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President Reagan [03/09/1981-03/19/1981]

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Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

SMF

1/9/2009

File Folder

PRESIDENT REAGAN MEMORANDUMS OF

CONVERSATION (6) [MARCH 9-19, 1981]

FOIA

F2002-072/1

COLLINS

Box Number

48

ID Doc Type Document Description No of **Doc Date Restrictions Pages** 60752 MEMCON SUMMARY OF RR MEETING WITH FM HANS-3/9/1981 **B**1 DIETRICH GENSCHER OF THE FEDERAL REPUBLIC OF GERMANY R 6/22/2015 M371/ 60753 MEMCON RR MEETING WITH AMBASSADOR CHAI 3/19/1981 B₁ **ZEMIN** R 6/22/2015 M371/ 60754 MEMO JIM LILLEY TO ALLEN RE TRANSCRIPT OF 3/20/1981 B₁ RR MEETING WITH AMBASSADOR CHAI 6/22/2015 R M371/

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]

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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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ID 8101198

DOCDATE 12 MAR 81

TO

ALLEN

EAST/WEST ECONOMICS GENSCHER, HANS D

NUCLEAR MATTERS

KEYWORDS: GERMANY F R

USSR

SUBJECT: MEMCON COVERING PRES MTG W/ GENSCHER ON MAR 9

DUE: 16 MAR 81 STATUS X FILES ACTION: FOR DECISION

FOR ACTION

FOR COMMENT

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THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of the President's Meeting with Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany (W)

PARTICIPANTS:

President Ronald Reagan
Vice President George Bush
Secretary of State Alexander Haig, Jr.
Under Secretary of State for Political
Affairs Walter Stoessel, Jr.
Assistant Secretary of State for European
Affairs-Designate Ambassador
Laurence Eagleburger

Counsellor to the President Edwin Meese II]
Assistant to the President and Chief of
Staff James A. Baker III

Assistant to the President and Deputy Chief of Staff Michael K. Deaver Assistant to the President for National Security Affairs Richard V. Allen

NSC Senior Staff Member James Rentschler

Foreign Minister Hans-Dietrich Genscher FRG Ambassador Peter Hermes Heinz Weber, Interpreter

DATE, TIME AND PLACE:

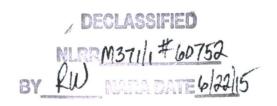
March 9, 1981 2:00 - 2:30 p.m., Oval Office

Following an exchange of pleasantries <u>Foreign Minister Genscher</u> said he preferred to make use of his interpreter for the substantive portions of his talks with the President. He said that his relationship with the English language was a bit like the one he had with his wife: the subject was familiar to him but he had not yet mastered it! (laughter) (U)

The President, in acceding to the Foreign Minister's request, recounted an experience he had as Governor of California with a delegation of Soviet journalists. On that occasion the delegation insisted on using an interpreter, but he noted that when he told a joke, the delegation members laughed before the interpreter had finished. (laughter) In a more serious vein, the President said he was interested in improving the form and content of our consultative practices with the Federal Republic and he solicited the Foreign Minister's recommendations on how that might be achieved. The President noted that he has repeatedly

CONFIDENTIAL

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



stated that we intend to commit no surprises in our relations with our friends. (V)

Foreign Minister Genscher replied that he was very grateful for the time the President was willing to spend with him. The Foreign Minister said that he was particularly grateful for the opportunity to have early consultations with the President. The Federal Republic attached great importance to its relationship with the United States; it was very important for both sides to be in close touch. He wanted the President to know that there was in the Federal Republic a national consensus so far as the Atlantic Alliance, security partnership, and friendship with the United States are concerned. There is full agreement between the Government and the opposition on these principles. This provides a good foundation for the U.S.-German bilateral relationship. (2)

