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File: Records, 1981-1985

Folder Title: Memorandums of Conversations,

President Reagan [02/24/1981-02/26/1981]

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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

SMF

1/8/2009

File Folder

PRESIDENT REAGAN MEMORANDUMS OF

CONVERSATION (2) [FEBRUARY 24-26, 1981]

FOIA

F2002-072/1

COLLINS

Box Number

48

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ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
60746 MEMCON	RR TELEPHONE CONVERSATION WITH KING JUAN CARLOS OF SPAIN	3	2/24/1981	B1
	R 6/22/2015 M371/			
60747 TALKING POINTS	FOR CALL TO MEXICAN PRESIDENT	3	2/24/1981	B1
	R 6/22/2015 M371/			
60748 MEMCON	SUMMARY RR MEETING WITH ISRAELI FM YITZHAK SHAMIR	3	2/24/1981	B1
	R 7/2/2013 M370/2			
60749 MEMCON	RR MEETING WITH ISRAELI FM YITZHAK SHAMIR	5	2/24/1981	B1
60750 MEMCON	SUMMARY OF RR MEETING WITH FRENCH MINISTER OF AFFAIRS FRANCOIS-PONCET	6	2/25/1981	B1
	R 6/22/2015 M371/			
60751 MEMCON	SUMMARY RR MEETING WITH PM THATCHER	8	2/26/1981	B1
	R 3/30/2012 M303/1			

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(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 concerning wells [(b)(9) of the FOIA]

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FROM RENTSCHLER

ID 8100749

RECEIVED 26 FEB 81 14

DOCDATE 24 FEB 81

TO

ALLEN

KEYWORDS: SPAIN

CARLOS, JUAN

SUBJECT: MEMCON OF PRES TELEPHONE CALL TO KING OF SPAIN RE AFTERMATH OF CORTES

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DISPATCH W/ATTCH FILE

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M371/1#10

THE WHITE HOUSE

WASHINGTON

SECRET

MEMORANDUM OF TELEPHONE CONVERSATION

PARTICIPANTS:

President Ronald Reagan

(Made the call)

King Juan Carlos of Spain

DATE AND TIME:

February 24, 1981 10:30 - 10:35 a.m.

The President:

Hello -- Your Majesty

King Juan Carlos: This is the King of Spain.

The President: Hello - this is Ronald Reagan.

King Juan Carlos: It's very nice to hear you, Mr. President and congratulations.

The President: Well, Your Majesty, may I tell you also congratulations - why I'm calling - that we were all very tense here and just so delighted at the way things have turned out.

King Juan Carlos: Well, I think that everything quieted down
but it wasn't easy yesterday night.

President: No, I could imagine but you moved swiftly and very forthrightly and we're all gratified.

<u>King Juan Carlos:</u> Sometimes it's not easy to take a big decision but once one takes it one feels very relaxed and happy.

President: Yes -- (laughs) -- I've had that experience myself
the last few weeks.

King Juan Carlos: I would love to -- I am sorry I have to postpone my trip and not to meet you because I was really -- I was dying to meet you and to talk and to really to discuss -- and to really be happy together and talking over quietly.

<u>President:</u> Well we were disappointed too, Your Majesty, and looking forward to when you can do it -- may I remind you of something.

<u>King Juan Carlos</u>: Yes I know -- I'm in touch with your wonderful Ambassador which we are so happy and particularly myself, I'm delighted with him because he is a wonderful man. Todman, he is a wonderful man.

Classified/Extended by Review 2/24/2011



The President: Well I'm happy to hear that and I was going to remind you and you of course would have forgotten, but several years ago, my wife and I were your quests for tea.

King Juan Carlos: I remember, yes, of course.

The President: Yes, when we were there - President Nixon sent us.

King Juan Carlos: Yes, of course, that you came here.

The President: Yes -- well we remember that, have spoken of it many times so we are looking forward to when you can come here.

<u>King Juan Carlos</u>: I am sure we can arrange that and you have to tell me also a little bit your dates to see what we can arrange.

The President: Well, we will just watch until we know.

King Juan Carlos: Yes -- for the moment I have to stay here.

The President: Yes, so we'll watch until it looks like things are, and then we'll get together on a date.

King Juan Carlos: Very well, wonderful.

The President: Well all right.

<u>King Juan Carlos</u>: Please to your wife and to yourself say many messages on behalf of the Queen.

The President: Well, please give her our very best regards also.

King Juan Carlos: And please accept also all my friendship also as a King and as a man.

The President: Thank you, it's mutual.

King Juan Carlos: Thank you.

The President: Thank you very much.

King Juan Carlos: Goodbye, Mr. President, and congratulations again to you also.

The President: Well goodbye.





- 3 -

SECRET

King Juan Carlos: Also to what you are doing.

The President: Thank you, and goodbye.

King Juan Carlos: Goodbye.

The President: All right.



SECRET

MEMORANDUM

CONFIDENTIAL WITH SECURITY COUNCIL SECRET ATTACHMENT

INFORMATION

February 24, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM:

JAMES RENTSCHLER ()

SUBJECT:

President's Telcon with Juan Carlos (Aftermath of Cortes Takeover) (U)

Attached for your information is a transcript of the brief telephone conversation the President had earlier today with King Juan Carlos I of Spain dealing primarily with the subject of the armed attempt to takeover the Spanish Cortes (Parliament). (C)

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA Am., DATE 1/9/09

-CONFIDENTIAL WITH
SECRET ATTACHMENT
Review on February 24, 1987

. NSC/S PROFILE

UNCLASSIFIED

ID 8100826

RECEIVED 27 FEB 81 13

TO

PRES

FROM ALLEN

DOCDATE 27 FEB 81

KEYWORDS: MEXICO

SUMMIT

LOPEZ PORTILLO, JOSE

SUBJECT: TALKERS FOR PRES 27 FEB PHONE CALL TO PORTILLO RE SUMMIT CONF

ACTION: FOR INFORMATION

DUE: 27 FEB 81 STATUS C

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DISPATCH W/ATTCH FILE

TALKING POINTS FOR CALL TO MEXICAN PRESIDENT

7

I AM CALLING YOU, MR. PRESIDENT, BECAUSE I HAVE BEEN
STUDYING THE QUESTION OF ATTENDING THE SUMMIT CONFERENCE
YOU ARE ORGANIZING ON DEVELOPMENT. WE DISCUSSED THIS
WHEN WE MET IN JANUARY.

