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File: Records, 1981-1985

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President Reagan [07/27/1983-08/14/1983]

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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

RBW 9/23/2011

File Folder MEMORANDUMS OF CONVERSATION - PRESIDENT
REAGAN [07/27/1983-08/14/1983]

FOIA

M10-351/M10-371

Box Number 51

JAUVERT/BROWER

51

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
119343	MEMCON	RE. PRESIDENT'S MEETING WITH FORMER FRENCH PRESIDENT GISCARD D'ESTAING <i>R 12/21/2015 351/1</i>	5	7/26/1983	B1
119355	MEMCON	RE. PRESIDENT'S MEETING WITH AMBASSADOR STOESSEL <i>R 12/21/2015 351/1</i>	2	7/18/1983	B1
119367	MEMCON	RE. PRESIDENTIAL MEETING WITH ZAIRE PRESIDENT MOBUTU <i>R 12/21/2015 351/1</i>	4	8/4/1983	B1
119369	MEMCON	RE. MEETING BETWEEN RR AND PRESIDENT DE LA MADRID [W/NOTATIONS] <i>R 12/21/2015 351/1</i>	17	8/14/1983	B1

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]
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- 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

RW 9/23/11

~~CONFIDENTIAL~~

NSC/S PROFILE

ID 8305167

RECEIVED 28 JUL 83 15

TO CLARK FROM COBB

DOCDATE 27 JUL 83

KEYWORDS FRANCE

GISCARD D'ESTAING, V

SUBJECT: MEMCON OF PRES 26 JUL MTG W/ GISCARD

ACTION: FOR DECISION

DUE: 29 JUL 83 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF#

LOG 8305008

NSCIFID

(H /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Kenneth S</i>	<i>JUL 28 1983</i>	<i>Ponderexter approved</i>		
	<i>JUL 28 1983</i>	<i>for signature</i>		
<i>C</i>	<i>7/28</i>	<i>Kenneth H Sgd Wenz</i>		<i>Co, Rk,</i>

DISPATCH

7/28

W/ATTCH

FILE

8A (C) R

National Security Council
The White House

System #

I

157

Package#

5167

RECEIVED

83 JUL 28 9:12

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	1	RMK	
John Poindexter	2	J	A
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary	2		A
NSC Secretariat	4		D
Situation Room			

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other

COMMENTS

Should be seen by: _____
(Date/Time)

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5167

July 28, 1983

CONFIDENTIAL ATTACHMENT

MEMORANDUM FOR CHARLES HILL
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation with Former French
President Giscard d'Estaing

Attached is the memorandum of conversation from the President's
meeting with former French President Giscard d'Estaing on July
26.

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

Tab A Memcon

RW 9/23/11
CONFIDENTIAL ATTACHMENT
Declassify on: OADR

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

~~CONFIDENTIAL~~

NARS M37111 #119343

BY RW NARA DATE 12/21/15

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of President's Meeting with Former
French President Giscard d'Estaing

PARTICIPANTS: The President
The Vice President
Secretary Shultz
William P. Clark
Acting Assistant Secretary Kelly
Tyrus W. Cobb

Valery Giscard d'Estaing

DATE, TIME July 26, 1983
AND PLACE: 10:00 - 10:30 a.m., Oval Office

The President welcomed former French President Giscard d'Estaing to Washington and commented that he was pleased that their busy schedules finally permitted them to meet. He noted that he envied Giscard's recent vacation in California and indicated that he, too, hoped to spend a few days out West away from the cauldron of politics. (U)

Giscard responded that Chief Executives all tended to devote too much time to their official responsibilities and not enough to mental and physical relaxation. (U)

The President nodded in agreement and jokingly observed that he felt that if we were to close the doors of government and all go on vacation it would be some time before the people missed us. (U)

In his opening remarks, The President expressed his strong appreciation for the support that Giscard has given to the INF Dual-Track decision and emphasized that the deployments will proceed on schedule in the absence of an agreement. He reiterated his strong personal commitment to genuine arms control measures, particularly to significant reductions of nuclear weaponry, and pledged to spare no effort to explore all promising avenues of agreement with the Soviets. (C)

Giscard thanked the President for his hospitality and the invitation to meet with him at the White House today. He stressed that in 1979 he was in complete agreement with the Alliance approach on intermediate-range missiles, noting that he made a major contribution to the initial formulation of the Dual-Track position. He added that the West needed to declare soon that the deployments would take place and to proceed to implement that decision. In saying this, Giscard indicated that

~~CONFIDENTIAL~~

Declassify on: OADR

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he thought that waiting until the last moment to see if the negotiations were going to produce any tangible results only played into the Soviet strategy. He also downplayed the significance of the opposition to the INF deployment, saying that the majority of the Europeans were convinced that the missiles would be emplaced this year and were not that agitated over the decision. He stressed that the deployments could become a major victory for the West if they were "carried out on time and properly handled" with respect to public pronouncements. (C)

Former President Giscard added that the deployments will be a major blow to the Soviet regime. Moscow was convinced, he felt, that it could prevent the missile deployment through a carefully conducted propaganda campaign mixed with subtle threats. Thus, the implementation of the decision should be regarded as a major victory for the Alliance and a severe loss for the Soviets. Giscard, however, indicated that he felt that the West, particularly the United States, must embark on a major effort to achieve arms reductions early in 1984 (after the initial deployments) and must articulate a "clear arms control policy." (C)

The President responded that he concurred with Giscard's statement that we must remain firm in the face of Soviet ploys to derail the deployments and agreed fully with his call for a continued search for a viable arms control agreement with the USSR. He added that the Allied unity that has been demonstrated has been conducive to forcing the Soviets to begin negotiating seriously in Geneva. He added that any sign of faltering as the deployment drew near would impede progress at the arms control talks. The President stated that he knew that some doubt existed in the minds of certain Europeans that we were not pursuing the Geneva negotiations in complete sincerity, but emphasized to Giscard that we were absolutely dedicated toward the objective of finding an equitable agreement. He added that he was firmly convinced that our present course was the correct path to follow in order to gain a true agreement. (C)

Referring to Moscow's hints that the deployments would elicit appropriate Soviet countermeasures, Giscard asked if the President thought the Soviets would "carry out any of their threats." (C)

The President responded that he had recently discussed this in depth with Ambassador Paul Nitze. It appeared that the Soviets would feel compelled to take some actions so as not to lose face, but these measures would in all likelihood not amount to much in reality. (C)

Giscard nodded in assent and reiterated his contention that public acceptance in Europe of the deployment is "greater than we may think. Private citizens do not speak daily of this." (c)

The President agreed and drew an analogy to the time he was Governor of California. He noted that he faced what appeared to be wide protests on some Southern California campuses. In reality, they were sparsely-attended rallies that were designed to provide an image of broad concern by orienting the demonstrations to the television and print media. If the media failed to appear, the gatherings fizzled. (U)

Secretary Shultz turned the conversation toward French politics, asking Giscard what, if not the INF deployments, was on the minds of Europeans in general and the French in particular? The former President responded that domestic concerns were the primary political issues today and that the economic situation was of foremost interest. Giscard indicated that doubt and pessimism had entered European minds regarding the prospects for economic recovery and a general disillusionment with Socialist policies in France had elicited growing opposition. He felt that the primary problem at present was unemployment which had reached "historic highs" recently (11-12%). This made it impossible for youth to find work, which in turn has led to increasing discontent. He noted that although the French people in general had taken cognizance of the American concern over the economic crisis in Europe, the U.S. could become a tempting target for protest. He stressed that we should be sensitive to the possibility of becoming identified with European economic difficulties that might be attributed to our high interest rates and deficits. He suggested that U.S. leaders should "show concern with respect to the economic difficulties in West Europe." (c)

The President interjected that the American economic recovery was now well underway and predicted that the improved U.S. performance would promote a global economic recovery. He indicated that the Administration's approach, characterized by non-inflationary growth and the stimulation of private investment, would best contribute to worldwide recovery. (c)