The President expressed appreciation for the Foreign Minister's views and said it might be useful for them to discuss the recent Brezhnev speech. The President emphasized that he had always said that he is prepared to discuss strategic nuclear weapons and ways of lowering the threshold of danger. The President stands on that statement. The President reiterated, however, that there is no point in going into negotiations with the Soviets unless they know we intend to deal from a position of strength. We need to redress the strategic balance. We are not refusing to talk with the Soviets; we are making it clear, however, that other things must be discussed at that table - for example, Poland, Afghanistan, etc. Are the Soviets prepared to alter their positions on some of these issues? (2)

Foreign Minister Genscher responded that he is convinced that the West has fundamentally better cards to play then the East economically, politically, even militarily. However, the West must be prepared to use those cards. Such use would be an excellent demonstration of the political determination of the Western Alliance. We must, of course, build up and restore our defensive position. But we should also be willing to negotiate. This is why the Federal Republic, following the Brezhnev speech, agreed to discuss everything but would not accept a moratorium on theatre nuclear forces; such a moratorium would merely cement Soviet superiority in that area. We must anticipate a vigorous propaganda campaign. The CDE proposal (Conference on Disarmament in Europe) with its emphasis on extending the geographic area for confidence building measures back to the Urals offers the West an opportunity to gain the initiative in its public presentations. The Federal Republic believes that discussion on theatre nuclear forces should be resumed in Geneva without delay. In addition, the Special Consultative Group should be convened to discuss this subject. (2)

CONFIDENTIAL

CONFIDENTIAL

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As for an East-West Summit, it would have to be very carefully prepared. The West needs to show a position of resolve and determination - we cannot allow Brezhnev to portray himself as an angel of peace. The Foreign Minister went on to say that TNF will be a test of whether the Atlantic Alliance is able to implement a decision in face of the Soviet campaign. This might well be a turning point in Alliance affairs. The Foreign Minister said that he has the greatest respect for the position of Italy in this connection, which has held firm despite internal pressures. He said that he regrets the vacillation of Beligum and the Netherlands so far as the TNF decision is concerned.

The President agreed with the Foreign Minister's observation about Italy; he said that he had recently met Italian Foreign Colombo who had asserted his country's determination to go forward. He asked the Foreign Minister whether the latter felt we have enough on our side to persevere if some others on our side are hesitant. (2)

Foreign Minister Genscher replied that three countries have expressed willingness to deploy theatre nuclear forces on their territory: the UK, Italy, and the Federal Republic. He contended that we must not stop trying to persuade other friends to help. The Dutch elections in May will give a firmer indication of what we can expect from them. (C)

The President asked the Foreign Minister for his assessment of the SPD's left wing; he wondered if it is likely to be a problem. (%)

Foreign Minister Genscher replied that the Federal Republic pursues an essentially centrist approach. It is true that there are people who seem to adopt a more critical attitude but this may be because the Federal Republic has no genuine left-wing party. He pointed out that the Communists had polled only .6 percent in the last elections. There should be no doubt of the policy pursued by the present Government: implementation of the NATO decision is a pre-condition of his own party's cooperation in the governing coalition. Indeed, the Foreign Minister asserted, he had staked his own political future on implementation of that policy. This has had the desired effect in strengthening support for the position, which the opposition supports as well. (2)

The President raised the subject of economic problems and emphasized that the United States would not be in a position to play a leadership role if we are crippled economically.

CONFIDENTIAL

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We have embarked on a sharp turn which we anticipate will be very benefical and will, among other things, eventually bring down interest rates. The President said he had noted that Chancellor Schmidt has commented on high U.S. interest rates and he wondered if this concern was perhaps exaggerated in the press reports. (2)

