

SECRET/SENSITIVE

UNCLASSIFIED
SECRET

(5)

LIMITED ACCESS

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

3508

(E4)

May 3, 1990

(440)

#14

ACTION

MEMORANDUM FOR WILLIAM SITTMANN

FROM: PHILIP ZELIKOW *pz*

RELEASED IN FULL

SUBJECT: Memorandum of Conversation with British Prime Minister Margaret Thatcher, April 13, 1990

At Tab I is a Memorandum of Conversation between the President and Prime Minister Margaret Thatcher of the United Kingdom in Bermuda on April 13.

RECOMMENDATION

That the attached Memorandum of Conversation be filed for the record.

Approve VM

Disapprove _____

Attachment
Tab I Memorandum of Conversation

*CSUB
SMW
130088*

SECRET/SENSITIVE

Declassify on: OADR
UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: THEODORE SELLIN
DATE/CASE ID: 23 APR 2003 199504604

SECRET

UNCLASSIFIED

93D-187/Box 109

UNCLASSIFIED

SECRET/SENSITIVE

~~SECRET~~

3508

E4A

THE WHITE HOUSE
WASHINGTON

RELEASED IN PART
B1, 1.5(B), 1.5(D)

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS: The President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Henry Catto, Ambassador to the U.K.
Robert D. Blackwill, Special Assistant to the
President for National Security Affairs

Margaret Thatcher, Prime Minister
Sir Antony Acland, Ambassador to the U.S.
Charles Powell, Private Secretary to the
Prime Minister

DATE, TIME April 13, 1990, 10:44am - 3:30pm
AND PLACE: Bermuda

Prime Minister Thatcher: Welcome to Bermuda. (U)

The President: How do you wish to proceed? (U)

Prime Minister Thatcher: Please begin in any way you wish. (U)

The President: Let me make clear at the beginning how important I think it is that we stay on the same wavelength. We have so far, and we should continue to do so. I need your consultations and advice. I don't want us to stumble into accidental differences. Our relations are in good shape, but I want to keep it that way. (C)

Let me start with Germany and the Two Plus Four. The Two Plus Four discussions are off to a good start. I expect that official-level discussions will resume sometime after the new government in the GDR is in place, perhaps toward the end of this month. (S)

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: THEODORE SELLIN
DATE/CASE ~~SECRET/SENSITIVE~~ 199004604
Declassify on: OADR

UNCLASSIFIED

I understand that the Two Plus Four will next be discussing their agenda. This is a very important subject, and I want to be sure you and I are seeing this in the same way. Before each Two Plus Four session, we should carefully make sure that our two countries, the French, and the FRG, have identical positions. (S)

We think the Two Plus Four should concentrate on how to give up the existing Four Power rights and responsibilities for Berlin and Germany as a whole, so that a united Germany can be fully sovereign like other European states. I had good talks with Helmut on this, and on the issue of the Polish border. My worry is that the Soviets will want to use the Two Plus Four to interfere with Germany's sovereign rights and hosting Western forces in the current FRG. We're not on the same wavelength with the USSR yet on that topic. It is because we don't agree with the Soviets on this that the Allied talks, the One Plus Three, are so crucial. (S)

We need to be as clear as we can about the things the Two Plus Four should not decide, like: Germany's membership in NATO; the status of Western nuclear and conventional forces stationed in the current FRG; the size of the German armed forces; or dreaming up new discriminatory limits to place on German sovereignty -- a sure recipe for future instability. (S)

The Soviets have concerns about the disposition of the current territory of the GDR and we are ready to address them. Yet their interest in negotiating the size of the German army should be dealt with in follow-on conventional arms control talks. Their concern about U.S. nuclear weapons should be handled in the SNF arms control negotiations we have promised. These are not matters to be negotiated in the Two Plus Four. (S)

I feel real concern that our NATO allies be aware of what our countries are doing in the Two Plus Four talks -- to reassure them that their interests are being taken into account and to provide further support to Helmut Kohl. (S)

[REDACTED]

The President: Both of us see the need to have a united Germany remain a full member of the NATO Alliance, including its military structures. The meeting with Francois next week could be difficult because we are not on the same wavelength with France on NATO and some European issues. I am convinced we can persuade the Soviets that Germany staying in NATO is in the Soviet interest.

[REDACTED]

[REDACTED]

I want to assure our public, and the German public, that NATO remains as vital as ever for protecting our collective security. I don't know what will happen in a unified Germany, given the political pressures. But we need to persuade the public that NATO shall remain vital. As force reductions and an undivided Europe become real possibilities, and as the Warsaw Pact loses its cohesion, we must consider how the Alliance can demonstrate its readiness to adjust to these changes and project a renewed Western vision for the future of Europe. [REDACTED]

[REDACTED]

I have an additional consideration. For the U.S., NATO represents our principal link to Europe. I think it is vital that the U.S. maintain itself in Europe, but without a vigorous NATO, I don't see how this can be done. Without highlighting any differences with France, they don't seem to understand this situation. (S)

I need your advice on how to handle President Mitterrand and France. I have a funny feeling we've drifted apart a little. I want the visit next week to be constructive. (S)

