MEMORANDUM OF CONVERSATION

SUBJECT: Plenary Meeting between President Bush and President Roh Tae Woo of Korea, and Lunch

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 and Press Secretary
Robert Zoellick, Department of State
James A. Kelly, NSC, Notetaker
Chang Ho Lie, Interpreter

Korea
President Roh Tae Woo
Choi Ho-Joong, Foreign Minister
Lee Sang-Hoon, Defense Minister
Hong Song-Chul, Secretary General
Kim Chong-Wi, National Security Assistant
Lee Soo-Jung, Press Secretary
Moon Hi-Gab, Senior Secretary for Economic Affairs
Roe Chang-Hee, Chief of Protocol
Park Tong-Jin, Ambassador to the United States
Kim Chong-Whi, Advisor for Foreign Affairs and National Security
Shin Doo-Byong, Director, American Affairs Bureau, MOFA
Moon Dong-Suk, Secretary for Foreign Affairs

DATE, TIME AND PLACE: February 27, 1989, 1:15 p.m. - 1:35 p.m.
Blue House, Seoul, Korea

(The meeting was already in progress when the President joined it and the MEMCON covers only the time the President was at the meeting.)

President Roh welcomed the President again to the Blue House in the presence of his Foreign Minister and senior officials and noted that only about ten minutes remained before it was necessary to go to lunch. He called on Foreign Minister Choi to review the topics that had been covered. The Foreign Minister...
indicated that security cooperation had been discussed, some trade problems had been addressed, and the Republic of Korea's northern policy toward the Soviet Union, China and Eastern Europe had been touched on.

Secretary Baker indicated that he had mentioned that the limited nature of street demonstrations suggest that full democracy has now come to the Republic of Korea.

President Roh indicated that the private discussion with President Bush had touched on similar points and that he had mentioned inter-Korean relations. President Roh said that the power of Kim Il Sung in North Korea appeared to be in the process of transition and that his son, Kim Chong Il, seems to be in control. North Korea, he said, is in a very difficult position. It is being pressured for reform because of no economic progress. It recognizes that there has been a world-wide change of mood and yet there has been no basic change in the harsh conditions of its government. This, he said, poses for South Korea certain dangers as well as opportunities, but that the surest way to progress is by working together closely with the United States.

President Bush responded by saying that this visit underscores the American commitment to the security of the Republic of Korea. It is a commitment to what is an outstanding relationship. He believed, based on his just concluded visit, that China could be helpful to Korea in terms of its relationship with North Korea. He told President Roh that in the relationship with the United States, there would be no decisions or negotiations that would occur behind the backs of our allies. The policies of President Bush's Administration toward Korea are essentially the same as the policies of the old Administration.

President Roh responded that his current diplomacy, based on strength, and the careful cooperation of our two nations, had brought both sides to the present position. His diplomatic openings toward the Soviet Union are intended as a means of curbing North Korea's aggressive designs.

President Bush responded that he is prepared to work closely with President Roh, and President Roh thanked the President.

President Bush said that he had already covered three segments of the trade and economic issue and that it was not necessary to take more time on those.

President Roh responded that these economic problems remain and a joint effort can increase the understanding of these problems and
through that they can be solved. A step-by-step effort, he said, will improve the task of working these problems. President Roh explained that his country had gone from deficit to surplus in its current account only in the last couple of years. As a result, Korean people are not aware of or used to the idea of a surplus, and there has to be much institutional work to prepare the public for this new situation.

President Bush responded by saying that agricultural policies are strongly politically related and they are difficult for every country. Political leaders, even in a city, become troubled by agricultural issues. Despite this he urged strong cooperation with an emphasis on access to markets. The President explained that he is still worried about protectionist pressures coming from the U.S. Congress, that there are some strong feelings and that progress was going to be necessary on agricultural issues. The President called for as much understanding as possible on the import and export of agricultural products.

President Roh pointed out that this did pose a very serious and complex question for his government. There had been a big demonstration of 15,000 farmers from all over the country recently, which had become rather violent, that it was certainly a political problem for the United States, but the Korean problem was even worse. He added that Korea is the number three agricultural importer from the U.S. and it will continue to try to improve.

President Bush said that he was worried because the intensity of some of these issues caused some spillover into the security relationship. Some congressmen had strong feelings and the overall security relationship, although not in immediate danger, was a concern for the long term. There was an underpinning of feeling within the Congress that trade and security issues must go together, and that sometimes presidents, under the laws of the United States, have issues forced upon them in a way that they cannot control.

President Roh responded that we would certainly have to work carefully on these common problems.

President Bush ended the meeting by making a special request to President Roh, noting the security identification buttons that most persons present were wearing. He said that he thought this button (showing both Korean and American flags) was the most tasteful and colorful that he had seen. One was promptly provided and the President wore it for the rest of the day.

The luncheon had a reduced time from 2:00 p.m. to about 2:35
p.m., and was remarkable for good food and talk that was essentially general in nature. Among the subjects discussed were the Olympic games, the terrorist threat of North Korea, the use of Olympic facilities after the Olympics, the reception accorded to Russians in Seoul, the Los Angeles games, and the particular close affinity and loyalty of Mexican-Americans for their new country, and the nature of demonstrations in Korea and the involvement of leftists and radicals.

The luncheon was completed and departure statements were read at 2:40 p.m.