Giscard agreed, but added that he thought the impact would be delayed and limited to countries in good economic health. He then turned the conversation to domestic American politics, asking why it was that the Administration faced difficulty in the Senate, which was Republican controlled, and less so in the Democratic House, over such issues as the IMF replenishment. (c)

The Vice President conceded the contradictory aspects of American politics, but explained that local concerns and pressures from constituencies often overrode ideological inclinations. On the IMF, in particular, he noted that it was

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difficult to explain to the voters why it was necessary to back funds for this program and not to spend more monies domestically to combat unemployment. A popular misconception of the IMF funding is that this allocation is designed to bail out large American banks which had unwisely committed loans to certain LDC's. (C)

The President added that the Administration was pressing for these increases in our contribution to the IMF. He noted that these allocations added nothing to the deficits and observed that, ironically, the U.S. and Britain had historically been the principal drawers against IMF funds. The fact that the IMF set down stringent prerequisites for loan guarantees contributes to the formulation of more rational economic policies in the LDCs. A multilateral institutional approach through the IMF was certainly preferable to bilateral rescue operations. (C)

Giscard expressed his gratitude to the President for the strong commitment to the IMF approach and added that he was in general agreement with the thrust of the Administration's economic policy. He applauded the President's firmness on taxation and refusal to countenance excessive domestic spending schemes. Although some "so-called experts take on a negative stance on your position," he felt that this was the best means to reduce excess spending. Giscard advised that the Administration might attempt to focus on the reduction of subsidies and allocations, pensions and social security, although he felt it might not be politically feasible. He suggested that in place of a wide array of taxes the Administration might attempt to concentrate taxes on consumption such as a value added tax as a means of generating revenues rapidly. (C)

Secretary Shultz responded that this alternative presented a dilemma for conservatives. Although it was a proven means to raise capital at low marginal rates, it also could be perceived by Congress as an attractive instrument for quickly obtaining revenues which would, in turn, lead to a tendency to increase expenditures. (C)

Former French President Giscard then turned to international economic issues. He noted with satisfaction the Williamsburg declaration on an "international monetary concept," but stressed that greater cooperation between the Western powers was necessary. He expressed his concern that despite the Williamsburg statement, the U.S. was turning toward protectionist measures, as demonstrated by the "steel decision." He also indicated that he remained worried over the extent of the U.S. deficits, but hoped that the downward trend in interest rates would continue. (C)

The President responded firmly that we were committed to the Williamsburg call for closer consultations on global economic issues and remained opposed to protectionist trade measures. He noted that he personally found the "speciality steel" decision to be an especially "wrenching" one for him, particularly following the Williamsburg Conference so closely. However, he emphasized repeatedly that this decision was a temporary measure urgently required to "tide over" an ailing industry. This is necessary due to foreign practices of subsidizing favored industries in order to make them more competitive internationally, a measure that is itself akin to protectionism. (C)

The President and Secretary Shultz both felt that the dollar was valued so highly at present that it significantly impaired our ability to export. (C)

The President felt that the U.S. position would soon become more competitive and indicated that an important criterion, the interest rate, was stabilizing. Despite fluctuations he noted that we had succeeded in reducing interest rates by more than 50% since coming to office and that a further decline was likely by the end of the year. The President attributed the major factor in this stabilization to be the impressive drop in the rate of inflation that had been achieved, which had averaged less than 3% over the past 12 months. (C)

Secretary Shultz indicated that the Administration had met with recent success on the deficit issue and forecast a \$20 billion drop in FY 84 below our earlier predictions. (C)

The President added that he expected major battles with Congress to continue as the Administration sought to trim excess domestic spending from appropriation bills. He indicated that it was extremely difficult to control spending and reiterated his message to the Congress that he would not entertain any increase in taxation until the deficit/GNP ratio was brought into line. (C)

In concluding the very cordial meeting, Giscard commended the President for his firm leadership on the INF deployment issue and reiterated his strong personal agreement with the Administration's economic policies. (C)

The President thanked former President Giscard for coming to Washington to meet with him and expressed his gratitude for Giscard's support on global economic issues and particularly for his strong public stance in support of the pending missile deployment. (C)

The meeting concluded at 10:37 a.m.

MEMORANDUM

NATIONAL SECURITY COUNCIL

5167

~~CONFIDENTIAL~~ ATTACHMENT

ACTION

July 27, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: TYRUS W. COBB *TWC*

SUBJECT: Memorandum of Conversation between the President and Former French President Giscard d'Estaing

Attached at Tab I for your approval is a memorandum of conversation of the President's meeting on Tuesday, July 26, with former French President Giscard d'Estaing.

At Tab II is a memorandum from Bob Kimmitt to State forwarding a copy of the memcon for their information.

RECOMMENDATION

That you approve the memorandum of conversation at Tab I.

Approve *[initials]* Disapprove _____

That you authorize Bob Kimmitt to forward the memcon (Tab II) to Charles Hill.

Approve *[initials]* Disapprove _____

Tab I Memcon
Tab II Kimmitt to Hill

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RW 9/23/11

~~CONFIDENTIAL~~

NSC/S PROFILE

ID 8305207

RECEIVED 29 JUL 83 20

TO CLARK

FROM DOBRIANSKY

DOCDATE 27 JUL 83 10

KEYWORDS: USSR

HUMAN RIGHTS

STOESSEL, W

SUBJECT: MEMCON OF PRES MTG W/ AMB STOESSEL 18 JUL

ACTION: FOR DECISION

DUE: 02 AUG 83 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

TYSON

MATLOCK

COMMENTS

REF#

LOG 8304719

NSCIFID

(J /)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

AUG 0 1 1983 Ponderexter approved

Dobriansky S 3/2 Any further Action 3/3

NSC/S C 2 Aug NFAR per PD note

DISPATCH

W/ATTCH FILE PA

SL
(C)

NATIONAL SECURITY COUNCIL

7/29/83

Bob -

Per our conversation, the changes have been made at Tab I but a "Kimmitt to Hill" memorandum is not attached.

PAULA

National Security Council
The White House

12

RECEIVED

JD

System # I

Package# 5207

83 JUL 28 P 4: 54

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	<u>1</u>		
John Poindexter			
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary			
NSC Secretariat			
Situation Room			
<u>Doobriansky</u>	<u>2</u>		<u>A</u>

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: _____
(Date/Time)

Paula:

Please see Tab I. Also, you should include for Clark's approval a Kemmitt -> Hill transmitting the memcon to State.

Bob 7/28

National Security Council
The White House

System # 761
I
Package# 5207

RECEIVED

83 JUL 29 P 4: 29

	SEQUENCE TO	HAS SEEN	DISPOSITION
Executive Secretary	<u>1</u>	<u>mmh</u>	<u>A</u>
John Poindexter	<u>2</u>	<u>[Red Signature]</u>	
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary			
NSC Secretariat			
Situation Room			

I-Information A-Action R-Retain D-Dispatch N-No further Action

cc: VP Meese Baker Deaver Other

COMMENTS Should be seen by: _____
(Date/Time)

MEMORANDUM

14

NATIONAL SECURITY COUNCIL

UNCLASSIFIED with
~~CONFIDENTIAL~~ Attachment

July 27, 1983

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: PAULA DOBRIANSKY ^{TD}SUBJECT: Memorandum of Conversation: The President's
Meeting with Ambassador Stoessel, July 18, 1983

Attached at Tab I for your approval is a memorandum of conversation for the record of the President's meeting with Ambassador Walter Stoessel, which took place on Monday, July 18, 1983.

RECOMMENDATION

That you approve the memorandum of conversation at Tab I for the record.