Manfred Woerner has suggested a NATO Summit. I think this may be a good idea. There would be an awful lot of meetings, including the G-7 in Houston, but a NATO Summit would be timely after my meetings with Gorbachev. I want to consult with other Allies. We are interested in a Summit right after I see Gorbachev. I would rather it not be in Brussels. It would be good for NATO to hold it someplace else than Brussels. (S)

The NATO Summit could hear the results of your meeting and mine with Gorbachev. It could be a reasonably short meeting. Unfortunately, there is also Jim's meeting in Scotland. Maybe we could substitute a NATO Summit for it. The Bush view is that it would be great to go to Scotland. (S)

A NATO Summit declaration could include: (1) NATO's role in the new Europe; (2) NATO's post-CFE nuclear and conventional force objectives; (3) NATO's post-CFE and SNF arms control goals; and (4) the position of NATO on how it interacts with the future of the CSCE. We need to think about how the U.S. should interact with the CSCE. We need good solid thinking on this, with the East Europeans as players in Europe's future. It would be good to get a common NATO approach before a CSCE Summit. After a NATO Summit, the relevant NATO bodies would then proceed with a review to determine how the Alliance can best achieve the declaration's goals. (S)

UNCLASSIFIED

~~SECRET~~

SECRET/SENSITIVE

Another outcome of a NATO Summit could be a strong statement of support for continued German membership in NATO, along with the continued presence of militarily significant U.S. nuclear and conventional forces in Germany. I fear mounting pressures in a united Germany on U.S. nuclear and conventional forces. The U.S. public won't keep our kids in Germany if they are not wanted. But we must stay the course, keep a continued U.S. commitment. (S)

On SNF, I was pleased that you recently singled out the presence of U.S. nuclear forces in Germany as an essential feature of European security. On FOTL, we have political realities at home. Later this month Congress will delete funding for this program. Therefore, in view of changed circumstances and the need not to appear to let Congress set the strategy, I would like to discuss the future of FOTL with you, what to do. I'd like to indicate our openmindedness on SNF. (S)

I also want to hear from you about when to begin SNF arms control negotiations with the Soviet Union. Perhaps these could start shortly after a CFE treaty is signed. (S)

[REDACTED]

B1

My main message to you, however, is that our commitment to keep nuclear weapons deployed in Europe, including in Germany, is strong. Jim and Brent can explain more about the realities we face on FOTL. I'd like to know more about your views on SNF. (S)

I was briefed on your proposals for strengthening the CSCE. We see the CSCE as playing a critical role in overcoming the division of Europe. I would like to hear more about your ideas for its future. (S)

We think it would be premature to begin preparatory meetings among the 35 about a CSCE Summit until the substantive issues in CFE have been resolved and we can be confident a treaty will be ready for signature. It would be difficult for me to attend a CSCE Summit without a CFE agreement to sign there. (S)

On U.S.-Soviet relations, I'm worried about Lithuania. Gorbachev is on the horns of a real dilemma. I'm worried about Gorbachev being muscled from the right.

[REDACTED]

If Gorbachev doesn't get out of the Baltic dilemmas, I can't do business as usual. You and I are together on this, but it is getting more difficult. (S)

SECRET/SENSITIVE

UNCLASSIFIED

SECRET/SENSITIVE~~SECRET~~

If Gorbachev uses more force, this would create enormous difficulties for us. It would cloud everything -- arms control, regional issues like Africa, human rights -- everything. We have come so far, but there is a danger we could slide back into the dark ages. But I have real domestic political constraints. The Soviets have backed up on ALCMs and SLCMs. (S)

Secretary Baker: We noticed a change between Wyoming and Washington, but also between Moscow -- in February -- and Washington. When we ran aground on ALCMs and SLCMs, and they backed away from the joint statement reached in Moscow, I suggested to Shevardnadze that we discuss this over dinner. [REDACTED]

[REDACTED] Karpov was out. There were new faces -- Akhromeyev and that Major General -- that produced backsliding. (S)

We met two days after a difficult plenum, when Gorbachev and Shevardnadze were criticized about losing Eastern Europe and Germany. They can't lose the Union. It seems Douglas Hurd has the same impression. But Gorbachev told Senator Mitchell's delegation that he could finish the work in START. (S)

The President: I'd like to talk about COCOM for a moment. We agree with your conclusion that it needs imaginative restructuring to continue to fulfill its mission. Your 'core list' approach seems like the right plan of action and we want to work with you to develop the details. (S)

The outcome of the June COCOM meeting must be a reaffirmation by the Allies of the need, in principle, to protect [REDACTED] defense technology, but based on a much shorter list of controlled goods and technologies. I'll try to see we don't protect unreasonably. We should get our people to look at what is needed, and what is just bureaucratic history. I want to move here. I'll move our bureaucracy. (S)

On the Summit in Houston, four major issues have arisen from the Sherpa talks so far: First, East-West developments. Second, the environment. We're having a high-level conference in Washington on Tuesday. I'm worried about extreme environmentalists throwing people out of work. I want to get cost and science in there. We need study, expertise. We can't deal just with pure emotion. I'm trying to find the proper balance. That's the point of view I will bring to the Houston Summit -- to get control of the emotions. Third, international trade and the Uruguay round. I had a chance to unload on your Ambassador while coming down here. Fourth, the West's approach to developing countries. I have reservations about North-South dialogue. (S)

