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File: Records, 1981-1985

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President Reagan [July, 1981]

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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

RBW 8/12/2011

File Folder MEMORANDUMS OF CONVERSATIONS - PRESIDENT
REAGAN [JULY 1981]

FOIA

M10-351/M10-371

Box Number 49

JAUVERT/BROWER

2

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
116557	MEMCON	RE. PRESIDENT'S MEETING WITH PRIME MINISTER MALCOLM FRASER R 6/22/2015 M371/	6	6/30/1981	B1
116558	MEMCON	RE. PRESIDENT'S MEETING WITH GASTON THORN R 6/22/2015 M371/	4	7/13/1981	B1
116570	NOTE	ALLEN TO ALEXANDER HAIG RE. MEMCON FOR RR AND GASTON THORN CONVERSATION [W/MARK] R 12/21/2015 351/1	1	ND	B1
116559	PAPER	RECOMMENDED TELEPHONE CALL BY RICHARD ALLEN TO JOSE PORTILLO [W/NOTATIONS] R 6/22/2015 M371/	1	7/15/1981	B1
116560	PAPER	RECOMMENDED TELEPHONE CALL BY RICHARD ALLEN TO JOSE PORTILLO [W/DIFFERENT NOTATIONS AS116559] R 6/22/2015 M371/	1	7/15/1981	B1
116561	MEMO	FRED WETTERING TO RICHARD ALLEN RE. AFRICAN DEVELOPMENTS [W/NOTATIONS] PAR 6/22/2015 M371/	2	7/14/1981	B1 B3

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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

WITHDRAWAL SHEET

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Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

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File Folder MEMORANDUMS OF CONVERSATIONS - PRESIDENT
REAGAN [JULY 1981]

FOIA

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Box Number 49

JAUVERT/BROWER

2

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
116562	MEMO	WILLIAM STEARMAN TO ALLEN RE. PRESIDENT'S CONVERSATION WITH KING JUAN CARLOS <i>R 6/22/2015 M371/</i>	2	6/9/1981	B1
116563	MEMCON	BETWEEN RR AND PRESIDENT JOSE PORTILLO <i>R 6/22/2015 M371/</i>	1	7/16/1981	B1
116564	MEMO	WETTERING TO ALLEN RE. MEETING WITH DIRK MUDGE [W/NOTATIONS] <i>R 6/22/2015 M371/</i>	2	7/17/1981	B1
116565	MEMO	ALLEN TO RR RE. PRINCE BANDAR MEETING AND REQUEST FOR CALL <i>R 6/22/2015 M371/</i>	1	7/18/1981	B1
116566	TALKING PTS.	RE. CALL TO PRINCE BANDAR [ATTACHED TO DOC. 116565] <i>R 6/22/2015 M371/</i>	1	ND	B1
116567	LETTER	RR TO KING AL SAUD OF SAUDI ARABIA <i>R 6/22/2015 M371/</i>	2	7/18/1981	B1
116568	MEMO	FOR THE RECORD OF RR CALL TO PRINCE BANDAR <i>R 6/22/2015 M371/</i>	2	7/18/1981	B1

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

- B-1 National security classified information [(b)(1) of the FOIA]
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REAGAN [JULY 1981]

FOIA

M10-351/M10-371

Box Number 49

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2

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
116569	MEMCON	RE. RR MEETING WITH AMBASSADOR HABIB <i>R 6/22/2015 M371/</i>	8	7/28/1981	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]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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NSC/S PROFILE

SECRET *rw 8/2/81*
UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

ID 8104005

RECEIVED 01 JUL 81 20

TO ALLEN

FROM GREGG

DOCDATE 01 JUL 81

KEYWORDS: AUSTRALIA

VISIT

J MALCOLM
FRASER, ~~MILSON~~

SUBJECT: MEMCON OF PRES MTG W/ PM FRASER 30 JUNE

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

LILLEY

TYSON

COMMENTS

REF#

LOG

NSCIFID

(J /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 7/07 noted by RVA

DG, gt, ct

DISPATCH

W/ATTCH FILE

PA

(C)

[Handwritten signature]

~~SECRET~~

116557

4005

2

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with
Prime Minister Malcolm Fraser of the
Commonwealth of Australia

PARTICIPANTS: President Ronald Reagan
Secretary of State Alexander Haig
Secretary of the Treasury Donald Regan
Secretary of Defense Caspar Weinberger
Attorney General William French Smith
Counsellor to the President Edwin Meese III
Chief of Staff to the President James Baker III
Deputy Chief of Staff to the President
Michael Deaver
Assistant to the President for National
Security Affairs Richard V. Allen
U.S. Ambassador to Australia Robert Nesen
Assistant Secretary of State John Holdridge
NSC Senior Staff Member Donald Gregg (Notetaker)

Prime Minister Malcolm Fraser
Anthony A. Street, Minister for Foreign Affairs
Australian Ambassador Nicholas Parkinson
Geoffrey J. Yeend, Secretary, Department of
the Prime Minister and Cabinet
Peter G. F. Henderson, Secretary, Department
of Foreign Affairs
William B. Pritchett, Secretary, Department
of Defense
David A. Kemp, Director, Prime Minister's
Personal Staff
Allan T. Griffith, Special Adviser, Department
of the Prime Minister and Cabinet

DATE, TIME June 30, 1981
AND PLACE: 11:20 a.m. - 12:05 p.m., Cabinet Room

Coming from their private meeting in the Oval Office, the President and Prime Minister Fraser gave a review of the topics they had covered.

~~SECRET~~

Review on July 1, 2011
Classified and Extended by Richard V. Allen
Reason: NSC 1.13(a)

~~SECRET~~

DECLASSIFIED
NLSR M37111 # 116557
BY RW DATE 6/22/15

~~SECRET~~

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~~SECRET~~

- The President said he had thanked the Australians for their strong responses to the Soviet attack on Afghanistan.
- He had assured the Prime Minister that we are aware of the impact of the extraterritorial application of United States laws.
- It had become clear that the Prime Minister and the President had a mutual interest in helping the lesser developed countries.
- Mr. Fraser had been assured that the United States will work for nuclear non-proliferation and arms reduction.

Prime Minister Fraser responded by saying that they had held "important talks" on a wide range of issues. Mr. Fraser said he applauded the strong economic policy being adopted by the Reagan Administration, as a strong America is the foundation of the Free World. He stated that the President's words had let the world know that the United States was in a period of renewal. He added that he believes that the Soviets need to be dealt with from positions of strength. Fraser stated that he agreed on the need for arms reduction and that he was highly interested in America's plans for the Caribbean and Central America, since social injustice is an invitation to the Communists that should be denied them.

Turning to new topics, Prime Minister Fraser cited the need for progress in Namibia, which he sees as the key to a peaceful settlement to the situation in Southern Africa. He asked how we view the situation.

President Reagan asked Secretary Haig to respond. Mr. Haig said that the President has launched a good new initiative. He stated that the previous effort to bring about a solution had failed because of a South African veto. Mr. Haig said that South Africa must cooperate if there is any chance for peace, and that we have been urging South Africa to be more flexible and to guarantee Namibia voting rights, minority rights and a nonaligned status. Mr. Haig added that many tribes in Namibia are terrified of the prospect of SWAPO domination. Secretary Haig said that the prospects are looking better than previously, but that if South Africa does not come along, the United States cannot force a settlement.

Prime Minister Fraser replied that it was not only a question of South Africa but that the various front line states as well must agree that the Namibian settlement plan is fair.

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~~SECRET~~

Secretary Haig responded by saying that the front line states are suspicious of anyone who talks to South Africa. He stated that the Contact Group must stay together and not break ranks and that the unity of the Contact Group is the key to winning the front line states.

Prime Minister Fraser stated that he wished the Secretary well in his efforts. He noted that there would be a Commonwealth meeting in the fall and that Namibia would be an important issue there. Mr. Fraser agreed that South Africa must support a viable settlement but that other African states must accept it as well. Mr. Fraser then asked how South Africa views Mugabe of Zimbabwe.

Secretary Haig responded that they are no longer suspicious of him and want him to survive.

Prime Minister Fraser recalled that British Intelligence had been dead wrong about Mugabe, forgetting that he hated the Soviets, had had ties to the Chinese and was a Christian. Mr. Fraser stated that it was vital to have correct assessments of key leaders emerging from the Third World.

President Reagan, turning to Poland, stated that we would keep Australia fully informed of any major upcoming decisions. He added that he also wants Australia to take part in more international meetings and that we will do all we can to get the Australians included.

Prime Minister Fraser expressed thanks for these United States efforts on Australia's behalf. Regarding Poland, he stated that if the Soviets do invade, the West must respond in a sustained manner, more strongly than after Hungary, Czechoslovakia or Afghanistan. Mr. Fraser noted that it was hard to keep Western unity, particularly with regard to sanctions, and that he wished there were a way to allow burdens to be shared more equitably. He then asked if there was an overall view as to the likelihood of Soviet intervention.

