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President Reagan [May 1983]

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WITHDRAWAL SHEET

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Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

RBW 8/29/2011

File Folder MEMORANDUMS OF CONVERSATION - PRESIDENT
REAGAN (MAY 1983)

FOIA

M10-351/M10-371

Box Number 51

JAUVERT/BROWER

23

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
117473	MEMCON	RE. PRESIDENT'S MEETING WITH EUROPEAN COMMUNITY COMMISSION PRESIDENT GASTON THORN [PG. 3 IS COPY OF PG. 7] <i>R 6/22/2015 M371/</i>	5	4/21/1983	B1
117474	MEMCON	RE. MEETING BETWEEN RR AND PRIME MINISTER GEORGE C. PRICE OF BELIZE <i>R 6/22/2015 M371/</i>	3	5/12/1983	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]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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RECEIVED 28 DEC 83 09

TO CLARK

FROM FORTIER

DOCDATE 09 MAY 83

KEYWORDS: EC

THORN, GASTON

SUBJECT: MEMCON OF PRES MTG W/ EC PRES THORN 21 APR

ACTION: FOR RECORD PURPOSES

DUE:

STATUS C

FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS MEMO NEVER SENT

REF#

LOG

NSCIFID

(CB CL)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

DISPATCH

W/ATTCH FILE

(C)

MEMORANDUM

NATIONAL SECURITY COUNCIL

2

~~CONFIDENTIAL~~ACTION

May 9, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DONALD R. FORTIER

SUBJECT: Memorandum of Conversation Between the
President and EC Commission President Gaston
Thorn

Attached at Tab I for your approval is a Memorandum of Conversation for the record of the President's meeting on Thursday, April 21, with EC President Gaston Thorn.

At Tab II is a memorandum to State forwarding a copy of the memcon for distribution.

RECOMMENDATIONOKNO

—

—

That you approve the Memorandum of Conversation at Tab I.

—

—

That you authorize the memorandum at Tab II to be sent to the Department of State for their information and records.

Attachments:

Tab I Proposed Memcon with Gaston Thorn
Tab II Memorandum to State

~~CONFIDENTIAL~~
Declassify on: OADR

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 21, 2000
BY NARA rw DATE 8/29/11

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

NLG #117473

BY AW DATE 6/22/15~~CONFIDENTIAL~~MEMORANDUM OF CONVERSATIONSUBJECT: The President's Meeting with European Community
Commission President Gaston ThornPARTICIPANTS: The President
The Vice President
Secretary of State
Secretary of Treasury
Counsellor to the President Edwin Meese III
Assistant to the President for National
Security Affairs William P. Clark
Deputy Assistant to the President for National
Security Affairs Robert C. McFarlane
Deputy Assistant to the President for National
Security Affairs Charles P. Tyson
U.S. Ambassador to EC George S. Vest
Under Secretary of State for
Economic Affairs W. Allen Wallis,
Donald R. Fortier, NSC Staff Member
Henry R. Nau, NSC Staff Member
Acting Assistant Secretary of State Mark Palmer

President Gaston Thorn
Head of EC delegation Sir Roy Denman
Chef de Cabinet Jean Durieux
Minister of Cabinet Graham MeadowsDATE, TIME Thursday, April 21, 1983
AND PLACE: 11:00-11:40 a.m., Oval Office/Cabinet Room

The President welcomed Thorn's visit and cited the impressive record of US-EC cooperation, including settlement of the steel issue and EC support for the President's Middle East peace initiative. The President said we face complex and divisive problems which require bold statesmanship to resolve.

The President said that the US-EC agriculture dispute was potentially the greatest problem we faced. Congress is protectionist-minded and is about to take action. We hope for a constructive proposal from the EC on agriculture, as time is running out.

The President said he was looking forward to a productive summit. We want it to be unstructured and to leave time for a useful exchange. He said he hoped the summit would focus on the important issue of sustaining non-inflationary economic growth. On North-South issues, the President said we believe it is important to keep markets open. Furthermore, the President indicated that he hoped East-West economic studies

~~CONFIDENTIAL~~

Declassify on: OADR

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in fora like the OECD, would produce results before the Summit. It would please everyone if we only need a brief discussion of this issue at Williamsburg.

Thorn replied that the dangers the West faces are great. For that reason it is essential that the Summit, under the President's leadership, avoid disagreement. He said that all of his colleagues agree on this point, including Mitterrand. It is important, he said, to strike the right balance at Williamsburg. East-West issues must not appear to dominate the agenda. Nor is the summit the place for a detailed discussion on agriculture. President Thorn said that EC agricultural experts are meeting and understand the US problem. The EC is holding the line on agricultural prices and seeking to narrow the price gap. Eight of the ten EC members (except FRG and Italy) have accepted this so far.

