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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2927

April 26, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: PHILIP ZELIKOW *PZ*
SUBJECT: Letter from U.S. Committee of International
Institute for Strategic Studies

Joseph Fromm, Chairman of The U.S. Committee of the International Institute for Strategic Studies, wrote advising you that Bob Ellsworth has written an article on "The future of US-European relations." He attached an advance copy of the article, as it will appear in the May-June issue of Survival.

A reply acknowledging Mr. Fromm's letter and thanking him for the copy of Ambassador Ellsworth's article is attached.

RECOMMENDATION

That you sign the letter to Fromm at Tab I.

Approve_____ Disapprove_____

Attachments

Tab I Letter to Fromm
Tab II Letter from Fromm

THE WHITE HOUSE

WASHINGTON

Dear Mr. Fromm:

Thank you for your recent letter regarding the article in the May-June issue of Survival, written by our good friend Bob Ellsworth. The article is timely and its argument is well put. I believe the President will be addressing many of the themes discussed in Bob's article during the next few months.

Sincerely,

Brent Scowcroft

Mr. Joseph Fromm
Chairman
The U.S. Committee of the
International Institute for
Strategic Studies
1619 Massachusetts Ave., N.W.
Washington, D.C. 20036

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*Pls staff
for ack*

THE U.S. COMMITTEE OF THE INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES

Chairman
Mr. Joseph Fromm
1619 Massachusetts Ave., N.W.
Washington, D.C. 20036

Secretary
Michael I. Sanders, Esq.
1250 Connecticut Ave., N.W.
Washington, D.C. 20036

Treasurer
Dr. Guido Goldman
5 Bryant Street
Cambridge, MA 02138

Trustees
Dr. William B. Bader
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Michael I. Sanders, Esq.
Mr. Leon Sloss
Hon. Helmut Sonnenfeldt
Dr. William R. Van Cleave

April 17, 1989

General Brent Scowcroft
Assistant to the President
National Security Council
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

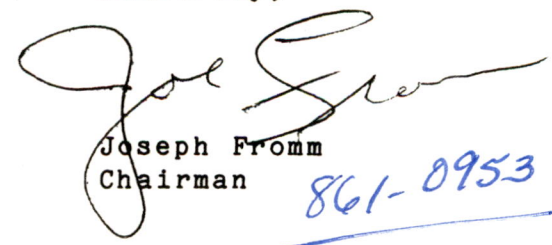
Dear Brent:

Our mutual friend, Bob Ellsworth, has written a perceptive article on the future of U.S.-European relations that I am sure you will find of particular value at this time of far reaching change in the international landscape. I am enclosing an advance copy of the article that will appear in the May-June issue of "Survival," the bimonthly journal of the IISS that reaches some 7,000 political leaders, journalists and strategic thinkers in the United States and more than 50 other countries.

Ambassador Ellsworth provides keen insights into the challenges this country faces as it weighs its response to the profound changes taking place not only in the Soviet bloc but also among the industrial democracies and in the Third World. His prescription for dealing with Soviet-American relations is especially noteworthy: namely, that everything in this relationship must be put on the plate--the Soviets' interest in limiting our military modernization and gaining access to our credit and trading system versus our interest in rapid reductions in Soviet military threats to our security.

With warm regards, I am

Sincerely,


Joseph Fromm
Chairman
861-0953

Enclosure

The future of US-European relations

ROBERT F. ELLSWORTH

US-European relations for forty years have been organized around the need to respond to a Soviet threat, and around the desire at the same time to build a transatlantic system of ever-increasing health and wealth. But the world has changed, from both these perspectives, and the Atlantic Alliance must be changed to deal with the world as it now is.

Technically speaking, the Soviet military threat today is much greater than it was forty years ago – and this is especially true of the intercontinental strategic nuclear threat. Soviet President Mikhail Gorbachev also maintains a large, powerful and modern conventional and nuclear-armed force in Central Europe.

