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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Brian Mulroney of
Canada (U)

PARTICIPANTS: The President
Secretary Baker
Governor Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Deputy Assistant to the
President for National Security Affairs
Ambassador Thomas M. T. Niles, U.S.
Ambassador to Canada
Rozanne L. Ridgeway, Assistant Secretary of
State for European Affairs
Notetaker: Adrian Basora, Director for
European Economic Affairs, NSC

Canada

Prime Minister Mulroney
Joseph Clark, Secretary of State for
External Affairs
Stanley Hartt, Chief of Staff
Ambassador Derek Burney
Don Campbell, Associate Deputy Minister for
U. S. Affairs

DATE, TIME May 4, 1989, 11:30 a.m. -12:30 p.m.
AND PLACE: Oval Office
TIME: 11:30 a.m.-12:30 p.m.

The President congratulated Prime Minister Mulroney on his environmental award and said he was coming at a time when there would be a lot of questions on SNF. The change in Kohl's position was not good, and not in keeping with earlier understandings. The President could understand the political pressures on Kohl, but policy could not be changed on that basis. It was essential that the Alliance be seen as demonstrating solidarity, and outrageous that SNF should be made into a U.S. problem. The U.S. too faces public opinion pressures for arms reductions; solidarity is the key word. (S)

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ON 8/21/2009

Prime Minister Mulroney said he was glad the President had raised the SNF issue and quoted a line from his own recent speech, to the effect that the solidarity of NATO and U.S. leadership of the Alliance were the cornerstones of Western security. This was most important, and the President's upcoming visit to Brussels was his first as U.S. President. It was necessary to celebrate NATO's success and to project his leadership. The French, Germans, or British could not be the leaders. The fundamentals had to be respected, and so what happened between now and the Summit was essential. Canada had some ideas that might help. While Prime Minister Mulroney understood Kohl's political pressures, he had gone through the same thing in the opinion polls and had fought back. Leadership is often inspired compromise. (S)

The President said he was being criticized for lack of leadership, as a result of the policy reviews his Administration was conducting and because others were going public while the U.S. was trying to discuss the issues quietly in private. This had built up fuel in Congress, and people like Biden, Pell and Nitze were speaking out. President Reagan had taken flack initially for not talking to Gorbachev, and then when he did it was a success. He himself was trying to do things in a thoughtful way, not through the editorial page of the New York Times. (S)

Prime Minister Mulroney said that the Alliance had a position. Perhaps Mrs. Thatcher's public embrace of Gorbachev had given Kohl the idea that he too could do business with him. But the assertion by George Bush of complete leadership in Brussels was important. (S)

Secretary Baker said the U.S. had started discussions with Kohl on January 24 and had proposed that there be bilateral consultations before the coalition reached its position. But the signals had changed and Kohl had now adopted the SPD or FDP position. As a result, the U.S. cannot seem too anxious to reach a compromise. Any U.S. offer could be picked up, just as the modernization concession was pocketed. (S)

The President said he thought things could be worked out, but it would be necessary to take some heat in the meantime. (S)

Secretary Baker said that anyone wanting to be helpful should first line up the Germans, and only then have the U.S. judge the proposal. (S)

Prime Minister Mulroney said the U.S. position was very reasonable. He would try to see what the FRG's bottom line was. He understood the danger that they would pocket any new U.S. offer. (S)

The President said that Kohl had said he wanted to talk early on, but then had kept on postponing discussion. (S)

Secretary Baker said the Germans were playing politics with Western security. There had been many phone calls, many promises made, but then we were presented with a fait accompli. The President could not just accept this and paper it over in the Alliance. (S)

The President said he was being asked why he was pulling back on START and displaying a Cold War mentality. He wasn't, but it was necessary to work patiently. First, Secretary Baker needed to meet with Shevarnadze and then see him a second time. Only then should there be a meeting with Gorbachev. He would not change his views based on New York Times editorials or on Sam Nunn. (S)