Approve _____

Disapprove _____

Attachment:

Tab I Memorandum of Conversation

cc: Charles P. Tyson
Jack F. Matlock

UNCLASSIFIED with
~~CONFIDENTIAL~~ Attachment

RW 9/23/11

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

SUBJECT: Memorandum of the President's Meeting with Ambassador Stoessel: Report on Presidential Mission to Europe on Soviet Human Rights Performance

PARTICIPANTS: President Ronald Reagan
 Vice President George Bush
 Edwin Meese III, Counsellor to the President
 William P. Clark, Assistant to the President for National Security Affairs
 Paula Dobriansky, NSC Staff Member

Ambassador Walter Stoessel
 Assistant Secretary of State of European Affairs Richard R. Burt
 Assistant Secretary of State for Human Rights Elliott Abrams
 James Schumaker, State/EUR

DATE, TIME AND PLACE: Monday, July 18, 1983; 9:15 - 9:30 a.m.
 Oval Office

The President greeted Ambassador Stoessel and the Mission Team and commended them for their efforts. He said he was glad that the Mission was well received and that our concerns are shared, since Soviet human rights performance is abysmal despite sporadic progress on individual cases.

Ambassador Stoessel informed the President that the mission was very productive. He said that since this undertaking was designated a Presidential Mission it really manifested the importance we attach to human rights issues. Also, he stated that the letters from the President to the respective heads of state were extremely useful in focusing subsequent discussions. Finally, he mentioned that the timing of the mission was especially good -- in light of the ensuing CSCE dialogue.

The President asked the Ambassador if the Europeans made any specific suggestions.

~~CONFIDENTIAL~~
Declassify on: OADR

DECLASSIFIED
NLRP M3711 #119355
BY RW DATE 12/21/15

Ambassador Stoessel replied that in the various exchanges it became apparent that the U.S. has more access to information on individual human rights cases, as well as overall Soviet human rights performance than do the Europeans. Hence, many recommendations centered on the need to exchange information. In particular, the Vatican wanted to know more about Radio Free Europe programs and their impact. Also, the Ambassador pointed out that most wanted to continue to address these issues in existing multilateral fora such as CSCE.

At this time, the President commented on the problem of tactics. He stated that sometimes it is useful to address human rights cases publicly, but in certain circumstances it can be counter-productive. He then asked whether the Europeans had made any suggestions with regard to tactics.

Ambassador Stoessel replied that public as well as private tactics were discussed. He said, in general, contingent upon the case being addressed as well as the state of bilateral relations, it is believed that either or both means can be effective. Specifically, the Ambassador indicated that publicity has helped in resolving some of the family reunification cases.

The President then stated that the Nixon Administration's endorsement of quiet diplomacy on human rights issues seemed to contribute to increased Soviet Jewish emigration.

Assistant Secretary Elliott Abrams commented that usually it is best for the relevant private groups and organizations to persevere and keep public pressure on the Soviets and for the Government to deal with these issues privately.

Ambassador Stoessel noted that the Europeans appreciated that this mission was not a "propaganda mission." He added that during the course of the week, he and the other members of the team would be briefing some of the major Jewish groups on the mission.

The meeting ended at 9:30 a.m.

NSC/S PROFILE

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)
~~SECRET~~ *RW 9/23/11*

ID 8305440

RECEIVED 05 AUG 83 20

TO CLARK FROM WETTERING
KIMMITT

DOCDATE 05 AUG 83
05 AUG 83 *17*

KEYWORDS: ZAIRE
IMF

ECONOMICS

MOBUTU, SESE SEKO

SUBJECT: MEMCON OF PRES 4 AUG MTG W/ PRES MOBUTU

ACTION: FOR DECISION DUE: STATUS C FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

BAILEY

FORTIER

ROBINSON

BUSH, G

COMMENTS

REF# LOG NSCIFID (R / R)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	<i>C 8/5</i>	<i>Kimmitt Signed Memo</i>		<i>Wej, RK</i>

DISPATCH *MJR 815*

W/ATTCH

FILE

PA (C)RM

National Security Council
The White House

System # I
Package# 5440

18

RECEIVED *pl*

83 AUG 5 9 09 AM '09

	SEQUENCED	HAS SEEN	DISPOSITION
Executive Secretary	<u>1</u>	<u>mlh</u>	
John Poindexter			
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter			
Executive Secretary			
NSC Secretariat	<u>2</u>		<u>D</u>
Situation Room			

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: _____
(Date/Time)

~~SECRET~~

19

MEMORANDUM

~~SECRET~~

NATIONAL SECURITY COUNCIL

5440

August 5, 1983

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: FRED WETTERING *FW*

SUBJECT: Memorandum of Conversation Covering the President's August 4 Meeting with President Mobutu of Zaire

Attached is my memcon of the President's meeting with Zaire President Mobutu. I thought the meeting "took off" about halfway through and the second half was terrific (the first half was a bit tentative). (S)

RECOMMENDATION: Approve the attached Kimmitt/Hill memo transmitting a copy of the memcon to the State Department. (U)

APPROVE *RMC* DISAPPROVE _____

Attachments

Tab I Kimmitt/Hill Memo
A Memorandum of Conversation

~~SECRET~~

DECLASSIFY ON: OADR

~~SECRET~~

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA *RW*, DATE *9/23/11*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5440

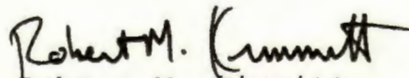
20

UNCLASSIFIED WITH
SECRET ATTACHMENT

MEMORANDUM FOR CHARLES HILL
Executive Secretary
Department of State

SUBJECT: Memcon of the President's August 4, 1983
Meeting with Zaire President Mobutu Sese Seko

Attached for your information is a copy of the Memorandum of Conversation covering the President's 30-minute meeting with President Mobutu Sese Seko of Zaire.


Robert M. Kimmitt
Executive Secretary

Attachment
Memcon

cc:

Vice President

UNCLASSIFIED WITH
SECRET ATTACHMENT

RW 9/23/11

~~SECRET~~

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: The President
The Vice President
Secretary of State George Shultz
William P. Clark, Assistant to the
President for National Security Affairs
Assistant Secretary of State Chester Crocker
Ambassador Peter Constable
Frederick L. Wattering, NSC
Alec Toumayan, Interpreter
Carol Wolter, Interpreter

President Mobutu Sese Seko
Mr. Kamanda Wa Kamanda, Commissioner for
Foreign Affairs and International Cooperation
Mr. Seti Yale, Presidential Advisor on
National Security
Ambassador Kasongo Mutuale

DATE AND TIME: Thursday, August 4, 1983
11:30 A.M. - 12:00 Noon

PLACE: Oval Office

SUBJECT: Presidential Meeting with Zaire President Mobutu

The President opened the meeting noting his pleasure at seeing President Mobutu again and thanking him for his cordial reception of the Vice President last November. The President expressed his appreciation of President Mobutu's courage in lending the assistance he is giving to Chad. The President added that in his Cancun address he had proposed a series of agribusiness task forces to visit Third World countries to help in agricultural development, and that if President Mobutu agreed he would be pleased to send one such task force to Zaire. (S)

President Mobutu responded by noting that he had three main points on bilateral issues:

-- On the economic development of Zaire, his government was close to an IMF agreement. What remains is for friends and partners of Zaire to help Zaire's economy "take off." One purpose of his visit here is to obtain this kind of support. President Mobutu noted he had long and encouraging talks on the matter with senior State Department officials and others.

~~SECRET~~
DECLASSIFY ON: OADR

~~SECRET~~

DECLASSIFIED
NLR/M37111 # 119367
BY RW DATE 12/21/15

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~~SECRET~~

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-- The second issue concerns what place Zaire occupies in US global strategy. President Mobutu claimed that since 1976 a trend has set in in US/Zairian relations which is unfortunate and that Zaire is treated in a manner not deserved.