But the dazzling, well-tailored Gorbachev has altered the image of the Soviet Union as presented through the Western media. He is the one, true, global television anchorman. His charisma, though, is based on more than media skills. It is based on his courage and his imagination in leading the Soviet elite to confront their failings and to begin reforms, both at home and abroad. In order to pursue these reforms further, however, Gorbachev desperately requires reductions in Soviet military spending, and a whole new set of relations with Western Europe and the United States.

With regard to internal Soviet reforms, therefore, one must ask: is Gorbachev sincere? In the US this is now a question for intense debate, to which the likely answer is, Yes – for now. But while one cannot judge how long the impetus for internal reform will continue, beyond a certain point these reforms could become difficult to reverse. The psychological force and the political energy of Gorbachev's attacks on virtually all of Soviet history are rapidly driving the Soviet media and public opinion into totally unknown territory.

Gorbachev's withdrawal from Afghanistan, his announced and planned unilateral cut of 50,000 Soviet troops in Eastern Europe accompanied by decreases in offensive capabilities, his withdrawal of support for Cuban forces in Africa, and, possibly, an offer to return the Northern Territories to Japan – these moves are not meant as a favour to the West. They save the USSR money, and they buy time for Gorbachev. They help create an atmosphere in which he may be able to gain greater access to what he *must* have: Western (including Japanese) money, markets,

Robert F. Ellsworth is Vice-Chairman of the IISS Council. He is a former US Deputy Secretary of Defense and is now a Washington-based investor and director of several companies with operations in the US, Western Europe and Japan.

technology and know-how. Continued Soviet sales of lethal weapons to Libya, and military aid to Nicaragua, however, are counter-productive to say the least.

Two other big changes in American and European premises since the early 1950s have taken place. First, many of the Pacific Rim countries have emerged as economic power-houses, while the West Europeans have begun to move towards a single market in 1992. They have also begun to strengthen their common defence effort. And, second, changes in tropospheric chemistry and pollution of the atmosphere and the oceans now pose a clear and present danger to the health of nations, even if only the most conservative assessments of expert authority are accepted. US President George Bush promised during his election campaign to call an international conference in the White House on global warming. James Baker's first substantial role as Secretary of State was as host to a worldwide conference in the State Department on the environment.

With these changes – worldwide, in the Soviet Union and in Europe – the very framework for thinking about US-European relations has been altered. The future will be shaped more by present actions and words, and those of the next few years, than by all the canonical patterns of thought and organization of the past forty years. The key question is whether Americans and Europeans can work more easily and more successfully with each other, rather than against each other or with other powers. The answer will emerge existentially over the years.

Powerful US senators see US-European trade and defence relations as Washington's most serious foreign-policy problem. Former President Richard Nixon has written that 'The new administration should make Europe its top foreign-policy priority.'¹ There are two issues which will be fundamental in shaping the future of US-European relations. The first of these is the role of the United States in the security of Europe. Since 1949 the people of North America and Western Europe have considered their vital national interests to be served by mutual security guarantees and a unique US role in the face of a Soviet threat. These security interests have often served to dampen transatlantic conflicts on other, less central, issues.

Today, however, the role of the United States in European security has been brought into question, partly by trade and monetary and burden-sharing disputes beginning in the late 1970s, but mainly by the American and West European middle-class anti-nuclear movements of the early and middle 1980s, which culminated in President Ronald Reagan's rhetoric at Reykjavik advocating the elimination of all nuclear weapons. The Reagan Administration also accepted, in effect, a Soviet *droit de regard* in NATO deployment decisions when it agreed to the double-track approach to INF deployment and negotiations offering zero American INF in exchange for zero Soviet SS-20s. Washington never dreamed Moscow would accept this, but Gorbachev did; the rest, as they say, is history, unfolding according to the law of unintended consequences.

Today, these consequences can be seen in the analogous politics of the Follow-on-to-Lance (FOTL) – and other – nuclear modernization proposals. While nuclear deterrence will not stand or fall with a FOTL deployment, the issue of how the Alliance deals with its commitment to modernize is more complex than simply putting the project to one side, and aiming to do better next time. A decision to deploy the FOTL does not have to be made now, but it is necessary to explain that, even under present conditions, having nuclear weapons is not as dangerous as *not* having them. This is a point which has been faced by Western publics in the past. It needs to be faced again.