Thorn added that there was a greater degree of unity on defense and relations with the Soviets than at any time in the last ten years. This makes it all the more important he said to get the balance right on issues that are discussed at the Summit.

Thorn said he was delighted by US efforts to reduce inflation and interest rates. The UK, FRG, Netherlands and others are making efforts in the same direction. Progress is slow, but a more optimistic mood is developing. Key elements for the EC are the need for lower US real interest rates and the problem of a high dollar rate impeding investment in Europe. U.S. deficits, he said, also remain high.

Thorn said he is glad the US is going along with IMF increases. The missing link for poorest countries is the need for more financing. The West needs to contribute to IDA. The political stability of the LDC's is at stake as well.

Thorn said he hoped we were coming closer to "a new monetary system." He said he knew the US was working on this subject and the EC is ready to help. Thorn said he did not have in mind a new Bretton Woods agreement.

He said we need further work on the East-West economic studies. He urged that we avoid trying to limit exports to the East not involving national security. We need to avoid a clash on this. On the energy issue, he said, we need to reduce dependence on external sources. We mean this. We will join with you. The situation has changed a great deal, but we must avoid fixing a maximum level as this would lead to misunderstandings.

Thorn said there is a lot of worry about "extraterritorial" provisions of the Export Administration Act. He said he hoped these can be defused.

Thorn said he was grateful for Secretary Shultz's involvement in the issue of US-EC agriculture last December. He hoped we could find some accommodation within the existing system and

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avoid making this a major issue at Williamsburg. He said he had spoken with Mitterrand on the matter.

Thorn said the EC will be looking more closely at links between trade and financial issues. There is no magic solution. We are feeling more and more interdependent and we need to make Williamsburg a great success.

The President said that US interest rates have been halved but are still too high. If Congress accepts the administration proposal, our deficits will decline and this will lower interest rates. While recovery is slow, basic indicators show unemployment is beginning to decline.

The President added that the administration plans to decrease government spending and to free up funds for private investment. The PIK program, he said, aims at reducing surplus agricultural production.

Secretary Regan said that the summit needs to address how to handle the international debt situation in the future. We need to look at how much flexibility governments have and the role of the IMF. Intervention to stabilize exchange rates has to be a subject for discussion, the Secretary said, but the main point is convergence of economies. We can't have one country going one way and others in the other direction. Delors favors massive intervention, but there is no way the US can do that. Heads of governments need to talk about this.

Thorn agreed that convergence is important. If we don't get more convergence, we face frequent currency realignments. There is a certain willingness to do this as shown, for example, by the French efforts now underway. US interest rates are still too high and EC unemployment has now been increasing for 12 years. This is destabilizing. As long as interest rates are too high and exchange rates are erratic, money is not moving into Europe for investment. This is why Delors is so concerned. The monetary part of the Versailles summit was the best. We need to give a sign at Williamsburg of readiness to come to grips with the problem.

Deputy Secretary Dam reiterated the need for as much progress as possible on Williamsburg preparations to ensure a positive summit. He said it was good the EC was focusing on holding down agricultural prices, but urged progress in US-EC bilateral agricultural talks and on the East-West economic studies. We need to bridge differences on East-West at the meetings of COCOM, OECD, and other fora before the summit. Time is running short.

The Vice President said that he had discussed problems of protectionism when he last visited the EC. As recovery proceeds here, pressures drop a bit, but a hard battle remains. He asked Thorn whether protectionism in Europe is increasing.

Thorn replied that protectionism is increasing or at least not moving backwards. He said the fight against protectionism

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will be main goal at the Stuttgart European Council in June,
but the problem is that unemployment is still going up.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~ attachment

MEMORANDUM FOR CHARLES HILL
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation Between the
President and EC Commission Gaston Thorn

Attached for your information and files is a copy of the memorandum of conversation between President Reagan and President Thorn, which took place on Thursday, April 21, 1983.

