FRG) URGED THAT SUMMIT COUNTRIES AVOID "A COMPETITION OF PROPOSALS" AND SUGGESTED THE SHERPAS LOOK TO THE G-7 TO WORK OUT A JOINT APPROACH.

19. DAVID MULFORD SECONDED THESE POINTS AND SAID THAT ALTHOUGH THE DEBT STRATEGY NEEDED STRENGTHENING, NO FACILITY AS SUCH WOULD CURE THE PROBLEM. HE ADDED THAT BY FOCUSING ON FINANCING BALANCE OF PAYMENTS GAPS, WE HAD BEEN IMPLICITLY FINANCING CAPITAL FLIGHT. HE SUGGESTED THAT THE SUMMIT "TAKE THE HIGH POLITICAL GROUND" ON THE ISSUE, MAKING DEBTOR ACTION TO REATTRACT DOMESTIC CAPITAL AN EXPLICIT CRITERIA FOR DEBT RELIEF. DAVID ADDED THAT THE MITTERRAND/SDR PROPOSAL WOULD DRAMATICALLY INCREASE THE IMF'S EXPOSURE TO THE MIDDLE INCOME DEBTORS, AT A DIFFICULT TIME FOR THE FUND. DEFAULT WOULD BE CATASTROPHIC.

ENVIRONMENT: A MAJOR THEME.

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20. EVERYONE AGREED THAT ENVIRONMENT SHOULD BE A MAJOR THEME OF THE SUMMIT, AND THAT GLOBAL WARMING AND OZONE DESTRUCTION WERE THE PROBLEMS OF IMMEDIATE INTEREST. THERE WAS LITTLE CONSENSUS, HOWEVER, ON WHAT ACTION SHOULD BE TAKEN.

21. TIETMEYER (FRG) PROPOSED THE SUMMIT COMMIT THE SEVEN TO ACCELERATED IMPLEMENTATION OF THE MONTREAL OZONE PROTOCOL, AND TO THE ADOPTION OF A CODE OF CONDUCT ON TROPICAL DEFORESTATION IN THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION. HE SAID GERMANY WOULD CIRCULATE A PAPER ON THE LATTER IDEA BEFORE THE NEXT MEETING.

22. INTERESTINGLY, ATTALI SAID NOTHING ABOUT PRIME MINISTER ROCARD'S HAGUE SUMMIT PROPOSAL, NOR THE SUPRANATIONAL-AUTHORITY APPROACH TO ENVIRONMENTAL CONTROLS THAT IT INVOLVES. (ITALY DID SUGGEST THAT THE SUMMIT MIGHT ENDORSE CREATION OF A "MONITORING AGENCY," BUT DID NOT ELABORATE). U.K. SHERPA WICKS URGED THAT THE SUMMIT FOCUS WORLDWIDE ATTENTION ON ENVIRONMENTAL PROBLEMS, BUT HIGHLIGHT WORK UNDERWAY IN EXISTING INSTITUTIONS. THE U.K. ALSO WILL CIRCULATE A PAPER ON POSSIBLE NEW MEANS OF ECONOMIC ANALYSIS OF ENVIRONMENTAL PROBLEMS. THE FRENCH WILL BE PROVIDING A PAPER PROPOSING JOINT OPERATION OF A SAHARAN OBSERVATORY.

I EXPRESSED OUR STRONG INTEREST IN ENVIRONMENTAL ISSUES, WHILE NOTING OUR PREFERENCE THAT EXISTING INSTITUTIONS AND MECHANISMS BE USED WHEREVER POSSIBLE. I SUGGESTED THAT THE SUMMIT EMPHASIZE THE POSITIVE, AND NOT BE A "PROPHET OF DOOM."

BANGLADESH.

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23. THE FRENCH DISTRIBUTED A PAPER ON PRESIDENT MITTERAND'S "PERSONAL" INITIATIVE TO ORGANIZE A FLOOD CONTROL SYSTEM FOR BANGLADESH. THE FRENCH ESTIMATE THAT THE JOB WOULD COST $6 BILLION OVER 12 YEARS. ATTALI SAID MRS. THATCHER HAD PROMISED THE BANGLADESHIS TO GIVE A "POLITICAL PUSH" TO THE PROJECT AT THE SUMMIT, BUT U.K.

~~C O N F I D E N T I A L~~ SECTION 04 OF 05 PARIS 07302

DEPT. PASS WHITE HOUSE, TREASURY AND USTR

DEPT. FOR E

E.O. 12356: DECL:OADR

TAGS: KSUM, FR, EFIN, ETRD

SUBJECT: REPORT ON SHERPA MEETING - FEBRUARY

SUB-SHERPA BAYNE STATED THAT THE U.K. HAD ONLY AGREED TO HOST A DONOR'S CONFERENCE. THE FRENCH SAY THE INDIANS WOULD NOT JOIN A REGIONAL PLAN, BUT HAD NO OBJECTION TO WORK PROCEEDING WITHIN BANGLADESH. THE JAPANESE, CANADIANS AND THE U.S. WERE SKEPTICAL. THE FRENCH PROMISED MORE DETAILS LATER.