Secretary Clark said he understood the problem of German pocketing, but the Summit risked being defined by the SNF disagreements. NATO's success should be its central focus. (S)

Prime Minister Mulroney then referred to Canada's Open Skies proposal and asked whether there was any U.S. interest. (S)

The President replied that there was interest and the U.S. was looking at the idea. He asked how it would work in practice. (S)

Secretary Clark said the advantage was that it would be a Western initiative. The information acquired would be information known officially, even though much was already available by satellite. The idea was partly symbolism. Gorbachev knows that President Eisenhower had proposed the idea and could table it himself. (S)

The President said there is an advantage to taking the offensive, and again asked for details as to how the proposal would work. (None were provided.) (S)

Prime Minister Mulroney said that when he had spoken in the Senate earlier in the day and mentioned that Gorbachev was doing innovative things the Senators had applauded. It is frustrating to have to keep fighting a PR battle, but there is a great deal of "high road" that George Bush can pursue, even if it is not exciting. (S)

The President alluded again to the German problem. He would rather be sure than move too fast; this was almost a replay of the early Reagan/Gorbachev years. Recent USIA polling on European opinion was encouraging, once one went beyond the simple "Gorbachev wants peace" type of question. (S)

Prime Minister Mulroney said that was why he was upset at the Germans. It was like being blindsided in September in the midst of an election campaign. The Soviet objective was to divide NATO. (S)

The President said he was very pleased by what Prime Minister Mulroney was saying. (S)

Prime Minister Mulroney then said that he'd like to raise two specific issues, although the bilateral agenda was a very clean one. The first item was acid rain. He had just met with Senator Mitchell, who thinks there will be progress. However, what would the levels be? (S)

The President replied that the levels hadn't been set yet. They were being discussed in the Domestic Policy Council, but they might not be precisely what Sen. Mitchell might like. (S)

Prime Minister Mulroney responded that environment was becoming a prominent foreign policy issue; it was important that the U.S. exercise leadership in this area. Acid rain was important to him from a selfish perspective, but also for the U.S. international leadership role. The U.S. should not niggle about whether the levels (of pollutant reduction) were 10 or 12 million tons. (S)

The President said he had asked his domestic policy people to make proposals for the type of conference where something is actually done. The U.S. can't just go to every conference. He had already shared his views on The Hague. It was important to have sensible proposals which would not bring productive economies to a screeching halt. (S)

Prime Minister Mulroney said Canada was having the same problem with international conferences. The U.S. needs to lead a conference and make it the conference. (S)

The President mentioned that even Oscar Arias wanted to have an environmental conference as part of Costa Rica's 100th anniversary. The President was glad Prime Minister Mulroney had raised the issue; we had to do something about the degradation of the environment. (S)

Prime Minister Mulroney then turned to the Free Trade Agreement (FTA), making a plea that it be given time to work. Canada was not Japan, and it hurt him when he heard rumblings of reprisals before there had been time for full bilateral consultations. He cited the salmon/herring issues as an example. (S)

The President asked Secretary Baker to talk to Carla Hills and Clayton Yeutter about the issue. (S)

Secretary Baker explained that the U.S. had taken Canada to the GATT on the dispute. U.S. fishermen were saying that the new Canadian landing requirements were tantamount to the old constraints on export of unprocessed fish against which the GATT had ruled. (S)

Prime Minister Mulroney replied that he understood Carla's problems, but could the President please tell her that Canada was not Japan. (S)

The President alluded to the FSX decision as an example of the climate on Capitol Hill and in U.S. public opinion on trade issues. (S)

Secretary Baker added that the climate extends beyond trade, for example on the SNF issues and pressures to withdraw U.S. troops from Europe. (S)

Prime Minister Mulroney recalled that he had said in February that Gorbachev had us in a political game with public opinion. (S)

The President responded that the Summit should be geared to NATO's success, and to the fact that socialism had failed. (S)