Soviet nuclear weapons, including the new version of the SS-18, are presumably for blackmail, not use – although to be effective for blackmail, their potential use must be seen to be credible. For a long time to come, therefore, notwithstanding the strength of the tradition of non-use, Western nuclear deterrence – both strategic and tactical – will remain imperative. Pursuing prudent modernization of the West's deterrent will not be easy, but it is clearly one of the key issues defining the future of US-European relations. The outcome of the present modernization debate will be shaped by negotiations between the US and Western Europe – with the USSR as a keen observer.

The West should make its position clear: if the USSR wants to curb the pace of modernization of Western military technology, including research on missile defence – and have fuller access to the West's credit and trading system – then it must first reduce its nuclear and conventional threat to Western security. And, as the Alliance's posture is designed to deter conventional as well as nuclear threats, it follows that nuclear reductions under the Strategic Arms Reduction Talks, important as they are, might have to await agreement on substantial reductions in the Soviet conventional threat to Western Europe.

The future US role in European security will also be shaped by the rapid rise of Western Europe as such – as a single market, certainly, but also as a defence entity with enough political authority to be taken seriously within Europe as well as elsewhere in the world. The emergence of a serious West European defence structure, including a stronger and better understood out-of-area role, could be the best and highest form of defence burden-sharing.

The second important issue that will mould US-European relations is the emerging question of Eastern Europe, and – ultimately – the somewhat more remote question of relations between West and East Germany. If Hungarian Politburo member Imre Pozsgay can refer to Eastern Europe as 'the world's most extreme crisis zone', if the Soviet Union cannot or will not help those regimes economically or protect them from domestic upheaval, and if most East Europeans are hoping for Western help to save their decrepit economics – if these are the circumstances, then where is the Cold War?

Of course, the Warsaw Pact is still intact, and the Red Army will still have some 515,000 troops in the GDR, Czechoslovakia and Hungary

even after the 50,000 troop cut promised last year by Gorbachev at the UN.² But whether Moscow has 565,000 or 515,000 troops in Eastern Europe has no effect on its ability to maintain what has been termed 'ultimate control'. To the extent that the West succeeds in negotiating substantial further reductions in Soviet forces in Eastern Europe, it will also be to some extent negotiating the questions of ultimate control and of Germany. As East-West military reductions are pursued, therefore, the future of Eastern Europe must at some point be placed on the agenda for talks with Moscow. The West cannot proceed as if the USSR had no substantial interests in the 'crisis zone'.

Western views on the future of inner-German relations are mixed. The Federal Republic's constitution calls for reunification, and President Richard von Weizsäcker has recently spoken of the need for Germans to be unapologetic about the goal of reunification. On the other hand, one might recall Bismarck's warning to the Germans in the mid-1870s that if they did not conduct themselves with caution and self-restraint, their neighbours would tear them apart. The tides of history might have to ebb and flow for a very long time before the damage done by Hitler can be repaired.

For the future of US-European relations it is important to note that not all in the West have similar objectives towards Eastern Europe, as the peoples and the regimes of the 'crisis zone' move into the 1990s. The US is interested in human rights and in the notion of Eastern Europe being independent. The Federal Republic wants mainly to pave the way for greater inner-German contacts without creating problems. The United Kingdom and France are interested in Europe in a somewhat broader sense (for instance, the UK went to war over Czechoslovakia and Poland). The West Europeans have a greater geopolitical interest in Eastern Europe than the US has: the richest part of the world exists next to an area that is disorganized, in debt and polluted. Yet people on both sides call themselves Europeans. The Washington role, while important, will be secondary. Europe is first of all an issue for the Europeans.