We need to work together to make the Uruguay round a success. Compromise will be needed by all involved. In addition, I would like to talk about narcotics at the Summit, building on the money

SECRET/SENSITIVE

SECRET/SENSITIVE

laundering initiative of the 1988 Toronto Summit. At Cartagena in February, I promised to seek commitments to greater economic assistance to Latin America, and I hope you will join me in Houston in encouraging this. We are reviewing U.S. legislation on commodities like sugar and coffee. (S)

On the matter of the Soviets and fiber optics, I am glad your team's April 9 visit to Washington was successful and that our officials are now engaged in close consultations about this issue. We are agreed that neither of our countries will take any final action on this project without consulting the other. (S)

It grieves me that we haven't been more helpful on the problem of refugees in Hong Kong. It is one of the few places where we are not totally in sync. (S)

On China, I am still disappointed with progress on human rights and reform. They have not responded as I had hoped. (S)

You should be aware that we are headed for new difficulties with the Chinese over trade. Under present circumstances, the Jackson-Vanik waiver that grants most favored nation status to China is not likely to be renewed. If the situation in China and our relations do not improve soon, U.S. bilateral trade with China, including trade through Hong Kong, will be reduced. (S)

I believe I was right in trying to preserve U.S.-China bilateral ties, but it is getting harder. This is troubling me. I hoped for more from the Chinese leaders when I delivered with the Congress. But we are hung up now. (S)

With respect to South Africa, we are fairly well together. I have never been for sanctions, but we are locked in by our law. Dellums and Gray led a Congressional delegation to South Africa who came back with the advice that we should leave our sanctions position where it is. I am determined that De Klerk can come.

I appreciate your effort to provide assistance to the new government of Nicaragua. Violetta is doing the right thing, getting the Contras out of her hair. I am battling with Congress over aid to Nicaragua and their efforts to attach extraneous spending on the aid bill. I've taken some criticism from Carlos Andres Perez over neglecting our own hemisphere, and I don't want that. As much involvement as we can do -- that's my agenda. (S)

Prime Minister Thatcher: I'd like to begin with a broad overview. In the area of European defense, all defense matters should be done through NATO, which has been fantastically successful. This has been made a bit fuzzy because France is not in the military side of NATO. That's why CSCE is being done in

SECRET/SENSITIVE

UNCLASSIFIED

SECRET/SENSITIVE

~~SECRET~~

the EC. CSCE is the only big East-West forum where we meet with the East Europeans and Soviets, who need increased opportunities for dialogue. Thus, we should heighten the CSCE as an East-West forum for discussion. It took a long time to get the Comprehensive Concept decided. Things are changing beneath our feet, but not NATO. (S)

I agree there have been changes recently, in the last six weeks, in the Soviet Union. Gorbachev has hardened up. I think it is because so many of the Republics are talking about secession. Shevardnadze has been knocked to the sidings by criticism. So Gorbachev emphasizes constitutionality, while Lithuania says we won't disavow independence. We have to find a way around this impasse. (S)

[REDACTED]

B1

[REDACTED] This also affects their policy on Germany, CFE, and START, but I don't get the feeling they are interested in further retractions. Gorbachev is a sensible politician, but he has been hardening his position over the last six weeks. [REDACTED]

[REDACTED]

NATO would handle the defense responsibilities. The CSCE would be a political forum. Gorbachev is not as free under the new situation. Where does that take us? On NATO, we like the Comprehensive Concept, but we are considering some changes. But we have to be sure where we are going. We could keep the Comprehensive Concept as we go to a transitional period. [REDACTED]

[REDACTED]

(S)

[REDACTED]