I UNDERSTAND THE CONFERENCE IS VERY IMPORTANT TO YOU,

AND I WOULD LIKE TO ATTEND IF POSSIBLE. BUT I WOULD

LIKE TO RAISE A FEW CONSIDERATIONS WHICH ARE VERY

IMPORTANT TO ME.

FIRST, THE QUESTION OF TIMING. WE HAVE SO MUCH TO DO

IN THIS NEW ADMINISTRATION, AND WE ARE GIVING PRIORITY

TO OUR DOMESTIC ECONOMIC PROBLEMS. IF YOU HAVE THE

SECRET GDS 2/26/87

MEETING, I JUST WILL NOT BE READY TO PARTICIPATE UNTIL AFTER THE SUMMER.

- ALSO, OUR LEGISLATIVE CALENDAR FOR THE SUMMER

 MONTHS IS VERY FULL, AND MUCH OF THE IMPORTANT

 LEGISLATION OF MY ADMINISTRATION WILL BE CONSIDERED

 BY THE CONGRESS. I'M SURE YOU WILL UNDERSTAND

 THIS MATTER.
- YOU COULD CONSIDER THEM. WE CAN HAVE FURTHER

 DISCUSSION AT OUR APRIL MEETING. I HAVE SOME OTHER

 QUESTIONS ABOUT THE MEETING, AND WOULD LIKE TO HAVE

 SECRETARY HAIG DESIGNATE SOMEONE TO GET IN TOUCH



WITH YOUR PEOPLE ON THESE MATTERS.

- -- IN THE MEANTIME, I WOULD PREFER TO KEEP THIS
 MATTER CONFIDENTIAL.
- -- ONE OTHER MATTER, MR. PRESIDENT:
 - I HAVE SELECTED A MAN TO BE AMBASSADOR TO MEXICO-JOHN GAVIN.
 - -- HIGHLY QUALIFIED
 - -- MOTHER BORN IN MEXICO
 - -- HE SPEAKS SPANISH (AND OTHER LANGUAGES)
 - -- A MAN I'VE KNOWN FOR YEARS.

THE WHITE HOUSE WASHINGTON

Deane file copetales les

LVA's office handcarried memo for Pres. to Darman's office approx. 1100 hrs; cc's to VP/Theese/Baker were dispatched by Kay

JCP Historical File

THE WHITE HOUSE

WASHINGTON

The President has seen

February 27, 1981

11

MEMORANDUM FOR THE PRESIDENT

FROM:

RICHARD V. ALLEN

SUBJECT:

Portillo Phone Call

Attached are the talking points for your phone call to Lopez Portillo. Helene and Portillo's aide have arranged that the call will be made between 1200 and 1230 today. It will be initiated from there.

Attachment

cc: The Vice President Ed Meese Jim Baker

Interpreter: automy Hervas
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TO ALLEN FROM KEMP

ALLEN

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KEYWORDS: ISRAEL

SHAMIR, YITZHAK

SUBJECT: MEMCON & SUMMARY OF PRES 24 FEB MTG W/ FOMIN SHAMIR

ACTION: ALLEN SGD MEMO TO HAIG

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THE WHITE HOUSE

WASHINGTON

60748

SECRET

13

MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of the President's Meeting with Israeli Foreign Minister Yitzhak Shamir

PARTICIPANTS:

President Ronald Reagan

Secretary of State Alexander Haig

Edwin Meese, Counsellor to the President James Baker, Chief of Staff to the President Richard V. Allen, Assistant to the President

for National Security Affairs

Ambassador Samuel Lewis, U.S. Ambassador

to Israel

Geoffrey Kemp, Senior Staff Member, NSC (notetaker)

Foreign Minister Yitzhak Shamir

Ambassador Ephraim Evron, Israeli Ambassador

to the United States

Hanan Bar-on, Deputy Director General of the

Israeli Foreign Ministry

DATE, TIME, AND PLACE: Tuesday, February 24, 1981; 11:05 - 11:30 a.m.;

The Oval Office

The President began by saying how delighted he was to welcome Foreign Minister Shamir to the White House. He noted that our policy would continue to be based on the strong alliance of interest that exists between the United States and Israel and our hope for peace and stability in the Middle East.

Foreign Minister Shamir: He brought greetings and best wishes from Prime Minister Begin. The people of Israel pray for the President's success in the new search for peace, stability, and happiness throughout the Middle East. The Israelis have been very encouraged by the President's strong leadership in the free world and his interest in combatting international terrorism and all totalitarian threats. Israel has a long experience of fighting for its freedom and therefore can be very helpful to the United States as it establishes its security needs in the Middle East.

SECRET.

Classified and Extended By: Richard V. Allen

Review February 26, 2011

Reason for Extension: NSC 1.13(b)(g)

DECLASSIFIED

NLRR M370/2 # 60748

BY KML NARA DATE 7/2/13



SECRET 2

The President: We feel the same way; your country is vital to our security in the Middle East. We look forward to pursuing the peace process that began between Egypt and Israel after Camp David. The President regretted that he would have to delay meeting with Prime Minister Begin, but he did not want to involve the United States in the Israeli election at this time.