In a broad perspective, what then of the future of US-European relations? The economic and political power of the American/West European/Japanese international 'system', NATO's robust and steady military strength, and the geopolitical resistance of America, Western Europe, Japan and China have, beyond doubt, helped bring the USSR to the point where it is willing to face the facts of its systemic failure. The actual moral and economic Soviet crises and the intelligence and leadership abilities of Mikhail Gorbachev have played their parts. Providing that he continues along present lines both at home and abroad, Gorbachev, and the East Europeans, should be encouraged to join the international system which the West has created – but on Western terms as far as possible, rather than his. It is in the West's interest that the Gorbachev reforms succeed in lifting the Soviet people from third-world to first-world status – but not that it helps to create a stronger, more modern economy in a Soviet Union which is still a nuclear super-power, still a threat to Western Europe, and still a global adventurer.

If the United States and Western Europe could agree on these long-term perspectives, at first conceptually and then practically, they could also deal more successfully with the immediate challenges to Western security, health and wealth: trade protectionism, environmental pollution, and the Soviet military threat that still remains.

Notes

¹ Richard Nixon, 'American Foreign Policy: The Bush Agenda', *Foreign Affairs*, vol. 68, no. 1, pp. 199 ff.

² For excerpts of this speech see Documentation, *Survival*, vol. XXXI, no. 2, March/April 1989, pp. 171-6.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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20266 Add-on

ACTION

April 3, 1989

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: ROBERT L. HUTCHINGS *RLH*
SUBJECT: National Security Council Meeting on Western
Europe and Eastern Europe, April 4,
2:45 p.m. - 4:15 p.m., Cabinet Room

Setting

This NSC meeting is to consider the policy issues arising from the National Security Reviews on Western Europe (NSR 5) and Eastern Europe (NSR 4).

The President will open the meeting with some introductory remarks. Your briefing memorandum to the President is attached at Tab I, with proposed talking points attached at Tab A. The agenda for the meeting is at Tab B. After the President's opening statement, Judge Webster will present a five-minute assessment of trends affecting U.S. interests in Europe. We believe he will describe strains in the Alliance security consensus, movement toward greater West European coordination and integration, and the major changes underway in Eastern Europe. He will also describe Gorbachev's impact, though a discussion of our relations with the Soviet Union will be reserved for subsequent discussion by the NSC. The President may then ask you to guide the discussion. You could recapitulate the issues in this memorandum and then open them, one by one, for discussion and decision.

Discussion

We are in a period of major change in every dimension of our postwar European policy -- trans-Atlantic security relations, U.S.-West European economic relations, and relations with Eastern Europe -- as well as our relations with the Soviet Union, which will be discussed later by the NSC. We have proposed twelve issues calling for discussion, which will be a real chore in the allotted 90 minutes. (The first issue, intended as a scene setter, summarizes some of the points made in our earlier memorandum on East-West relations. The remaining 11 are new.)

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(1) Maintaining Alliance cohesion in changing circumstances.

New developments in Europe, led by the prospect of a diminished Soviet military threat and a new drive toward West European economic and political integration, vindicate goals which the U.S., and NATO, have pursued since the early postwar period. The overarching problem now is to adapt those goals and keep them relevant as these changes undermine some of the assumptions on which our postwar trans-Atlantic policies were founded.

Public opinion polls in Western Europe show continued strong support for NATO and the U.S. defense commitment, but they also show declining support for long-standing Alliance positions on NATO defense spending, arms control issues, and the importance of retaining a U.S. nuclear deterrent based in Europe. In a new Europe that is no longer bound together, in the West, by a clearly perceived Soviet military threat or perhaps, in the East, by the danger of Soviet military intervention, long-dormant rivalries and continental conflicts may reemerge. Gorbachev's actions have led many Europeans (and some Americans) to question the U.S. leadership role in Europe. We think this US role has been indispensable to the unprecedented stability of the international order in Europe since the war. If European leaders perceive that the U.S. is looking for an opportunity to withdraw from Europe, they may begin a fundamental reorientation of their foreign and security policies, with unforeseeable and potentially dangerous consequences.