EAST-WEST.

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24. THE U.K. AND FRG FAVOR COVERING EAST-WEST ECONOMICS IN THE ECONOMIC COMMUNIQUE, RATHER THAN THE POLITICAL STATEMENT AS IN YEARS PAST. ALL FAVOR A REITERATION OF THE TORONTO SUMMIT FORMULA (FAVOR NON-STRATEGIC TRADE ON A COMMERCIAL BASIS WITH NO SUBSIDIES). IN ADDITION, THE FRG WOULD LIKE A COMMITMENT TO STREAMLINE THE COCOM LIST.

(b)(1)

OVER DINNER, THE SHERPAS FOUND THAT THEY SHARED A SKEPTICISM AS TO WHETHER GORBACHEV WILL SUCCEED IN RESTRUCTURING THE SOVIET ECONOMY.

EXPORT FINANCE.

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25. THE U.K. SUGGESTED THAT THE SUMMIT CONSIDER A NEW INITIATIVE TO RESTRAIN COMPETITION IN EXPORT FINANCE. PRESUMABLY WHAT THEY HAVE IN MIND IS THE GROWING JAPANESE PRACTICE OF MIXING AID WITH EXPORT CREDITS TO WIN BUSINESS IN THE THIRD WORLD. THEY PROMISED TO HAVE MORE TO SAY AT THE NEXT SHERPA MEETING.

MONEY LAUNDERING/TRANSPARENCY OF FINANCIAL TRANSACTIONS.

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26. THE FRENCH ASKED FOR COMMENT ON THE LETTER PRESIDENT MITTERRAND HAD SENT TO THE OTHER LEADERS PROPOSING A STUDY OF WAYS TO IMPROVE THE TRANSPARENCY OF INTERNATIONAL FINANCIAL TRANSACTIONS. ALL AGREED THAT A STUDY WOULD BE USEFUL, AND THE FRENCH ASKED THAT EACH COUNTRY PREPARE A REPORT ON ITS RELEVANT LAWS AND REGULATIONS PRIOR TO THE NEXT MEETING.

INSIDER TRADING.

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27. ON THE LAST DAY OF THE MEETING THE FRENCH ALSO SUGGESTED THAT EACH COUNTRY PREPARE A SUMMARY OF ITS LAWS AND REGULATIONS IN THE FIELD OF INSIDER TRADING, TO SEE IF THE SUMMIT COULD CALL FOR FURTHER COOPERATION HERE TOO. FRENCH INTEREST IN THIS FIELD IS EVIDENTLY AN OUTGROWTH OF THE PECHINEY/TRIANGLE CASE.

POLITICAL TOPICS.

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28. ONLY A FEW POLITICAL MATTERS WERE DISCUSSED IN ANY DETAIL AT THIS SHERPA MEETING. ATTALI REITERATED THE TRADITIONAL FRENCH DESIRE TO DOWNPLAY POLITICAL DISCUSSIONS, AND EVEN SUGGESTED THAT THERE NOT BE A POLITICAL STATEMENT. EVERYONE OBJECTED, AND ATTALI PRIVATELY ADMITTED THAT SUCH A POSITION WAS UNSUSTAINABLE.

HUMAN RIGHTS.

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29. THE FRENCH, HOWEVER, ALSO PLAN TO HIGHLIGHT HUMAN RIGHTS AND THEIR LINK TO DEMOCRACY, IN PART TO DRAW ATTENTION TO THE BICENTENNIAL OF THE DECLARATION OF THE RIGHTS OF MAN. EVERYONE THOUGHT THAT WAS A FINE IDEA.

CHEMICAL WEAPONS.

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30. THE GERMANS WOULD LIKE THE SUMMIT TO CALL FOR STRENGTHENED INTERNATIONAL COOPERATION ON CONTROLLING ACCESS TO CHEMICAL WARFARE PRECURSORS AND MANUFACTURING EQUIPMENT, PERHAPS BY STRENTHENING THE "AUSTRALIA GROUP."

TERRORISM.