President Reagan noted that war games were underway but that the Soviets would have to mobilize before going in.

Secretary Haig noted that it would take the Soviets about two weeks to muster the strength necessary to invade Poland, so that the United States would have warning. Mr. Haig admitted that Europe's mood is grim, with the West Germans being particularly somber. Mr. Haig stated that July and the Polish Party Congress will be a critical time. He stated that he rated the chances of a Soviet invasion a "toss up" and concluded by saying that there would be profound costs to the Soviets if they did invade.

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Prime Minister Fraser commented that the costs would also be profound if the Soviets did not invade, as the movement in Poland could signal the break-up of the Soviet empire. Mr. Fraser went on to express the hope that the United States will maintain its strong interests in the Indian Ocean. He said that he felt our fleet patrols and surveillance were important activities.

President Reagan responded that these activities would go on, and thanked Australia for what they had done to support us.

Secretary Weinberger agreed that our naval presence will remain, and also offered thanks for Australian support. He characterized our naval forces in the Indian Ocean as a permanent part of our plan.

At this point Attorney General Smith joined the meeting.

Prime Minister Fraser stated that if there was a need for the Australian Attorney General to come to the United States to discuss legal problems, he would be glad to do so. Making a second point, Mr. Fraser urged that the United States be open to what he called "global negotiations" with the Third World nations. He stated that global negotiations often act as a safety valve for the deprived nations of the world, giving them a sense of participation and control.

President Reagan responded by generally agreeing with the Prime Minister and citing the triangular relationship between Japan, the United States and Australia as a means through which to bring all the nations of the Pacific along to greater prosperity and security.

Responding to Mr. Fraser's previous point, Attorney General Smith said that the legal areas involved between the two countries are complicated and that he would be very happy to meet with the Australian Attorney General. Mr. Smith said he felt that the Australian position had merit and that the current Administration differed from its predecessor in the ways it intends to apply our laws. Mr. Smith said he would be happy to look for common ground with the Australians.

Prime Minister Fraser asked if this meant that we were drawing back from some previous positions taken.

Attorney General Smith responded affirmatively, saying that we would not be as "exotic" in our legal interpretations.

Prime Minister Fraser expressed thanks and appreciation, stating that this approach sounded like one which Australia could support.

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~~SECRET~~

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~~SECRET~~

Attorney General Smith also agreed to discuss environmental issues in a sympathetic manner.

President Reagan asked Prime Minister Fraser for his views on China and the Southeast Asian situation.

Prime Minister Fraser stated that the Peoples Republic of China is a nation of strategic importance and that they now are causing less worry to their neighbors because of their high concern with Soviet hegemony and their diminished support of local Communist parties. Mr. Fraser noted that they are content to let the situation in Cambodia continue as it is, since it is costing the Soviets \$3 million per day.

Turning to the Subject of Taiwan, Prime Minister Fraser said there is great sensitivity in Beijing with regard to Taiwan, but that they will not press this issue in either the short or medium term. Mr. Fraser stated that if Taiwan sought to assert full independence, the Peoples Republic of China would react.

President Reagan opined that when Chinese veterans of the "long march" are gone, the Chinese perceptions of Communism will also change. Mr. Reagan said that the United States would support the Taiwan Relations Act and that he believed that as time passes, differences between Beijing and Taiwan will grow less.

Prime Minister Fraser responded by saying that the Peoples Republic of China is evolving into its own a unique form of authoritarian role, not at all like Soviet communism.

Secretary Haig agreed, saying that the current Chinese economic recovery program sounds much like what the United States is attempting today.

Prime Minister Fraser asked if we had reached any conclusions regarding Mitterrand's victory and his inclusion of Communists in his cabinet.

President Reagan responded that we were in something of a "holding pattern," having expressed concern and being aware that it is now more difficult to involve the French in secret diplomacy. He noted that the French insist that there has been no great change in their orientation and noted also that they seemed more strongly anti-Soviet than the previous regime.

Prime Minister Fraser raised the problem of lack of consultation between the United States and the European allies, which he had noted about a year and a half ago. He said that the Germans had been particularly concerned at that time. Mr. Fraser stated that he hoped there could be a greater degree of consultation between the United States, West Germany, the United Kingdom and France.

~~SECRET~~

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SECRET

President Reagan stated that he had been aware of the lack of trust which the previous administration's lack of consultation had brought about in certain areas. He said that since his election the United States has gone out of its way to consult and coordinate with key allies, such as France, West Germany and the United Kingdom. The President stated that he wanted a "tight alliance" and that he feels our ties have improved.

Secretary Haig agreed with this statement, but noted wryly that United States interest rates pose a problem to the alliance. He added that our friends in Europe both welcome and are made nervous by our strong anti-Soviet line.

Turning to Japan, Prime Minister Fraser said he was aware that we had talked to Japan and had urged them to undertake more defense spending. He added that Australia would like to see them do more in the Northwest Pacific where the Soviets could be bottled up.

President Reagan agreed and stated that we had talked at length with the Japanese on this subject.

Secretary Weinberger said that he had met Japanese Defense Chief Omura the previous day, that the Japanese are courteous but reluctant to do more. Mr. Weinberger said that Omura basically shares the United States' view, and that United States pressure on this subject had given Omura ammunition for use in Tokyo, designed to bring about a larger defense effort.

Prime Minister Fraser asked if he could help by conveying a similar interest to the Japanese.

Secretary Weinberger responded affirmatively, saying that it would be helpful to urge the Japanese to do more in the Northwest Pacific so that American units could be freed to operate farther to the south and west.

Prime Minister Fraser responded that he would pass this message to Prime Minister Suzuki as he had previously passed it to the late Prime Minister Ohira.

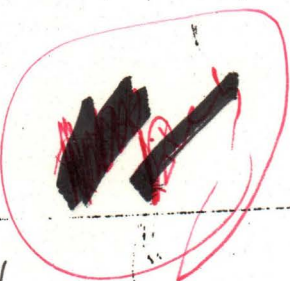
The meeting ended amicably at that point.

SECRET

#4005

RECEIVED

81 JUL 2 A10:22



ja 2/1102

JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

KAY

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

X

for 4/23/80
via 6/8/80

g

~~do copies of all our memos go to President's file - via Danner or via Roberts?~~

Answered

SHOW CC

SHOW CC

SHOW CC

SHOW CC

SHOW CC

MEMORANDUM

4005

9

NATIONAL SECURITY COUNCIL

July 1, 1981

UNCLASSIFIED
SECRET ATTACHMENT

INFORMATION

MEMORANDUM FOR RICHARD W. ALLEN

FROM: DONALD GREGG *DG*

SUBJECT: The President's Meeting with Prime Minister Fraser of Australia

Attached, for your information, is a memorandum of conversation, covering the President's meeting with Prime Minister Fraser on June 30, 1981.

I do not think that the President needs to see this memorandum unless you send all of them to him as a matter of principle.

*no - de down!
get all
4 parts
(7/4/81)*

Attachment
Tab I

MEMCON of June 30, 1981

UNCLASSIFIED
SECRET ATTACHMENT

*AK
8/2/81*

NSC/S PROFILE

~~CONFIDENTIAL~~ *rw 8/2/11*
UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

ID 8104219

RECEIVED 14 JUL 81 15

10

TO ALLEN

FROM POATS

DOC DATE 14 JUL 81

KEYWORDS: EC

AP

THORN, GASTON

SUBJECT: MEMCON BTW PRES & THORN ON 13 JUL

ACTION: FWD TO PRES FOR DECISION DUE: 16 JUL 81 STATUS X FILES

FOR ACTION

FOR COMMENT

FOR INFO

POATS

RENTSCHLER

TYSON

COMMENTS

REF# LOG NSCIFID (M /)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Lo</i>	<i>7/15</i>	<i>Rated by allen</i>	<i>7/15</i>	<i>NB, Ha</i>
<i>Lo</i>	<i>7/15</i>	<i>Memo allen to Ha</i>	<i>7/15</i>	<i>Ha</i>
<i>KA</i>	<i>7/16</i>	<i>Lo Signature</i>	<i>7/17</i>	
<i>PO</i>	<i>7/20</i>	<i>for rebo, per LVA</i>	<i>7/21</i>	<i>NB, Na, RE</i>
<i>KA</i>	<i>7/21</i>	<i>Lo Signature</i>	<i>7/24</i>	
	<i>7/24</i>	<i>LVA Agt memo to Sec State</i>		<i>DA, NES, NH, RE</i>

DISPATCH

AW 7/25

W/ATTCH

FILE

DA, NES, NH, RE
(C) A

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

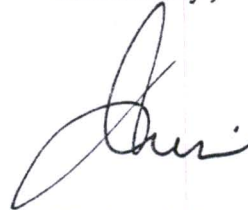
July 24, 1981

~~CONFIDENTIAL ATTACHMENT~~

Dear Al:

Here is our memcon to the President's
talk with Gaston Thorn.