Foreign Minister Genscher replied that because of historical experience, the German people are very highly sensitive to any inflationary developments which might affect economic stability. The German leadership followed the President's efforts with great interest and sympathy and the German Chancellor's comments should be viewed in that context. There is no doubt that concentration on the monetary side is bound to have an effect on interest rates, and this in turn could affect investments on the part of individuals and small corporations in the Federal Republic. He expressed the hope that the U.S. would take this into account. In any event, Economics Minister Lambsdorf will be visiting the United States shortly and will be prepared to discuss this subject in detail. The Foreign Minister emphasized that this was not a fundamental German concern; it was expressed in linkage with other factors. With the President's permission, he wished to draw attention to two key points: first, a German Parliamentary delegation had just visited Turkey and returned convinced that military and financial assistance should be continued there. In addition, it was the view of the parliamentary delegation that the Turkish military government should not be exposed to any time pressures; they needed a calm period in which to pursue Second, the Foreign Minister stated that he had been their work. in Pakistan two weeks before and would like the United States to join with the Federal Republic and other countries to furnish additional assistance. The strategic implications of Pakistan were considerable.

The President responded that we were going ahead with aid to Turkey. (5)

Secretary Haig confirmed the President's response and noted that we would hold to the same level that we provided last year despite the austerity of our budget program. (W)

The President indicated that we would be in touch with the Federal Republic concerning Pakistan. He expected to see the Pakistan Ambassador very shortly. It was important to have a good relationship with Pakistan - that would give the Russians another reason for wanting to talk to us! (laughter) The President concluded the meeting while asking the Foreign Minister if Chancellor Schmidt was still smoking a pipe. The President explained that he had tried to get the Chancellor to give up smoking when they met in Blair House during the transition period. (laughter) (2)

CONFIDENTIAL

CONFIDENTIAL

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

UNCLASSIFIED WITH CONFIDENTIAL ATTACHMENT

March 17, 1981

MEMORANDUM FOR:

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

SUBJECT:

Memcon Covering President's March 9

Meeting with Genscher

Attached is a memorandum of conversation which summarizes the March 9 meeting between the President and FRG Foreign Minister Hans-Dietrich Genscher. This memcon is forwarded for your information.

Allen J Lenz Staff Director

Attachment

UNCLASSIFIED WITH CONFIDENTIAL ATTACHMENT

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ID 8101347

RECEIVED 20 MAR 81 19

DOCDATE 20 MAR 81

TO

ALLEN

FROM FONTAINE

KEYWORDS: ARGENTINA

AP

VIOLA, ROBERTO O

SUBJECT: MEMCON OF PRES MTG W/ PRES DESIGNATE VIOLA

ACTION: FOR DECISION

DUE: 21 MAR 81 STATUS X FILES

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FOR COMMENT

FOR INFO

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ACTION OFFICER (S) ASSIGNED ACTION REQUIRED

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THE WHITE HOUSE

WASHINGTON

SECRET-

MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of the President's Meeting with Argentine President-designate General

Roberto O. Viola

PARTICIPANTS:

President Ronald Reagan

Secretary of State Alexander Haig

Edwin Meese, III, Counsellor to the President Richard V. Allen, Assistant to the President

for National Security Affairs
US Ambassador Thomas O. Enders, ARA

US Ambassador to Argentina Harry W. Shlaudeman General Vernon Walters (Retired), Special Emissary

to Latin America

Roger Fontaine, NSC staff Member (notetaker) Donald Barnes, State Department Interpreter

President-Designate of Argentina General

Roberto O. Viola

Argentine Ambassador to the US Jorge A. Aja Espil General Luis Santiago Martella, Chief Adviser to

General Viola

DATE, TIME AND PLACE:

March 17, 1981, 4:00-4:46 p.m.

The Oval Office

DECLASSIFIED

NLRR M04-015 #5

BY LOT NARA DATE 16/16/00

SECRET
Review 3/17/2011
Extended by Richard V. Allen
Reason: NSC 1.13(b)



SECRET

- 2 -

The President said he wanted to see better relations between the countries of North and South America -- better than we have had in the past. The President said the peoples of this hemisphere have much in common, especially a love of freedom. He then welcomed the President-designate to the United States, and the President looked forward to a better relationship between the two countries.

<u>President-designate</u> Viola expressed great satisfaction at meeting the President, and he apologized for his lack of English despite living in the US for two years.