---

31. ALL AGREED THAT THE SUMMIT SHOULD AGAIN HAVE SOMETHING ON THE FIGHT AGAINST TERRORISM, WITH SPECIFICS TO DEPEND ON DEVELOPMENTS. IN THAT REGARD, THE FRENCH

~~C O N F I D E N T I A L~~ SECTION 05 OF 05 PARIS 07302

DEPT. PASS WHITE HOUSE, TREASURY AND USTR

DEPT. FOR E

E.O. 12356: DECL:OADR

TAGS: KSUM, FR, EFIN, ETRD
SUBJECT: REPORT ON SHERPA MEETING - FEBRUARY
SAID THEY PLAN TO HOLD ANOTHER MEETING OF THE SUMMIT TERRORISM EXPERTS GROUP BETWEEN THE LAST TWO SHERPA MEETINGS.
MIDDLE EAST.
32. THE BRITISH PROPOSED THAT THE LEADERS DISCUSS THE MIDDLE EAST SITUATION, AND ISSUE A STATEMENT ENCOURAGING THE SEARCH FOR PEACE. NO ONE DISAGREED WITH THIS SUGGESTION.
RICHARD T. MCCORMACK
UNDER SECRETARY OF STATE-DESIGNATE FOR ECONOMIC AFFAIRS
LISSFELT##

<SECT>SECTION: 01 OF 05<SSN> 7302<STOR> 890303113349 MSG000226236829
<SECT>SECTION: 02 OF 05<SSN> 7302<STOR> 890303113429 MSG000226236869
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<SECT>SECTION: 05 OF 05<SSN> 7302<STOR> 890303113526 MSG000226236926
<TOR>890303114410

CONFIDENTIAL

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 8901734
RECEIVED: 15 MAR 89 14

TO: GATES

FROM: HUGHES

DOC DATE: 13 MAR 89
SOURCE REF:

KEYWORDS: MEMCONS
GERMANY F R
TURKEY
JAPAN
ITALY
PORTUGAL

CHRON FILE

PERSONS:

SUBJECT: MEMCONS FM TOKYO BILATERALS

ACTION: NOTED BY SCOWCROFT DUE DATE: 18 MAR 89 STATUS: C

STAFF OFFICER: HUGHES LOGREF:

FILES: PA NSCIF: CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION FOR CONCURRENCE FOR INFO

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSJWF CLOSED BY: NSJWF DOC 1 OF 1

UNCLASSIFIED

ACTION DATA SUMMARY REPORT

DOC	ACTION OFFICER	CAO	ASSIGNED	ACTION REQUIRED
001		X	89040315	NOTED BY SCOWCROFT

1734

NATIONAL SECURITY COUNCIL

UNCLASSIFIED with
SECRET Attachments

March 13, 1989

MEMORANDUM FOR ROBERT M. GATES

FROM: G. PHILIP HUGHES

SUBJECT: Memcons from Tokyo Bilaterals

Attached per your request is a copy of the memcons for the Tokyo bilaterals for you to share with General Scowcroft. The following is an index:

Tab 1	Federal Republic of Germany
Tab 2	Italy
Tab 3	Turkey
Tab 4	Portugal
Tab 5	Cambodia
Tab 6	Philippines
Tab 7	Thailand
Tab 8	Egypt
Tab 9	Jordan
Tab 10	Israel
Tab 11	Pakistan
Tab 12	India
Tab 13	Brazil
Tab 14	Nigeria
Tab 15	Zaire

Kate Jackson has a memo pulling out all actions from the Memcons — Will be here shortly
F. 3/16

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THE WHITE HOUSE

WASHINGTON

~~SECRET~~

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

President von Weizsaecker said he might visit Washington in June.

THE WHITE HOUSE

 WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

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

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

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

SUBJECT: Meeting with President Francesco Cossiga of Italy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The President responded with thanks for this position.

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

The President commented that perhaps Shamir thinks that by now.

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

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

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

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important for the equilibrium of North Africa and the Middle East.

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

President Cossiga acknowledged the point and the meeting concluded.

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

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

PARTICIPANTS:

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

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

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

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

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

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

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

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

Chief of Staff Sununu asked about timing.

Undersecretary Kandemir said the deadline for resolution was March 6.

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

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

The President asked Ozal who would win the Greek elections.

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

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

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

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

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

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

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

Prime Minister Ozal replied there was an uninhabited zone.

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

Prime Minister Ozal said he didn't think so.

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

The President asked where the matter stood.

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

The President asked for Ozal's views of Gorbachev.

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

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

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

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

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

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

The President inquired if Turkey had universal conscription.

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

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

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

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

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

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

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

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

Attachment

Tab A Talking Points from Prime Minister Ozal to the President

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02d. Talking Points	Re: Talking Points (2 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02e. Talking Points	Re: Nuclear Modernization (1 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**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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PRM. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
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(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02f. Statement	Re: CFE Talks (1 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**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]
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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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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02g. Statement	Re: Turkey's Interest in Asian Development Bank Membership (1 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**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]

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

PRM. Removed as a personal record misfile.