(2) Defining the elements of the U.S. and Allied visions for Europe's future.

The DC on the Political and Security Aspects of U.S.-West European Relations (NSR 5) urged that a public U.S. and Allied statement be prepared that outlines such a vision. This vision could include:

- the common values, culture, and heritage, amounting to a "Western experience," shared by the United States and Europe, including Eastern Europe, but not by the Soviet Union;
- U.S. support for greater West European economic and political integration; and
- U.S. encouragement of greater West European security cooperation and assumption of more global responsibilities, through the Western European Union and other fora.

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- preserving American ground and air forces in Europe to safeguard European security into the next century;
- striving to overcome the division of Europe, with Western assistance to support movement toward political and economic institutional change in Eastern Europe; and
- welcoming reforms in the USSR if they contribute to less repression at home and less confrontational policies abroad.

A strong reaffirmation that the U.S. military presence in Europe for the long term can let our allies know that we are not looking for Soviet force cuts as a way to release us from an unwelcome commitment.

(3) Assessing the continuing role of U.S. nuclear weapons in Europe, especially land-based missiles.

We believe, as you know, that there will be an enduring need for substantial U.S. forces and U.S. nuclear weapons deployed on the continent, though the numbers might be reduced.

No agency has contested the need for the continuation of a land-based missile deterrent in Europe. We raise the issue because achievement of this goal will require a considerable investment of U.S. resources and high-level attention in the 1990s. We believe the NSC should have the opportunity to make a deliberate decision to ratify this requirement. More broadly, a reaffirmation of the presence in Europe of American nuclear land-based missiles would reassure those Europeans who feared that Reykjavik and the U.S.-Soviet INF treaty portended an eventual U.S. military disengagement from Europe. In so doing, it would serve to strengthen U.S. leadership in the transatlantic partnership.

(4) Commissioning USG studies on preferred outcomes in NATO and Warsaw Pact force levels and new CSBM initiatives.

The DC agreed that the USG should move now, in the context of the review of U.S. national security strategy (NSR 12), to study preferred outcomes in NATO and Warsaw Pact levels beyond the cuts envisioned in NATO's current CFE proposal. Although OSD and JCS may prefer a slower pace, we believe there is a pressing need better to define our long-term conventional arms control goals, especially since Shevardnadze has already offered a competing vision of where the Soviets think the CFE negotiations should eventually lead. The study could lay the groundwork for a

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subsequent NATO effort to identify our future conventional arms control objectives by the end of this year. Announcing the commencement of such a NATO study, with the goal of advancing a less militarized future for Europe, could be part of the outcome of the NATO summit.

The DC also proposed that the USG make a major effort to develop new initiatives in CSBMs beyond those contained in NATO's current proposals. We believe the NSC should endorse that view and commission a thorough reevaluation of CSBM ideas, both new and old, to determine their merit in the different political climate this Administration must face. These two studies have been commissioned in NSR 12, but it would be useful if you were to give them a boost in the meeting.

- (5) Examining more creative approaches to the burdensharing issue.

The DC endorsed the idea. This would entail redoubling efforts outlined in last year's NATO Executive Working Group report, working within the NATO framework to look at the relative defense roles, risks, and contributions of individual allies. As you know, we think that a new initiative in armaments standardization could also help, especially if it involved a high-visibility program like Main Battle Tank development. Such an initiative has been considered before, and encountered formidable resistance from national defense industries (including those in the U.S.) as well as from advocates of fully independent national production capabilities in key weapons systems. We believe, though, that the advantages for our burdensharing effort, and the potential cost savings, warrant the NSC commissioning such a burdensharing study.

- (6) Encouraging a greater West European global role and deciding whether to seek to consult more intensely with the European Community on regional issues.

The DC agreed that the U.S. should encourage a greater West European role on global problems and initiate direct consultations between the U.S. and Western Europe on selected regional issues. There was disagreement, however, on whether these consultations should occur in the EC framework or in NATO.