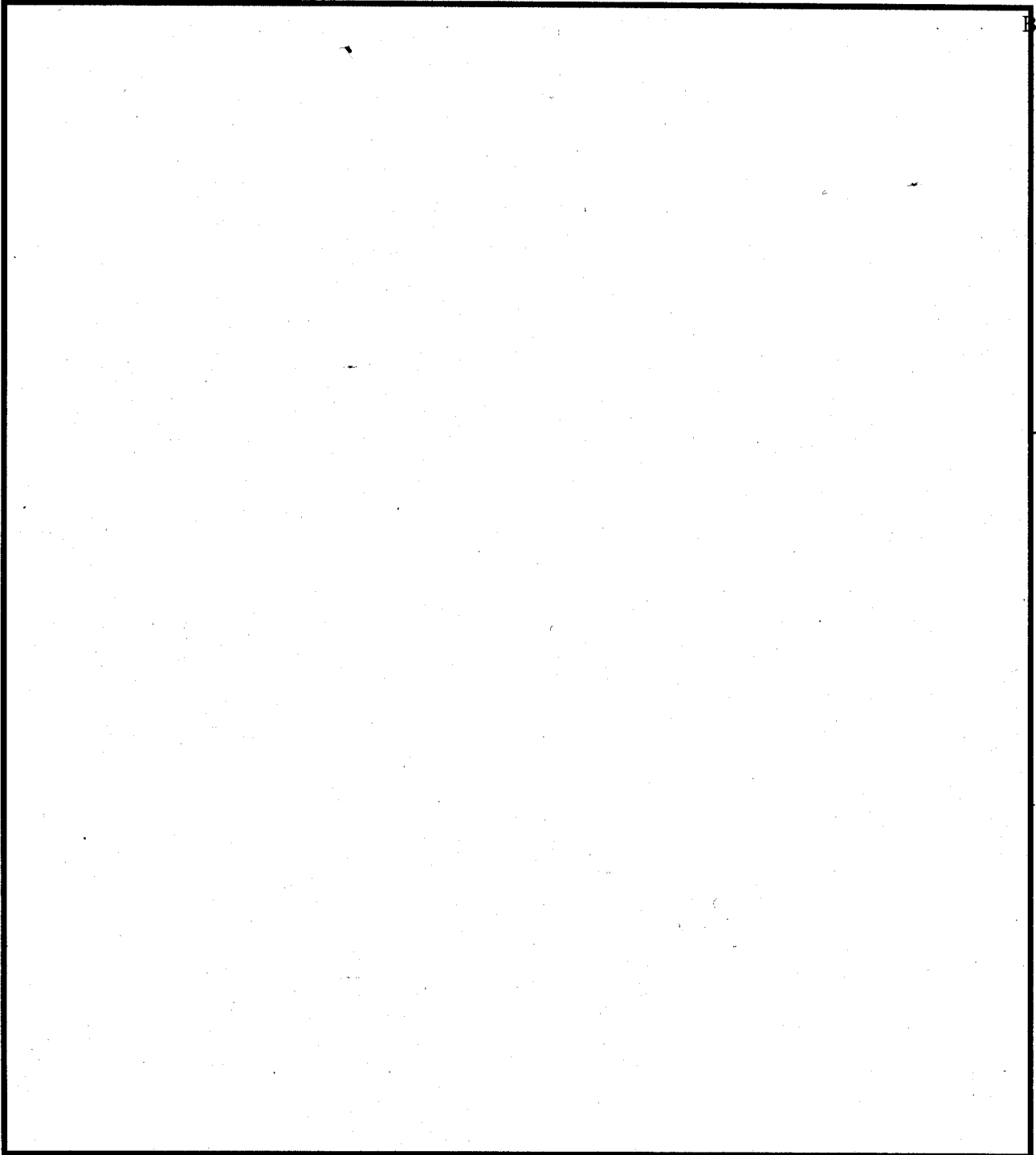
SECRET/SENSITIVE

UNCLASSIFIED

UNCLASSIFIED
SECRET

SECRET/SENSITIVE

Secretary Baker: It's going to be hard to maintain FOTL because the Congress is going to cancel it. To get where you want to go, perhaps we could suggest a commitment to TASM in exchange for startup of SNF negotiations on signature of a CFE treaty, not after implementation of the treaty is underway. (S)