-- The third bilateral area concerns national defense and security of Zaire. Zaire does not have the military or financial means to match Qadhafi. Because he is crazy we cannot allow him a free hand. Our friends who have the means should help us bolster our position to resist Libya. Zaire is surrounded by Marxist-Leninist states with modern Soviet-supplied arms. Our defense costs are high. We have restored relations with Israel and have an extensive program of cooperation with Israel. Your assistance to Israel is important to us; it enables Israel to help us. (S)

President Mobutu then turned to other regional matters of interest. On Namibia, President Mobutu stated he saw the problem first as an African nationalist who wanted Namibian independence. But he stated that he had suffered directly from the Cubans in Angola in 1977 and 1978. He remarked that for America to ask for Cuban withdrawal suits him fine. He noted that he could unfortunately not say this publicly. (S)

President Mobutu noted the potential role the Organization of African Unity could play in resolving persistent problems in the Horn and Western Sahara. On South Africa, President Mobutu stated that the whites could not be thrown out but that apartheid is no solution; it will not lead anywhere. On Central America, President Mobutu praised the President's firm and courageous policy. He could not understand why it was permitted to allow the Soviets to meddle in the West's back yard while the West could not reciprocate. (S)

President Mobutu offered the President his full support for his Central America policy. (S)

President Mobutu stated that yesterday he had appealed to the House Foreign Affairs Committee to support America's efforts to save Chad's independence. He hoped they listened. (S)

The President expressed his appreciation for President Mobutu's remarks. He noted that just this morning he had approved additional emergency assistance to Chad and that we had already sent some materiel which might help against Libyan air attacks. He added that we are having some problem with the French view of the situation. The President added that we are not retreating from our efforts to get the Cubans out of Angola. (S)

~~SECRET~~

~~SECRET~~

~~SECRET~~

23

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Secretary Shultz stated we have a variety of initiatives on Chad including a United Nations effort. We hope the Chadians will go forward at the UNSC and it is vital that the Africans support Chad. We should not be deterred by the possibility of a Soviet veto. (S)

Secretary Shultz stated it is important to pursue diplomatic and military tracks in Chad. (S)

President Mobutu advised that Zaire will indeed help in the Security Council; in fact, Zaire is helping Chad draft a resolution. He reiterated that Zaire has troops on the ground but does not have the financial means, and looks to its friends for support. (S)

Secretary Shultz reminded President Mobutu that the US has provided \$10 million in military support to Chad and as the President just stated, he has just approved another \$15 million. We have urged the French to come in with a stronger response and the President has offered AWACS support for any French air action. We share the same objectives on Chad and it is important to keep France in the forefront, the Secretary went on to say. (S)

President Mobutu advised that his ambassador has just learned that the French have just sent Crotale missiles to Chad, and that a Libyan aircraft was shot down today. (S)

Secretary Shultz responded that we believe that two Libyan aircraft were downed today. (S)

President Mobutu noted that Zaire has checked Libya several times diplomatically in recent months - at the Tripoli I and Tripoli II OAU meetings, the Addis OAU meeting, and at the Managua and New Delhi Non-Aligned Movement meetings. He stated now we must inflict a military defeat on Libya. He added that Qadhafi fears Zaire and when he knows that Zaire is powerful he will be deterred from aggression. (S)

The President offered considerable praise for President Mobutu's recent actions, including the very hard decisions on economic reform, on approaching the IMF, and for the recent release of political prisoners. (S)

The Vice President asked how President Mobutu's meetings with the House Foreign Affairs Committee went. He apologized for the rude reception that President Mobutu was given by Congressman Long and his subcommittee. (S)

President Mobutu responded by noting his session with the HFAC was excellent. (S)

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The President noted that President Mobutu should not feel bad, Congressman Long treats him the same way. (S)

President Mobutu asked if the President could give him a brief update on the situation in Central America. (S)

The President agreed and noted:

-- El Salvador - there has been a definite improvement; The US-trained army units are making sizeable gains.

-- Nicaragua - The President noted a curious and probably coincidental phenomenon was occurring. Since we ordered the Navy on maneuvers in Central American waters, the Nicaraguan government seems suddenly interested in talking about peace negotiations. We have even heard from Fidel Castro on peace possibilities and have been able to make contact with the Salvadoran guerrillas. (S)

President Mobutu noted that we are getting a good return on our investment when strength is applied to the situation. Just like in Chad, he analogized, if Zaire had not moved in its troops the country would be occupied by the Libyans by now. (S)

The President also noted that we were about to undertake joint maneuvers in Honduras with the Hondurans, and this would doubtless be noted by neighboring countries. (S)

Secretary Shultz clarified a point on the President's proposal to send an agribusiness task force to Zaire and asked President Mobutu if he agreed with this proposal. (S)

President Mobutu replied in the affirmative noting that agriculture was the highest Zairian priority. He noted further that this afternoon the two Secretaries of Agriculture will meet to discuss such matters further. (S)

The meeting then broke up with pleasantries as the group prepared for the departure ceremony. (S)

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MEMCON
08/19/83

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NATIONAL SECURITY COUNCIL

John Pindexter:



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John attached is
copy of transcript for
WPC.

all FB.

Judge,

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You wanted to see
transcript of de la Madrid
meetings. J

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Draft Memorandum of Conversation
Meeting between Presidents Reagan and de la Madrid
Governor's Office, Legislative Palace
La Paz, B.C.S., Mexico, August 14, 1983

WPC HAS SEEN

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Participants:

For the U.S.: President Reagan
Later joined by Secretary Shultz
(Donald Barnes, interpreter)

For Mexico: President de la Madrid
Later joined by Secretary Sepulveda
(Italia Morayta, interpreter)

Economy

Both Presidents remarked that the economies of their respective countries had improved since their meeting of October 1982. President ~~del~~ delM expressed the hope that the progress made by the American economy in reducing inflation would spill over into his country. We also expressed Mexico's appreciation for the cooperation it had received from the US during very difficult moments. President R replied that he had been glad to be able to help at a moment that was too close to disaster.

President delM said that cooperation given by a number of American officials had been very good, singling out Secretary Regan and FRB Director ~~Volcker~~ Volcker as being particularly friendly to Mexico. He also mentioned Secretary Shultz, who had been in constant touch with developments in Mexico, adding that all of these were persons Mexico could trust. He also said that Ambassador Gavin had been doing a good job.

President R said that he had full confidence in his Ambassador, adding that there had been those who had opposed his appointment on the grounds that he was an actor, which he (the President) found amusing.

New Orleans Fair

President R, said that there was going to be a world fair in New Orleans some time in the future, and that he hoped that Mexico would be represented. President delM replied that Mexico would be there.

Inter-American Relations

President R said that long before he reached the White House he had dreamed of ~~the~~ better relations between the US and its neighbors to the south. In the past, the US had often attempted to improve ~~the~~ relations with its neighbors, but had been viewed as the Colossus of the North, and blamed for many things it was not responsible for. In his recent trip to South and Central America, he had spoken with his counterparts about American insensitivity, and had ~~been~~ told them that the purpose of his trip was to listen to their ideas on how the US and its neighbors could be equal partners, to ~~seek~~ unite the Americas ² from Pole to Pole. He had been amazed at how pleased his Latin American counterparts had been to hear this. We felt strongly about unity in the Americas, since all of its peoples were descendants of pioneers, shared a similar heritage, and worshipped the same God.

BY RUS
NLR/M3711 # 119369
NARA DATE 12/21/85

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Central America

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President R said that he wanted to give his views on Central America, aware of the fact that they differed from those of Mexico. He said that the US was aware of economic inequality in the region, of the need for social change. Too often in the past, revolutions there had ~~meant~~ meant only a change in ruler, unlike the American and Mexican revolutions, which had represented a change toward democracy and respect for human rights. He had appointed the Kissinger Commission to provide a long-range view of Central America, with recommendations to be made on ~~a~~ steps to improve the situation of those countries, which were now the object of ~~infiltration~~ infiltration and subversion.

President delM said that it was interesting that Marxism had been designed to solve the problems of wealthy countries, but that at the present time it was finding fertile soil in the poorer ones. He said that he believed that it was necessary to devise a strategy to help these countries overcome their poverty within a framework of democracy and freedom.

President R. said that he agreed with this approach, and that at the present time the US was helping the Government of El Salvador, which was attempting to carry out a revolution in democracy, but was being attacked by guerrillas ~~which~~ ~~the~~ acting with the support of Cuba and the Soviet Union. He had recently seen a battle map of a guerrilla attack on a bridge, an attack which led to the capture of some 40 Government ~~of~~ soldiers, 34 of whom were subsequently executed. The map had been found by Salvadoran Government ~~troops~~ troops when they captured a guerrilla headquarters; ~~the~~ the military ~~symbols~~ symbols on the map were identical to those used by the Soviet Army.