John M. Poindexter
Military Assistant to the Assistant to
the President for National Security Affairs

Attachment

~~CONFIDENTIAL~~ ^{rw 8/29/11}
(Unclassified upon removal of attachment)

rus 8/29/11
UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 26 MAY 83 11

TO CLARK

FROM SAPIA-BOSCH

DOCDATE 25 MAY 83 *9*

KEYWORDS: BELGIUM

PRICE, GEORGE C

SUBJECT: MEMCON OF PRES MTG W/ PM PRICE MAY 12

ACTION: FOR DECISION

DUE: 28 MAY 83 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF#

LOG 8301836

NSCIFID

(C / *B*)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>C</i>	<i>MAY 31 1983</i>	<i>Pouderste Approved</i>	<i>[Signature]</i>	<i>SB</i>

DISPATCH

W/ATTCH FILE *PA* (C)

National Security Council
The White House

680

Package # 3598

1753

MAY 26 1983

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	X	<u>A</u>
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	<u>2</u>	_____	<u>R</u>
Sit Room	_____	_____	_____

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

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

~~CONFIDENTIAL~~

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11

MEMORANDUM

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

ACTION

May 25, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: ALFONSO SAPIA-BOSCH *ASB*

SUBJECT: Meeting Between President Reagan and
Prime Minister George C. Price of Belize

Attached is a Memorandum of Conversation of the meeting between the President and Prime Minister Price held on May 12, 1983. Also attached is a paper and map the Prime Minister passed to the President (Tab II).

RECOMMENDATION

That you approve the memorandum attached at Tab I.

Approve *ASB* Disapprove

Attachment

- Tab I Memorandum of Conversation
- Tab II Paper and Map

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DECLASSIFY ON: OADR

DECLASSIFIED
E.O. 12958, E.O. 13526, 13527
White House Guidelines
BY NARA *RW* 8/29/11

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OF CLASSIFIED ENCLOSURE(S)

~~CONFIDENTIAL~~

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117474

THE WHITE HOUSE

WASHINGTON

12

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting Between President Reagan and
Prime Minister George C. Price of Belize

DATE AND TIME: May 12, 1983 -- Private Meeting 11:30-11:45 A.M.;
Plenary Session 11:45 A.M.-12:00 P.M.

PLACE: Oval Office (Private Meeting); Cabinet Room
(Plenary Session)

PARTICIPANTS FOR PRIVATE MEETING:

United States: The President
The Vice President
Secretary of State Shultz
William P. Clark
Assistant Secretary of State Thomas O. Enders
Ambassador Designate Malcolm R. Barnebey
Alfonso Sapia-Bosch

Belize: Prime Minister George C. Price
David L. McKoy, Minister of Labor and Social Services
Fred Hunter, Minister of Works
Edmund Marshalleck, Financial Secretary and
Ambassador of Belize to the United States

PARTICIPANTS FOR PLENARY SESSION:

United States: same participants as in private meeting plus:
Richard Stone
AID Administrator M. Peter McPherson
Assistant Administrator for Latin America Otto Reich
Charles P. Tyson

Belize: same participants as in private meeting plus:
Florencio Marin, Minister of Natural Resources
Said Musa, Attorney General and Minister of Education,
Sports and Culture
Everal Waight, Permanent Secretary, Ministry of
Foreign Affairs and Chief Protocol Officer
Robert Leslie, Permanent Representative of Belize
to the United Nations

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NLR M3711 # 117474
BY RW DATE 6/22/15

~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

MINUTES, OVAL OFFICE

The President: We are very pleased to have you. We are proud of your democracy, particularly in view of the turmoil that surrounds you. I look forward to your views and suggestions on affairs in the region.

Prime Minister Price: Thanks for the opportunity to come. We, too, are proud of our peace and tranquility, and we intend to keep our house in order. The democratic process should be used to try to avert crises. Your speech on April 27 was well presented and well structured. You suggested economic development and that is correct. With regard to dialogue, you should make public that you have done things to keep the dialogue going. We must do everything possible to make sure that our way of life works.

The President: When we contrast standards of living, the success of democracy is evident. By the way, with regard to the British forces, we have asked the British to heed your request to keep them there.

Prime Minister Price: Thank you, Mr. President. Our number one priority is to keep the British troops in Belize for the necessary time. We intend to use our newly-acquired independence as an instrument to build a new society in which the people have a stake in their country.

The President: Just a couple of days ago, we had a little ceremony in the Rose Garden to honor small business. Several hundred thousand of these small businessmen chose from their ranks someone to be honored, and I presented the award. And, as is so typical of our country, I was so proud--where we derive our heritage from everywhere--a father and son team from Mexico was chosen for the award. They are now American citizens. They came to this country in 1964 and established a food business. Now they are in the frozen Mexican food business; they employ 200 people and have a \$10 million a year business. In Russia you can't do this.

Prime Minister Price: We will have the same opportunity. We want you to be present in Belmopan to share it with us when you build your embassy there.