The President assured General Viola that he knew how that felt. After living 40 years in California with its large Spanish-speaking community, he did not speak any Spanish.

The President-designate then mentioned his talks with Secretary Haig, and that they were wide-ranging and satisfactory. He said there is an obvious need for good relations between the US and Argentina despite differences of the past. He mentioned too that in Argentina there is no anti-American feeling. Also, the government of Argentina wants to have good and broad relations with the US. And he was happy to discuss whatever questions and issues the President wanted.

The President said that the proper relationship is one of open communications. If that is all this meeting accomplishes, then we have accomplished something. The President added that he recognized the strain in the past relationship, and he believed the factors that caused it could be easily eliminated and will be in his Administration.

The President-designate shared these views totally, and his trip was to open clear channels of communications. The US and Argentina belonged to the same group of nations who shared a love of freedom, and the US is acknowledged as the leader of those nations.

The President believed the Americas can stand together on their common desire for freedom and do much to preserve the peace and improve the lives of even those who live outside the hemisphere.

The President-designate stated Argentina will cooperate in any effort to contain Communism and promote freedom.

The President thanked General Viola.

SECRET



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President-designate Viola continued by saying the only requirement was to clear channels of communication. There should be no surprises -- that leads to frictions. The President agreed by underlining the need for full consultation with our neighbors and friends and Allies in Europe.

The President-designate said there was nothing special to ask except a comprehension of our problems.

Secretary Haig then stated that during yesterday's discussion there was an agreement to remove disabling legislation on arms sales; that Tlatlolco would be ratified by Argentina after some study.

The President-designate then added that three points needed to be touched on. First, the objectives of the military government; second, human rights policy; third, nuclear policy.

The President understood from Secretary Haig there was agreement and that the Administration spoke with one voice.

<u>Secretary Haig</u> added there would be on human rights no finger-pointing. If there are problems, they will be discussed quietly and confidentially.

The President continued and said there would be no public scoldings and lectures.

President-designate Viola said he hoped there would be no private scoldings either.

The President remarked that anything we ask for will be with a por favore.

The President-designate then outlined the objectives of the military government. He explained that Argentina had suffered from 50 years of political instability. The goal of the military in taking power was to reestablish free, democratic, and representative government -- but government that would be stable too.

As far as human rights are concerned, the <u>President-designate</u> assured the President that human rights were respected today. Repression did not exist now. The problems belonged to the past, and in the past a real war was fought in Argentina.



-SECRET

The President observed that in Argentina's past, a real terrorist war had been launched, and the terrorists felt free in taking human life. The President believed that the right to life was a very basic human right, and that he understood that firm actions needed to be taken to curb the violence.

The President-designate then said he did not oppose human rights. Argentina has a long history and tradition of respect for human dignity. He only opposed a human rights policy that was discriminatory and was not global in reach. He then added during the Argentine war -- and this he told members of the US Congress -- that ten generals were killed, two police chiefs, numerous labor leaders and political leaders.

As for nuclear matters, the <u>President-designate</u> had two basic points. First, nuclear development was strictly for peaceful uses. As proof, Brazil and Argentina have signed an agreement to exchange nuclear-related information. Second, Argentina was the first country in Latin America to develop a nuclear industry and thus would like to keep that advantage.

The basic question is Tlatlolco. In 1977, President Videla promised President Carter that Argentina would ratify Tlatlolco. That promise is still good. Argentina only asks time to negotiate appropriate safeguards with the appropriate international agencies.

The President observed that the US too was once a leader in the nuclear area, and now we are taking steps to improve prospects for expansion of nuclear energy sector, because it is a valuable source of energy.

The President-designate added that Argentina today has one plant, and nuclear power is not a major part of the energy picture, but four more plants will open in the 1980s.