President R said that the US had not supported Somoza. In fact, when the Sandinistas won, the US gave them more financial aid in one year than it had given Somoza in 20 years. However, when the Carter Administration found out in ~~December~~ December 1980 that the Nicaraguans were shipping ammunition and guns to the Salvadoran guerrillas, it cut off aid to ~~the~~ ~~Nicaraguans~~ Nicaragua. OAS Secretary General Orfila had told him that the OAS had helped get Somoza out of office, on the basis of goals that the Sandinistas had set forth in writing. No effort had been made by the Sandinistas to implement these goals once they were in power, and those elements in the movement who were interested in achieving these goals were exiled, imprisoned, and even killed. He added that the Contras, whom the US liked, were not former ~~Somoza~~ Somocistas, but rather disillusioned former Sandinista revolutionaries.

~~President R then showed~~

President R then ~~showed~~ showed President delM the following ~~photo~~ photographs:

- 1) Soviet T-54 and T-55 tanks on the decks of a Bulgarian freighter bound

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for Nicaragua;

- 2) Soviet tanks deployed 10 km from the Honduran border;
- 3) Tank ferries;
- 4) 16 mm multiple launch rockets and 122 mm howitzers, representing offensive firepower unmatched in Central America;
- 5) Delivery to Corinto of alleged farm machinery, but ~~the~~ ^{the ship's} manifest, in American hands, showed helicopters and parts, as well as military trucks;
- 6) January and June 1983 shots of an airstrip with a 12,350-ft. runway, capable of handling any airplane in the Soviet Air Force;
- 7) A site 30 km from Managua, with the initials FMLN/FDR spelled out in rocks, ~~from~~ ^{FROM} whence messages were sent to direct the ~~active~~ activities of the Salvadoran guerrillas.

President R. then displayed charts depicting the Cuban presence in Nicaragua, the construction of more than 30 military bases in that country, military ~~xxxx~~ aid given to that country, as well as USIA booklets on the Cuban build-up and the Nicaraguan "Revolution Without Borders!". He said that he would leave the booklets ~~xxxx~~ with President dLM, and the ~~xxxx~~ photographs and charts with Ambassador Gavin, at the disposal of the Mexican President, together with a CIA briefing.

President dLM said that his Administration depended on deep diplomatic action in its ~~xxxx~~ dealings with the Central American problem, carried out within the framework of the Contadora Group. Above all, Mexico wanted to prevent a generalized war in the area, a war that could turn out to be very bloody. The Sandinista Revolution had been in power for four years, and there was no doubt that it involved the emotions of the Nicaraguan people.

President dLM said that the Salvadoran Government, in spite of American support, was unable to control the guerrillas, that it was not well organized, and suffered from a great deal of internal corruption. He had been impressed by a statement made to him by President Magaña, (although ~~he~~ did not know if it was true), to the effect that only 20% of the guerrilla's weapons ~~fx~~ came from ~~the~~ Nicaragua, the balance coming from ~~the~~ the international arms traffic, from arms taken from the Army, and from arms sold by certain Army officers.

President dLM said that realism was necessary in order to get out of the Salvadoran problem. Frankly speaking, the greatest fear in Latin America was ~~the~~ a war in Central America ^{THAT} would lead to tremendous agitation in the ~~xxxx~~ various countries of Latin America, in other words, to even broader and deeper problems for each of them. In Colombia, President Betancur was already facing serious problems in fighting the guerrillas.

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President R replied that this was true, and that President Betancur had made unsuccessful efforts to get Fidel Castro to stop supporting the Colombian guerrillas.

President dLM said that President Betancur feared that an armed conflict in Central America would cause deep disruptions in Colombia. A similar fear had been expressed by President Herrera Campins. Panamanian President de la Espriella had told him that such a conflict would be exploited by the extreme left in his country. In short, a Central American conflict would upset the political climate in all of Latin America, already beset ~~at~~ ~~by~~ by the most serious economic crisis since the 1930s. This crisis, in turn, endangered the political and social order in many countries.

On the other hand, President ~~xxx~~ dLM said that he saw signs of optimism in Brazil and Argentina, where there were openings towards democracy, and in Peru and Ecuador, where democracy was being strengthened. This optimism was tempered by concern over the strengthening of authoritarian regimes because of the pressures of the economic crisis. Central America had to be watched carefully, so as not to give the Communists opportunities for agitation. One way for them to cause problems for the Governments was to criticize the US, to have a "cocktail" with which to woo public opinion.

For all of these reasons, President dLM said that it was necessary to bring the situation in Central America under control by means of a pacification pact that would include reciprocal assurances of non-intervention. Mexico had the advantage ~~of historical involvement~~ of having a historical relationship with Nicaragua and Cuba, and was thus able to speak frankly with them. ~~He~~ We had told the Nicaraguans that it would be unacceptable for them to become a satellite of the Soviet Union and Cuba, and that the existence of their revolution depended on the degree to which they stressed nationalism, independence, and democracy. They should move towards representative democracy and a mixed economy. He said that the Nicaraguans had expressed their agreement with these ideas, even in writing. He added that there was Communist influence among the Sandinistas, but that not all of them were under this influence.

~~President~~ President dLM said that all of the interested countries should work ~~xxx~~ towards limiting the influence of the Communists in Nicaragua, and that ~~xxx~~ one way to do this was to give the Nicaraguans assurances ~~of~~ that its ~~neighbors~~ neighbors would not interfere in its affairs.

President dLM said that he had frequent contact with Cuban officials, most recently with ~~Comandante~~ Comandante Piñero, who was in charge of Latin American affairs. He said that he had the impression that the ~~xxx~~ Cubans were willing to contribute

to arms limitations and withdrawal of military advisors from Central America..

President DIM said that it was basic to get the various neighbors, i.e., Nicaragua and Honduras, Nicaragua and El Salvador, Nicaragua and Costa Rica, to come to terms with each other. Such an approach, contrasted with action by a single country such as the US, represented a lesser political risk, although it would be indispensable to have the US participate in the negotiations. He was aware of the geopolitical interests and political commitments of the US in the area. He stressed that Mexico's efforts in the Contadora Group were ~~intended~~ ^{INTENDED} ~~to achieve~~ the same objectives that the US had, i.e., democratic governments and non-intervention on the part of the Socialist bloc. Care must be taken that the pursuit of these objectives not bring about unwanted effects in the rest of Latin America.

President R said that he was aware of the fact that some felt that recent American actions were the forerunners of military intervention, but that this was definitely not the case. Even the best of friends of the US had pointed out the long memory of American interventions in the past. When President Magaña had visited him in Washington, he had specifically said that he didn't want any American troops in his country, but rather training and support. At the present ~~is~~ time, the US was giving El Salvador three times more economic aid than military aid. The US had only 55 military ~~advisers~~ advisers in that country, compared with some 2,000 Cuban advisors in Nicaragua, not to mention people from Bulgaria, East German, ~~the~~ PLO, and Khaddafi.

President R said that there was good intelligence to indicate that guerrilla movements in Honduras and Colombia were not domestic groups, but were under Cuban orders. There would never be any success for the cause of peace in the area as long as there was a base for these efforts in the heart of Central America, in the shape of ~~Nicaragua~~ Nicaragua, which had armed ~~of~~ forces more numerous ~~than~~ than those of the other Central American ~~countries~~ countries combined. The Nicaraguans had 25,000 men in their army, plus some 20,000 in their ready reserves and 70,000 in their militia, not to mention a lot of Migs.

President R went on to say that Ambassador Stone was not negotiating with the Salvadoran guerrillas, but rather was trying to persuade them to take advantage of the declared amnesty and to negotiate with the Peace Commission. He said that it was not right to approve of people taking power from an elected government at gunpoint. The guerrillas should be told to take advantage of the amnesty, participate in the democratic ~~process~~ process, and let the people decide. Congressional ~~observed~~ ^{observed} of the Salvadoran elections -- some of them critical of the Administration's

policies in Central America -- had been impressed with the whole process, which contrasted with the lack of elections in Nicaragua. The guerrillas had destroyed some 400 buses that were meant to take voters to the polls, they had painted the slogan "Vote today and die tomorrow!" on the walls of the towns, and yet 80% of eligible voters had gone to the polls, a much larger percentage ~~tx~~ than ~~any~~ ^{IN} of the US, ~~where it is so easy to vote.~~ The Congressional observers had told him that people had walked for hours and stood in line for six or eight hours, in order to vote. One woman voter was wounded by snipers, and refused to leave the line for medical attention. A grandmother had said that the guerrillas could kill her, her family, and her neighbors, but that they couldn't kill everybody. Other voters would shout "Tell the truth" to representatives of the American press.