Sincerely,



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

1 Attachment

The Honorable Alexander M. Haig, Jr.
The Secretary of State
Washington, D.C.

~~CONFIDENTIAL ATTACHMENT~~

~~CONFIDENTIAL~~

DECLASSIFIED
Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA RW, DATE 8-12-11

#4219 12
rebo

RECEIVED

81 JUL 21 P 3: 28

JANET COLSON

gc
X

BUD NANCE

DICK ALLEN

pa 23

~~XXXX~~

IRENE DERUS

ija 24/0724

JANET COLSON

gc

BUD NANCE

X

KAY

CY TO VP

SHOW CC

CY TO MEESE

SHOW CC

CY TO BAKER

SHOW CC

CY TO DEEVER

SHOW CC

CY TO BRADY

SHOW CC

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81 JUL 16 P 4: 39

JANET COLSON

16/1733
X

BUD NANCE

RWA 19

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

KAY

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

SHOW CC

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SHOW CC

SHOW CC

*copy of
memo to
done*
**REDO LETTER
TO HATIG**

#4219

RECEIVED

81 JUL 14 P 4: 10

JANET COLSON	<u>Jc 14/1621</u>	
BUD NANCE	<u>X</u>	
DICK ALLEN	<u>Roa 14/2300</u>	<i>Do we really</i>
IRENE DERUS	<u>ijc 15/0803</u>	<i>need to forward</i>
JANET COLSON	<u>Jc</u>	<i>this to the (C)?</i>
BUD NANCE	<u>X</u>	
KAY	<u></u>	<i>no, he's just trying to</i>
CY TO VP	<u></u>	<i>do his job well. He</i>
CY TO MEESE	<u></u>	<i>is, in fact,</i>
CY TO BAKER	<u></u>	<i>doing it.</i>
CY TO DEEVER	<u></u>	SHOW CC
CY TO BRADY	<u></u>	SHOW CC

NATIONAL SECURITY COUNCIL

AJL

7/15/81

Poats ofc. wonders if Haig receives the original of the memcon or a Xerox copy. If Xerox, there are copies on left hand side of folder.

Terry D.

No

C/H

no log # on Jones memo to Haig

See RVA Note

James text

I wonder why the informal format!! Do we usually do it this way?

AJL

15

A

~~CONFIDENTIAL~~

116558

THE WHITE HOUSE

4219

16

WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with
Gaston Thorn, President of the Commission
of the European Communities

PARTICIPANTS: President Ronald Reagan
Vice President George Bush
Edwin Meese, III, Counsellor to the
President
Richard V. Allen, Assistant to the
President for National Security Affairs
Lawrence Eagleburger, Assistant Secretary
for European Affairs, Dept of State
George Vest, Ambassador (Designate) to
the European Communities
Charles Tyson, Staff Member, NSC
Rutherford Poats, Staff Member, NSC

Gaston Thorn, President, European
Communities Commission
Roland de Kergolay, Head of the EC
Commission Delegation in Washington
Ferdinand Spaak, Head of Cabinet
Sir Roy Denman, Director-General for
External Relations
Tomasso Pado-Schioppa, Director-General
for Financial Affairs
Manuel Santarelli, Press Spokesman

DATE, TIME July 13, 1981; 2:32 p.m. in Oval Office
AND PLACE: with photographers; 2:36 p.m. - 2:56 p.m.
in the Cabinet Room

President Thorn thanked President Reagan for his hospitality, and for the extensive opportunity he has had to meet members of the Reagan Administration. He said good and close relations with the United States were important to the European Communities, and he believed an integrated European common market was valuable to the United States in many ways, including the fact that it is easier to deal with a single Europe than with ten nations of varying political tendencies.

~~CONFIDENTIAL~~
Review on
July 14, 1987

~~CONFIDENTIAL~~

DECLASSIFIED

NLRR M37111-# 116558
BY RW NARA DATE 6/22/15

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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17

President Reagan responded that the United States valued highly its relations with the EC and wanted to maintain close consultations. He said he understood from Prime Minister Trudeau, who recently met with European leaders, that, contrary to some earlier indications from Europe, there would be no "ganging up" on Japan over trade issues at the Ottawa Summit.

President Thorn confirmed this approach to the Summit. But he added that all of Europe's trading partners need to understand Europe's extraordinary current sensitivity to trade pressures, due to high unemployment. Between 1980 and 1985 an increased number of youngsters will enter the job market in Europe. The present outlook is that 25 percent of them will be unable to get jobs next year. Unemployment in the EC nations is likely to reach ten million next year. In these circumstances, economic differences can create political problems.

President Thorn assured President Reagan that the EC Commission and member nations do not seek confrontations with the United States. We need you more than ever, he said. The EC's approach is not, as the newspapers say, "Europe demands that America change its interest rates." European leaders understand that what is good for the United States is good for Western Europe. What Europe is saying, anxiously, to the US is: "We hope you succeed soon."

President Reagan responded, "So do we."

President Thorn said it would be helpful if there could be a follow-up to the Ottawa discussions designed to strengthen confidence in Europe -- perhaps a visit by the Secretary of the Treasury after passage of the Administration's economic legislation.

President Reagan said his economic program is designed to solve the same two problems that trouble Europe -- unemployment and inflation. We believe these problems have resulted from government's trying to do too much, putting a drag on economic growth. What we are trying to do is to make a quite revolutionary change in direction. We think it is going to work. Already there has been a decline in inflation. Our opponents say we can't claim credit for this because our program is not in place yet, but we believe that it has stemmed in part from improved business confidence.

President Reagan acknowledged that the United States has some responsibility for economic problems elsewhere because the United States has been exporting inflation.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

18

~~CONFIDENTIAL~~

3

President Thorn said economic despair in Europe could easily lead some national leader to close his borders, and this would set off a general movement toward protectionism, which would be suicidal. We must fight against this tendency both internally and in cooperation with external partners. In this light the EC is expressing concern to Japan about sharp increases in Japanese exports to Europe, asking Japan for restraint, saying to them, "Don't give M. Mitterrand the excuse to close his borders." We want the Japanese to know how quickly he can go too far, President Thorn continued. He believed Prime Minister Suzuki understood this message.

President Reagan agreed that protectionism is a "dead-end street."

Mr. Allen turned the discussion to "global negotiations," noting that President Reagan had discussed this matter on Friday in preparation for the Ottawa Summit. He said the United States has difficulty in defining "global negotiations."

President Thorn replied that the industrial nations should try at Ottawa to define their own approach to global negotiations. He said Europe was more sympathetic to the developing nations' call for global negotiations because historically Europeans have been closer to the people who now compose the developing nations' leadership, even though their past relationship was colonial. Europe understands the developing nations' political drive to join governments together in dealing with the West and their sense of weakness in dealing with big multinational corporations. They want a deal between governments of the South and governments of the North, as a framework for relations. Europe knows that this will not solve the economic problems of the South, but Europe hopes that it will facilitate solutions. "We hope you will give it a chance so that we industrial nations can show good will."

At the global negotiations, Mr. Thorn continued, "we would say, 'now, let's identify the problems and try to find the right way of dealing with them, in the right places.'" The developing nations' demand is a political test, and if we say no we will undermine confidence between us and them. This is an opportune time because these countries have lost faith in the Soviet Union.

He added that Europe believes global negotiations will assist in improving the climate of trade and investment relations and thus help the industrial nations' economies.

~~CONFIDENTIAL~~

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4

19

A common approach must be found, he said. Europe does not intend to "go a separate way."

President Reagan said he was taking a positive approach toward cooperation with the developing nations, citing his initiative in the Caribbean Basin development program. Our objective is to relieve some of the sense of hopelessness in the Caribbean Basin which leads, among other things, to the flight of economic refugees to the United States. Similar actions could be taken in other regions. It is difficult to understand, he added, how all the nations of the world can sit across the table from each other and really solve practical problems.

President Thorn urged that the industrial nations not dismiss the global negotiations idea as "nonsense." Mr. Allen responded that no one in the US Administration had said that.

Mr. Meese pointed out the usual meaning of "negotiations" -- in which specific agreements binding on the parties are reached.

Mr. Allen said President Reagan had pointed out to Prime Minister Trudeau that the United States had taken a big step in reversing the Carter Administration's position and agreeing to participate in the North-South Summit at Cancun.