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THE WHITE HOUSE

WASHINGTON

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2009-0967-MR
2/3/2014 MM

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with President Mario Soares of Portugal

PARTICIPANTS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

President Soares stated that Savimbi is a major tribal leader, a person with enormous charisma. He also enjoys substantial weight in regions of Angola outside his own. Soares said that even people who do not support Savimbi rely on him to pressure the MPLA. For example, there are dissidents within the MPLA who are pressing for a more liberal evolution in Angola. They view Savimbi as an ally who pushes the MPLA to move in the direction they prefer. Soares also congratulated the President on his

statement of support for Savimbi, saying it was very important to the continuing evolution within Angola. He said it might strengthen moderate elements in the MPLA, such as Foreign Minister Van Dunem.

The President asked who the radical elements in the MPLA were.

President Soares said there was a theorist named Lucio Lara and another hard-liner, former Foreign Minister Paulo Jorge.

The President then asked whether Dos Santos was a figurehead.

President Soares said Dos Santos was not a figurehead. He was just not very assertive or extroverted. He said Dos Santos had demonstrated little influence within the MPLA so far, but seemed to be gaining stature. Soares said he saw Dos Santos as a moderate with whom Portugal could maintain a dialogue.

President Soares mentioned he was concerned with the situation in Mozambique. He said it differed with Angola because it lacked a strong anti-government movement. Soares said Renamo does not have much strength and is inspired by South Africa.

The President replied that some in the U.S. see Renamo as pro-democracy. He said our government did not see it that way and viewed Renamo as opportunistic and brutal.

President Soares agreed that Renamo was very brutal. He described it is an artificial creation of certain elements within South Africa, although he was careful to add that he did not think the South African Government was behind it.

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

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

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

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

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

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however, that many Scandinavians and Germans entertained illusions about the Sandinistas.

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

The President said the conversation was stimulating and useful.

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

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

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

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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02i. Memcon	Re: Meeting with Prince Norodom Sihanouk of Cambodia (7 pp.)	2/26/89	(b)(1)	~~8~~

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Document Partially Declassified
(Copy of Document Follows)
By MM on 8/31/2009

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	2000-0429-F(22)
AR Disposition:		**MR Disposition:**	Released in Part
AR Disposition Date:		**MR Disposition Date:**	8/31/2009

RESTRICTION CODES

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

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THE WHITE HOUSE

~~SECRET~~ WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

U.S.
The President
James Baker III, Secretary of State
Winston Lord, American Ambassador to China
Brent Scowcroft, Assistant to the President for National Security Affairs
Max Marlin Fitzwater, Assistant to the President for Press Relations
Gaston Sigur, Assistant Secretary of State for East Asian and Pacific Affairs
Karl Jackson, Senior Director for Asian Affairs, National Security Council
William Stanton, Embassy Notetaker

Cambodia
Prince Norodom Sihanouk

DATE, TIME AND PLACE: February 26, 1989, 2:30-3:00 p.m.
Diaoyutai State Guest House, Villa #18, Beijing, China

SUBJECT: Meeting with Prince Norodom Sihanouk of Cambodia

SUMMARY: In an extremely cordial half-hour meeting with Prince Sihanouk on February 26, President Bush reiterated strong and steadfast support for a Sihanouk-led government in Cambodia. The President expressed the hope that neither Thailand nor any other country would reconcile with the Phnom Penh regime. Commenting that there was an ache in his heart for Cambodia, the President expressed appreciation for the opportunity to hear Prince Sihanouk's views directly.

Prince Sihanouk blamed the lack of success at JIM-II on the refusal of Vietnam and the Hun Sen regime to abide by its promise to withdraw by the end of September 1989. The Prince said it was necessary to dismantle the PRK government and the DK to ensure free elections, and to establish an international peacekeeping force in order to ensure the withdrawal of the Vietnamese and to guarantee that the Khmer Rouge would not retake power. Sihanouk observed that of all the ASEAN countries, only Singapore had the courage to defend Sihanouk's proposals at JIM-II.

In response to the President's questions, Sihanouk said 80% of the Cambodian people would vote for him in free elections. This

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was why Hun Sen is opposed to free elections. (b)(1)

(b)(1) Sihanouk argued that the Cambodian people wanted a liberal democracy. (S)

Sihanouk said that while Pol Pot remained Commander-in-Chief of the Khmer Rouge, he suffered from malaria and was in bad health. (b)(1)

(b)(1) The Prince claimed that 100,000 Vietnamese forces remained in Cambodia and that many Vietnamese were disguised as Cambodians. (S)

Sihanouk observed that while the Thai government was divided, he did not think Prime Minister Chatchai would dare to change Thai policy toward Cambodia. Fortunately, he observed, Sitthi Savetsila was still Thai Foreign Minister and Sitthi had assured him that Thai policy would not change. Sihanouk said he therefore believed that, for the time being, the situation along the Thai-Cambodian border would not change. End summary. (S)