President R said that American press was reluctant to talk about, ^{e.g.} ~~the~~ the people who had been murdered by the Sandinistas. He said that he had been visited recently by a group on behalf of the Miskito Indians, and that a young Miskito had stood up and said that he ~~(the President)~~ had "told it as it was," in describing the plight of the Miskitos.

President R said that it was enough to read the words of the Sandinistas themselves. They had pretended to be moderates in their quest for power, but had changed their tune once in power.

President R said that he didn't want military intervention, that he didn't want war, but wanted a democratic solution. Perhaps the OAS could be brought in in some way, but that he didn't think it right for a group of people to shoot their way into power.

President R said that perhaps President Magaña was not well informed, since a shipment of weapons had recently been intercepted as it was being unloaded on a Salvadoran beach. These weapons, meant for the guerrillas, had been identified by serial numbers as being among those left behind in Vietnam ~~by~~ by the US, being sent to the guerrillas by the Communist bloc. He added that ~~among~~ among the ~~problems~~ problems in El Salvador was a history of a century of brutality and denial of human rights. The elements responsible for these things were ~~still~~ still existent, but less and less so. He said that several hundred guerrillas had accepted the ~~amnesty~~ amnesty and that, as in the case of Nicaragua, they were not as partial to the Communists as some of their fellow-guerrillas.

President R said that the US had a stake in the Salvadoran land reform program, which was troubled because of the fact that thousands of Salvadoran peasants who now owned their own land were unable to work it because they would be shot by the guerrillas if they did. The guerrillas had also destroyed power plants and bridges and other installations that had caused a lot of people to lose their jobs.

President R said that he wanted to be sure that it was ~~well~~ understood that American maneuvers in the area ~~were~~ were just that and nothing more. He added that the Soviets had a habit of ~~testing~~ testing the US, and that so far this year more ~~Soviet~~ Soviet ships had come to Nicaragua than in all of 1982. If there ~~was~~ was no solid reply to a Soviet test, they might be tempted to move in such a way as to require the use of American force. Cuba had received 68,000 tons of arms in 1982, more than in the previous 20 years combined. It was therefore necessary to send a message to Cuba and the Soviet Union that American patience was not inexhaustible.

President R said that the US would like to be able to remove its advisors from El Salvador, but that the Army in that country was a garrison force, and ~~hadn't~~ hadn't known ~~how~~ how to fight guerrillas. The US had provided training, ~~but~~ but in the US and in El Salvador, and that training had improved the Army so much that it had gained momentum to the degree that the guerrillas might launch a major offensive ~~just~~ just to counteract the Army's success. A camp had been set up in Honduras, near the border, to train ~~in~~ in addition Salvadoran troops. In short, the situation in ~~a~~ El Salvador had improved greatly.

President R spoke of Nicaraguan refugees fleeing to Honduras, some because of Sandinista persecution of the Church, saying that some of them had been shot by Nicaraguan militiamen.

President DIM said that there was brutality on all sides, that this was a cultural problem, the product of underdevelopment. His view of the strategy to be followed was first of all to prevent war from breaking out; second, to try to arrive at some sort of supervised security arrangement; third, to ~~provide~~ provide ~~the~~ the dignity of all parties; ~~is~~ fourth, to maintain the feeling that the dialogue is not closed. He said that Mexico would continue its contacts in pursuit of these objectives. He assured President R that any Mexican opinions or information provided to the US would be given in good faith and in the hope that they would prove useful.

President R_y said that he was aware of the Mexican tradition of being sympathetic to revolutions, but that the ~~true~~ true revolution in Nicaragua had yet to be ~~truly~~ REALLY fulfilled.

President delM said that during the 1920s and 1930s, serious attempts had been made to change the Mexican revolution into Communism. The reaction of the Mexican revolution had been to stress its nationalist course, and the strategy followed had ~~been~~ been to avoid open anti-Communism and to stress that the nationalist course was the course of the authentic revolution. He said that there was a parallel with the present Nicaraguan situation, and that Mexico would like to see the Nicaraguan revolution on a nationalist course, not dependent on any foreign element. He

added that the shortest path between two points was not necessarily a straight line. He said that this represented Mexico's position. He went on to say that Mexico had some -- although not decisive -- influence on Nicaragua, and would use it in pursuit of shared objectives. He would continue to be in touch with President R in anything that might contribute to the achievement of these shared objectives of peace, democracy, and ~~freedom~~ freedom and of the curtailment of the influence of the Socialist bloc in the area.

Personal Note

President ~~Rosa~~ requested that protocol be set aside during the one-on-one meetings, and President dLM agreed that "Bon" and "Tiguel" would be used on those occasions.

President dLM

Bilateral Issues

~~President~~ President dLM said that although it was time to go into the expanded meeting, he would like to prolong the one-on-one to discuss some bilateral matters.

First of all, the economic crisis was under control, but still there. Inflation was still a factor, although it was not increasing, and had ^{BEEN} held to the level of December 1982. Both financing and the exchange rate had improved, as had the overall climate in the country. The atmosphere of bitterness, distrust, and polemics that he had found when he took office had been changed, and ~~he~~ he had made great efforts to create an atmosphere of stability and trust, feeling that this had been achieved. The Administration had good relations with ~~the~~ workers and business organizations. He had been able to maintain peace without using violence, something which had been in doubt in December.

President R said that these actions had called for a lot of courage.

President dLM said that a major effort would have to be maintained during 1983 and 1984, and he hoped for a positive attitude on the part of the US Government as far as financing matters were concerned, to keep it flowing. He went on to mention that negotiations with the ExImBank and the CCC were under way.

President R interjected that the US was prepared to approve the CCC credits.

President dLM said that ~~the~~ IMF, World Bank, and IDB opinions of Mexico's ~~the~~ conduct were positive, and that their only doubts were as to how long the Mexican people would put up with such harsh measures on the part of the Government.

President dLM said that his first goal had been to maintain political peace in the country by means of negotiation and dialogue with all parties, and to try not to push too hard. He had dealt with agitators from the extreme left, and had been able to recover ground for the Government. Through political maneuvering, he had been making ~~progress~~ progress with the ~~a~~ teacher's college, the nuclear industry

union, and the metro workers union, and hoped to get these problems under control without having to use violence. He added that most people were happy with what he had done in ~~these~~ these three areas.

As far as trade relations with the US, President dLM said that they were vital to Mexico. His country would not be able to borrow as much in the future as it had done in the past, since its debt level was too high. He said that Mexico's capacity to import depends on its capacity to sell, and he therefore would like to see greater access to US markets, in order to permit Mexico buy more from the US. Unlike some other countries, Mexico had an unfavorable balance of trade with the US. Any dollar that Mexico gets will be spent in the US.

President dLM said that he hoped for progress in the areas of countervailing duties and the GSP, and that these areas should be considered during the daily ~~negotiations~~ negotiations that ~~take~~ take place between representatives of the two countries. He hoped that President R would exercise political will in an effort to help Mexico.

President R said that if Mexico concurred, the US would be able to increase its purchase of Mexican oil by 35,000 bbl. per year, for the strategic reserve program.

President dLM said that this matter was in the process of negotiation, and that Mexico was interested in having a strong oil relationship with the US, but that at the same time it wanted some time in order to adjust sales in an orderly and stable manner. In any case, he did not want the trade relationship to be based solely on oil. He repeated that exports were vital to Mexico, to permit it to earn foreign exchange required to finance imports required for growth and jobs. He reiterated his request for President R to exercise his political will in order to facilitate greater Mexican access to the American market, adding that this would have the additional benefit of making a great impact on public opinion.