14

Foreign Minister Shamir: Israel was very interested in continuing the peace process now. Israel had made a great effort for peace and had taken some great risks. Israel worried about the increasing flow of arms to the Middle East. Israel would like to reduce this arms flow, but if that were impossible, he hoped that the United States would ensure that the qualitative arms balance that favors Israel would be maintained.

The President: This has been our policy in the past and it will be in the future. We feel some justification for increased arms sales to the Arab countries because of the overall threat posed by the Soviet Union.

Foreign Minister Shamir: Israel needed economic support as well as military equipment.

The President: He noted that economic problems were another issue the two countries had in common. He pointed out that aid to Israel was not cut unlike the savage cuts in other programs in the federal budget. We would do our best to help Israel. We had agreed to permit Israel to sell aircraft that had American components.

Foreign Minister Shamir: He returned to the question of the peace process and hoped that in spite of the Israeli election some initiatives could be taken. It would be dangerous to leave a void in the process. This might provide an opportunity for initiatives that could be harmful to the peace process.

The President said that the Secretary of State will be going to the Middle East sometime in April and that talks on peace initiatives will be taken up. We would continue to work towards the development of an international peacekeeping force in the Sinai. The commitment of the United States was great and a U.S. military presence in the Middle East was increasingly necessary in view of strategic problems such as Iran.

Foreign Minister Shamir: He believed it would be helpful in continuing the peace process. He was encouraged by the decision that the United States was looking for a military presence in the Middle East. It was not only in Israel's interest, but in the interest of the free world as a whole.

SECRET



SECRET

3

The President: He had stated many times that the relationship between Israel and the United States was not a patronizing one. The relationship was a two-way street from which we both derive benefits.

15

Foreign Minister Shamir noted that it was important for both the United States and Israel that Israel be strong. Only if Israel were strong would there be a peace in the region.

Secretary Haig said that he had had good detailed conversations with Mr. Shamir and that most of the areas of concern had been touched upon and had thus far been resolved. He and Mr. Shamir discussed the question of the F-15 sale to Saudi Arabia. It was not to be expected that Israel would rejoice about this decision. This agreement was a legacy that had been inherited and that the Administration wanted to put it behind and get on with the job of formulating a strategic policy for the Middle East.

Foreign Minister Shamir: Israel had expressed opposition to the F-15, but if the United States had decided in favor of the enhancement sale to Saudi Arabia, then the military balance must be maintained. He said that to the United States Saudi Arabia is seen as a "moderate" country. However, in the Middle East it is seen by Israel as an extremist country which has actively supported the PLO and thereby international terrorism.

The President said that's why the peace agreement between Israel and Egypt was so important.

Foreign Minister Shamir: The peace process could not continue unless the United States played a role. The United States is essential. The strongest argument for peace with Israel that Mr. Sadat had used with his own people was his, Sadat's, conviction that the United States will always be a friend of Israel and never allow Israel to be threatened. Arab countries must be convinced that there is no possible gain to be had by waging war against Israel because of the relationship with the United States.

The President: This strong relationship will continue.

SECRET



NATIONAL SECURITY COUNCIL

SECRET/SENSITIVE ATTACHMENT

ACTION

February 26, 1981

MEMORANDUM FOR:

RICHARD V. ALLEN

FROM:

GEOFFREY KEMP

SUBJECT:

Memcon and Summary of the President's Meeting with Israeli Foreign Minister Yitzhak Shamir, February 24, 1981

At Tab I, for your information and the President's file, is the memorandum of conversation of the meeting between President Reagan and Israeli Foreign Minister Yitzhak Shamir which took place on February 24, 1981.

At Tab II, for your approval and signature, is a memorandum to the Secretary of State forwarding a brief summary of the meeting.

RECOMMENDATION:

That you approve and sign the memorandum to the Secretary of State at Tab II.

APPROVE 1 Thanks DISAPPROVE

AMM Signed 3/5/8/

DECLASSIFIED Sec.3.4(b), E.O. 12958, as amended White House Guidelines, Sept. 11, 2008 BY NARA SIM DATE

SECRET/SENSITIVE ATTACHMENT

THE WHITE HOUSE

1024

WASHINGTON

March 5, 1981

SECRET ATTACHMENT

7

MEMORANDUM FOR:

THE SECRETARY OF STATE

SUBJECT:

Summary of the Meeting Between President Reagan and Israeli Foreign Minister Yitzhak Shamir

Attached for your information is a summary of President Reagan's meeting with Israeli Foreign Minister Yitzhak Shamir on February 24, 1981.

Richard V. Allen

cc: Ed Meese

Attachment

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

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SMF 1/8/2009

File Folder

FOIA

PRESIDENT REAGAN MEMORANDUMS OF

CONVERSATION (2) [FEBRUARY 24-26, 1981]

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RR MEETING WITH ISRAELI FM YITZHAK SHAMIR

No of pages

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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THE WHITE HOUSE WASHINGTON

March 5, 1981

Natalie,

Please send copy to SECSTATE and Ed Meese. Remember you have the only copy of MEMCON.

