MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Brian Mulroney, Prime Minister of Canada (U)

PARTICIPANTS: The President
Brian Mulroney, Prime Minister
Adrian Basora, Notetaker

DATE, TIME AND PLACE: November 17, 1989, 9:49 - 10:05am EST
The Oval Office

The President: Hey Brian! (U)

Prime Minister Mulroney: I had the Number One Star here last night. Barbara was terrific! (U)

The President: You spoiled her to death up there with your gifts. That fisherman's carving was great. (U)

Prime Minister Mulroney: The way Barbara handled herself last night, and the things she did, were absolutely marvelous. We were able to raise $500,000 at the reception and $500,000 at the dinner for businessmen. (U)

The President: Did Barbara make any remarks? (U)

Prime Minister Mulroney: She was the star! (U)

The President: Thanks for being such wonderful hosts to her. (U)

On the Soviet Union, I know this is an imposition, but it would be great if you could come down here and share your impressions with me after you come back from your trip to Moscow. (U)

Prime Minister Mulroney: I will call you as soon as I get back. In planning for the trip, we have been getting some interesting messages. For example, she (Mrs. Gorbachev) would like to have a lunch, just the four of us, over and above the official schedule. It seems that I will be the first head of a NATO government to visit the Soviet Union since the events in Eastern Europe. (U)
The President: May I ask you to convey a message regarding our shipboard meeting? It is not appropriate for Barbara to be there. This is the reason Barbara had written a letter to Raisa proposing that they meet in Italy instead. Raisa sent a warm reply but said that it was inappropriate for her to stay on in Italy and therefore she was coming ahead to Malta. Barbara has other commitments and in any case it is not appropriate for her to go to Malta. But I want to avoid anything coming out of this like the public tensions between Raisa and Nancy Reagan. 

My other message to Gorbachev is that I am feeling a lot of domestic political pressure to stand on the Berlin Wall and "beat my chest". I have avoided doing anything like this because I have wanted to hold down the emotions here in the U.S. so as to have a good atmosphere for our meeting at Malta.

Prime Minister Mulroney: Are there any other areas you'd like me to touch on with Gorbachev?

The President: Well, on Germany, my statement should not be a problem for Gorbachev. But I know that the German reunification issue is a major concern for him. I will be seeing Kohl on December 4 or the evening of December 3, right after Malta.

Prime Minister Mulroney: Is there anything else?

The President: I will be interested in comparing notes on how he sees the changes in Eastern Europe and on their impact on the Soviet Union. I will also be interested in knowing how he sees the situation in the Soviet Republics. I expect that he will be pressing on the economic front and I will also need to know what he is planning to do in the economic area. A combination of genuine economic reform and less defense spending could be very healthy, but I plan to take the approach of simply asking him to tell me about his economy.

Prime Minister Mulroney: What do you see as the time frame for Soviet membership in GATT -- are you thinking about years, or few decades?

The President: I am thinking in terms of years, or even less, but I'm not fully up to speed on this issue yet.

Prime Minister Mulroney: Have you seen President Mitterrand's speech?

The President: No.

Prime Minister Mulroney: In it, Mitterrand proposes that the Soviet Union enter the GATT.
The President: They are not ready for that yet. (D)

Prime Minister Mulroney: Mitterrand and Kohl are the best people to talk to about Eastern Europe. Kohl has the best insights into Eastern Europe, although Mitterrand has an elegant overview. However, it is the nitty gritty that makes things happen, and this is what Kohl knows best. (D)

The President: Think about coming down with Mila for supper at Camp David. (U)

Prime Minister Mulroney: Don’t worry, I’ll be getting back on Saturday and I will call you. Once again, Barbara was fantastic. She did more to advance U.S.-Canadian relations than you or I would be capable of. (U)

The President: Well, we can be second, but we will try harder! (D)