REMARKS UPON THE PRINCE'S ARRIVAL

Prince Sihanouk: I am very honored, Your Excellency. It is so nice of Your Excellency to see me. (U)

President Bush: Well, I am very happy to see you again. Shall we have a picture taken? You are looking very well. (U)

Prince Sihanouk: Very well, Your Excellency, thank you. (U)

ON THE WAY TO THE MEETING ROOM

Prince Sihanouk: It is a great honor to present Your Excellency with these flowers. (U)

President Bush: Thanks so much. These flowers are beautiful. Barbara will love this. We will want to save the card. (U)

IN THE MEETING ROOM WITH PRESS PRESENT

President Bush: Do you still have your house near Tiananmen? (U)

Prince Sihanouk: It is being renovated so I am staying here for the time being. I am staying in Villa #15. (U)

President Bush: I've had very good talks with Chinese leaders. You certainly have their strong support. We share the same view on the importance of a Sihanouk-led government in Cambodia. (In response to a reporter's question): We strongly support a

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Sihanouk-led government.

AFTER THE PRESS DEPARTED:

Prince Sihanouk: As you know, JIM-II was not successful. Vietnam refused to abide by its promise to withdraw its troops from Cambodia by the end of September 1989, and wanted a prior agreement among all four of the Cambodian factions, including Hun Sen's faction and the three parties of the Cambodian resistance. We tried hard to reach such an agreement with Hun Sen but there are two points which divide us. First is the question of the dismantling of Democratic Kampuchea and the illegal People's Republic of Kampuchea (PRK) in order to pave the way for the Cambodian people to achieve self-determination. The Cambodian people wold not have free elections in Cambodia unless the elections take place outside the framework of the illegal PRK.

The government was set up in January 1979, by Vietnam when it invaded Cambodia and created this so-called People's Republic of Kampuchea and imposed such a Communist regime on the Cambodian people. Second, Mr. President, people throughout the world continue to say that we must prevent Pol Pot and the Khmer Rouge from returning to power in Cambodia. The Khmer Rouge, under pressure from China, has accepted an international control commission and an international peacekeeping force sent by the United Nations. Hun Sen opposes this. China and the Khmer Rouge leaders only ask to let the Khmer Rouge be a member of a quadripartite system under my leadership and without playing a dominant role. But Hun Sen and Vietnam reject this and continue to reject proposals which consist of having an international peacekeeping force in Cambodia and free elections and international supervision. They want to maintain the so-called People's Republic of Kampuchea and the so-called government of the People's Republic of Kampuchea under the leadership of Hun Sen. They propose, alongside the People's Republic of Kampuchea, to set up what they call a national reconciliation council to be presided over by Norodom Sihanouk. But I cannot accept this because it would not be able to organize truly free elections if the PRK government remains in power (at the time of the election).

President Bush: I know. Let me ask you a question. If there were totally free elections in Cambodia, would you win big?

Prince Sihanouk: I am sure that in elections by the people about 80% would remain faithful to Sihanouk.

President Bush: Eighty percent?

Prince Sihanouk: Your Excellency, I am not proud of myself, but

it is the truth. This is the reason Hun Sen refuses to allow free elections. If they were so sure to win, the people in Phnom Penh would accept free elections. But they don't want free elections. (S)

President Bush: But your support is that strong? That is very good. (S)

Prince Sihanouk: Even TIME and NEWSWEEK, in an article by Ron Moreau, wrote that my people still have nostalgia for the Sihanouk reign, the Golden Age of Cambodia. So, Mr. President, without praising myself, I assure you about 80% of the people would vote in favor of me and my party. Hun Sen is liked by a small part of the Cambodian nation because those people believe that he saved them from the yoke of the Khmer Rouge. (b)(1) (b)(1)

(b)(1)

In the annual report, they mention serious violations by the Vietnamese army in Cambodia and by the government in Phnom Penh. Therefore, they can't be liked by the whole nation of Cambodia. The Cambodian people are proud and very patriotic and they want a free and independent Cambodia, not a satellite of Vietnam or of other foreign countries. They want a liberal democracy with a liberal economic system. We are small, but we want to follow the U.S. example. We want to be a liberal democracy. We must achieve this. (S)

President Bush: Where is Pol Pot now? Is he with his troops or is he in hiding? (S)

Prince Sihanouk: Yes, he is hiding. Pol Pot is in bad shape. He has malaria and is weak. He is not in good health. He remains, in fact, Commander-in-Chief of the Khmer Rouge party and army. But officially the chief is Khieu Samphan. (b)(1) (b)(1) (b)(1) (1.4)(c) 2546