We believe the NSC should agree to encourage greater European assertiveness and attempt to channel it into constructive cooperation. The USG could start regular political consultations with the EC on regional problems where we think the Europeans can make a real contribution. Some may wish to keep these detailed regional discussions entirely in NATO. As European states take on greater global responsibilities we can expect disagreements

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about policy direction, greater pressure for consultation on subjects where we do not think Europeans can be helpful, and challenges to U.S. leadership in setting the West's global agenda. However, European interest in a wider international role may be unstoppable. US acceptance of this trend and active engagement of the EC -- and, for that matter, the WEU -- could build a more durable base for a stronger out-of-area contribution by our allies and a better sense of common interests and joint responsibilities.

- (7) Defining a set of principles and general U.S. approach in dealing with West European economic and political integration.

The DC on the Economic Aspects of U.S.-West European Relations (NSR 5) agreed that the USG needs a set of basic principles to guide U.S. policy toward the European Community as it moves toward a unified single market by 1992. The DC agreed that "1992" is more than a target date or set of regulations; it is part of a broader process of economic and political integration. The DC commissioned a separate PCC paper on "European Unity and the 1992 Program," which proposed such a set of principles.

We believe the NSC should consider these principles for adoption as the core of U.S. attitudes and approaches:

- There is no inconsistency between vigorous defense of specific U.S. interests and support for increased European unity and the trans-Atlantic partnership.
 - We must pursue a cohesive policy including: support of our allies' political and economic growth, aggressive safeguarding of our trade and investment interests, maximum influence on European regional and transnational policy, and long-term preservation of the special U.S.-West European partnership and NATO.
 - The inevitable trade disputes, in which we must pursue our interests vigorously, must not be permitted to erode the essential trans-Atlantic foundation of our global security, political and economic interests.
 - All OECD countries have a special obligation to ensure liberal, non-discriminatory trade and investment policies based on national treatment and right-of-establishment, and not on sectoral reciprocity.
- (8) Deciding on the appropriate USG mechanisms for dealing with the European Community as it moves to implement the 1992 program.

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The DC also agreed that while existing mechanisms do a good job of tracking the trade and investment aspects of 1992, the USG needs to focus greater high-level attention on "1992" and better integrate our economic, political, and security interests. The DC tasked the PCC paper to look into these organizational questions as well. The paper proposed, first, that U.S.-EC trade and investment issues continue to be coordinated within the framework of the Economic Policy Council and, second, that a working group be established under the Europe PCC to keep under review the security implications of European economic integration.

Economic agencies, as well as State's Economic Bureau, strongly resisted any expansion of the NSC's role at the expense of the EPC. Thus, the PCC paper's third recommendation says only that "some believe that an organizational framework may be necessary to bring together the EPC and the NSC on issues of concern to both...; the President might thus create a special cabinet level group."

At some point, the President will need to reach a decision on organizing the USG approach to 1992 -- particularly to define the competencies of the EPC and the NSC and to establish mechanisms for improved coordination. We believe "1992" and the broader process of European integration go well beyond trade and investment issues; they are eminently a matter of national security.

- (9) Reassessing the U.S. and Allied approach toward Eastern Europe, beginning with Poland, at a time of major change in the region.

The strategic importance of central Europe is clear. It is, as Bill Pfaff wrote in the New Yorker recently, "where the wars come from." Moreover, instability and repression in Eastern Europe would have dire consequences for East-West relations and, arguably, for the course of reform in the Soviet Union itself. A constructive and forward-looking U.S. approach to a changing Eastern Europe is crucial to the credibility of U.S. policy there and to our leadership role in Europe. If we fail to act, our Allies will do so in any case -- but in an uncoordinated way, without the political and economic conditions on which we base our East European policy.

That the stakes in Eastern Europe are very high is not controversial; the policy implications of that conclusion are. Arguments about a consistent global debt policy expose a view that there are other regions of equal importance, for instance Latin America, and that Eastern Europe does not deserve special

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treatment. Current U.S. policy assigns greater weight to economic criteria than political ones in questions of debt relief, in U.S. sponsorship of countries for membership in international economic organizations and in extensions of credits.

