Re: Meeting with Margaret Thatcher, Prime Minister of Great Britain (3 pp.)

7/14/89

(b)(1)

TS

Bush Presidential Records
Scowcroft, Brent, Files
Presidential Correspondence
Presidential Memcons

Presidential Meetings - Memorandum of Conversations 7/14/89 - 10/2/89

1/23/2009

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2009-0275-S

Appeal Case #:

Appeal Disposition:

Disposition Date:

2000-0429-F(89)

MR Case #:

MR Disposition:

MR Disposition Date:

11/29/2007

11/10/2010

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(5) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(5) of the FOIA]
(b)(6) Release would disclose information compiled for law enforcement purposes [(b)(6) of the FOIA]
(b)(7) Release would disclose information concerning the regulation of financial institutions [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information
MEMORANDUM OF CONVERSATION

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

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs (Notetaker)
Margaret Thatcher, Prime Minister
Charles Powell, Private Secretary to the Prime Minister

DATE, TIME AND PLACE: July 14, 1989, 8:45 am - 9:30 am
Ambassador's Residence

The Prime Minister began the meeting by noting the importance of an IMF agreement for Poland, without which the reforms and assistance will be stalled.

The President agreed and mentioned that Chairman Jaruzelski had said that it might be helpful to have the Head of the IMF on television in Poland to explain what they are trying to do.

The Prime Minister said that flexibility is needed.

The President then turned the discussion to North-South issues.

The Prime Minister said that many of the developing countries realize that privatization is the key. If there is a pot of gold out there, it lies in private enterprise, which in turn depends on reform. Reform is the responsibility of the countries, debt is being worked on and aid should be carefully given.

The President asked about the Prime Minister's earlier point that Third World countries are trying to sell the North commodities that are not needed but which are in surplus.

The Prime Minister said that President Mitterand would surely raise the issue. But the goal for these countries is to get their economies functioning properly in order to attract private capital. She pointed out that aid would not increase markedly anytime soon. North-South dialogue should not be forced through a Summit. In fact, some leaders, like Ghandi, realize this.
The Prime Minister then raised the issue of refugees. The most immediate problem is Hong Kong where many of the residents want the UK to issue an insurance policy.

The President asked whether the Prime Minister had contact with the new people in China.

The President said that he had reason to think that there was hope for the Chinese leadership. Some have said that Li Peng is pretty good. The key question is what the West should ask China to do.

The President turned to the question of Chinese students in the United States and said that a number were choosing to have children in the U.S. who would then be U.S. citizens.

The Prime Minister added that the students will want to stay and that Britain intends to grant them working visas.

The Prime Minister then turned to the problem of Cyprus.

The President remarked that he saw no reason not to back the Secretary General.

The Prime Minister then asked about the President's assessment of the situation in Israel and the position of Prime Minister Shamir.

The President said that the Israelis were upset but that they would not dictate American policy. Some are after Secretary
Baker whom the President said he backed fully. The goal is to keep the election process on track. There are few answers to the problems there, he said.

The President said that he had a lot of faith in people like Rabin when he was there but hoped to work with this leadership. Discussing the political situation further, the President noted that Egyptian President Mubarak appeared relaxed about the situation.

The President closed the discussion of the Middle East, saying that some European states want to rehabilitate Qadhafi, a position that the United States rejects.

The President remarked that he worried about another "aspirin plant" in Libya and consequences like the Iraqi nuclear reactor raid of several years ago.

The President turned the conversation to structural problems in the Western economies asking Mrs. Thatcher's opinion.

The Prime Minister noted that the British have a budget surplus and still a trade deficit even though the two are closely linked.