Secretary Shultz: We are ready to build; we just need to get the money.

Prime Minister Price: Mr. President, we are most grateful for the CBI.

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DECLASSIFY ON: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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CONFIDENTIAL

The President: We are pushing this legislation before Congress.

Judge Clark: They will back it up today in the Senate.

The President: You know, Prime Minister, the House majority is not of our persuasion.

Secretary Shultz: We have a good chance; the House passed it last year. Senator Long now is on board.

Prime Minister Price: Mr. President, you will go down in history as the President most interested in the Caribbean.

MINUTES, CABINET ROOM

The Prime Minister then went through his proposed list (which he presented to the President--see Tab II).

The President: Do you mean farm technicians to help with advice?

Mr. McPherson: We sent an agricultural mission to Honduras.

Secretary Shultz: I am impressed that the Prime Minister has his briefing material so well prepared and that he lays it out so methodically, systematically, and effectively. With regard to the narcotics control program, it is working very effectively, and we are grateful. It is very important.

Prime Minister Price: The first camp cost \$500,000; we need to start the second.

(Speaker ?): The Mexican government supplies the planes and paraquat, but the planes are not available and there has been a delay.

Prime Minister Price: We are ready to go.

The President: Maybe we should ask the question in Mexico?

Secretary Shultz: We will give that a push.

Vice President: How did you come out on the small boats you needed?

Prime Minister Price: One was too big; one was suitable but somewhat old; but what we are getting is fine.

(Meeting adjourned at noon; majority of participants moved to the State Dining Room for lunch.)

CONFIDENTIAL

~~CONFIDENTIAL~~

SECURITY AND STABILITY OF BELIZE

The government of Guatemala has claimed all Belize. Recently, the claim was reduced to the southern portion - known as the Toledo District and its cayes. The area is about one rirth or Belize's territory.

Guatemala uses two arguments to advance its claim:

(1) in the time of the Spanish Empire, Belize was a part of the captaincy general of Guatemala and

(2) Guatemala needs and outlet to the Carib- bean Sea.

Belize (whether the settlement of Belize or British Honduras) was never a part of the republic of Guatemala which attained its independence in 1821. In that year of 1821 Belize was a separate geographic identity.

The logical consequence of argument (1) would require Guatemala also to claim El Salvador, Honduras and Nicaragua which were parts of the captaincy general of Guatemala during the Spanish Empire.

As regards argument (2), Guatemala has about 60 miles of Caribbean coast and two seaports bigger than Belize City: Puerto Barrios and Santo Tomas.

BELIZE OFFERS GUATEMALA A PASSAGE TO THE HIGH SEAS IN THAT AREA OF SEA BETWEEN THE 3 MILE AND THE TWELVE MILE LIMIT.

THE BRITISH PRESENCE - A FACTOR OF STABILITY

The British military presence is for "an appropriate time".

We would like that to be for the necessary time.

BELIZE OFFERS THREE PROPOSALS FOR SOLUTION:

- 1. a sea passage.
- 2. use of a port and access road to port.
- 3. joint economic projects on either side of the Sarstoon River
- 4. *mutual security pact.*

We offer the hand of friendship to the people and government of Guatemala and ask for their understanding that our sovereignty and territorial integrity are not for negotiation.

PRESENCE OF THE UNITED STATES OF AMERICA

The presence of the United States of America is all important.

We would request an Embassy in Belmopan as soon as possible - in 1984.

ECONOMIC DEVELOPMENT follows stability

Our Manifesto says: The new revolution will promote economic development and social progress by means of the MIXED ECONOMY in which the public sector works in partnership with the private sector for increased production, balanced development and social well-being.

Foreign capital is always welcome and there is a welcome in Belize for the foreign investor and a place where he can join the search for economic growth and personal fulfilment.

THE CARIBBEAN BASIN INITIATIVE

This is a welcome help for which we are thankful.

There is scope for more to offset the low prices of commodities: sugar, citrus, bananas.

*global quota for
CARICOM*

WE SHALL HAVE TO DO MORE FOR HOUSING AND WATER SUPPLIES.