The President-designate said that he was extremely happy to have had an opportunity to meet personally with the President, and that if a personal relationship had been established between the two, he felt he had achieved the objective of his visit to Washington. He said it would be a source of deep personal satisfaction to receive the President in Buenos Aires during his own term as President between 1981 and 1984. (S)

The President said that he would have to see what his schedule would be during those years and that he would like to make the visit. (S)

-SECRET-

SECRET

11

MA

MEMORANDUM

NATIONAL SECURITY COUNCIL

SECRET Attachment

March 20, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM:

ROGER FONTAINE

SUBJECT:

Summary of the President's Meeting with Argentine President-designate General

Roberto O. Viola

At Tab I, for your information and the President's file, is the memorandum of conversation of the meeting between President Reagan and Argentine President-designate General Roberto O. Viola 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		Disapprove	
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SECRET Attachment

12

THE WHITE HOUSE

WASHINGTON

March 23, 1981

13

SECRET Attachment

MEMORANDUM FOR:

THE HONORABLE ALEXANDER M. HAIG

THE SECRETARY OF STATE

SUBJECT:

Summary of the President's Meeting with Argentine President-designate General

Roberto O. Viola

Attached for your information is a summary of President Reagan's meeting with Argentine President-designate General Roberto O. Viola on March 17, 1981.

Richard V. Allen

Vice President

cc: Ed Meese

James Baker

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of the President's Meeting with Argentine President-designate General

Roberto O. Viola

PARTICIPANTS:

President Ronald Reagan

Secretary of State Alexander Haig

Edwin Meese, III, Counsellor to the President Richard V. Allen, Assistant to the President

for National Security Affairs US Ambassador Thomas O. Enders, ARA

US Ambassador to Argentina Harry W. Shlaudeman General Vernon Walters (Retired), Special Emissary

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Roger Fontaine, NSC staff Member (notetaker) Donald Barnes, State Department Interpreter

President-Designate of Argentina General

Roberto O. Viola

Argentine Ambassador to the US Jorge A. Aja Espil General Luis Santiago Martella, Chief Adviser to

General Viola

DATE, TIME AND PLACE:

March 17, 1981, 4:00-4:46 p.m.

The Oval Office

Review 3/17/2011

Extended by Richard V. Allen

Reason: NSC 1.13(b)

SECRET BY MI NARA, DATE 10/16/06

SECRET

- 2 -

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17

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SECRET

THE WHITE HOUSE

WASHINGTON

March 23, 1981

M

SECRET Attachment

MEMORANDUM FOR:

THE HONORABLE ALEXANDER M. HAIG

THE SECRETARY OF STATE

SUBJECT:

Summary of the President's Meeting with Argentine President-designate General

Roberto O. Viola

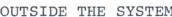
Attached for your information is a summary of President Reagan's meeting with Argentine President-designate General Roberto O. Viola on March 17, 1981.

Richard V. Allen

Vice President cc: Ed Meese

James Baker

Attachment







OUTSIDE THE SYSTEM

MEMORANDUM OF CONVERSATION

60753

PARTICIPANTS:

United States

President Ronald Reagan Vice President George Bush

Alexander Haig, Secretary of State John Holdridge, Assistant Secretary of

State-Designate

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

for National Security Affairs

Charles Tyson, Deputy Assistant to the President

for National Security Affairs

James Lilley, Staff Member, National Security

Council

Vivian Chang, State Department Interpreter

People's Republic of China

Ambassador Chai Zemin

Ji Chaozhu

Zhou Wenzhong, Chinese Interpreter

DATE AND TIME:

Thursday, March 19, 1981

4:15 - 5:10 p.m.