Thanks

Kay

DISPATCH

CONFIDENTIAL

ID 8101316

RECEIVED 18 MAR 81 18

DOCDATE 18 MAR 81

TO

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OF CLASSIFIET ENCLOSURE:

FROM RENTSCHLER

ON

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KEYWORDS	: FRANCE	AP		FRANCOIS-PONCET
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THE WHITE HOUSE

CONFIDENTIAL

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of the President's Meeting with French Minister of Affairs François-Poncet (1)

PARTICIPANTS:

President Ronald Reagan Vice President George Bush Secretary of State Alexander Haig Assistant to the President for National Security Affairs Richard V. Allen Assistant Secretary for European Affairs -Designate Ambassador Lawrence Eagleburger U.S. Ambassador to France Arthur Hartman Press Secretary James Brady NSC Senior Staff Member James Rentschler

French Minister of Foreign Affairs François-Poncet French Ambassador to the United States François de Laboulaye

DATE, TIME AND PLACE:

February 25, 1981 10:00-10:30 a.m., Oval Office

The President opened the meeting by welcoming the French Foreign Minister to the United States and told him that he was interested in his assessment concerning a number of specific items. said he would welcome the Foreign Minister's views on how our bilateral relationship with France might be strengthened. At the same time the President said he would be interested in the Foreign Minister's views concerning the situation in West Germany. President added that he has sensed some growing difficulties with the coalition. (2)

In response, the Foreign Minister noted that his President had asked him not only to convey his best wishes to President Reagan for his undertakings but also to express his sense of satisfaction in the decisiveness with which America is now exercising leadership. The Foreign Minister stressed that a strong America is an indispensable contribution to world stability; the Western Alliance needs this, and the French are convinced that a defense buildup is necessary, not only in the nuclear arsenal but also the conventional. (2)

CONFIDENTIAL

Review on June 12, 2011 Classified and Extended by R.V. Allen Reason: NSC 1.13(a)

DECLASSIFIED NLRR M371/1 # 60750 At the same time, the Foreign Minister said that President Giscard had instructed him to convey a related message: the United States can rely on France. At times France will be a difficult partner but will be reliable and willing to do its best to make the necessary sacrifices in order that it can shoulder its share of responsibility. The Foreign Minister added that his government is very gratified by the course the President seems to be following, and France will do what it can to make that course easier. (2)

The President replied that he appreciated the Foreign Minister's remarks. He said that Secretary Haig has made it very plain that we do not intend to dominate in any way; we intend our partnership to be a partnership in a real sense. There will be no surprises in our relationship, and we are committed to the very closest consultation with our friends and allies.

The Foreign Minister stated that this message has already come across very clearly. France and the United States are part of the same civilization. We live in different parts of the world and our interests and sensibilities are not always the same. If solidarity is meant to be uniformity, we could get in trouble, for example on the Middle East. The Foreign Minister went on to say that Germany is a crucial subject for all of us. That is especially true for France, and for many reasons. One of the most important post-war achievements has been the establishment of Franco-German understanding. To answer the President's question concerning whether there was anything important happening in the Federal Republic, the response is yes. But is what is happening there very important and preoccupying? The answer is no. What is happening inside the Socialist Party means that Schmidt will have some difficulties. But the Foreign Minister felt that this did not signal a major change. France's bilateral relationship with Germany can do much to give the Germans the feeling that a certain strengthening element exists in Europe which can help prevent the "Scandinavization" of Northern Europe. It is true, of course, that the nuclear question raises sensitivites in the Federal Republic, and that there is a reluctance to spend money on defense. However, this attitude does not affect all of Europe. France does not have a problem with nuclear energy. Its present production schedule for nuclear reactors, for example, calls for one coming on stream every four months until 1985. Elsewhere in Europe, nuclear energy issues are a problem but not in France. (2)

The President said he can understand the sensitivities which exist in West Germany today. Germany need only look across the border and there is the other fellow. If they look the other way and find that they are dealing with allies of some





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consistency, this can be helpful in the conduct of their own foreign policy. (2)

The Foreign Minister agreed and emphasized that in the back of the minds of some Europeans is a question concerning the validity of the American commitment itself. It is essential that the credibility of American protection come under no doubt; for this reason, the President's strong determination to exercise leadership is an important element in dispelling such clouds. (2)

The President commented that he was intrigued by the demonstrations against nuclear power plants which seem to materialize so suddenly and so mysteriously in western countries, whose organizers never seem to be concerned by what is going on in the Soviet Union. There are anti-nuclear forces demonstrating in our own country now; strangely enough, these demonstrations contain some elements which express pro-Soviet and anti-U.S. positions. The President said it seemed obvious to him that the left has a hand in this. (X)

The Foreign Minister observed that what the President said is very important; demonstrations of this type could call into question the strategic viability of a world energy program. (CX)

The President added that he was interested to read that with all the publicity concerning the toxic by-products of nuclear energy developments, scientists have discovered a whole colony of fish which have thrived in an area where nuclear wastes were dumped! (laughter) (V)

The Foreign Minister said popular attitudes toward nuclear energy are at the center of a whole series of related issues, and this is a problem the Western Alliance needs to deal with. Turning to other subjects, the Foreign Minister said he would appreciate a few words of discussion concerning El Salvador, a subject he wanted to discuss with Secretary Haig. this connection the Foreign Minister wished to make two points: first, the French understand that El Salvador is in the U.S. backyard; second, France has had similar problems with situations becoming de-stabilized because of outside interference. this reason, France can understand the position the United States has taken; the French Government has stated publicly that the evidence of outside interference seems convincing, and the French Government deplores external supplies to guerrillas. On the question of needed reforms, however, it is not the military which will bring a solution. Of course, the Foreign Minister added, the U.S. will find elsewhere in Europe that sensitivities about El Salvador are not so congenial as the French. He cited the United Kingdom as an example. The difficulty of European views vis-à-vis El Salvador has to do primarily with the ties between Socialist Parties. The Foreign Minister emphasized

CONFIDENTIAL

CONFIDENTIAL



that the U.S. was right to send a mission to Europe to explain its policy, and he stated that the U.S. will get no difficulties from France. (C)

The President said that he saw a parallel with what the Foreign Minister's country has boldly done in Africa. There is a lingering Vietnam syndrome, and this, together with past U.S. performance in Latin America, means that we must have a whole different approach to our Latin American neighbors. We need to lay to rest the Colossus of the North image. The President said he is determined to change that. We want to help. But just as the French had done in Africa, we must make it clear that we will not tolerate outside subversion in Central America, nor will we accept military supplies going to guerrillas from some external source. (2)