(b)(1)

President Bush: (b)(1)

Prince Sihanouk: (b)(1)

President Bush: It was certainly a very brutal period in your history. (C)

Prince Sihanouk: A very dark period. (C)

President Bush: Are the Vietnamese today in Cambodia doing a lot of fighting or sitting in armed camps? (S)

Prince Sihanouk: They are fighting. The Thai press mentioned recently that there are continuing battles between the Vietnamese and the resistance forces. My army has made tremendous progress. When you say resistance forces, it is not only the Khmer Rouge, but also Sihanouk's forces. Son Sann's forces are the weakest, but the resistance continues to fight Vietnam. (S)

Practically speaking, the forces of Heng Samrin and Hun Sen are not fighting us but we still face Vietnam. (b)(1) (b)(1) there are still 100,000 Vietnamese troops in Cambodia. Vietnam made a proposal regarding a so-called withdrawal from Cambodia. The Vietnamese said that 50,000 troops had been withdrawn, this was not true. About 15,000 were withdrawn. Without the protection of 100,000 troops, the regime of Hun Sen would collapse, crumble. The army of Hun Sen is not strong. There are big numbers of so-called volunteers. When the people are genuinely Khmer, they don't fight because they don't like Vietnam. They want an independent Cambodia. The fact is that Vietnam decided a few years ago to put more and more Vietnamese disguised as Cambodians in the so-called Cambodian army of Hun Sen. (S)

President Bush: We heard the Chinese tell us today that the Vietnamese are changing their uniforms. Don't the people know this is happening? (S)

Prince Sihanouk: Yes, they do. But for Westerners, it is difficult to know the difference between a Cambodian and a Vietnamese face. (S)

President Bush: Well, we certainly wish you luck. We respect your efforts and the cause you represent. You are a symbol of unity for Cambodia. I hope that neither Thailand nor anyone else goes off on their own and tries to reconcile with the puppet regime in Phnom Penh. (S)

Prince Sihanouk: That would be bad. I cannot criticize Prime Minister Chatchai Chunhawan for deciding to receive Hun Sen so

warmly in Bangkok. I don't criticize him, but he must take into account that we do not need a national reconciliation council in the framework of the so-called People's Republic of Kampuchea but a quadripartite government set up outside of this framework. Whether this government is capitalist or communist, whether it is socialist or capitalist, this is up to the Cambodian people to decide. We must not force the Cambodian people to do things under the illegal system of the PRK. That is why we need an international peacekeeping force and an international control commission. Not just for the realization of the future Vietnamese withdrawal but also to prevent the Khmer Rouge from trying to take power. The Khmer Rouge say they will not try, but if the international community refuses to trust them, then we need an international peacekeeping force.

In JIM-II, we could not surrender to Vietnam. The reason it was not a success is that Vietnam and Hun Sen want us to surrender to unacceptable conditions. Thailand, Indonesia, even Malaysia, Brunei, and the Philippines did not help us, did not defend our just cause and our resistance. Only Singapore had the courage to say Sihanouk is right and Vietnam is wrong. Only Singapore defended our just cause. Mr. President, I think Thailand and the other ASEAN countries should maintain their stand in favor of the resistance, just as the U.S., Japan, China, and Singapore continue to make clear their stand. We need free elections and international supervision. I think these two points are essential. They are vital. We will not give them up.

President Bush: This meeting has been a great help to us in hearing directly from you your views. We are heading off now to see Zhao Ziyang, but I want you to know we will be steadfast in our support for this arrangement. We made this point to the Thai. We must stick together. What is your next step? Will there be a JIM-III?

Prince Sihanouk: They say that after four months, following the Deng-Gorbachev summit, ASEAN would like to organize another meeting.

President Bush: Will you go?

Prince Sihanouk: Mr. President, I will examine the situation.

President Bush: I understand. You can't make a commitment ahead of time.

Prince Sihanouk: Yes.

Secretary Baker: Do you know whether the Thai will close off the border?

Prince Sihanouk: Between Foreign Minister Sitthi and Prime Minister Chatchai, there is not a common view. I saw Sitthi here and next month Chatchai will visit on the 15th of March. He will meet Deng and the other leaders and on the 16th I will give a banquet in his honor. I think Chatchai himself will not dare to change the present Thai policy which was established under Prime Minister Prem. It is fortunate for us that Sitthi Savetsila is still Foreign Minister. He told me the other day that Thailand will not change its policy and they will continue to help the resistance with Chinese aid. For the time being, I think we can trust Thailand.

President Bush: It's a great help to hear from you directly your views. Believe me when I say there is an ache in my heart for your country. You are the hope of your people.

Prince Sihanouk: I am immensely encouraged by your noble words and generous support.