SECRET/SENSITIVE

UNCLASSIFIED

UNCLASSIFIED

B1

UNCLASSIFIED

UNCLASSIFIED

B1

UNCLASSIFIED

UNCLASSIFIED

B1

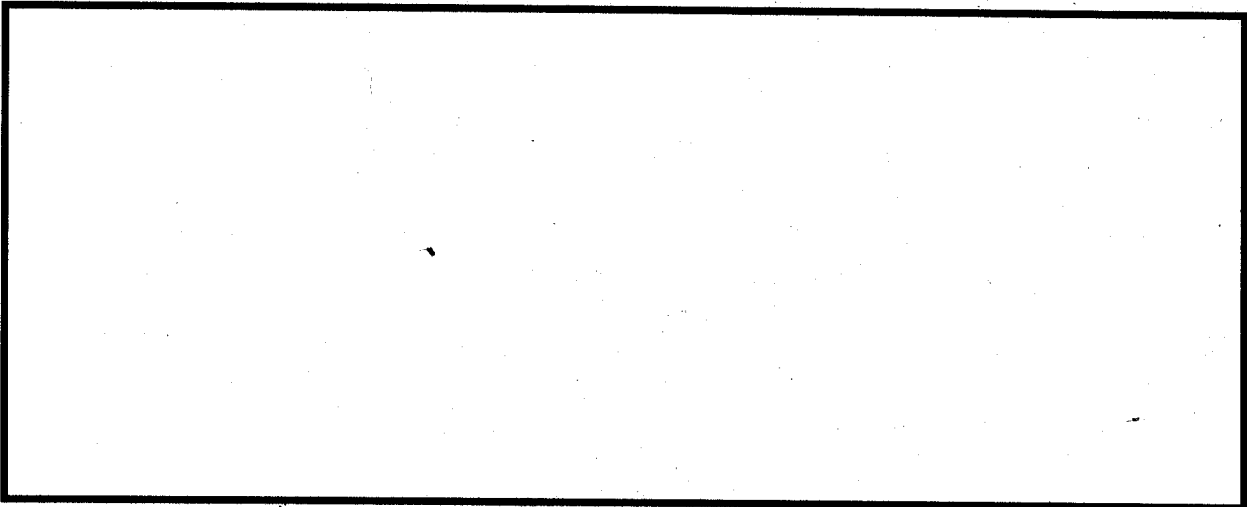
UNCLASSIFIED

UNCLASSIFIED

SECRET/SENSITIVE

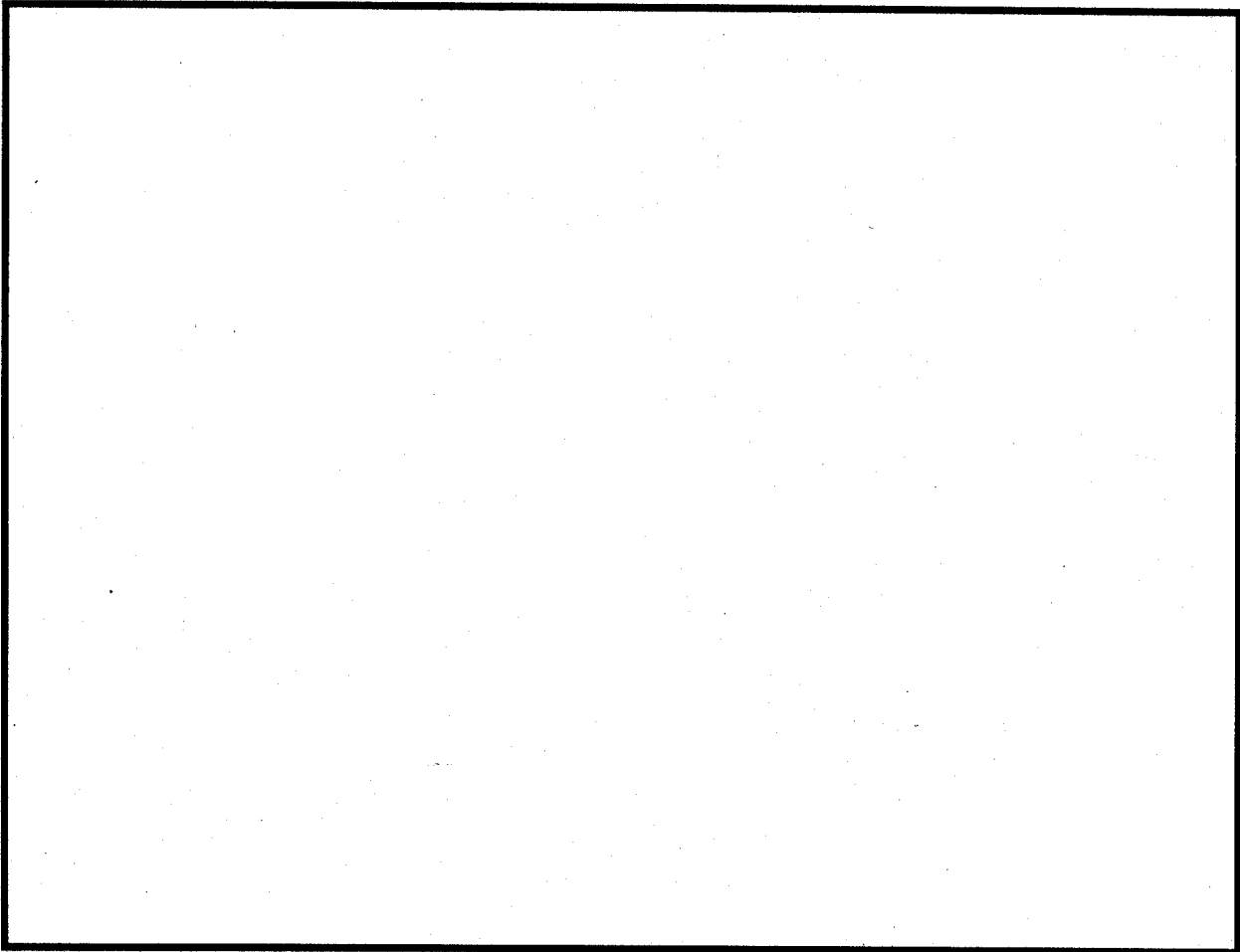
12

B1