The Foreign Minister said that the U.S. must be firm and strong and determined to act; at the same time the U.S. must take into account political sensitivities and psychological factors. elements must be carefully played, and this is the difficulty of the game. It is a complicated but interesting game. Again, the Foreign Minister stressed, France is happy that it has a strong partner to help it play and win that game. The Foreign Minister went on to raise two other political problems, namely, the Middle East together with the Palestine question, and South Africa together with Namibia. The Foreign Minister noted that these are problems and if the West can find solutions to them we will be doing something very important. In twenty-five years there has been the disappearance of out-moded colonialist empires. Those had given the Soviet Union an artificial good image. But now the colonial period is over. There is no reason why the U.S.S.R. should continue to exploit the past, more especially since it is itself the major colonial power today. We need to underscore the change that has taken place. In the Islamic countries, for example, the educated élites are all western oriented; an exception is the Palestine leadership. East-West equation is important, but we have a number of cards to play. We need to adopt sophisticated attitudes which in the following years can get us into a different situation. (2)

The President said he hestitated to say this, it would perhaps make him sound naive, but he could not escape the feeling that the refugee camps were used as a pretext so far as the Palestinians were concerned. The Arab countries, after all, have a common language, a common religion - it is not impossible to think that given a choice, many of the present-day Palestinians would opt for an international resettlement project. The fact is, several Arab countries do not want a Palestine state, because they view that as a potential threat to their own societies. The idea of a Palestine state may be stemming from organized propaganda rather than from the people themselves. (2)



- 5 -

The Foreign Minster replied that there was much truth in what the President was saying. Refugee sentiment was exploited. Many Palestinians have no intention of going back, because they are doing very well. The Arab elites in Palestine are well-educated and sophisticated. You can't go to see any of the various sheiks around the Middle East without finding them surrounded by Palestinians. As for a Palestine state, the Foreign Minister said that frankly he has some doubts concerning its real danger; he simply did not believe that a Palestine state would be the formidable danger the Israelis believe it to be. (2)

The President sked the Foreign Minister about Jordan; are not the Jordanians frightened by Middle East developments? (2)

The Foreign Minister replied that a renewed outbreak of fighting would threaten King Hussein's throne. The more you look at the situation in the Middle East, he said, the more you conclude that something has to be done. This would include valid security guarantees to Israel, including the sending of troops, a move in which France was prepared to participate. The Foreign Minister emphasized that it is an illusion to think we can argue the problem away. We will not solve the problem through military strengthening alone. And if we do not soon solve the problem, not one of the moderate Arab states is going to survive. (2)

Secretary Haig stated that he and the Foreign Minister will discuss this issue at length. The Foreign Minister had arrived with Brezhnev's speech. (U)

The Foreign Minister said he would like to say one word about summits. President Giscard agrees with the view he understands the U.S. holds. Summits that lead to nothing, that are surrounded by great publicity, are useless. So far as the Brezhnev proposal is concerned, it deserves to be studied. The main conclusion which the French have drawn is that there is a desire for talks and this is good; we should not shut the door. It was equally important, however, not to jump right in. The Foreign Minister added that he saw some implication in the timing of Brezhnev's proposal for the situation in Poland. The tone was positive and encouraging; the Foreign Minister felt that Brezhnev would not have spoken as he had if the Soviet Union was about to move into Poland. In summary, there should be firmness but no shutting of doors. After all, the Soviet Union was still willing to speak to President Nixon when U.S. planes were over/Haiphong. It was necessary to adopt a reasonable attitude. (2)

Secretary Haig emphasized that this is precisely the way we have been moving on the subject. The problem is that the rhetoric often gets skewed in the public analysis. (V)



The President said that he could promise that if there is a meeting, he will not kiss Mr. Brezhnev (laughter). (2)

The Foreign Minister asked the President if he had any idea when he might cross the Atlantic. (2)

The President replied that it was too early to say, especially with the priority he attaches to his domestic economic program. He felt it was most important for the world at this moment to see that the United States is putting its economy on a sounder footing. (2)

The Foreign Minister said that his President understands why President Reagan wishes to take his time before undertaking foreign travel. The French have a great interest in and admiration for the course which the President has staked out. The Foreign Minister added that his country has carried the welfare state so far that even if the government wanted to take it even further, it could not. Following the Presidential elections this spring, the government would like to undertake something similar to what President Reagan is doing. (2)

The President noted that we have created a middle class full of executives and bureaucrats who do not want power to get better distributed. This arrangement has, in turn, created special interests which seek self-preservation. There is an interlocking phenomenon which the President saw in California - for example, between University departments and various government organizations. The President noted that there are 79 million people in America employed in the private sector, whereas there are 82 million who derive all or most of their income from the government. (2)

The Foreign Minister questioned the President about a possible Mexico Summit and said that the French government is not enthusiastic. If it happens - and it probably will - the French hope that the United States will not let Europe be represented alone. (2)

The President responded that he feels Mexico has a right to a place in the family of nations; Lopez Portillo clearly views a Mexico Summit as the means to give his country greater prestige. (\mathcal{L})

The Foreign Minister said that the North-South dialogue was important but it must be carefully managed. (C)

The meeting then concluded. ()

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cc: The Vice President Ed Meese James Baker

THE WHITE HOUS WASHINGTON

copies for: Vice-President Ed Meese

Jim Baker

#1316

THE WHITE HOUSE WASHINGTON

Vice-President
Ed Meese
Jim Baker copies for:

MEMORANDUM



NATIONAL SECURITY COUNCIL

1316

CONFIDENTIAL WITH CONFIDENTIAL ATTACHMENT March 18, 1981

ACTION

36

MEMORANDUM FOR RICHARD V. ALLEN

FROM:

JAMES M. RENTSCHLER

SUBJECT:

Memcon of President's Meeting with Francois-Poncet (U)

At Tab A is a memorandum of conversation which summarizes the President's February 25 meeting with French Foreign Minister Jean Francois-Poncet. I thought this thing had gone forward weeks ago, but it must have gotten lost in the memory hole (mine). Still has some good stuff, though... (U)

Should we circulate it any more widely? (Given the importance Francois-Poncet & Co. attach to the confidentiality of their meetings with us, I'd be leery of moving this material outside the complex). (C)

Share with State______No distribution outside NSC______

cc: Richard Pipes Henry Nau Geoff Kemp

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
Write House Guidelines, Sept. 11, 2006
BY NARA DATE 1/9/07

CONFIDENTIAL WITH CONFIDENTIAL ATTACHMENT Review on March 18, 1987

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ID 8100808

UNCLASSIFIED UPON REMOVE OF CLASSIFIED ENCLOSURES

19

RECEIVED 27 FEB 81 19

TO

ALLEN

FROM RENTSCHLER

DOCDATE 27 FEB 81

38

KEYWORDS: GREAT BRITAIN

THATCHER, MARGARET

SUBJECT: MEMCON OF PRES 26 FEB MTG W/ BRITISH PRIME MINISTER

ACTION: FOR DECISION

DUE: 01 MAR 81 STATUS X FILES

FOR ACTION

FOR COMMENT

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ALLEN

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THE WHITE HOUSE

CONFIDENTIAL

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of President's Meeting with Prime Minister Margaret Thatcher of

the United Kingdom

PARTICIPANTS:

President Ronald Reagan Vice President George Bush

Secretary of State Alexander M. Haig, Jr. Counsellor to the President Edwin Meese III Chief of Staff to the President, James A. Baker Deputy Chief of Staff to the President, Michael

K. Deaver

Assistant to the President for National Security Affairs, Richard V. Allen

Under Secretary of State for Political Affairs, Walter J. Stoessel, Jr.

Ambassador Lawrence S. Eagleburger Charge D'Affaires Edward Streator, Jr.

US Embassy London

Press Secretary James Brady

Senior NSC Staff Member, Charles Tyson

Senior NSC Staff Member, James M. Rentschler

Prime Minister Margaret Thatcher

Secretary of State for Foreign & Commonwealth Affairs, Lord Peter Carrington

Ambassador to the United States, Sir Nicholas Henderson

Secretary of the Cabinet, Sir Robert Armstrong Permanent Under Secretary of State and Head of the Diplomatic Service, Foreign and Commonwealth Sir Michael Palliser

Permanent Under Secretary of State, Ministry of Defense, Sir Frank Cooper

Deputy Under Secretary Foreign and Commonwealth Office, Mr. Julian Bullard

Principal Private Secretary to the Prime Minister Mr. Clyde Whitmore

Chief Press Secretary in the Prime Minister's Office, Mr. Bernard Ingham

Private Secretary to the Prime Minister, Mr. Michael Alexander

Private Secretary to the Secretary of State for Foreign and Commonwealth Affairs, Mr. George Walden

Head of New Foreign Office, Nicholas Fenn Minister, Embassy, Washington, Mr. John Fretwell

DATE, TIME AND PLACE: February 26, 1981

12:00 - 12:45 p.m. (Cabinet Room)

CONFIDENTIAL

Review 2/26/2011 Classified and Extended by R.V. Allen Reason: NSC 1.13(a)

DECLASSIFIED NLRR MID-303#60751 BY RW NARA DATE 3/30/12

The President reiterated the pleasure he felt in receiving Mrs. Thatcher. Alluding to the restricted meeting which they had just concluded, the President emphasized that there would be no surprises in our conduct of foreign policy and that the excellent relationship which we have had with Great Britain for many years would be further strengthened through close consultation. The President said that he and the Prime Minister had touched on a number of trouble spots during their earlier meeting, including the Middle East and Central America. (U)

Prime Minister Thatcher noted that there were three main subjects that she and the President had scarely dealt The first of these was connected with the main issue of East-West relations, including the tactics of handling those relations in light of Brezhnev's speech, the question of Poland, where the UK felt that the danger had not yet passed and where the Communist system was confronted with a situation it could not tolerate. second subject concerned events in Central America and South America where the United States had specialized information; the Prime Minister stated that she and her associates would profit from any views the President might wish to share with them on that subject. noted that the non-aligned nations were against Cuba; they resent the fact that Cuba did not condemn the Soviet Union for their actions in Afghanistan and it is important that the West continue to benefit from that important development. A third important subject concerned the world recession. In that connection, the Prime Minister noted that she and the President would be going to Ottawa in July and will confront the problem of monopoly fixing of oil and judgments about what kind of relationships we can have with the countries responsible for that monopoly. The Prime Minister went on to say there was a fourth subject which occurred to her; and that concerned the possibility of a Mexican Summit. The Prime Minister said she felt that too many things were coming at once on the international agenda and it might be well to postpone a Mexico Summit. The British would prefer to go to Ottawa first, then have the other summit later. The Prime Minister said that it would be helpful if the United States could support such a postponement. The Prime Minister added that she knew how important Central America and South America were to us and how much we are exercised by developments there. (C)

