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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Jacques Delors, President of the European Commission

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
Robert Mosbacher, Secretary of Commerce
Alfred Kingon, U.S. Ambassador to the European Community
John Sununu, Chief of Staff to the President
Brent Scowcroft, Assistant to the President for National Security Affairs
Marlin Fitzwater, Assistant to the President and Press Secretary
Robert Zoellick, Counselor, Department of State
Margaret Tutwiler, Assistant Secretary of State
Philip Zelikow, NSC Staff (notetaker)

Jacques Delors, President of the European Commission
Frans Andriessen, Vice President
Sir Roy Denman, Head of Delegation
David Williamson, Secretary General
Pascal Lamy, Chef de Cabinet
Johannes Wijnmaalen, Chef de Cabinet for the Vice President
Horst Krenzler, Director General
Claus Ehlermann, Spokesman
Gianluigi Giola, Deputy Director

DATE, TIME May 30, 1989, 1:55 p.m. - 2:20 p.m.
AND PLACE: European Commission Headquarters, Berlaymont

President Delors said he was pleased with the results of the just-concluded NATO Summit and asked the President for his assessment. (U)

The President said he was very pleased with the outcome of the Summit. The Alliance had shown itself at its best. The German question related to short-range nuclear forces (SNF) had dominated early discussions, and Secretary Baker had taken a strong leadership role in finding a solution. The resolution of the SNF issue and the new proposal for reducing conventional

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forces were historic accomplishments. The conventional arms control proposal had won broad acceptance within the Alliance. U.S. generals had also certified that the proposal was militarily sound. The first tentative Soviet reaction was fairly good and upbeat. The U.S. would push forward now, challenging the Alliance to move faster. Although there was skepticism in the press and among some military people on "our side," things could be changed if the Alliance could keep the momentum going. All the Allies had agreed that the Summit was a success. (Ø)

President Delors then asked Secretary Baker for his comments. (U)

Secretary Baker said the Summit meeting had resulted in a double victory for the Alliance. There had been questions, before the Summit, about Allied unity. The Alliance was now very unified, with broad and deep acceptance of the President's conventional arms control initiative and gratitude for it, welcoming leadership by the new American President. The SNF issue had been resolved in a way that adapted to changing circumstances in Europe, while putting priority on solving asymmetries in the balance of conventional forces. The Comprehensive Concept document provides for no reduction of SNF forces to zero. Although it did not say so in those words, due to certain sensitivities, this message was quite clear in the document. (Dutch Foreign Minister) Van den Broek had done a good job in chairing the final Foreign Ministers' meeting. (Ø)

President Delors asked Secretary Mosbacher to comment on his meetings in Brussels. (U)

Secretary Mosbacher said his meetings had gone well. Progress had been made in several areas. With respect to financial institutions, the issue of national treatment was on the way to a good settlement. Standards would be more transparent and open. The Secretary knew the EC would be discussing these questions further. (Ø)

Vice President Andriessen said the most important result was an improvement in public perception. The goals and objectives of the U.S. and the EC were better known. The creation of economic opportunities in a more integrated European market would be beneficial for other operators. The EC wanted an open market. The Vice President was determined to let the single European market function in a multilateral world trading framework and shared the position of the United States in this respect. He looked forward to intensifying contacts between the U.S. and the Community. (Ø)

The President commented that his Boston speech had spoken of a united Europe and of shared values, such as a commitment to democracy, human rights, and free markets. He had made clear

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that integration of Europe meant a stronger Alliance and more prosperous trading partners. (U)

Continuing, the President said he hoped to continue the political dialogue between the U.S. and the EC. In addition, he noted the recent meetings at the EC of U.S. Trade Representative Hills and Senator Roth and observed that a good exchange of views was going on. The President hoped that a single market would result in a more open, vigorous Europe. There had been lingering doubts about this prospect in the U.S., but there was more understanding now. The big thing was how the single market would be implemented, the details. The most important of these details, the President said, would be in agriculture. The success of the Uruguay round follow-on would be critical. (Ø)

Overall, the President concluded, problems might come up but the EC should know the U.S. was encouraged by and supportive of what the EC was trying to do. There had been problems in the past, but the Administration was not in a "posture of doubt;" it wanted more interaction with the EC. (U)

President Delors replied that only a stronger EC could strengthen the multilateral trading system. That was why integration was so important. (U)

The President then asked President Delors whether the arrangements were set for his visit to the United States. (Ø)

President Delors said he hoped they were. (Ø)

The President asked President Delors when he would be coming. (Ø)

President Delors said the U.S. had to decide this. (Ø)

The President, after briefly conferring with Ambassador Kingon, said he understood that the matter now rested with President Delors. (Ø)

President Delors said there were details to be worked out. (Ø)

The President then said that, in any case, President Delors was welcome to come to the United States. He urged President Delors to firm up the arrangements and said he did want to meet with him in Washington. (Ø)