PLACE:

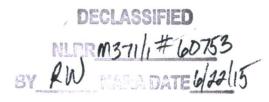
Cabinet Room, The White House

SUBJECT:

US/China Relations

Review on 3/20/87







Before the meeting started Secretary Haig said to the Chinese Ambassador that he thought it was important that early in this Administration we should have a talk. Then the President opened the meeting. (§)

Richard Allen: This is the first opportunity that Ambassador Chai is having to meet with you, Mr. President, and Mr. Ji, who was originally due to go back to China, made a special effort to come join us. As Secretary Haig has said earlier, it is important to discuss U.S.-China relations early on in our Administration. (8)

President: Others have said so, but I will also repeat that I look forward to continuing and strenthening the relationship we have begun. We have approved 11 items of sensitive electronic equipment for export licenses that we are permitted to sell to China. And this is not available to the Soviet Union.(5)

Ambassador Chai: This was good news. (He mentioned that the President has written a letter to the National Council for U.S.-China trade for the further development of trade and that he was happy to hear Secretary Haig say that the President had also hoped to develop further Sino-U.S. relations.) (§)

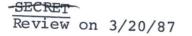
President: I believe Secretary Haig has made our position toward the Soviet Union very clear, and I believe that it is one of the major reasons for strengthening Sino-American relations -- because we are both concerned about Soviet ambitions. (8)

Ambassador Chai: We are happy to see that the United States has taken a firm stand toward the Soviet Union and also put forth the idea of linkage. The reason is because no one country alone, we believe, is able to resist the Soviet ambition to expand Soviet hegemony and that we must unite in the broadest sense, that is, all anti-hegemonic countries and peace-loving countries. And this has great strategic significance. We should increase our consultations and strengthen our concerted efforts which play a great role in promoting stability in Asia and the Pacific region as well as throughout the world. We hope to continue to develop our relationship. (8)

<u>President</u>: We also have the same hope, and we are in favor of the idea of open communications between our two countries. (S)

Ambassador Chai: If China and the United States unite, then this would make a great contribution to the peace and stability in Asia and the Pacific. (%)

(The President extended an invitation to a Chinese leader of their choice -- Premier or Vice Chairman -- to visit the U.S. toward the end of the year.) (8)









Ambassador Chai: We are very happy to hear of this invitation and we hope that the Secretary of State will visit China and also we hope that the President when his schedule permits or whenever it is convenient will also visit China in order to strengthen our relationship and also to further our friendship. We feel that a visit would be an important contribution to both.

President: Thank you, I would like that.

Ambassador Chai: I know that Secretary Haig is extremely busy, but if he should be in Asia some time, China is very close Whenever he feels it is convenient, he is welcome to visit. (0)

Vice President: With your permission, Mr. President, I feel that it would be interesting to relate what Mr. Ji and the Ambassador an occasion to see an old friend (in reference to Mr. Ji the Vice President uses Chinese term "Lao pengyou"). With Ambassador Chai's permission, I feel that it might be useful for either Mr. Ji or the Ambassador to perhaps fill the President in on what you

(Ambassador Chai pointed at Mr. Ji and invited him to inform the President.)

shared with us and what you shared with the Secretary of State. (5)

and myself had said in an informal gathering in my home.

Mr. Ji: I want to use a few words. We have very good relations with the United States and we can work out our differences on a friendly basis and I also want to say a few words about Taiwan. We understand your friendship with Taiwan and we respect people who are loyal to their friends

There has been a fundamental change in our attitude regarding Taiwan and we have mentioned this to some of your colleagues --Mr. Allen, Vice President Bush, and others. We hope that you will take this into account in dealing with Taiwan. Of course we know that the late Chairman Mao -- whom we greatly respect -made mistakes and that when he said we will use armed force for the liberation of Taiwan and called Taiwan authorities counterrevolutionaries this was also taken up by the Gang of Four. This is now over and done with. Our policy is to resolve the Taiwan question peacefully and our guiding principle is to seek truth from facts and we know we must be realistic about the polar bear from the north. The U.S., China, Taiwan and Japan borders are all threatened by the southward expansion of the polar bear, and that together we would better be able to resist Soviet expansionism. (S)