NSDD 54 states, "The U.S. extends debt relief only when necessary as a financial measure to ensure repayment and when the debtor country embarks on a program of economic and financial stabilization." The President will need to decide formally if that should remain the case. The NSC should consider whether the measures we are now developing for Poland give us a framework for implementing a new U.S. approach toward Eastern Europe as a whole.

- (10) Revising the policy of "differentiation" in our relations with East European countries.

In considering NSR 4, the DC supported revision of the terms of differentiation laid out in NSDD 54. Currently, the U.S. differentiates among East European countries on the basis of domestic liberalization and foreign policy independence from Moscow. There is interagency consensus that we should judge East European foreign policies on the basis of U.S. interests rather than solely with reference to Moscow. This would mean making East European technology theft, support for terrorism, and/or intelligence activities factors in our differentiation decisions.

- (11) Considering whether to seek an arrangement with Moscow on the future of Eastern Europe.

Despite Jim Baker's public comments on the subject, the DC was united in the view that seeking an arrangement with Moscow on the future of Eastern Europe is fraught with danger. This would betray 44 years of consistent U.S. policy on Eastern Europe. No Soviet commitment not to intervene in Eastern Europe would mean anything in the event of a real crisis there. Events in Poland and Hungary are moving so fast that Moscow cannot control them anyway, and we should not be seen as the ones imposing limits on Eastern Europe's evolution.

Moreover, our Alliance relations would be damaged. The French would be especially suspicious of U.S.-Soviet condominium, and the West Germans might seize the opportunity to open their own dialogue with Moscow on the future of Eastern Europe. The European press is filled every day with articles on the "Kissinger plan" -- almost all of them entirely negative. Finally, seeking such a dialogue, as you could tell from your meeting last Friday with the Polish Americans, would be domestic political dynamite. The President should lay this one to rest.

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- (12) Specifying the roles of the NATO summit, new U.S. initiatives, and the President's visits to Rome, Bonn, and London in our policies toward Western and Eastern Europe.

The DC (on Western Europe; Political and Security Aspects) agreed that NATO should try to formulate a broad vision for Europe's future to be embodied in a summit declaration. It also agreed that the USG should develop new policy initiatives for the President to use in connection with the summit.

The NATO summit and the President's visits to Rome, Bonn, and London are major opportunities for the President, and other Allied leaders, to offer a positive political agenda for the future of Europe to compete with, and go beyond, Gorbachev's "common European home." The PCC paper responding to NSR 5 reflects interagency agreement on the need to develop a statement for the NATO summit, but gives no specific ideas.

The NSC should give a strong impulse to work hard for developing ideas for a NATO summit declaration, particularly for identifying substantive initiatives which the President, or Allied leaders, could announce in connection with the summit and the President's other visits. An interagency effort to elicit new ideas will need a strong push from the top, and you need to decide whether this effort should be run by the NSC Staff or by the State Department (Bob Kimmitt would be best there). In either case, we need to get going on the preparations. Whatever you decide in this case will set a strong precedent for organizing interagency work to support all future Presidential trips abroad.

RH for
Condoleezza Rice, *RH for* Arnie Kanter, and Tim Deal concur.

RECOMMENDATION

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

Approve _____ Disapprove _____

Attachments

Tab I	Memorandum to the President
Tab A	Suggested Talking Points
Tab B	Agenda
Tab C	List of Participants

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THE WHITE HOUSE

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WASHINGTON

20266 Add-on

MEETING WITH THE NATIONAL SECURITY COUNCIL

DATE: April 4, 1989

LOCATION: The Cabinet Room

TIME: 2:45 p.m. - 4:15 p.m.

FROM: BRENT SCOWCROFT

I. PURPOSE

Following our overview meeting last Friday, we are now ready to address the specific policy issues raised in our National Security Reviews on Western Europe and Eastern Europe.

