MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Call to Prime Minister Ruud Lubbers of the Netherlands (U)

PARTICIPANTS: The President, Ruud Lubbers, Prime Minister Robert Hutchings, NSC Staff (Notetaker)

DATE, TIME AND PLACE: April 17, 1990, 4:20 - 4:32 p.m. EST The Oval Office

The President initiated the call in response to a request from Prime Minister Lubbers. (U)

The President: Hello, Ruud! How are you? (U)

Prime Minister Lubbers: Good. This is an easy-going country, as you know. Things are going quite all right. Of course, there are a number of problems in Europe. The Lithuanian situation is very difficult. (U)

The President: What is your public position? (U)

Prime Minister Lubbers: To keep quiet. This is also for formal reasons. When we recognized the USSR, we recognized the Baltic republics as part of it. The political realities are a different matter, of course, but we don't want to make life for Gorbachev more difficult than it already is. (U)

The President: We are in a difficult position. There is pressure for the U.S. to take leadership. (U)

Prime Minister Lubbers: I hope the Polish Government will do something. For historical reasons, and also the Church, the Poles are better placed than we. Our involvement could be seen as interference. But we may need to do something -- perhaps together. You will be seeing Mitterrand. Will you discuss this? (U)

The President: Yes. We have lots to discuss, but I will take it up with him. (U)

Prime Minister Lubbers: Maybe we could try to combine your position with a European stand. (U)
The President: I don't know how much time we have. Have you seen this latest thing -- cutting off gas supplies? We thought this morning that we would have talks going, but it doesn't look so good now. I don't want to do anything rash. We have a big agenda and want this man to succeed, but given our historical background, we have to say something. (☞)

Prime Minister Lubbers: We should do something, too, to spread the responsibility. (U)

The President: I will talk with my experts. We have a meeting in about 30 minutes. (U)

Prime Minister Lubbers: I hope they will start talks -- in the UN, perhaps. (☞)

The President: Cuellar said today that it is an "internal matter." That will please them in Moscow, although not in some other places. What else do you have for me? (☞)

Prime Minister Lubbers: I am glad the European Bank is going. We have a Dutch candidate, Onno Ruding. The French have also proposed Attali. (☞)

The President: Ruding's a good man. (☞)

Prime Minister Lubbers: I talked to Mitterrand. He said it was hard for him not to support the candidacy of Attali, because they are so close, but he said he hates the situation in which there are so many French in high positions in international institutions. He personally likes Ruding but must support his own man. He proposed an arrangement whereby Ruding would serve for some years under Attali and then succeed him. I looked into the statutes of the Bank. There would be a Governing Board to elect its own President. It could offer Attali the post for some years, so that he could be the founder, but then turn it over so that the Bank wouldn't have someone with no banking experience. I suggested to the French that they think it over. I have had no reaction from Mitterrand yet. As long as it is clear that many countries support Ruding, they might consider this arrangement. But if big countries support the French, they might not. I wrote you a letter on this, which you will receive tomorrow. (☞)

The President: I appreciate your views. Everybody feels Ruding is an excellent candidate. Our problem is that Treasury may have already committed to Attali. But if something is working, we will try to stay flexible. Attali has no banking experience at all. (☞)

Prime Minister Lubbers: I don't think Treasury has committed. Kohl likes Ruding; so does Thatcher. I'm not so pessimistic. You know, the French like to say that other countries have supported their position. (☞)
The President: I am glad to know that others are for Ruding. Mrs. Thatcher is fixed on London as the site for the Bank. (X)

Prime Minister Lubbers: She wrote to me supporting Ruding. (X)

The President: That is interesting. I didn’t know. We will share this with Brady and Baker. If no commitment has been made, I will make sure I get a recommendation. If I can get Mitterrand off alone, I will discuss it with him. I hope you’re not getting negative feedback from this environmental conference. Your environment guy is pushing pretty hard and giving his own press conferences. I don’t like to complain, but he is giving us a little grief. We are spending a billion dollars on research on global climate change. (X)

Prime Minister Lubbers: I know your position. I will try to get him under control. (X)

The President: Thanks for calling. I will tell Brent about your ideas on Lithuania. (X)

-- End of Conversation --