ON THE WAY OUT THE DOOR

President Bush: Will you be going back to the Cambodian border any time soon?

Prince Sihanouk: Yes, I will go back to the frontier in April, Mr. President. I will also visit Thailand and Indonesia.

President Bush: Are you worried about your security?

Prince Sihanouk: The army of Thailand will take care of me. Of course, I cannot go to Phnom Penh. They only would want me to be attached to their government.

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Bilateral Meeting with President Aquino of the Philippines

PARTICIPANTS:

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

Philippines
President Aquino
Foreign Secretary Manglapus
Roberto Villaneuva, President of the Coordinating Committee of the MAI

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

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

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

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

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

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

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

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

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

President Aquino: That would be most helpful.

The meeting ended with an exchange of pleasantries between President Aquino and Mrs. Bush.

THE WHITE HOUSE

~~SECRET~~ WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

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

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

DATE, TIME AND PLACE: February 23, 2989, 7:05 p.m. - 7:25 p.m.
Ambassador's Residence, Tokyo, Japan

SUBJECT: Meeting with Prime Minister Chatchai Chunhawan of Thailand

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

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

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

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

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

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

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

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

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2000-0429-F

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

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

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

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

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

President Bush: What kind of government does Laos have?

Prime Minister Chatchai: A benevolent one.

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

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

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

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

Prime Minister Chatchai: The problem is a religious one.

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

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

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

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

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

Prime Minister Chatchai: We are strongly anti-drug.

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

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

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

(Comment: The conversation was not a terribly smooth one and, on at least one occasion, Surakiat, a youthful advisor of the Prime Minister, answered instead of Chatchai. Conspicuous by their absence was any representation from the Thai Ministry of Foreign Affairs.)

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
021. Aide-Memoir	Re: Aide-Memoir (3 pp.)	2/23/89	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**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]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02m. Memcon	Re: Meeting with President Mohammed Hosni Mubarak of Egypt (5 pp.)	2/23/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Document Partially Declassified
(Copy of Document Follows)
By MM on 8/21/2009

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	2000-0429-F(6)
AR Disposition:		**MR Disposition:**	Released in Part
AR Disposition Date:		**MR Disposition Date:**	8/21/2009

RESTRICTION CODES

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THE WHITE HOUSE

~~SECRET~~ WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

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

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

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

SUBJECT: Meeting with President Mohammed Hosni Mubarak of Egypt

The meeting began with an exchange of warm greetings.

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

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

President Mubarak responded that he supported an international conference.

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

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

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

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

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

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

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

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

President Mubarak responded that (b)(1)

(b)(1)

The President asked (b)(1)

President Mubarak said (b)(1)

(b)(1)

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

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

(b)(1)

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

side.

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

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

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

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

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

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

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

Palestinians. (S)

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

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

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

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

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

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

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

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

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

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

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

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

President Bush asked, this year?

President Mubarak said this year or next year.

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



Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02n. Memcon	Re: Meeting with King Hussein I of Jordan (5 pp.)	2/23/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Document Partially Declassified
(Copy of Document Follows)
By MM on 8/21/2009

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	2000-0429-F(9)
AR Disposition:		**MR Disposition:**	Released in Part
AR Disposition Date:		**MR Disposition Date:**	8/21/2009

RESTRICTION CODES

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~~SECRET~~

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

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

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

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

SUBJECT: Meeting with King Hussein I of Jordan

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

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

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

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2000-0429-F
8/21/2009 MM

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

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

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

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

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

President Bush asked King Hussein about the Rabin plan for elections.

King Hussein said yes, he was familiar with it.

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

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

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

King Hussein answered this year.

Secretary Baker interjected that he had found a sense of support

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

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

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

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

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

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

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

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

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

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

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

Secretary Baker asked the exact nature of the Israel poll that the King had referred to.

King Hussein said sixty-four percent had favored direct negotiations with the PLO.

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

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

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

General Scowcroft asked what participants Hussein envisioned?

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

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

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

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

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

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

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

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

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

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

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02o. Letter	Re: Personal for the President (8 pp.)	n.d.	(b)(1)	TS

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
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AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02p. Letter	From King Hussein I (2 pp.)	n.d.	(b)(1)	TS

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
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P-2/P-5 Review Case #:		**Disposition Date:**	
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Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02q. Letter	Re: Personal for the President: Chronology of Jordanian Efforts fro Peace 1967-89 (3 pp.)	n.d.	(b)(1)	TS

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Middle East Peace Process Files
Subseries: Chronological Files
WHORM Cat.:
File Location: Middle East Peace (March 1989)

Date Closed:	5/19/2009	**OA/ID Number:**	91142-001
FOIA/SYS Case #:	2009-0275-S	**Appeal Case #:**	
Re-review Case #:		**Appeal Disposition:**	
P-2/P-5 Review Case #:		**Disposition Date:**	
AR Case #:		**MR Case #:**	
AR Disposition:		**MR Disposition:**	
AR Disposition Date:		**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]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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(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