- First meeting ended at 12:58pm -

- Working lunch began at 12:59pm -



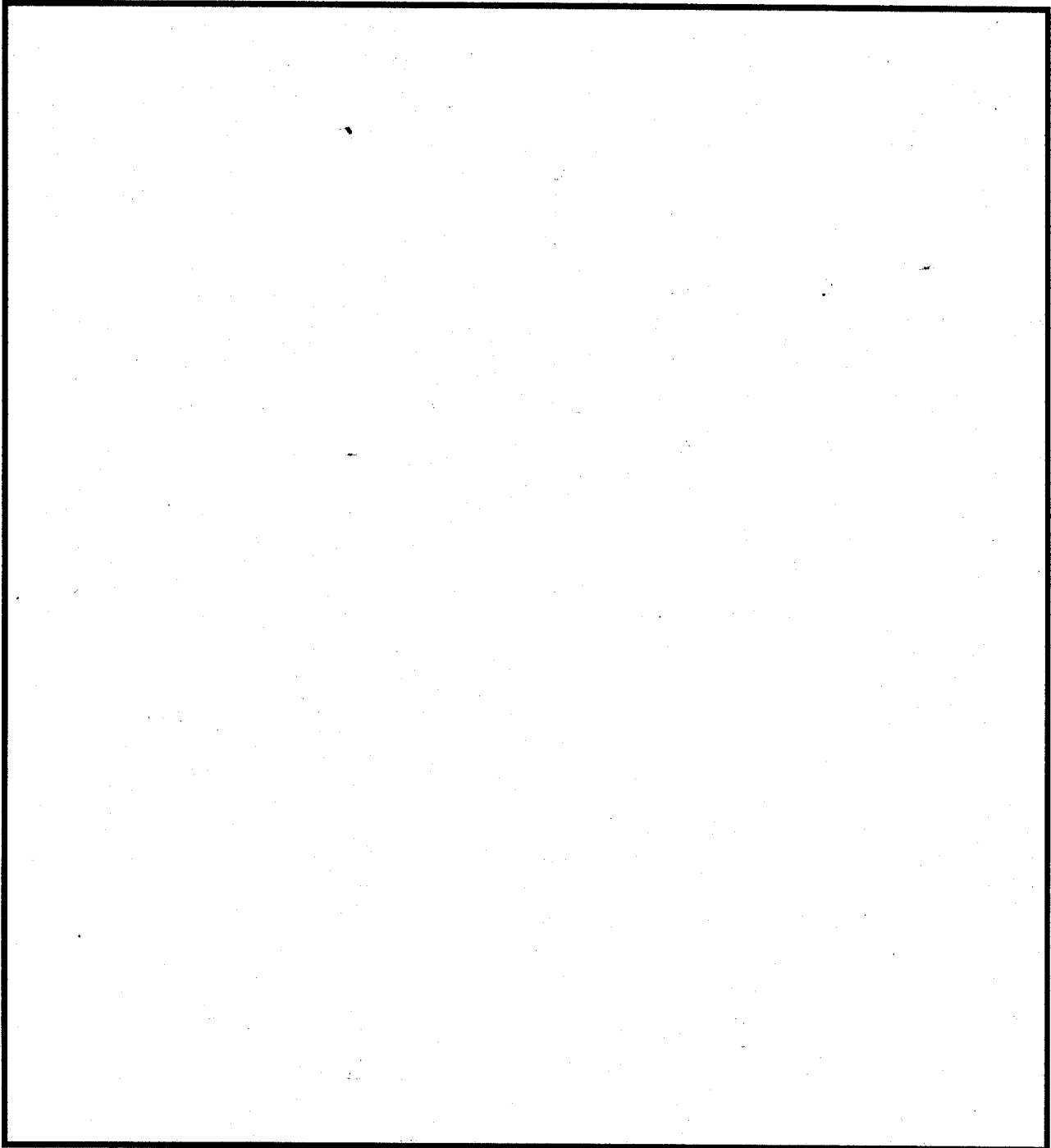
SECRET/SENSITIVE

UNCLASSIFIED

UNCLASSIFIED

B1

UNCLASSIFIED



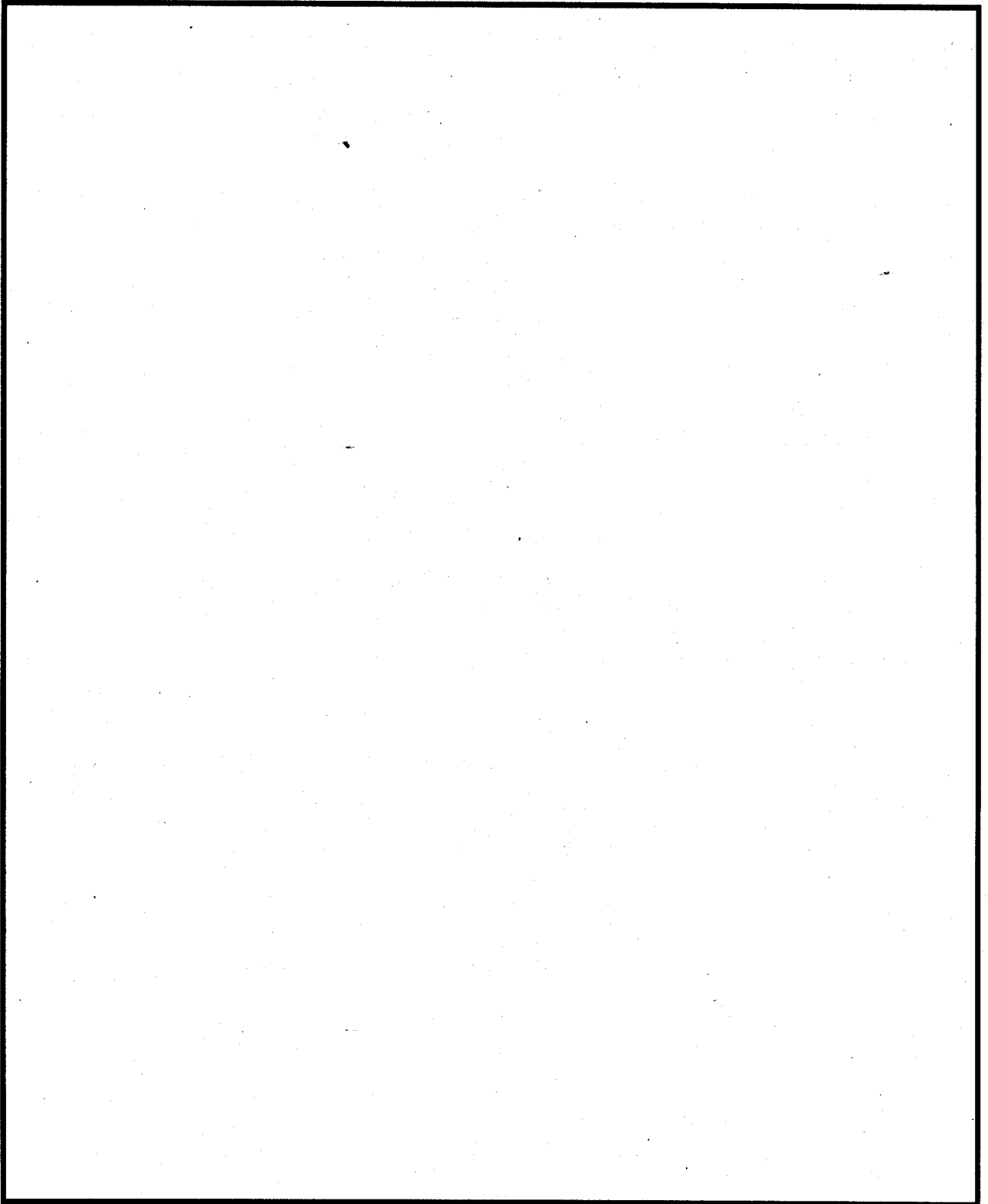
- Working lunch ended at 2:03pm