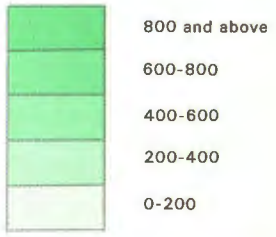
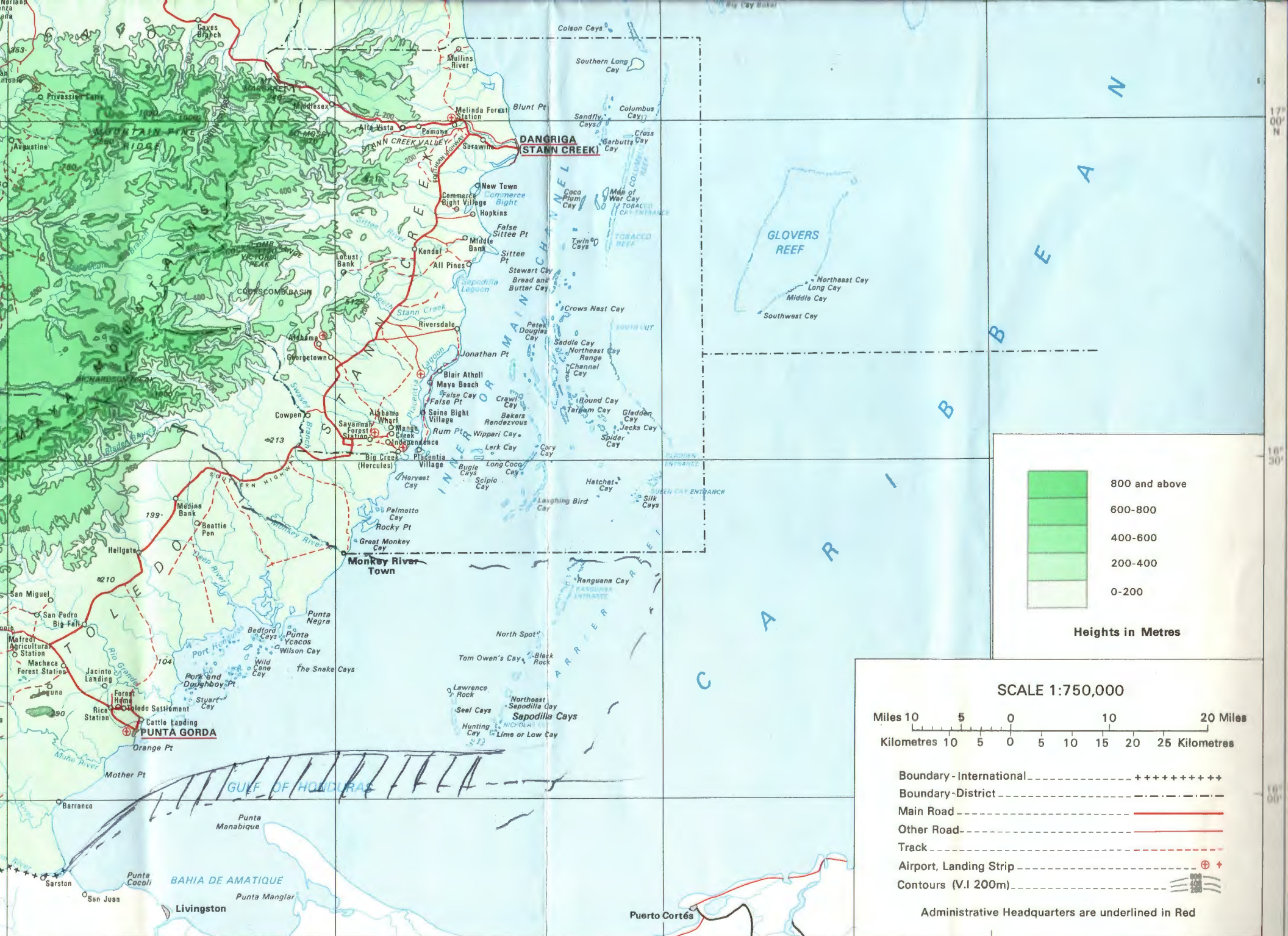
send agricultural mission to Belize

BELIZE

89°00' 2 88°30' 3 88°00' 4



87°30' 5



Heights in Metres

SCALE 1:750,000



- Boundary - International ----- ++++++
- Boundary - District -----
- Main Road -----
- Other Road -----
- Track -----
- Airport, Landing Strip ----- + +
- Contours (V.I 200m) -----

Administrative Headquarters are underlined in Red

Copies of this map can be obtained from the Lands and Surveys Department, Ministry of Natural Resources, Belmopan, Belize or from Edward Stanford Ltd., 12/14 Long Acre, London WC2E 9LP. Price Code 4.

Edition 4 reconstructed by Directorate of Overseas Surveys from D.O.S. 649/1 Edition 1 1980 and D.O.S. 648 Edition 1 1974. Printed for D.O.S. by Ordnance Survey.