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02r. Outline	Re: United States' Commitments and Positions on Peace Settlement (3 pp.)	n.d.	(b)(1)	TS

Collection:

Record Group: Bush Presidential Records
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AR Disposition Date:		**MR Disposition Date:**	

RESTRICTION CODES

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

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

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

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

SUBJECT: Meeting with President Chaim Herzog of Israel

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

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

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

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

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

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

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

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

Secretary Shultz, when he visited the East Bank, was prevented from meeting with moderate Palestinian leaders. It was essential to have more respect for democracy. Many Palestinians with dissenting views were afraid to come out in the open. Herzog admitted, however, that Israel had overdone it by "bracing" Arabs in the occupied territories in public. President Herzog said that there was more moderate thinking than realized among those in the East Bank. He recalled a dinner he recently had with the Arab mayor of Bethlehem. Such people were immediately threatened, and terrorism and bullets were still too important in pushing Arab views into line. There were problems, he said, with Islamic fundamentalists and extreme Shiites. Both are externally, as well as internally, led. They were controlled through Lebanon into Israel and Gaza.

President Herzog said that the Rushdie book highlighted the problem. If American booksellers are so easily intimidated, it should be no surprise that West Bank residents can be intimidated even more easily.

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

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

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

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

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

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

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

The meeting concluded in a friendly manner.

THE WHITE HOUSE

 WASHINGTON

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS:

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

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

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

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

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

Without interruption the Prime Minister continued that she wished to confide in the President her assessment of the internal situation in Pakistan. For better or worse, she said, the

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

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

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

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

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

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

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

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

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

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

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

Prime Minister Bhutto said that it was her mother who knew Prince

Sadruddin best, but he had been at her wedding and she had had a good talk with him then.

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

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

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

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

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

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

President Bush asked Pakistan's assessment of Najibullah.

Foreign Minister Yaqub indicated that he believed that the resistance would soon tear apart the existing Afghan government, that there would be a need for a new start, and the resistance

was not much concerned with Najibullah.

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

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

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

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

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

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

PARTICIPANTS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

President Venkataraman said it was barbaric.

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

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

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THE WHITE HOUSE

WASHINGTON

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with President Jose Sarney of Brazil

PARTICIPANTS:

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

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

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

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

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

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

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

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

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

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

President Sarney noted that Brazil had needed to carry out an external adjustment after 1987 through agreements with commercial banks, the IMF and the Paris Club. Now it had normalized its economic relations. He said he had always thoughts Brazil must solve its problems in the international area, but it could properly address its internal troubles because of the interdependent nature of the world.

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

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

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

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

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

President Sarney replied Congress had approved the core of the plan.

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

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

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

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

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

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

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

And he pledged to continue to discuss environmental issues with Sarney.

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

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

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

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

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

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

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

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

THE WHITE HOUSE

 WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Ibrahim Babangida of Nigeria

PARTICIPANTS:

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

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

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

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

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

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

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

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

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

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

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

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

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

President Babangida said his government would continue to cooperate.

President Bush asked about Nigerian politics.

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

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

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

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

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

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

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

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THE WHITE HOUSE

WASHINGTON

~~SECRET~~

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

President Mobutu: No, I understand.

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

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

forces. Belgium was the only country to recognize Katanga as an independent state. One member of the Kataga government was decorated by the King of Belgium. Perhaps the Belgians take us for fools and expect that we will simply forget it.

Following this discussion, the Belgian Prime Minister was more open-minded, saying, "President Mobutu you are right and I will instruct my Minister of Finance to do more." Subsequently there were 21 days of invective directed against us on this issue by the Belgians. We finally reacted by saying, "Let's settle accounts. Let's see where the money went. You made the succession possible and took all of our earnings. You are telling us we owe you 4.7 billion francs. Let's figure out who really owes whom."

I am glad to see that you are watching this situation.

President Bush: As a result of this discussion I can better understand this troubled history now. This is not an affair of the U.S. but to the degree that it can be resolved, it will make it easier for the U.S. to have relations. I appreciate your explanation.

President Mobutu: Perhaps we could shift to another subject. I had very good talks with the Prime Minister of Japan. In regard to sub-Sahara Africa, our Japanese friends have told me that if the United States and Zaire have very good relations, this would encourage Japan to do more for Zaire.

Secretary Baker: I will make the point to Foreign Minister Uno that the U.S. and Zaire are very close. I am leaving to meet with him at this very moment.

President Bush: Go do that. We are working with Japan and would like to see them help Zaire with no strings.

President Mobutu: You ask and it is done.