MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Margaret Thatcher, Prime Minister of the United Kingdom

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
Henry Catto, U.S. Ambassador to the United Kingdom
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
Robert Blackwill, Special Assistant to the President for National Security Affairs (notetaker)
Margaret Thatcher, Prime Minister
Sir Geoffrey Howe, Foreign Secretary
Sir Antony Acland, Ambassador to the U.S.
Sir Percy Cradock, Foreign Affairs Adviser to the Prime Minister
Sir Robin Butler, Cabinet Secretary
Mr. Charles Powell, Private Secretary to the Prime Minister
Bernard Ingham, Press Secretary for the Prime Minister

DATE, TIME AND PLACE: June 1, 1989, 11:35 a.m. - 12:35 p.m.
Number 10 Downing Street, London

Prime Minister Thatcher said there was much to discuss: NATO Summit follow-up, Eastern Europe, the Middle East, China, South Africa, Namibia, and Argentina. The Prime Minister said she was bewildered in knowing what to say about Lebanon. (P)

The President said this was a good summary, and yielded the floor to the Prime Minister. (U)
Prime Minister Thatcher asked Foreign Secretary Howe whether, in his meeting, there had been a discussion of the refugee problem in Hong Kong. (U)

Foreign Secretary Howe reported on his meeting with Secretary Baker. (U)

Prime Minister Thatcher remarked that there had been no discussion of Cambodia and that she would be asked in the House of Commons about Lockerbie. She also expected to be asked whether there had been a discussion of nuclear non-proliferation or the dangers of missile proliferation. (U)

The President replied that, on the topic of Cambodia, the United States would continue to support Prince Sihanouk. He was a bit of a weak reed, but he was the only reed in town. The U.S. was strongly opposed to Pol Pot and the Khmer Rouge, and was listening to its Asian friends on Hun Sen. In the Sino-Soviet summit meeting, Gorbachev and Deng did not make any real progress on Cambodia as far as the U.S. could see. The President was afraid that it would be tough to keep the Khmer Rouge out. (U)

Secretary Baker said it was important to support the non-Communist resistance and those in Hanoi who might be reasonable. It was a difficult problem because of the large number of players. (U)

The President said he was amazed to hear about the problems in Hong Kong. (U)

Prime Minister Thatcher said the problems in Hong Kong had been aggravated by recent events in China which had weakened those Chinese officials who had worked with the UK to negotiate the Hong Kong agreement. The people of Hong Kong were very anxious at the moment and this has been made worse by the flood -- 700 a day -- of boat people. The British authorities had been trying to repatriate these people, but there was no more space for them. The British government might have to stop allowing them to come. (U)

The President said this revealed something about conditions in Vietnam. There were some in America who wanted to give Vietnam a chance, but the problem of the boat people was just another indicator of the repressive nature of the Vietnamese government. (U)

Foreign Secretary Howe said these refugees were economic migrants and Hong Kong was the only place where they were accepted. The British had to send 35,000 Chinese a year back to the mainland but are accepting Vietnamese boat people -- a nasty political problem. (U)
Prime Minister Thatcher repeated that the UK might have to stop the boat people from landing in Hong Kong. (\(\Phi\))

Secretary Baker noted that there would be a conference on June 13-14 to seek a comprehensive solution to the Indochinese refugee problem. The U.S. had encountered similar problems with Soviet Jews, and migrants from Central America and Mexico. The U.S. was looking at whether to change the definition of asylum. (\(\Phi\))

Prime Minister Thatcher said that must be done or "we" would be swamped. It was a new problem, harming the whole notion of asylum. The world should put pressure on Vietnam to stop this outrage. The Prime Minister observed that the press would want to know if the Vietnamese problem had been discussed. (\(\Phi\))

Secretary Baker said that he and Foreign Secretary Howe had talked about it at some length. (\(\Phi\))

Secretary Baker said the U.S. was extremely grateful for the Prime Minister's treatment of (Nicaraguan President) Ortega. (\(\Phi\))

Prime Minister Thatcher said Ortega was awful, talking drivel. (\(\Phi\))

Secretary Baker said the U.S. was also grateful for the Prime Minister's help with the Namibia accords. (\(\Phi\))

Prime Minister Thatcher said that it was lucky she was there when the crisis arose. (\(\Phi\))

The Prime Minister commented that the NATO Summit had gone extremely well. It would help stop the euphoria about the Soviet Union. The Prime Minister said she was very grateful to the President for the speeches he had been making. (\(\Phi\))

On Lebanon, the Prime Minister talked to Perez de Cuellar and had tried to do what she could with the Arab League. She wondered how one could pressure Syria. (\(\Phi\))

The President said that Aoun was not very sympathetic either. (\(\Phi\))

Secretary Baker said the U.S. had sent word to Iraq asking that Baghdad stop sending weapons to Aoun. (\(\Phi\))

Prime Minister Thatcher said the situation would be more difficult if General Aoun "went under." (\(\Phi\))

Secretary Baker said this was absolutely true. (\(\Phi\))