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THE WHITE HOUSE

WASHINGTON

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PER E.O. 13526

2012-2391-MA
10/14/2015 MM

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Conversation between the President and
British Prime Minister John Major

PARTICIPANTS: The President
Prime Minister John Major
Interpreter: None
Notetaker: Tony Wayne, NSC

DATE, TIME: October 14, 1992, 9:32-9:43 a.m. (EDT)
AND PLACE: Oval Office

The President: John? (U)

Prime Minister Major: Hi, George. How are you? (U)

The President: John, it's good to hear your voice. (U)

Prime Minister Major: My best wishes to you now that I see the
length of your elections. My heart sinks at the thought of an
election campaign as long as yours. Mine was twenty-eight days
too long. (U)

The President: Yes, it's horrible, but it's getting down to
three week's now. It's doable, possible. I'm going to take a
leaf out of John Major's book. (U)

Prime Minister Major: All the best. (U)

The President: I know that we all have problems. It's gotten
very ugly everywhere and that you face a number of challenges.
(U)

Prime Minister Major: Yes, its gotten pretty ugly here. We just
lost 30,000 jobs yesterday in the coal mining industry. The
decision was taken yesterday. I suppose the timing could have
been worse, but I don't know how. (U)

The President: Are you catching a lot of criticism for it? (U)

PM Major: It's on its way. It will reach us by the morning post.
(U)

The President: Was it a government action, John? (U)

Prime Minister Major: It was really British Coal, which is a
nationalized industry. So it was a decision by the British
government indirectly. With a rise in use of gas and a decline

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in the use of coal, we had a coal surplus and faced the prospect of spending a million pounds more in subsidies. So the decision was necessary. (U)

The President: And then you have the human factor. (U)

Prime Minister Major: Exactly. The whole thing is ugliness and painful. (U)

The President: Will they go to welfare? (U)

Prime Minister Major: Sure do. We'll end up spending one billion pounds on it. It's not just the money, but whole villages that depended on the industry will be effectively closing. So the shop keepers are going out of business as well. (U)

The President: That's horrible. Can I go through a couple of points on GATT? We think we made some good progress on the Uruguay Round in this week's talks and on oilseeds. By the way Scowcroft and Baker are here with me. (U)

Prime Minister Major: My best to them. (U)

The President: Andriessen thought our proposals were very constructive. He will try to get MacSharry and Delors to support them. What we need now is political will on the EC's part to close the gap on the remaining issues. The French say the time is not right for an EC-U.S. agreement. I know Francois has problems, but I think he is wrong to block an accord. We need to finish the Round this year. It is good for the entire world, including the developing countries. Domestically, we could just throw in the towel and blame someone, but there is too much at stake for everyone. I hope you might urge the EC leaders to deal with this issue at Birmingham. I just talked to Helmut Kohl, who said he would speak to Francois and others on the margins of the summit. (U)

Prime Minister Major: Yes. That's the right way to do it because of French sensitivities. We've made tremendous progress over this weekend, and not only on the Round. The progress on oilseeds was very good too. There's a good chance to go forward on this. If we raise the issue in the room when the European Council meets, we will box Mitterrand into a corner, and he will dig in his toes. If we do it on the margins then we can press him for an agreement. Domestically, it's very difficult for him to accept an agreement. But if Andriessen can say that the Commission recommends an agreement, then the Council will accept it, and Mitterrand will then be able to go to the French people saying we must be good Europeans and accept the proposal. It would be fatal for Mitterrand if not done on the margins. The Mitterrand government is hanging on by its fingertips. But I think if the Commission, especially Andriessen, takes the lead in the way I suggested, then it is doable. I'm not sure Kohl was quite as frank, but that's what he meant. We will get Andriessen to report at Birmingham, and I think he will be buoyant. But the

key is stiffening Andriessen's backbone, and eventually to get him to say we have agreement. (S)

The President: Kohl didn't quite go into that detail. (U)

Prime Minister Major: At the moment, Andriessen has no complete deal. He's near a complete deal. We're closer than ever for a settlement. Andriessen can meet with Carla and maybe Madigan to work on finalizing an agreement, and after that they can all de camp to Geneva. Then, we can get the Council to approve it. I will speak to DeLors, Lubbers, and Kohl before Birmingham so we can put pressure on Mitterrand on the margins of the meeting and, of course, we will work on Andriessen. (S)

The President: Where does Delors stand? (U)

Prime Minister Major: On the side. Delors is obviously always a Frenchman and doesn't want to press for decisions that would bring down a French government. He will not stand in Andriessen's way, but neither will he push for an accord. He will let Andriessen lead the charge. (S)

The President: It's hopeful. I just wanted to touch base. We'll get off a more detailed paper to you today, and we'll see where we go. (U)

Prime Minister Major: Sarah Hogg is sitting right next to me. She just finished meeting with Carla Hills. (U)

The President: It would be wonderful if we could pull this thing out and get a Round agreement. (U)

Prime Minister Major: It's the one single act that would most help the world. (U)

The President: I wonder if Mitterrand would see that? Would it affect him if it were raised with him? (U)

Prime Minister Major: I've said it and believe it. There's such a lack of confidence in the world markets. This will bring confidence back. (U)

The President: Do you think it would be helpful if we said something here or would it look like we're just trying to shape the Birmingham summit? (U)

Prime Minister Major: Would you mind letting me reflect about that? (U)

The President: Sure. Just let me know what we could do. (U)

Prime Minister Major: My instincts tell me that what you might want to do is somewhere in the middle of one of your speeches say that your negotiators are there trying for a deal, that a deal is important and the single most important act to lift the world out of recession. But please let me call you back on this. (U)

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The President: Just call or maybe Steven could call Brent.
We'll wait to hear from you. (U)

Prime Minister Major: Love to Barbara. (U)

The President: Best to Norma. (U)

- End of Conversation -

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