President dLM said that there were daily negotiations concerning the very active border area, and that he proposed to indicate the two Presidents' interest in the border area by setting up a working group, with no bureaucracy, to involve the Governors of the border states in issues such as migration, ~~the~~ the ecology, urban development, and cultural exchanges. This effort could make the US-Mexican border a model of border relations for the whole world.

President dLM said that there was a maritime boundaries treaty ~~that~~ before the US Senate that had been signed in 1978, and to which there was no resistance, adding that it would be good if this treaty were approved and an exchange of notes take place.

President dLM, speaking of tuna fishing, said that the Mexican Government had recently issued fishing licenses to a San Pedro cooperative, but that he

was concerned because during the previous month a number of American fishing boats had been stopped; all problems had been worked out, but these situations always entailed risks. He hoped that the tuna issue could be solved soon, with appropriate regulation of fishing activities by American fishermen.

President dLM said that he was anxious to cooperate fully on ecological matters, exemplified by the agreement the two Presidents were to sign later in the day. Mexico, although short of financial resources, had assigned funds to help clear up sewage problems in Tijuana, which were Mexico's fault.

President R. replied that this was an area that the two Governments could study.

President dLM said that in addition to taking care of short-term problems, the two Governments could look further down the road with medium- and long-term vision, to see how the two countries could act in a complementary way by identifying fields that were good for both. He wished that Government officials would take a longer view of things.

President R agreed, and expressed the hope that President dLM could visit the US after the first of the year.

President dLM said that he would, and expressed the hope that the two could meet as Presidents in the course of the next five years.

President R said that Mexico could contribute to its development by attracting private capital. He told of receiving a letter from an American industrialist who owned four plants on the American side and one on the Mexican side. The man enclosed a picture taken of the employees on the Mexican side; one woman had a T-shirt on which read "Eat your heart out, Russia".

President dLM said that Mexico would be flexible in applying the law governing investments. He said no need to amend the law, as some wished, but believed that through interpretation of the regulations it would be possible to promote further investments.

President R said that investors liked stability.

President dLM said that Mexico would favor investments that would contribute to its development strategy, and would give priority to investments that would:

- 1) increase Mexican exports,
- 2) provide the transfer of desirable technology, and
- 3) create jobs.

He said that there was a lot that could be done in these fields.

President R. ~~said~~ suggested tourism is the endeavor with the highest profit ratio, and that the Baja California peninsula would be a great place to develop a number of resorts.

President dLM said that he agreed, and that he considered tourism to be an export activity.

President R said that this was one activity where Mexicans could be trained, in order to become entrepreneurs themselves one day.

President dLM said that American investors were usually willing to train Mexicans, and that they had less problems with Americans than with others in this regard. Americans were certainly easier to negotiate with than the Japanese.

President R said that he came hat in hand to ask that something be worked out to help American shrimp fishermen in the Gulf, who had been having problems with the Mexican Coast Guard.

President dLM said that he would look into the matter with great interest.

Latin America

President dLM said that the problems of Latin America must be viewed with great concern, since anything that happens in the Hemisphere affects Mexico. He said that Mexico was trying to get close to Colombia, Venezuela, and Brazil, in a search for formulas to solve problems. He promised to pass on any worthwhile ideas to President R-

Conclusion

President dLM said that the important thing about Presidential meetings was the climate that was established, since it permeated down through many levels.

President R. replied that if they could erase a number of misunderstandings it would be a great heritage to pass on.

At this point Secretaries Shultz and Sepulveda joined the meeting

Mexican Americans

President dLM said that he was very pleased to find out that so many Mexican Americans were very loyal to both countries, and President R said that it was traditional for immigrants to the US to maintain the heritage of their mother ~~country~~ country.

Secretary Shultz said that he and his ~~Mexico~~ counterpart had engaged in a very thorough review of Mexico's economic achievements and prospects, and their relation to the US' prospects. He said that they had analyzed such matters as countervailing duties, the GSP, and border questions, discussing the possibility of setting up a border working group. He added that Secretary Sepulveda and Ambassador Gavin had made headway on the tuna issue, and that a solution was ~~as~~ possible. He concluded by saying that he had finished presenting the US ~~zzzzzzzzzz~~ view of Central America when they were summoned by the Presidents, just as Secretary Sepulveda was about to give the Mexican view

Secretary Sepulveda said the ~~Contadora~~ he had held two meetings with Ambassador Stone, and that they had been very productive. During the meetings, a discussion had been held on the possibility of Mexico helping to establish contact between Ambassador Stone and the Salvadoran insurgents; Mexico would always be happy to help out in this regard. Ambassador Stone had received the same offer from President Betancur in Bogota, and indeed a preliminary meeting had been held. Mexico would do all that it could to propitiate meetings that would lead to national reconciliation in El Salvador.

As far as the activities of the Contadora Group, he could report significant progress. The Four Contadora Foreign Ministers had met with the five Central American Foreign ~~Minister~~ Ministers, who had not met ~~among themselves~~ as a group since 1980. The first meeting of the nine Foreign Ministers had been extraordinarily tense and difficult. By the time the third meeting took place, the atmosphere had changed, and the meeting was extraordinarily productive: there seemed to be a genuine political will to compromise. The last meeting had been held after Presidents de la Madrid, Herrera Campins, Betancur, and de la Espriella had met ~~at San Jose~~ and issued the Declaration of Cancun, which had been transmitted to President Reagan.

Time was now needed to establish the foundations, particularly with the five Central American countries, that would lead to conditions that would permit peace in the ~~ex~~ area. What was needed was good will on the part of all the interested Governments to finalize an agreement based on the Declaration of Cancun.

Secretary Sepulveda said that the basic ~~3~~ elements of a good compromise would be the strengthening of the political institutions in each ~~country~~, as well as the achievement of security in the area through ~~first~~ first, a process of disarmament, since the Central American arms race was dangerous; second, the removal of all foreign military advisers, and third, the elimination of arms traffic. These elements were the core of an agreement that might be reached in the near future, and their achievement was urgent, since it would eliminate factors that endangered peace. Progress had been made in getting the principles of non-intervention and self-determination approved by the parties concerned.

Secretary Sepulveda went on to say that medium and long-term goals were economic, social, and political development of the countries in the area. Each country's ~~its~~ national economy had to be reconstructed, and the Central American Common Market revived. Countries of Latin America and the world would have to provide aid to these countries, that so desperately need it.

In summary, these were the elements that the Contadora Group were working with, and which called for ~~the~~ the exercise of political will ~~on~~ by all parties. We believed that the time for progress was ripe.

President R said that this approach was similar to his ~~own~~ own, and ~~x~~ that was the reason for the appointment of the Kissinger Commission. The Commission was to prepare ~~long~~ ^{LONG}-range plans for development, in order to eliminate some of the seedbeds of trouble, such as ~~hunger~~ hunger.

Secretary ~~x~~ Shultz said that we should not deceive ourselves as to the origin of the military aspects of the problem, since there is solid evidence to indicate that large shipments of military equipment had ~~been~~ originated in the Soviet Union, reflecting a lack of adherence to the principles of non-intervention and self-determination. The Soviet Union, working ~~through~~ ^{through} Cuba and Nicaragua, was aggravating the situation in Central America. Any agreement should aim at putting a halt to the arms race and ~~to~~ to the introduction of offensive weapons to the area. He said that he could not imagine why Nicaragua needed a 75,000-man army. He went on to say that progress in the negotiations would be furthered if it was clear -- as the President had made it clear -- that military efforts - such as those just mentioned ^o by various countries were not allowed to succeed. There was no question about this in the President's mind, in spite of the debate on this issue taking place in the American Congress and people.

President ~~DM~~ said that he had told President R that the agreement would be good only if ~~it~~ it included some sort of surveillance or supervision.

Secretary Shultz said that he was very much in agreement with this.