President Thorn applauded this decision. He closed with a renewed expression of appreciation for the close consultations he had been able to have here.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

AJL

~~CONFIDENTIAL~~

MEMORANDUM

4219 (redo)

NATIONAL SECURITY COUNCIL

RVA HAS SEEN

20

~~CONFIDENTIAL ATTACHMENT~~

ACTION

July 21, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: RUTHERFORD POATS *RP*

SUBJECT: Transmittal of Thorn Memcon to Secretary Haig

Attached at Tab I is a transmittal note to Secretary Haig, redone per your request.

RECOMMENDATION

That you sign the transmittal note to Secretary Haig at Tab I.

Approve _____

*RVA
7/24*

Disapprove _____

SIGNED

Attachments

Tab I Note to Haig
A Thorn Memcon, Jul 13, 81

cc: Norman Bailey
Henry Nau
Jim Rentschler

~~CONFIDENTIAL ATTACHMENT~~

~~CONFIDENTIAL~~

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA *RW*, DATE *8-12-11*

~~CONFIDENTIAL~~

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NATIONAL SECURITY COUNCIL

CONFIDENTIAL ATTACHMENT

ACTION

July 16, 1981

21

MEMORANDUM FOR RICHARD W. ALLEN

FROM: RUTHERFORD POATS *RP*

SUBJECT: Transmittal of Thorn Memcon to Secretary Haig

Attached at Tab I is a transmittal note to Secretary Haig, per your request.

RECOMMENDATION

That you sign the transmittal note to Secretary Haig at Tab I.

Approve _____ Disapprove _____

Dis commended RWA 7/20

Attachments

Tab I Note to Haig
A Thorn Memcon, Jul 13, 81

cc: Norman Bailey
Henry Nau
Jim Rentschler

CONFIDENTIAL ATTACHMENT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

RVA HAS SEEN

4219

[Handwritten initials]

22

MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIAL ATTACHMENT

ACTION

July 14, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: RUTHERFORD POATS *[Handwritten initials]*

SUBJECT: Memorandum of Conversation Between the President and Gaston Thorn, President of the European Communities, July 13

Attached at Tab A for your approval is a memorandum of conversation covering the President's meeting on July 13 with Gaston Thorn and Tab I is a transmittal memorandum to the President.

RECOMMENDATION

That you approve the memorandum of conversation, or, if necessary, sign the forwarding memorandum at Tab I to the President.

Approve the memorandum _____

Approve with revisions _____

Forward to the President _____

Attachments

Tab I Memo to the President
A Memorandum of Conversation

cc: Norman Bailey
Henry Nau

*No need to send to P.
Send to files -
Copy to Hag of note from me
Alan Ql,
RVA 7/15*

CONFIDENTIAL ATTACHMENT

DECLASSIFIED
Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2008
BY NARA *RW*, DATE *8-12-11*

~~CONFIDENTIAL~~

116570 23
4219 ac on

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL ATTACHMENT~~

Dear Al:

Here is our memcon on the President's talk with Gaston Thorn.

I found Thorn's case for engaging in UN global negotiations rather superficial, resting on a wishful notion that the positive gesture of agreeing to sit down and talk with the South would yield something useful. His anxiety about short-sighted protectionist responses in Europe to rising unemployment was clearly genuine.

Sincerely,

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

1 Attachment

The Honorable Alexander M. Haig, Jr.
The Secretary of State
Washington, D.C.

DECLASSIFIED
NLRR M3711/ #116570
BY RW NARA DATE 12/21/15

~~CONFIDENTIAL ATTACHMENT~~

~~CONFIDENTIAL~~

MEMORANDUM

~~CONFIDENTIAL~~

4219

THE WHITE HOUSE
WASHINGTON

1981 24

~~CONFIDENTIAL ATTACHMENT~~

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Memorandum of Conversation with Gaston Thorn, President of the Commission of the European Communities, July 13, 1981

Attached at Tab A for your review and approval is a memorandum of conversation covering your meeting on July 13 with the European Communities Commission President Thorn.

RECOMMENDATION

That you approve the memorandum of conversation at Tab A.

Approve _____

Disapprove _____

~~CONFIDENTIAL ATTACHMENT~~

~~CONFIDENTIAL~~

1981
DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA RWS, DATE 8-12-11

NSC/S PROFILE

~~CONFIDENTIAL~~ *Ros 8-12-11*
UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

ID 8104270

RECEIVED 14 JUL 81 18

TO ALLEN

FROM FONTAINE

DOCDATE 14 JUL 81

25

KEYWORDS: MEXICO

AP

LOPEZ PORTILLO, JOSE

SUBJECT: TALKING POINTS FOR PRES PHONE CALL TO LOPEZ PORTILLO

ACTION: FWD TO PRES FOR INFO

DUE: 15 JUL 81 STATUS X FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

TYSON

COMMENTS

REF#

LOG

NSCIFID

(B /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Pres</i>	<i>IP 7/15</i>	<i>for decision/info</i>		
	<i>C 7/16</i>	<i>noted by the Pres, w/comment FO, CI</i>		

DISPATCH

W/ATTCH

FILE

Pa

(C)

ms

DECLASSIFIED

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

NARR M3711 #116559
BY AW NARA DATE 6/22/15

to
JP
26

CONFIDENTIAL

RECOMMENDED TELEPHONE CALL

TO: Jose Lopez Portillo, President of Mexico
DATE: July 15, 1981

RECOMMENDED BY: RICHARD V. ALLEN

PURPOSE: *To get President Lopez-Portillo's views on the Ottawa Summit*
~~Courtesy call~~

BACKGROUND: ~~This call will be a follow-up to the meetings held at Camp David and to solicit the views of President Lopez Portillo on international economic questions.~~
Calling Pres. L.-P. will be interpreted as a very friendly gesture and he will be flattered by your courtesy.

- TOPICS OF DISCUSSION:
1. Mr. President, as you know, I will be attending the Ottawa Summit next week. I wanted, therefore, to talk to you beforehand in order to solicit your views on the meeting.
 2. Are there issues you believe that should be raised in Ottawa? Are there any messages you would like conveyed? I will be happy to do so.
 3. I will raise these matters. And I will be in touch with you again after the summit.

4. *I think that the Ottawa Summit will be a very helpful prelude to the Cancun Summit which you will host in October.*

5. *Mr. President, I ~~had~~ understand that Secretary Castaneda (Cas-tan-ya-ya-da) had a very good meeting with Secretary Haig, the Venezuelans and the Canadians last weekend. I think we are making progress on the Caribbean Basin Program you and I have been discussing.*

Action _____

CONFIDENTIAL
Review July 14, 1987

~~CONFIDENTIAL~~

116560

24

REPRODUCTION COPY

MEMORANDUM

4270

27

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

~~CONFIDENTIAL~~

NLRR M371/#116560

BY RW NARA DATE 6/22/15

RECOMMENDED TELEPHONE CALL

TO: Jose Lopez-Portillo, President of Mexico

DATE: July 15, 1981

RECOMMENDED BY: RICHARD V. ALLEN *Allen*

PURPOSE: To get President Lopez-Portillo's views on the Ottawa Summit.

BACKGROUND: Calling President Lopez-Portillo will be interpreted as a very friendly gesture, and he will be flattered by your courtesy.

- TOPICS OF DISCUSSION:
1. Mr. President, as you know, I will be attending the Ottawa Summit next week. I wanted, therefore, to talk to you beforehand in order to solicit your views on the meeting.
 2. Are there issues you believe that should be raised in Ottawa? Are there any messages you would like conveyed? I will be happy to do so.
 3. I will raise these matters. And I will be in touch with you again after the summit.
 4. I think that the Ottawa Summit will be a very helpful prelude to the Cancun Summit which you will host in October.
 5. Mr. President, I understand that Secretary Castaneda (Cas-tan-yeada) had a very good meeting with Secretary Haig, the Venezuelans and the Canadians last weekend. I think we are making progress on the Caribbean Basin program you and I have been discussing.

Action Call completed - He wants Summit to know about Caribbean program & that Mexico wants to be an important part.