The President replied that so far as Central America was concerned, he felt that it was part of the whole international problem we face today. The villain there is the same villain we face in so many other places: the export of subversion. The United States with the best of intentions



over the past years has tried a variety of programs with our neighbors to the South. But too many of these programs were undertaken without enough sensitivity for the feelings of the people living there, so many of whom felt intimidated by the Colossus of the North. Our intentions were good, but the plans were ours, and people felt that the plans were being imposed on them. The United States wants to try a new approach. We want to bind these two continents together in a love of freedom. Our approach will not be imposing ideas from the outside. The President referred to his meeting with Mexican President Lopez Portillo, and explained that his approach to that meeting was to listen to the Mexican President's ideas. The meeting was very warm and it broke through a number of barriers. President said he did not realize to what extent the barriers had been broken until he received as a personal gift from the Mexican President a horse. The Mexican President's awareness that riding was very important to the President resulted in a symbolic gesture of great significance. The President knows something about Lopez Portillo's interests and attitudes, and if there is a movement to postpone a Mexican Summit because of a crowded schedule, the President would rather that such an effort come from somewhere else. We have established a beachhead in Mexico. We have overcome a good deal of suspicion which begins at the level of school children. We have made many gains in our relationship with the Mexicans. (C)

Prime Minister Thatcher responded that the actual timing for a Mexican Summit will be determined by the President's availability. From what the President had just told her, she could see that having placed the US relationship with Mexico on a new basis, he would not wish to jeopardize that new relationship. It seemed clear that the President had made up his mind to go to a Mexican Summit, a view that she could quite understand. It is currently scheduled for June 11-13, and will be something of a global discussion, quite unstructured. (C)

Secretary Haig emphasized that Summit tactics will be awfully important. It is essential that the West be together, that it present a solid, coherent, unified front. Castro will be there. If there were any possibility of delaying the Mexican Summit, it would be a good idea to do so. (C)

The Prime Minister noted that since aid to the Third World will be on the Ottawa Summit agenda, it would make sense for Ottawa to be a precursor to Mexico. If expectations are built up in the Third World over prospective accomplishments in Mexico and then nothing comes of them, this would be a bad thing for the West. (C)

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Lord Carrington interjected that having talked to both Parr and Kreisky he had the strong impression that they would be very happy to postpone such a summit provided the United States in principle planned to attend. (C)

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The President suggested that we should be in communication immediately with Lopez Portillo to determine if he could see his way clear to hosting a summit in the fall rather then in June. (C)

The Prime Minister added that the meeting would be very interesting. Some members of the Group of 77 will be there, oil-rich countries who are better off then the United Kingdom. A sponsors meeting will be held in Vienna in mid-March and some indication of participants and timing will be sought at that meeting. (C)

The President turned to Secretary Haig and told him that we should communicate to Lopez Portillo our intention to attend the Mexico Summit and to determine if it can be held in the fall. The President said he had another border meeting with Lopez Portillo scheduled for late April, but we would need to communicate with him about a Mexican Summit before then. (C)

Prime Minister Thatcher asked the President if he had considered what kind of fundamental response to be given to Brezhnev's proposal for a meeting. The Prime Minister said that she can anticipate being close--questioned on this subject every Tuesday and Thursday in the House of Commons. It is recognized, of course, that one simply cannot say "no, we will never talk". In the back of every one's mind there is the idea of "yes, of course, we must talk", but we cannot talk until every problem, every possible pitfall is carefully examined. The Soviets are skilled negotiators. We can expect them to play on the peace-loving sympathies of people. She was struck, for example, by the reference to a moratorium on Theatre Nuclear Forces. The Prime Minister said that her attitude that is when you sup with the devil you must have a long spoon. In fact you had better have a whole lot of long spoons. (C)

The President emphasized that we will be giving the proposal careful study and that we would not simply sit down at a table to discuss a single issue such as disarmament. We will want to discuss a whole lot of other things too, for example, Soviet backing of Cuban subversion. (C)

<u>Prime Minister Thatcher</u> agreed that enormous preparation would be required before such a meeting could take place. The answer should be "yes, in due course". (C)



The President replied that this is the position we've taken; not a no, not a yes -- we are considering it very carefully. (C)

The Vice President asked the Prime Minister for clarification concerning the kinds of questions she was getting in Parliament, including the extent to which Afghanistan figures in them. (C)

The Prime Minister identified three parts of the Brezhnev speech which she found noteworthy. The first was the call for a meeting, and in that connection the West should certainly prepare a careful position on the question of Soviet troops in Afghanistan and the necessity of having them The Prime Minister also noted the proposal for a moratorium on Theatre Nuclear Forces, a proposal which did not surprise the British considering the imbalance which is now in the Soviets' favor. They currently have 200 missiles targeted on Central Europe and they are adding a new one every five days. Thirdly, the Prime Minister noted, there was mention of confidence-building measures, which is Giscard's great thing. The British position is if there are to be confidence building measures, these must go back to the Urals. The Soviets are saying that if they go back to the Urals we must go back further too; however, we cannot go back any further -- we would be in the sea! (laughter) (C)

The President said that in these circumstances it was well to remember the story about Kipling's Bear -- he seemed so nice but! (U)

Secretary Haig said that before we leave the hemisphere, it would be useful to touch on the subject of Belize. He had talked to the Guatemalan foreign minister, and it seemed that Guatemala was prepared to abandon its classic demands concerning independence for Belize. The key issue appeared to be access to the sea, and this could be provided through the Cays, the series of small off-shore islands. Secretary Haig added that it was his strong impression the Guatemalans are ready to settle with Prime Minister Price, particularly if the latter's Minister of Interior, apparently an obnoxious fellow, can be kept out of the picture. (C)

Lord Carrington replied that Price has to sell the deal to his own people. The leasing of real estate is dynamite in political terms. He said he is not terribly hopeful that he can push Price much further. It is politically difficult for the UK to apply any more pressure. He suggested, however, that he would be willing to twist Price's arm provided that the President ask Secretary Haig to twist the Gualemalan's arm. (C)

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The President asked if the British would be willing to leave some forces in Belize. (C)

Lord Carrington replied that if there is an agreement with Guatemala, there would be no need for a British military presence. What the British would hope to do is train up Belize forces. (C)

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Secretary Haig said he wished to emphasize that the President was referring to our fear that without a British military presence, Belize may turn to Cuba for military support. (C)