On the economic side, if we had good relations with our brothers in Taiwan, then they could utilize our natural resources to continue to develop their prosperous economy. Whereas we, mainland China, have to learn from Western experts because in the past we suffered a great deal in the 50's learning from the "stupid" Russians. Then we, for almost 20 years, unfortunately





were under the control of the ultra-radicals and now our economy is in great difficulty. But Taiwan is very close to us. We are also close in culture. They are highly skilled in Western methods and we could task the abilities of our brothers in Taiwan. wife has many relatives on Taiwan whom she has not seen for 30 years and she would like to see them. Armed liberation is over for us and the new Administration should take this into account. It also should help us because our relationship is a strategic one and that if we have good relations, the only person to suffer would be the polar bear. We hope that the U.S. will help us solve the Taiwan question peacefully. After reunification Taiwan can still keep its capitalist system, free enterprise, even its own foreign investments. It can keep its present system which is very good for Taiwan. Peking has moved away from the Russian model and Deng is committed to this course. Hu Yaobang and Zhao Zeyang are also both committed to this course. We have suffered from the Gang of Four and the Russians. Thank you for letting me give you this presentation. (8)

President: Mr. Ji, I was very happy to hear that China has changed its policy toward Taiwan and what you said about trusting and being loyal to old friends. I also have some thoughts on that because as we develop our relationship with the People's Republic, this will also show China that we will not one day throw them aside for another friend. We have obligations toward the people of Taiwan, but it is on non-official standards set down in the Taiwan Relations Act and the Joint Communique establishing relations between the U.S. and PRC. Under this framework we will conduct our relations with Taiwan and strengthen our relations with you.

Mr. Ji: We hope that President Reagan and the Administration are aware that Taiwan is a sensitive question for China and that the President will be prudent in dealing with his Taiwan friends and in accordance with the normalization agreement. We should not exacerbate the anger created over the past decades between China and Taiwan but relax them and should not induce undue anger on the part of the Chinese. (2)

President: I appreciate that fact. (0)

Ambassador Chai: We understand that TRA is the law in the United States, but Sino-U.S. relationship is based on the Joint Communique. The question of arms sales is a very sensitive issue and this involves Chinese sovereignty and we hope you will approach this problem with prudence. (Chai said "we cannot accept", in reference to future arms sales but the interpreter did not include this.) We hope that you would consult with us before taking any action to avoid any negative effect on our relationship. (3)

President: TRA is the law of the land, but we will be prudent in carrying out the terms of that law. I have always thought that Taiwan being just off the coast of the mainland is a great asset to both our countries in regard to the Soviet Union because they (Taiwanese) share your view and ours also concerning the Soviet threat. We will take this into account in selling defensive arms





under the Taiwan Relations Act. (SY

Ambassador Chai: Taiwan is Chinese territory and there is only one China as stated in both the Shanghai Communique and the Joint Communique. The Taiwan question is one for the Chinese people to resolve themselves. As regards the Soviet threat, we feel that China and the United States together can deal with this and that the Taiwan question is a question for us to resolve. But if you sell arms to Taiwan you are harming the further development of Sino-U.S. strategic relationship. We should view both our relationship and the Taiwan question from a strategic viewpoint. I believe Mr. Ji has made this very clear, but I have just repeated it again.

<u>President</u>: As you have said, the TRA is American law and we are bound by it. We do hope to develop military liaison with China and we are happy to hear you have changed your policy on Taiwan. We have never suggested that we have a two-China policy. Our focus is on the behavior of the /USSR. We should all concentrate our efforts on this -- USSR. (8)

Mr. Ji: We respect your laws and we know that they are passed by Congress and signed by the President, and we are realistic. We know that as events change, we must also change. For example, we signed a treaty of alliance and friendship with the Soviet Union which we had for 30 years but we have terminated that and in the case of the TRA -- the TRA wanted to prevent dangers or threats to our Taiwan brothers but the threat no longer exists. As events change, so we should change our laws also. I am sorry to be so presumptious. (8)

<u>President</u>: We will be prudent as I have just said that our arms sales to Taiwan are not for the purpose of use against the Chinese People's Republic but against our common enemy, that is, the Soviet Union because the Soviet Union has greatly strengthened their naval forces in the Western Pacific. (8)

Ambassador Chai: We understand you, Mr. President. But to continue arms sales to Taiwan is unacceptable to us because Taiwan is part of China and if you continue to sell arms to Taiwan, this would make the reunification harder for us and also increase tension in the Taiwan strait. If Taiwan is strengthened, it will compound our difficulties and make more difficult our common effort against the USSR and will not be in the interest of peace and stability of the Asia-Pacific region.