~~CONFIDENTIAL~~

Review July 15, 1987

RR

MEMORANDUM

NATIONAL SECURITY COUNCIL

28

CONFIDENTIAL ATTACHMENTACTION

July 14, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROGER FONTAINE *RF*SUBJECT: Recommended Phone Call to
President Lopez Portillo

The memorandum for your signature to the President at Tab I is for his use in his telephone call to President Lopez Portillo.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

APPROVE _____ DISAPPROVE _____

Attachment

Tab I - Recommended Telephone Call Talker

CONFIDENTIAL ATTACHMENT*RW*
8-12-11

NSC/S PROFILE

SECRET

ID 8104268

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 15 JUL 81 17

TO ALLEN

FROM WETTERING

DOC DATE 14 JUL 81

29

KEYWORDS: AFRICA

SUBJECT: MISCELLANEOUS AFRICAN DEVELOPMENTS OF INTEREST

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

BAILEY

LILLEY

SHOEMAKER

COMMENTS

REF#

LOG 8104067

NSCIFID

(B / *B*)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

C 7/24 noted by RVA w/ comment

NB WE

DISPATCH

W/ATTCH

FILE

PA (C)

~~SECRET~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

July 14, 1981

INFORMATION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: FRED WETTERING *FW*

SUBJECT: Miscellaneous African Developments of Interest

RVA HAS SEEN
4268
AF 31
13526
E.O. 12958
As Amended
Sec. 3.3b(1)

The following items of interest from Africa are noted for your attention:

Nigeria: President Shagari faces several developing problems. Violent riots on July 10 in the city of Kano by conservative Muslims against the leftist Governor might spread if the Governor's political faction retaliates. The ruling coalition of the NPN-UPN (National Party of Nigeria - Shagari's Party; United Party of Nigeria - the Ibo Party) parties has broken up, which puts a number of UPN Cabinet ministers, including Foreign Minister Audu, on the spot. The drop in oil prices and Nigeria's refusal to cut prices has halved Nigeria's oil production and revenues. Shagari is still under pressure from the army for a demonstration against Cameroon over the disputed border. On that last issue, although tensions continue and Nigeria has transferred 5,000 soldiers to the border area, diplomacy is active in attempting to defuse the problem. OAU officials are visiting both parties. Shagari asked the US to mediate but we have (wisely) declined. We, together with other Western states, are keeping up the pressure on Shagari to negotiate rather than take military action. Shagari's troubles may translate into a more militant stance on South Africa-Namibia by the Nigerian Government. (S) *U*

Zaire/Angola: Intelligence indicates that the MPLA regime has made available a base camp, arms, and transport to the

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NLRR M371/1 #116561
BY *RU* NARA DATE 6/22/15

DERIVATIVE OF BY/FROM multiple sources
DECL X REV ON Jul 14, 2001

~~SECRET~~

Katangan dissidents in Angola. This represents further evidence that the MPLA Regime is once again actively collaborating with the Katangans for further adventures against the Mobutu Government. (S)

Zaire/Namibia: Zaire President Mobutu invited SWAPO chief Nujoma to Zaire. Mobutu proposed to us that he arrange clandestine contact between the [redacted] and Nujoma. The Ambassador unilaterally killed this idea and changed it into an overt meeting with the Embassy. It all amounted to nought when Nujoma cancelled out of the visit to Zaire. Mobutu once again tries to be helpful to our needs. [redacted]

Zambia/USSR: Departing Soviet Ambassador Solodovnikov proposed to President Kaunda in late June that a USSR/Zambia friendship treaty with a mutual defense clause be signed. Solodovnikov alleged that the US and South Africa were conspiring against Kaunda. Kaunda refused. [redacted]

Uganda: There are reports that the several opposition movements have agreed to form a united front in operations against the Obote Government. Analysts, including me myself, are very skeptical that there is any substance to this. (S)

Angola: The ABC news team on a clandestine visit to Savimbi's area and headed by Tom Jerril, was temporarily marooned when the aircraft to be used to clandestinely exfiltrate them out bent a propellor on the bush runway. UNITA officials are arranging for a replacement to be flown in. (S)

*too bad
They should
stay a
while...*

cc:
Lilley
Shoemaker

Back to RR

RECEIVED

81 JUL 16 P 6: 41

JANET COLSON _____

BUD NANCE _____

DICK ALLEN _____

IRENE DERUS _____

JANET COLSON _____

BUD NANCE _____

KAY _____

CY TO VP _____

CY TO MEESE _____

CY TO BAKER _____

CY TO DEEVER _____

CY TO BRADY _____

*RM/Fontaine
notified of
comments*

SHOW CC _____

SHOW CC _____

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~~SECRET~~

116562

MEMORANDUM

NATIONAL SECURITY COUNCIL

Outside the System

34

For AI Hand

~~SECRET~~

June 9, 1981

INFORMATION

DECLASSIFIED

NLRR M371/1 #116562

BY RW NARA DATE 6/22/15

MEMORANDUM FOR RICHARD V. ALLEN

FROM: WILLIAM L. STEARMAN *WLS*

SUBJECT: President's Telephone Conversation with King Juan Carlos of Spain June 9, 1981

Juan Carlos primarily called to alert the President to a possible change in the date of his September meeting with the President. He also mentioned an ETA extradition case, a recent wage settlement and prospects for NATO membership. A complete memcon will reach you soon. (S)

Visit Date

The Spanish Prime Minister told the King yesterday that within two weeks they would know when in September the NATO membership debate would take place. If it were taking place on the 21st of September, when the King was scheduled to meet the President, it might be better to change the visit date; since the King did not think it a good idea to be out of the country at this time. (S)

The President said he would hold the September 21 date open, but would reschedule if necessary. (S)

Extradition of ETA Terrorist:

Juan Carlos said the French Prime Minister in his most recent press conference hinted that a Spanish Basque ETA terrorist held in France might be granted asylum, even though a French court had ordered his extradition. The King said that this would create adverse public reaction in Spain and that he would raise the question with Mitterand. He noted that in combating terrorism, "we have to be together." The President said he would take this up with his people. (S)

Labor Settlement

The King seemed pleased to report a management/labor wage settlement of 9% and 11% for the next year and a half. (S)

Military Situation

Juan Carlos said that the situation with the military was quiet, but that the problem was with the media which was in left wing hands. The President said he understood. (S)

~~SECRET~~

~~SECRET~~

~~SECRET~~

2

NATO Membership

Juan Carlos hoped that all would go well with NATO and added that there was no question but that the decision would be yes, but expected criticism and possibly demonstrations following the decision. (S)

cc: Dennis Blair

NSC/S PROFILE

~~CONFIDENTIAL~~ *rw 8/24*
UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(C)

ID 8104308

RECEIVED 18 JUL 81 10

TO ALLEN

FROM FONTAINE

DOCDATE 17 JUL 81

36

KEYWORDS: MEXICO

LOPEZ PORTILLO, JOSE

SUBJECT: MEMCON OF PRES CALL W/ LOPEZ PORTILLO ON 16 JUL

ACTION: FOR DECISION

DUE: 21 JUL 81 STATUS X FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

TYSON

BAILEY

COMMENTS

REF#

LOG

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(M /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
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C 7/20

RVA apvd recom

FO

DISPATCH

W/ATTCH FILE

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(C) *42*

AJL

4308

~~MEMORANDUM~~

37

NATIONAL SECURITY COUNCIL

CONFIDENTIAL ATTACHMENT

RVA HAS SEEN

ACTION

July 17, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROGER FONTAINE *RF*

SUBJECT: Summary of the President's Telephone
Conversation with Mexican President
Jose Lopez Portillo, July 16, 1981

The memorandum at Tab I is for your information and the
President's files.

RECOMMENDATION:

That you review the memorandum of telephone conversation at
Tab I and forward to Ed Roberts for the President's files.

APPROVE _____

✓
RVA
7/20

DISAPPROVE _____

Attachment

Tab I - Memorandum of Telephone Conversation

CONFIDENTIAL ATTACHMENT

RW 8/12/11

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM OF TELEPHONE CONVERSATION

PARTICIPANTS: President Ronald Reagan
 President Jose Lopez Portillo of Mexico

DATE, TIME Thursday, July 16, 1981
 AND PLACE: The Oval Office

The President extended his greetings to Lopez Portillo and said he would be attending the Ottawa Summit. The President said he was calling to seek the Mexican President's views. Were there any issues he would like raised? Any message conveyed?

President Lopez Portillo said he felt the Nassau Conference had made headway on the Caribbean question and was an important precedent for the underdeveloped and developed nations. He felt, too, that Ottawa was background for Cancun. He hoped that the President would convey to the Ottawa Summit the importance Lopez Portillo attached to the Caribbean and Central American area. He believed Central America and the Caribbean is representative of the North-South question. He knew the United States was already sensitive to this aspect and Lopez Portillo felt it was in good hands with President Reagan. Lopez Portillo then thanked the President for the opportunity to present this view.

The President thanked Lopez Portillo and commented he had seen the report on Nassau and Cancun. The President also said he would be happy to bring that message to Ottawa and agrees that the Caribbean initiative is very much part of the North-South dialogue. Ottawa will be a prelude to Cancun. The President then mentioned that Ambassador Gavin was in the Oval Office and sends his greetings.

Lopez Portillo sent his greetings and expressed great satisfaction with Ambassador Gavin saying he could not remember a more effective envoy.