Lord Carrington reiterated that with an agreement, he didn't think that issue would arise. (C)

The Presidentsaid that he was concerned about the perceptions in Guatemala, the possibility that arms would come into Belize from Cuba and threaten Guatemala. (C)

Prime Minister Thatcher noted that even with a settlement between Belize and Guatemala, there would be training of Belize security forces. (C)

Lord Carrington agreed. He added that without a settlement, the UK will certainly need to have forces in Belize. (C)

<u>Prime Minister Thatcher</u> asked the President whether he thought it was a good idea to have a British military presence there. (C)

Secretary Haig replied that he thought that would be a good thing; it would deter Cuba from believing that Belize was now the issue. (C)

Lord Carrington stated in his view Price will not turn to Cuba. Price is a socialist, but he is a devout Catholic too. The Minister of Interior is a problem. Lord Carrington added that he did not think we will get an agreement. (C)

Secretary Haig said that was a disappointment. (C)

The Prime Minister emphasized that they will, however, try. She asked if we had any new information on El Salvador. (C)

The President replied that there now seemed to be a lull in the shipment of arms from outside. He did not think the lull was permanent. It was possible that the Cubans were looking for new ways to get the arms in to the guerrillas. (C)

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There is no question, however, that there is outside interference. All we are trying to do is to help in a limited way to keep the government of El Salvador viable while it pursued the reforms it has undertaken. The government armed forces are not as strong as they need to be in order to combat the guerrillas who were trained in Cuba. (C)

Prime Minister Thatcher expressed the view that the propaganda war must be handled very carefully. Leftist opinion in Europe is already agitated over the issue. She said she was wondering how best to deal with it. If the line is non-interference it is difficult to take the next step and interfere. We must be careful not to put ourselves in an exposed position. We must avoid the situation of the Soviets in Afghanistan, who intervened in favor of a particular regime. What we want to stop is the supply of arms going to guerrillas. (C)

The President noted that such propaganda is orchestrated worldwide. As an example, we suddently see, out of the blue, young people staging demonstrations-not on the order of those we saw at the time of Vietnam, but similar. (C)

<u>Prime Minister Thatcher</u> said that after Ambassador Eagleburger's visit the British issued a statement condemning the outside support to guerrillas and the statement was well received. (C)

Mr. Meese suggested that Secretary Haig might want to put our overall policy in Central America in perspective, underscoring the stand we are taking against outside interference in the affairs of other nations. (C)

Secretary Haig agreed and said that it was important that we not let El Salvador become a repeat of history where social issues are the core; rather we wish to focus attention on the external aspects of the problem, which is why we say it is necessary to take the problem to the source. We do not wish to become entangled in the bloody internal affairs of a Third World country. We are trying to prevent that. We are very conscious of European sensibilities, but governments under attack are in no position to effect reform if they are being besieged by armed force, no more than the Shan of Iran was able to make social progress in the midst of a revolution. We do have to help them shore up their insitutions and cut off external involvement. out such external involvement, we are reasonably confident that the government will both survive and prosper. Marxism is not an attractive alternative to the people of El Salvador. (C)

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The President stated that proof that Marxist propaganda is false resides in the fact that the people have not risen up to support the guerrillas. (C)

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<u>Prime Minister Thatcher</u> stated that additional facts about the subversion would be helpful--quantities of arms etc. (C)

Lord Carrington said that even the churches are in the propaganda battle now. (C)

Secretary Haig noted that we had some help recently from a Nicaraguan defector. He had been situated directly inside the Nicaraguan regime and has provided powerful confirmation of the Cuban-supported subversion of El Salvador. (C)

Prime Minister Thatcher expressed the plea that we do everything possible to exploit such inside information. (C)

The President noted that Prime Minister Seaga's victory in Jamaica was an encouraging thing. He pointed to an interesting bit of information which had recently developed there. There were signs of terrorism in Jamaica, and some of the weapons captured bore the same serial marks as those we left behind in Vietnam! There is obviously a central distribution point. The President expressed appreciation for British economic support to Jamaica and noted that David Rockefeller has agreed to lead a high-level mission to see what can be done to restore the Jamician ecomony. The President concluded the meeting by inviting his British guests to help themselves to the jar of jellybeans on the Cabinet Room table. The President explained the presence of the jellybeans grew out of a period long before he thought he would ever be in public light. Jellybeans helped him give up smoking, and as a joke his wife had put a huge jar of them in the Cabinet table in Sacramento when he was Governor. They then caught on as kind of a trademark. The city of Los Angeles had presented the President with a large jar on the table before them now. It contains thirty-five different flavors, and were very useful for fueling Cabinet meetings. The company which produced the jellybeans had benefitted so much from the publicity that it regularly provided refills--proof that the President was truly conservative. He added that among the thirty-five flavors there was even a peanut butter flavor; he said if it were not so difficult sorting through the whole pile, he would of course remove that particular flavor (laughter). (C)



NATIONAL SECURITY COUNCIL

UNCLASSIFIED WITH CONFIDENTIAL ATTACHMENT

February 27, 1981

47

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM:

JAMES M. RENTSCHLER

SUBJECT:

Memcon of President's Meeting

with Thatcher

Attached is the memorandum of conversation covering the President's February 26 expanded meeting with UK Prime Minister Margaret Thatcher. Do you want a copy of this material made available to State?

Yes V

No distribution outside NSC

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

UNCLASSIFIED WITH CONFIDENTIAL ATTACHMENT

March 9, 1981

48

MEMORANDUM FOR:

Mr. L. Paul Bremer, III Executive Secretary Department of State

SUBJECT:

Memcon of President's Meeting with

Prime Minister Thatcher

Attached is the memorandum of conversation covering the President's February 26 expanded meeting with UK Prime Minister Margaret Thatcher.

Allen J. Lenz Staff Director

Attachment

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