UNCLASSIFIED

SECRET/SENSITIVE

15

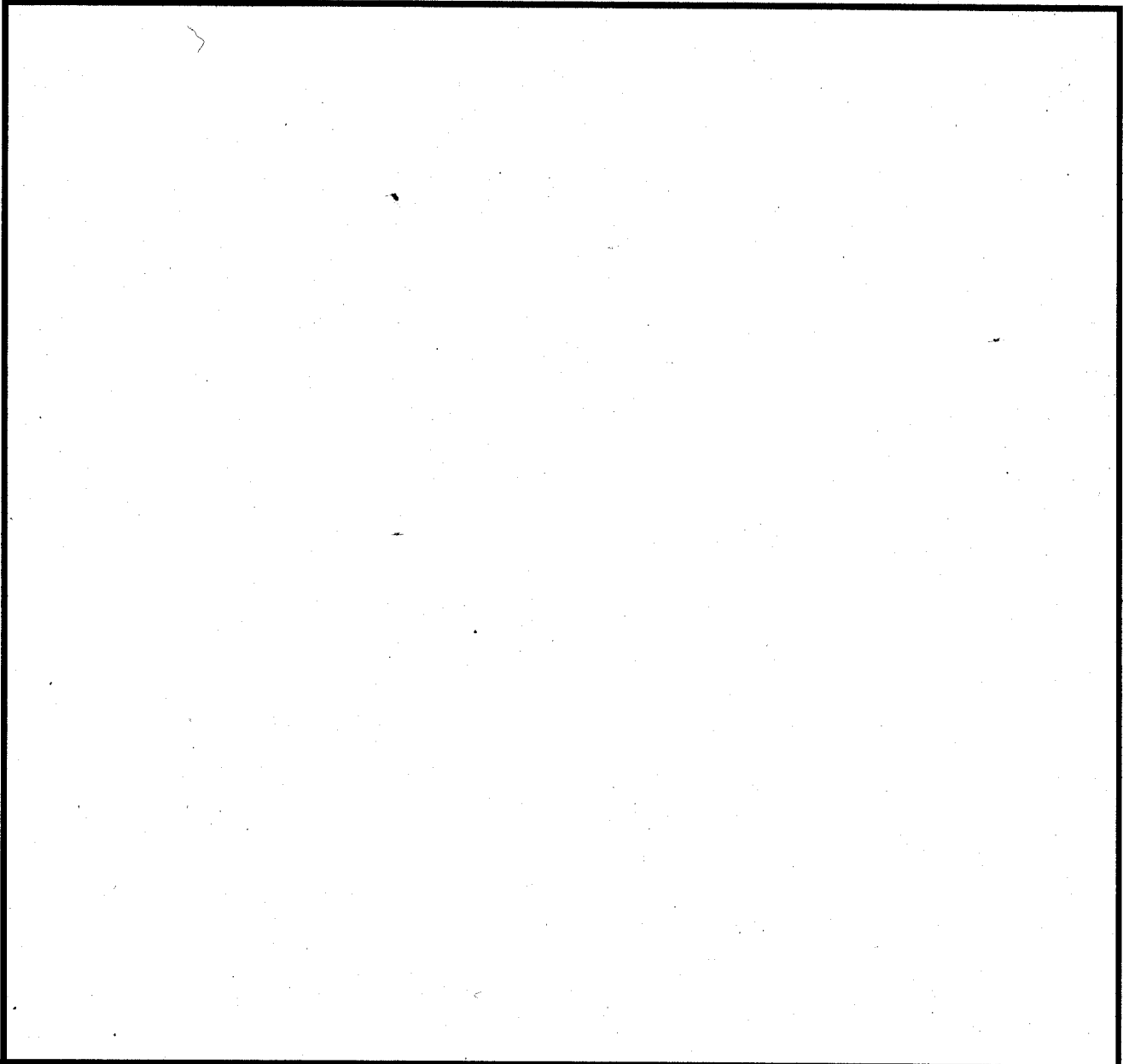
- Second meeting began at 2:15pm



B1

SECRET/SENSITIVE

UNCLASSIFIED



B



On Central America, we are doing what we can to help on Nicaragua. We will stay in Belize. I'm thrilled with Chamorro.