~~CONFIDENTIAL~~

DECLASSIFIED
NLRR M371/1 # 116563
BY RW NARA DATE 6/22/15

NSC/S PROFILE

SECRET

ID 8104307

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 17 JUL 81 17

TO ALLEN

FROM WETTERING

DOCDATE 17 JUL 81

39

KEYWORDS: NAMIBIA

SOUTH AFRICA

MUDGE, DIRK

SUBJECT: SUMMARY OF MTG W/ MUDGE ON 16 JUL

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

COMMENTS

REF#

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(B /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

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noted by RVA w/ comment

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RECEIVED

81 JUL 18 A9: 10

JANET COLSON	_____		
BUD NANCE	_____		
DICK ALLEN	_____		
IRENE DERUS	_____		
JANET COLSON	_____		
BUD NANCE	_____		
KAY	_____		
CY TO VP	_____	SHOW CC	_____
CY TO MEESE	_____	SHOW CC	_____
CY TO BAKER	_____	SHOW CC	_____
CY TO DEEVER	_____	SHOW CC	_____
CY TO BRADY	_____	SHOW CC	_____

J 18/1057

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Ma/14

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~~SECRET~~

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MEMORANDUM

NATIONAL SECURITY COUNCIL

INFORMATION

July 17, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: FRED WETTERING *FW*

SUBJECT: My Meeting with Dirk Mudge on July 16

Dirk Mudge, de facto head of the Democratic Turnhalle Alliance of Namibia, is in town making as many contacts as he can (using Shipley, Smoak and Akerman). I agreed to see him under the stipulation that there be no publicity of the meeting (to which he agreed). The following is the substance of the 40-minute meeting in my office on July 16. (S)

Mudge first reiterated his pledge that there would be no publicity of his visit to see me. He stated the purpose of his visit was to give as many senior people his party's views on a Namibian settlement. These were in brief the following:

- Mudge does not want any guarantees for racial representation. He wants a nonracial constitution. Once politics is determined by race he and the Whites are finished politically, he added.
- The only guarantee he and the DTA want is for a free and fair election. He cannot stand for a referee who is already on the other side. Other guarantees are meaningless. He is convinced the DTA will win a fair election.
- He, Mudge, has a lot of clout in South African internal politics and can cause P.W. Botha a lot of trouble if South Africa tries to "ram" something down his throat. (S)

Expanding on the point of of impartiality in response to several of my questions, Mudge stated he could live with UN Namibia Administrator Ahtisaari. He could live with UNTAG troops and their numbers were not all that significant. What he had to contend with was the psychological problem of SWAPO claiming that the UNTAG troops were "SWAPO's boys." If that happens, I and the DTA will lose, he added. I asked how could SWAPO claim this if the troops were, for example, White or Asian. Exactly, he replied, the matter is negotiable. (S)

Review Jul 17, 1987

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NLRR M37111 #116564
BY *FW* NARA DATE *6/22/15*

~~SECRET~~

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~~SECRET~~

Mudge also candidly stated that one reason why he favored a rapid independence was that each day the South African troops were in Namibia they cost him votes. These Johannesburg boys think they're still in the RSA and treat our Africans like "kaffirs," he explained. (S)

On balance Mudge appeared to have legitimate concerns and a relatively open mind to having his objections resolved by negotiation. I was somewhat impressed. I passed the substance of the conversation to Chet Crocker who claimed that Mudge was selling essentially the same story, with minor variations, on the Hill and elsewhere around town. (S)

Good
We have
asked.

RVA
7/20

~~SECRET~~

~~SECRET~~

Talking Points for
Telephone Call to Prince Bandar

- o Your Highness, it is good to talk to you again. I remember well our interesting conversation in California.
- o How is your Father (Prince Sultan, Defense Minister)?
- o I wanted to add a personal word to my letter to His Majesty (King Khalid).
- o I understand Dick Allen explained to you at lunch today the strategy we have developed for the F-15 and AWACS package.
- o I want you to know that I am personally committed to the success of this effort.
- o Al Haig, Cap Weinberger and Dick Allen are working together to implement my plan.
- o I would like you to convey my very best wishes and regards to His Majesty and to Crown Prince Fahd.
- o I know you are leaving for Saudi Arabia tonight, and that you just got here a couple of days ago. I appreciate very much your personal dedication to this important effort.
- o My objective is to bring our two nations close together, and I am confident we can do this by cooperating closely on many projects.
- o Have a good trip. We'll look forward to your return.

Prince Bandar's Telephone No. is 232-5244.

116565

James Baker

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

[Handwritten mark]

43

July 18, 1981

~~SECRET~~

NOTE: Call must be made
before 6:00 p.m. (Saturday)

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *[Signature]*

SUBJECT: Prince Bandar - Report on Meeting and
Request for Telephone Call

Prince Bandar met with us (with me, my deputy, Admiral Nance and with U.S. Ambassador to Saudi Arabia Bob Neumann) today for two hours. Earlier he met with Al Haig, and yesterday with Cap Weinberger and Frank Carlucci.

I gave Bandar your letter (Tab B), and stressed to him -- as did Al and Cap -- that we are in closely coordinated teamwork on the AWACS/F-15 enhancement matter.

While we were concerned that the Saudis may have been disheartened or upset by further delay in submitting the package, your letter and a complete briefing has achieved the desired effect.

Bandar, who visited you in California two years ago while he was in pilot training in Texas, asked to see you before he leaves for Saudi Arabia tonight or tomorrow. He would like to have a spoken personal word from you to give to Crown Prince Fahd and the King.

A meeting is not feasible, but a phone call would achieve the same purpose. I recommend that you make the call. Al Haig and Ed Meese concur. Talking points are at Tab A.

~~SECRET~~

DECLASSIFIED
NLRR M37111 #116565
BY RW NARA DATE 6/22/15

44

A

46

B

THE WHITE HOUSE

WASHINGTON

July 18, 1981

Your Majesty:

Your letter to me of July 7th pleased me greatly. I am very gratified that your meetings with Ambassador Neumann have been so productive. He is one of our most able diplomats and I hope that through him we can continue to communicate on mutually important subjects.

Your Majesty, I want to tell you what is happening with respect to the arms agreements we are negotiating with your government. As you know, I have committed myself to play a strong personal role in ensuring that the various items of equipment you have requested, including the F-15 enhancement package and the AWACS aircraft, are approved for sale by the United States Congress. I attach great importance to this sale, which I believe will strengthen our mutual interests in the region. I want you to have no doubt about this.

However, you must also know that I have been very concerned during the early months of my Administration in bringing about essential reforms to our economy. This has required that I spend a great deal of my time persuading the Congress to pass these reforms. Because of other legislative priorities, then, as well as the need to get our economic package approved this summer, I have, after detailed consultation with our legislative leaders, determined that the most effective time to assure the success of the arms package is when Congress returns from the summer recess.

Therefore, on August 24, I will submit the request to Congress. With the procedures that have to be followed, Congressional action will be

DECLASSIFIED
NLRR M3711 # 116567
BY RLW NARA DATE 6/22/15

48

completed not later than October 28, and could in fact come earlier. During this period I will work vigorously to ensure success and look forward to the continued participation of your government in this matter.

Your Majesty, rest assured that there has been no change of attitude on the part of my government. We are as determined now, as we always have been, to strengthen our relations with your country and regard approval of the arms package as one of our most important tasks in the months ahead. It is our hope to further broaden and strengthen our friendship as we face the future together as friends and partners.

With best wishes,

Sincerely,

A handwritten signature in cursive script, reading "Ronald Reagan".

His Majesty
Khalid ibn Abd al-Aziz Al Saud
King of Saudi Arabia
Riyadh

THE WHITE HOUSE
WASHINGTON

49

PHONE CALLS

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

116568
PKg filed 58
Saudi Arabia

MEMORANDUM FOR THE RECORD

July 18, 1981

SUBJECT: Transcript of President's Call to Prince Bandar

NOTE: The call was placed by the President to Prince Bandar at 4:10 PM.

President: Hello, your Royal Highness.

Bandar: Hello Mr. President. How are you?

President: Just fine. Well it's good to talk to you again. Remember we haven't had a chance to do this since we met in our home in California.

Bandar: Yes Sir. It's very sweet of you to call.

President: Well, I'm just sorry that we can't get together because of our schedules here, but, I did want to send a personal word along in addition to my letter to His Majesty.

Bandar: Yes Sir.

President: I understand that Dick Allen explained to you at lunch today the strategy we've developed for the F-15 and AWACS package.

Bandar: Absolutely.

President: Well, I wanted to tell you personally that I am committed to the success of this effort and we're all working together here to implement the plan.

Bandar: Mr. President, I want to thank you tremendously for this and I want to assure you His Majesty's greetings and well wishes and respect and we're very grateful for what you are trying to do.

President: Well. Please thank him and deliver my very best regards to him and to Crown Prince Fahd.

Bandar: Thank you.

President: And I hear you are leaving for Saudi Arabia tonight.