In regards to offensive or defensive arms -- sometimes it is hard to draw a line. In which cateogry would you put airplanes and tanks? We hope the U.S. will be prudent in considering this question. (8)

<u>President:</u> We will be prudent. The size and location of Taiwan make it clear that it is interested in defense and it is hard to conceive of them attacking anyone.





Ambassador Chai: The problem is that it would make them more reluctant to negotiate with us and would make them feel that they had something to rely on and they would continue their hostilities toward us.

President: We hope and pray that you will continue your peaceful approach and it will be successful and we will do nothing to discourage that. (8)

<u>Vice President:</u> Can the People's Republic publicly announce that they would only resolve the question peacefully because this would facilitate certain understandings and is important in developing our cooperation. (8)

Ambassador Chai: We have said early on that we would solve this problem peacefully. In January 1979 the Standing Committee of the National People's Congress in our message to our compatriots on Taiwan, we openly proclaimed our policy of peaceful talks.

 $\underline{\text{Mr. Ji}}$: We cannot make a commitment to another country because this involves a question of sovereignty, but our intentions are clear. (2)

Ambassador Chai: Vice Chairman Deng has said many times to our foreign friends that after reunification Taiwan can keep their own system and even maintain their armed forces. (8)

Secretary Haig: I think we can continue to discuss these questions in the future and we will be keeping in touch with the Ambassador as to the timing of the visit and our obligations under the law as well as broadening and strengthening our relationship under the normalization process. We should continue this dialogue. (8)

President: I agree with the Secretary. As long as we are talking to each other and not about each other we can solve any problem. (2)

Ambassador Chai: I am most grateful to you for taking the time to receive me. We feel it is very important to continue to develop strategic relationships between China and the U.S. and we hope to see our relationship strengthened in the spirit of the Joint Communique. We should continue to keep in touch as Secretary Haig said, and to continue this dialogue to resolve problems between us with high-level meetings. We should not let these problems affect the development of our strategic relations.

Mr. Ji: Regarding a comment on this meeting - should we say friendly and cordial talks on bilateral issues? (2)

<u>Lilley</u>: Bilateral <u>and</u> international issues. (8)

(Meeting ended at approximately 5:10 p.m.)

(Mr. Deaver entered the Cabinet Room just at the end of the meeting and was introduced to the Chinese.) (x)





THE WHITE HOUSE WASHINGTON

Dick - I was not There

so can not certify as to

the validity of the notes.

However, in reading this

paper, it is one of the

best memorandoms of

can versation I have read.

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MEMORANDUM



NATIONAL SECURITY COUNCIL

March 20, 1981

INFORMATION

MEMORANDUM FOR:

RICHARD V. ALLEN

FROM:

JIM LILLEY

SUBJECT:

Transcript of Meeting Between the President

and Ambassador Chai on 19 March (U)

Attached, for your eyes only, is the transcript of the 19 March meeting. Holdridge has seen this in draft. No one else has. (S)

I am told that the Chinese Ambassador in a speech in New York last night, after our meeting, characterized the meeting in an optimistic fashion "friendly and cordial" and that there was agreement on the larger issues (Soviet Union), and lesser problems (Taiwan) could be solved. This is a secondhand report and needs checking out, but I wanted to pass it along to you as an early readout of Chinese reaction. (S)

Key points in the transcript were checked out with the Chinese Embassy so that we both would have the same version. They took the initiative to check out portions of their version with me. I will give you my analysis of this meeting after a little more thought. (S)

RVA has seen 3/29/81

SECRET Review on 3/20/87