The President: We are trying to open up our markets. (S)

UNCLASSIFIED

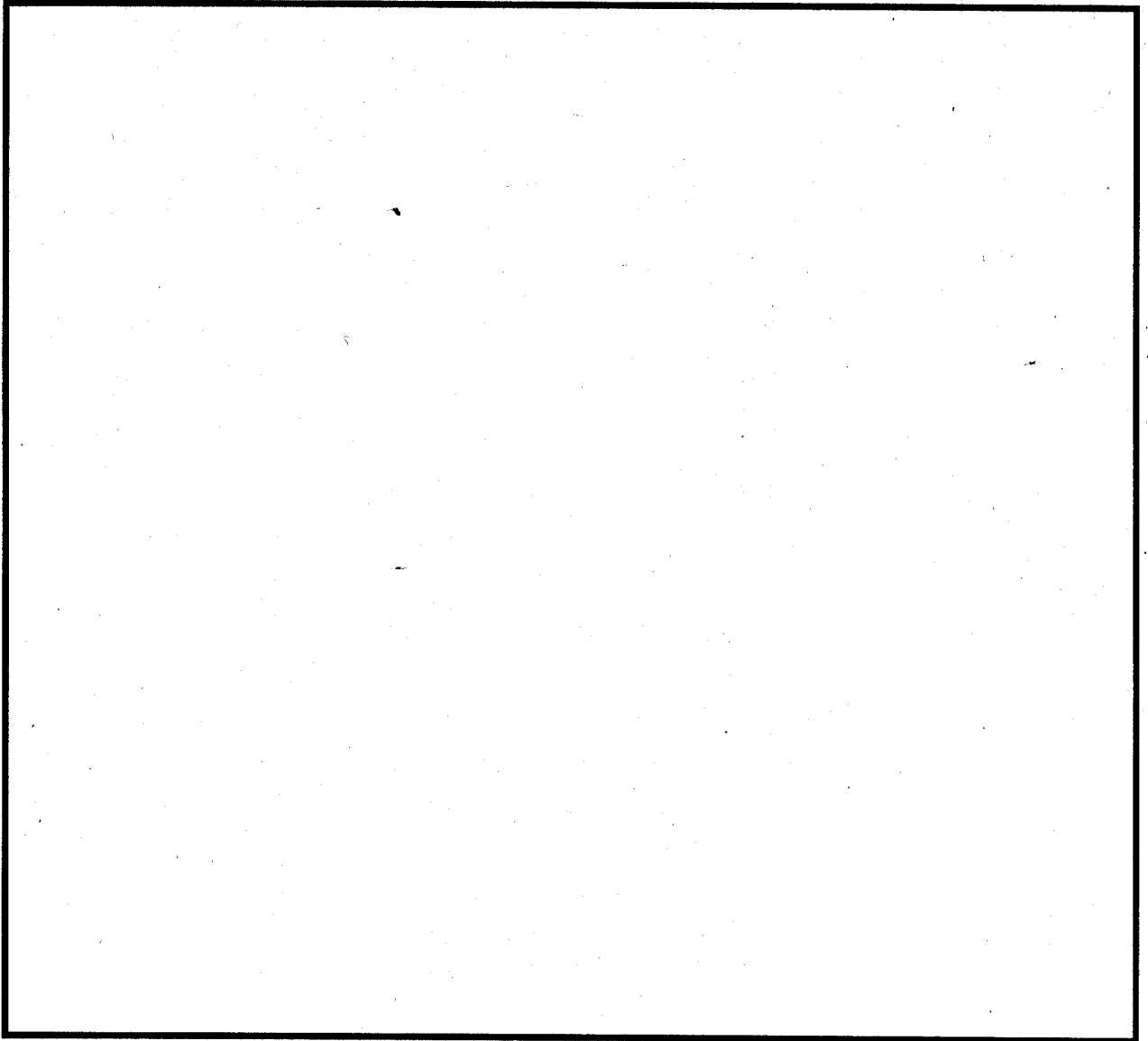
B1

UNCLASSIFIED

SECRET/SENSITIVE

UNCLASSIFIED

18



B1

- Second meeting ended at 3:30pm -

SECRET/SENSITIVE

UNCLASSIFIED