Bandar: Yes Sir.

President: You have only been here a couple of days. I certainly appreciate your personal dedication to this effort.

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BY RW NARA DATE 6/22/15

Bandar: Very kind of you and as I said, again, to Mr. Allen and Haig and all our friends, that whatever could make your job easier, we definitely will support because we attach great importance on you and your country.

President: Well, that's very kind of you and I appreciate that.

Bandar: Thank you and best wishes and respect to Mrs. Reagan.

President: I certainly shall.

Bandar: And I hope you can get a little rest during your trip... laughter....

President: Well, I don't think there will be very much of that. I've looked at the schedules...laughter....

Bandar: Well thank you very much sir.

President: Well, I thank you and my best wishes to you, your Highness.

Bandar: Very kind of you.

President: Thank you.

Bandar: Good by.

President: Good by.

52

TO ALLEN

FROM BREMER

DOC DATE 29 JUL 81

KEYWORDS: LEBANON

SYRIA

HABIB, P

ISRAEL

SUBJECT: MEMCON OF PRES MTG W/ HABIB ON 27 JUL

ACTION: ANY ACTION NECESSARY

DUE: 05 AUG 81 STATUS S FILES

FOR ACTION

FOR COMMENT

FOR INFO

KEMP

TANTER

COMMENTS

REF# 8122607

LOG 8104469

NSCIFID

(C /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	<i>C 8/19</i>	<i>NO Action Necessary Per Kemp</i>		

DISPATCH

W/ATTCH FILE

Ja (C) *BR*



DEPARTMENT OF STATE

Washington, D.C. 20520

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RDS 2,3,4 July 27, 2001

July 28, 1981

MEMORANDUM OF CONVERSATION

Date: Monday, July 27, 1981
Time: 12:00 noon-12:45 p.m.
Place: White House Library

PARTICIPANTS:

The President
Mr. Meese
Mr. Baker
Mr. Allen, NSC

Secretary Haig
Ambassador Habib
Assistant Secretary Veliotes
Deputy Assistant Secretary Draper

After welcoming Habib, the President invited the press in to take pictures of the two of them. At that time, he presented a signed photograph of an earlier meeting between the two of them, while saying to the press that the photograph proved that he had consulted with Habib before his mission began.

After the press left, the President said he wanted to pay tribute to Habib for his quiet and effective diplomacy.

Habib said that he had been talking to the Secretary earlier that day and reflecting on the basic changes in the situation. A few weeks ago, Beirut was being bombarded daily by artillery; the town of Zahle was under siege by the Syrians and was suffering bombardments also; Syrian missiles had been installed in Lebanon and some had been fired at Israeli drones; the fighting along the Israeli border was an Israeli-Palestinian war in all but name; and there was more than adequate tension and risks in the general situation.

Habib said that all these particular problems had been altered significantly. There was now a real ceasefire in Beirut; the siege at Zahle had ended; the Syrians were not taking chances with the Israelis and were not sending aircraft or SAMS after Israeli aircraft; the ceasefire announced in Jerusalem may have put the border war under control. In short, the situation is not too bad, although we have to keep our fingers crossed for the future.

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BY CW NARA DATE 6/22/15

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Continuing, Habib said that the Saudi role--and especially that of Crown Prince Fahd--had been indispensable. Begin, he said, in the end was also helpful. Despite the difficulties in dealing with Begin, Habib said that he was convinced that the Prime Minister wants to be known as having helped to bring peace to the area (through the treaty with Egypt, and future steps). One has to understand when dealing with Begin that he is a child of the holocaust. This affects all his attitudes and all his actions. But everyone should understand that he values and is interested in true peace and an end to security threats to Israel. Ambassador Habib said that whenever Begin has given his word, he can be counted on to keep it. This despite the fact that he is at the same time a bit of a Philadelphia lawyer. The last two meetings with Begin had seen him going to great lengths to parse phrases and to make proposals and amendments, which, however, were not substantive in nature. As for being helpful, Habib said that he would have been happy to have made his announcement about the ceasefire while Begin remained silent. However, Begin helpfully volunteered to announce that the Israeli government had endorsed the Habib statement.

Ambassador Habib then said that he, Secretary Haig, Ambassador Kirkpatrick, Assistant Secretary Veliotes, and others had met earlier that morning to discuss steps to build on what had been accomplished so far. It was necessary to change basic conditions in the area so as to avoid future confrontations.

The President said that something had been bothering him. He had been informed that the PLO was not all that well unified and that there were independent groups within the PLO which would not necessarily want to cooperate with the ceasefire. Was that true?

Habib answered by saying that he had said to Begin that it was quite possible that the Jabril gang, the Habbash gang, and the Hawatmeh group would do their best to make the ceasefire fail. That is why, he, Habib, went on to stress to the Prime Minister that he should look very carefully at all infractions and violations of the ceasefire and bring a sense of proportion to his decisions. He should not leave decisions on how to respond to the lieutenants in the field. Habib said he had urged caution and restraint. At his last meeting with Begin, he repeated this urging and Begin had made clear that he would indeed examine the circumstances carefully. After he had returned

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to the Consulate General, Habib said he got a telephone call from the Israeli Foreign Ministry to the effect that the Jabril gang had apparently attacked the Haddad area. As a consequence, Habib said, he got in touch with the Saudis to urge that they get this ceasefire violation under control. The Israelis thereafter informed Habib that they had not fired back, as he had advised.

Habib said he learned later that Arafat had been upset and had arrested the gun crew responsible for the firing.

As further confirmation of Begin's commitment in this area, the Israeli Foreign Ministry's Deputy Director General later informed us that he had been standing alongside with the IDF Chief of Staff when he was given orders not to fire back without authority.

Habib then described briefly some of the radical groups among the Palestinians. The worst of the lot was the Habbash group. All these radical groups, however, are not merely anti-Israeli; they are also bitterly anti-U.S. They have no interest in peace, unlike some other elements in the PLO, and some of them work closely with the Soviets to do everything to undercut the peace process. Habib assured the President that we will be watching this situation like hawks, and will do all we can to prevent a breakdown of the ceasefire. Habib said that these and other steps would be examined carefully by all involved in the Administration, including such people as Geoff Kemp in the NSC. We would then put together a basic strategy or a "matrix," as the Secretary had directed. Habib said he did not normally use such big words as matrix, but the Secretary liked them. The Secretary said that this was "Haigspeak."

The Secretary said that it was remarkable that the American press had attached so little importance--comparatively speaking--to what had been accomplished. The press had failed to recognize the significance of these steps. In contrast, Lord Carrington had been extremely warm and complimentary in praise of Habib's mission and his accomplishments. The same was true of Cheysson, who had phoned him on Sunday to say that he and Mitterand had had a private wager that no ceasefire would be achieved. They were both in total awe of what had been accomplished.

Habib said that he had received great backing from Washington, mainly because he was not over-instructed on how to do things. Washington simply said what was wanted, and that's all the advice

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he really needed. Habib repeated that without the Saudi help and without Begin's understanding nothing could have been accomplished. Even so, Begin had some trouble with his cabinet. He insisted on submitting the issue to the cabinet since Israel was a democracy. Habib confessed that he had been extremely impatient that morning while waiting for the cabinet session. He had spent the previous night flying from Saudi Arabia to Israel in order to meet with Begin the first thing in the morning, at about 8:15 a.m. As the hours passed after that meeting and the cabinet remained in session, there were difficult moments. Finally, Begin telephoned him, Habib, at about 12:30 p.m. to say that we could go ahead. The cabinet vote had not been unanimous. There were no opposing votes, but there were abstentions.

Habib said that he had suspected all along, however, that Begin was on his side. He said that he was able to satisfy Begin by making certain promises. He sent a letter to Begin later about reconnaissance flights. He stressed to Begin that he must not publicize the various undertakings with Saudi Arabia.

The President commented that it was wonderful that the key people had come to agreement. If the ceasefire could be held, it might be possible to proceed in steps towards a greater Middle East peace.

Habib said that he would be sending a further message to Fahd to see if the Saudis could do something about the flow of heavy weaponry to the Palestinians. He said he promised Begin he would follow up on this issue. Habib commented that it had been difficult to get in touch with the Saudis during the fasting month of Ramadan because they were usually available only at night. He had lost 24 hours in Saudi Arabia in part because of the fast and because Fahd was occupied with the King and his family in Mecca on the first night of his arrival in Saudi Arabia. He said he had to wait for the following night, when Fahd came to Jidda from Mecca.



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Secretary Haig said that we intended to build on the positive views already outlined by the British and French. We would have trouble in the UN, however, while trying to expand and develop UNIFIL. The Soviets would try to degrade what we were trying to accomplish, and unfortunately would get some help from the representatives of Mexico and Uganda. He said he was disturbed about the Mexican representative who tended to be anti-U.S. and pro-Soviet.