President ~~DM~~ said that with all due respect he would like to inform those present that the Nicaraguans had stated that they needed more arms because they felt that they were threatened by a Honduras supported by the US. If each country in the region were questioned ~~by~~ about increased armaments, each would reply by putting the blame on ~~x~~ its neighbors or on the US. It ~~was~~ is ~~necessary~~ necessary to do away with these pretexts by reaching an agreement to first, freeze armaments at their present level, and second, to reduce troop levels to reasonable levels. Perhaps the parties would accept observers from the OAS, the UN, or the Contadora Group, but in any case, observation was of great importance ~~is~~ if the agreement was to ~~be~~ be a lasting one.

President ~~DM~~ went on to say that it was important that Nicaragua receive international cooperation, in order ~~x~~ to prevent a vacuum that would be filled by the Socialist group. It was to the interest of all nations in the Western Hemisphere, from Canada to Argentina, as well as the countries of Western Europe and Japan, to compete ^{IN THIS} with the other countries, in order to have a proper political balance. He said that he had asked the Nicaraguans about aid from the Soviet Union and other Socialist countries, and had been told that it was necessary because ~~of~~ other countries had withdrawn their aid. This was the reason why Mexico had continued

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its oil agreement with Nicaragua.

President R said that the US had continued its aid to Nicaragua until this country started shipping arms to El Salvador and broke its promises. OAS Secretary General Orfila had told him that the Nicaraguans had a contract in writing with that organization, but that ~~it~~ its terms had been broken by the Nicaraguans as far as the kind of government to be set up. The OAS had asked Somoza to leave on the basis of that contract.

President dlm said that ~~every member~~ all members were responsible for the fact that the OAS was ~~not~~ not trusted. He added that Orfila's public statement that the contract had been broken ~~was~~ was not conducive to the OAS having a dialogue with Nicaragua. Nevertheless, Mexico was open to the idea of ~~using~~ using the OAS in this process. He then asked Secretary Sepulveda at what stage ~~it~~ could the OAS become involved in the Contadora negotiations.

Secretary Sepulveda replied that the Contadora Group had to build up confidence first. Perhaps at some time the OAS could provide observers, for example, in questions of troops and weapons, since it had useful experience in this field. For the present, it would be best to let the Contadora Group continue its political and diplomatic efforts, in order to ensure ~~that~~ an agreement. ~~it~~ For now, it would be best for all parties to evidence their good will towards the Contadora Group.

Secretary Sepulveda said that he foresaw the possibility of ^(WITH GUATEMALA) problems in the future, since the existence of a new Government and Foreign Minister in that country broke the atmosphere that had been created. He said that it was necessary to have further meetings of the nine Foreign Ministers in order to reach an agreement. Once this was achieved, then the technical support of international organizations could be sought.

President dlm said that in this question Mexico was open to any means that would permit the achievement of the shared objectives. He added that the Contadora Group had the great advantage of flexibility. This ~~is~~ was the reason why other countries, such as Ecuador, Peru or Brazil had not been invited to join. The bigger the group, the more cumbersome the procedures, since everybody wants to have his say. He reiterated his previous statement to the effect that Mexico would pass on any worthwhile ideas to the US.

Secretary ~~Shultz~~ Shultz said that the Contadora Group had the support of the US from the beginning, as evidenced by the conversations held during his April visit to Mexico City, when the Contadora Group was just starting its work. He referred to President dlm's welcoming remarks that morning, in which he spoke of democracy, development, and justice, and said that the US fully subscribes to those ideals.

Secretary Shultz went on to say that there had to be a link between a verifiable arms agreement and economic development, as well as with freedom and peace. This was important, since democratic countries did not try to upset their neighbors.

President dLM asked Secretary Sepulveda what the US could do to help the Contadora Group.

Secretary Sepulveda said that perhaps the US could be of assistance by inducing the five Central American countries to support the Group's proposals. Frankly, he was referring in particular to Honduras, which had taken a tough and difficult position. Perhaps if everybody pushed, it would be possible to convince Nicaragua and Honduras to reach a reasonable agreement. The crux of the matter was made up of Honduras, Nicaragua, and El Salvador. If these three could reach an agreement, progress could be made. It would be good to convince each of them that an agreement is to their respective best interests. If symmetry were achieved as far as political contributions, a solution would be much closer. Mexico saw great danger in the possibility of hostilities breaking out between Nicaragua and Honduras, since this would mean the end of the Contadora Group's efforts. It was necessary to avoid an armed conflict and to work for peace through disarmament and the elimination of foreign military advisers.

Secretary Shultz said that the US had less than 55 trainers -- not advisers -- in El Salvador. There were 2,000 Cuban military advisers in Nicaragua, not to mention 4 - 5,000 other Cubans, presumably working in construction and teaching.

President R said that most of the US military personnel were enlisted men who were teaching the Salvadorans how to fire rifles, for example. They were not really advisers.

President dLM said that if the US at any time thought that Mexico might be useful in dealing with Nicaraguans, he would be only glad to help, although with no guarantee of success.

Secretary Shultz said that he had taken note of the comments on Honduras, but that all must concentrate on getting Nicaragua's willingness to accept democracy and freedom, and to show some openness.

President R wondered whether the Nicaraguan Government was free enough to slap Cuba and the Soviet Union in the face and make its own decisions.

Secretary Sepulveda replied that Mexico had learned from the Cubans and the Nicaraguans that they would be willing to do just that, and that Nicaragua wanted autonomy to institute its own social changes, political institutions, and economic development, but that at the same time, it felt threatened militarily. Nicaragua had reacted to this perception by arming, which

Mexico was not happy about. Mexico would like to lower Nicaragua's perception of threat, so that they could do without any foreign military assistance.

President ~~222z~~ R remarked that Nicaragua had turned to Cuba and the Soviet Union before any threat could be perceived. ⁴⁴⁴ They also announced their participation in world revolution early on. The previous US Administration had given assistance to the Sandinistas, and they had reacted by aiding the Salvadoran revolution.

President R went on to ~~sayzzhazz~~ ask whether Cuba was not the center of infection in the ~~XX~~ Western Hemisphere. He said that he often dreamed of Fidel Castro breaking with the Soviet Union and rejoining the family of ~~zzzzza~~ American nations. Certainly the Cuban people would be better off, since their standard of living had dropped since Castro took over.

President dLM said that this was possible, but that it would be a very gradual process. It could be achieved ~~z~~ with good will, since he knew that the Cubans were not all that happy with their excessive dependence on the Soviet Union.

President R wondered if the Cubans wished to be back in the ~~zzzzhzzz~~ family.

President dLM said that if there were signals given in a gradual negotiating process, the Cubans would be willing.

President R said that some time ago the US thought that the Cubans were hinting at this, and sent someone to Cuba, ~~zz~~ but that there was no give.

Secretary Shultz said that the Contadora process would be a good test, since the outcome depends on the Nicaraguans ceasing their efforts to upset their neighbors, lay down their arms, and permit an open government. The success of the Contadora process will be a test of whether Fidel Castro is willing to move.

President dLM said that the ideal would be to reach a firm agreement among the countries to refrain from acts of aggression against ~~zz~~ the others, including a cessation of aid to guerrillas in another country, ~~zz~~ and to halt the increase of armaments by any party. This would serve as a basis for the rest. If this ideal were publicly supported by the Contadora Group, the US, and Cuba, it would be the beginning of a solid process.

President R said that he wondered if the Nicaraguan and Salvadoran problems were solved, whether Cuba would realize that it had failed to gain another base and was all alone and would then wish to rejoin its neighbors.

President dLM said that he believed that Cuba realized it could not go any further.

Secretary Shultz remarked that more efforts should be made to ~~convain~~ convince them of this.

President dLM said that the matter was so complicated that it was necessary to move step by step.

Secretary Shultz said that care must be taken so that there not be a freeze

at unequal levels, since this would lead to instability/

President dlm said that a "take off" climate was needed in order to begin to solve the problems.

Secretary Shultz pointed out that both the US and Mexico agreed that the problem called for a regional solution.

Secretary Sepulveda added that there were certain bilateral issues that had to be resolved, and that therefore the bilateral and multilateral approaches had to be taken simultaneously. In any case, enormous efforts and patience were required.

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