The Secretary said the basic game plan now was to proceed to consolidate and reinforce the ceasefire. We would try to build on these steps so that over the long term the basic Lebanese problem could be resolved. UNIFIL should be expanded if possible; and perhaps there would be some other adjustments in the UN process.

Habib broke in to say that he had talked to UNIFIL commander General Erskine who said he would like to have 3000 more men. Mr. Baker asked what was the size of the UN force. Habib responded that there were 6000 men but only 3000 were military effectives. The rest were engaged in logistics, etc.

Returning to an earlier item discussed, the Secretary said that cutting the flow of heavy weaponry to the Palestinians would be difficult since the Libyans, Soviets, and Syrians were all involved. The Saudis might not be effective with all of them.

Continuing, the Secretary said that he was optimistic that the French would help the Lebanese government in concrete ways, and this would assist U.S. objectives. He said he intended to talk to Cheysson in Cancun about this. He also wants to get Waldheim fully on board. Fortunately, Waldheim--because he is running for reelection--is susceptible to U.S. urgings at this time. In fact, the Secretary said, we have never had greater leverage over Waldheim. He telephones at least three times a week to ask what he can do.

Habib said it wouldn't hurt to give a little credit to the UN for its efforts. General Erskine and his political adviser, Aime, had been helpful in damping down the ceasefire violations.

The Secretary said the UN had been helpful in talks with Arafat. Arafat thought he had been double-crossed when the Israelis pulled off a last-minute commando raid on the night before the ceasefire.

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The President said that he understood that Arafat was not the apparent fanatic that some others in the PLO were. He understood that Arafat has been considered to be more reasonable than others. Was it possible that something could be done to bring Arafat to a more positive position, he asked?

Habib said that Arafat was indeed more reasonable, certainly by comparison with the lunatics in the PLO. But to Israel, however, he was anathema. The Israeli attitude towards the PLO is extremely strong. This is why the phraseology dealing with the de facto ceasefire had to be phrased in such a way that would not make it appear that Israel had come to a de facto agreement with the PLO. Begin would not agree in any way to allow anyone to talk to the PLO on Israel's behalf. That was why Habib said he had to go to Lebanon after getting Begin's okay to try for something like a ceasefire. This was done largely for cosmetic reasons.

The President recalled that--before taking office--he had talked to the Egyptian Ambassador about the PLO. The Ambassador had told him that the PLO would not accept the concept that Israel could exist as an independent state in the Middle East.

Habib said that in 1977 we had talked to the Saudis about persuading the PLO to accept Security Council Resolution 242 as a way of recognizing Israel. In the end, the PLO had refused. Habib said he had carefully assured Begin that the U.S. would not break faith with Israel and negotiate with the PLO, even to get a ceasefire. Very significantly, Fahd had on no occasion mentioned the desirability of the U.S. talking to the PLO. He understands our position. The same was not true, however, as regards the Saudi Ambassador in Washington or Prince Saud. Both urged us to get in touch with the PLO.

The President said that the Egyptian Ambassador had argued that the PLO will not change its position until they come to the bargaining table. The PLO, according to the Ambassador, believes that PLO recognition of Israeli is a bargaining chip. The President said he disagreed with that view. The PLO should use the "bargaining chip" to get into "the game," not after the game begins; otherwise there would be no game.

The Secretary said that two things were happening within the PLO, which was a form of self-interest. First, there were purges going on to remove from the leadership those people

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who were pro-Soviet. Second, there was some drift towards working out a way to accept Resolution 242.

The President asked whether it was a fact that Arafat had not been chosen by the Palestinians as a whole to lead them. Is it conceivable that he would be chosen by them to lead them if they were given some place to live? Habib in reply said that Arafat in effect was chosen by the largest Palestinian organization, and his election had in effect been endorsed by the Arab League. The President said that someone should tell him to shave. Mr. Allen commented that Arafat had a bad skin problem and avoided shaving.

The President said that he had talked a few years ago to three or four Arab businessmen, who claimed that they handled some of the finances of the PLO. They said they believed that Arafat could be talked into agreeing to accept Israel's right to exist.

Habib said that Arafat would need lots of help, particularly from the Saudis who have real clout. At the same time the Palestinians were in a position to give the Saudis as well as such states as Kuwait a lot of trouble by virtue of their sizeable presence there. Even Jordan's population was more than half Palestinian in origin. They had been absorbed fairly well into Jordanian society, however.

When the President asked about the 1970 confrontation between the Jordanians and the Palestinians, Mr. Veliotis said that Arafat at that time tried to overthrow the King and that he had strong militias present in the country. With indirect help from the Israelis, the King defeated the Palestinians, and the armed bands then went to Lebanon. Jordan, Veliotis said, had welcomed the Palestinians as refugees after the 1948 and 1967 wars and had then tried to recycle them--with education and with Jordanian passports--with the result that many had found employment and opportunities, in the Gulf states particularly.

The Palestinian problem in Lebanon was serious, Habib said. There were between 400,000 and 600,000 Palestinians who ran a state-within-a-state. Again, Habib repeated, the Saudis would be indispensable to a later solution of the Lebanon problem, particularly as regards the Palestinians. He noted he had made this point to Begin as well and on the last occasion Begin had not contested it, in contrast to earlier occasions when he

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-8-

had been sarcastic about Fahd and the Saudis generally.

Turning to the Secretary, the President said that it had been an interesting moment on Saturday when he received the telephone call concerning the ceasefire. He had talked also to Prince Turki. Turki had indicated that Saudi Arabia would be ready to do everything it could to help. The President noted that he needed to fix the appointment for Prince Bandar's meeting. He had met Bandar, he said, some two years ago in California when Bandar was in pilot training. The President then asked Habib what his future plans were.

Habib said that he would see his children in Boston and then go out to California for some relaxation. He would keep his office at the Hoover Institute and read what was happening. He would not make any speeches nor hold any press conferences. That was not his style. Any time the President or the Secretary wanted his help, however, he would be ready to do what he could. In the meantime, he said that Draper would be the honcho in the State Department for follow-up activities. He knew everything and had been involved in every meeting.

The Secretary said that he thought it would be best to tell the press that Habib would be called upon from time to time as needed. He said that we should not decouple Habib from his mission too soon. Mr. Meese interjected that he thought that it would be wise to put across the impression to the press that the Habib mission was an ongoing process. Without getting too definite, Habib might say something to the effect that he is sure to go back to the Middle East at some point but he has no schedule in mind. The President agreed.

The President said to Habib that the nation owed him a great debt. Habib said it had been gratifying to work for the President and the Secretary. He was a member of the Foreign Service and "service" meant just that. Habib then read out the statement he planned to make to the press. The President said it sounded good to him, at which point the meeting broke up.

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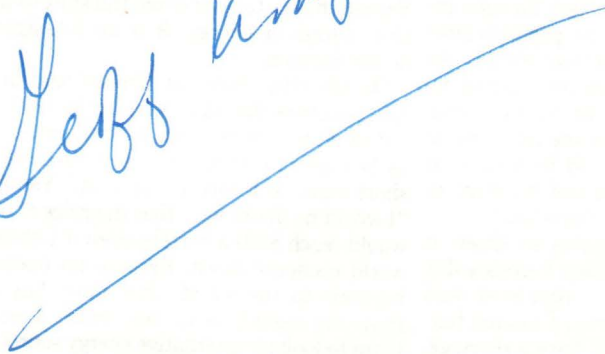
To: NSC/S

No action

necessary.

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CR 4469

Dick -

Who would you
like to see this.

Bud

Geoff & other mid -
East
SMH

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

July 29, 1981

TO: NSC - Admiral Nance

Bud:

We have given this no distribu-
tion in the building and would
suggest that you hold it in your
office only.



Ray Seitz



DEPARTMENT OF STATE

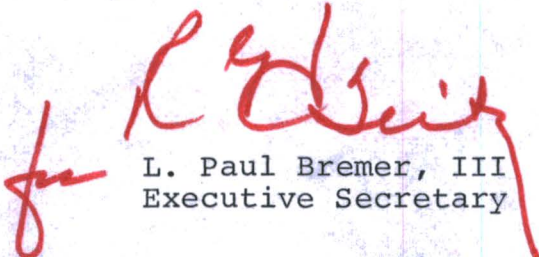
Washington, D.C. 20520

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64

July 29, 1981

MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSESubject: Memorandum of Conversation of the
President's Meeting with Amb. HabibAttached is a memorandum of conversation of
the President's meeting with Ambassador Habib.
L. Paul Bremer, III
Executive SecretaryAttachment:

As stated.

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RDS 2/3/4 7/27/01DECLASSIFIED
Dept. of State Guidelines, July 21, 1997
BY RW NARA, DATE 8/17/14

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