II. BACKGROUND

The agenda for the meeting is at Tab B. We have identified 12 points for NSC consideration; they proceed from four major policy issues.

The first issue is maintaining the Alliance security consensus in changing circumstances. This entails projecting a vital U.S. and Allied vision of Europe's future, reaffirming the U.S. commitment to the defense of Europe, assessing the continuing role of U.S. nuclear weapons in Europe, and better defining our long-term conventional arms control goals.

Agencies agree on the need for a public U.S. and Allied statement that responds to and transcends Gorbachev's notion of a "common European home." Our vision, based on commonality of values rather than geography, should also include (a) preserving American ground and air forces in Europe to safeguard European security into the next century, (b) strongly supporting European integration, including security cooperation, (c) striving to overcome the division of Europe, with Western economic assistance to encourage hopeful changes in Eastern Europe, and (d) welcoming reforms in the USSR if they contribute to a less repressive and confrontational Soviet Union.

No agency has contested the need for the continuation of a land-based missile deterrent in Europe. Because achievement of this goal will require a considerable investment of U.S. resources and attention, I believe you should have the opportunity to make a deliberate decision to ratify this

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requirement. Reaffirmation of the American nuclear guarantee would reassure those Europeans who worry about an American nuclear disengagement from Europe. At the same time, the NSC should move now to commission new USG studies on the U.S. and Allied positions on conventional arms reductions, confidence- and security-building measures, and burdensharing.

The second issue concerns our approach to growing West European economic and political integration. The Deputies Committee urged adoption of a set of principles that should guide U.S. policy toward the European Community as it moves to create a unified single market in 1992 and, beyond that, to achieve closer economic and political unity. These principles should proceed from the conviction that there is no inherent contradiction between vigorous defense of specific U.S. interests and support for the goal of increased European unity.

The NSC also needs to discuss the Administration's internal approach to "1992" -- particularly to define the competencies of the Economic Policy Council and the NSC and to establish mechanisms for improved coordination between them. Existing mechanisms work well in dealing with the trade and investment aspects of the 1992 program, but we need to focus greater high-level attention and better coordinate our economic, political, and security interests as European integration proceeds.

The third issue is reassessing the U.S. and Allied approaches toward Eastern Europe, beginning with Poland, at a time of major change in the region. Economic assistance may be the West's most powerful lever in trying to encourage further liberalization and autonomy in the region. American financial resources are limited, but our economic and political engagement is needed both to seize what may be an historic opportunity in Eastern Europe and to insure a coordinated Allied approach to the region. As you know, we are considering a response to Poland, should Solidarity and the regime reach agreement. Our response will be taken as a signal throughout Eastern Europe and with our Allies of a new U.S. approach toward the region.

Currently, the U.S. differentiates among East European countries on the basis of domestic liberalization and foreign policy independence from Moscow. There is interagency consensus that we should judge East European foreign policies on the basis on U.S. interests rather than primarily with reference to Moscow.

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The Deputies Committee was united in the view that seeking an arrangement with Moscow on the future of Eastern Europe is fraught with unacceptable dangers, including domestic political ones. We should not enter into any Yalta-like agreement or understanding with Moscow, nor should the U.S. be seen as imposing limits on the East European peoples' right of self-determination.

The fourth issue concerns the role of the NATO summit and your visits to Rome, Bonn, and London. Your trip to Europe will be a major opportunity for you to project a U.S. vision for Europe and lead the Alliance toward a summit declaration that embraces a shared view of Europe's future.

I suggest you give a strong push at the meeting for agencies to work hard on developing new initiatives for the NATO Summit.

III. PARTICIPANTS

List of participants is at Tab C.

IV. PRESS PLAN

No press plan.

V. SEQUENCE OF EVENTS

You will open the meeting, perhaps using the suggested talking points at Tab A, and will then turn to me to review the agenda.

Attachments

Tab A	Suggested Talking Points
Tab B	Agenda
Tab C	List of Participants

Prepared by:
Robert L. Hutchings

cc: Vice President
Chief of Staff

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20266 Add-on

POINTS TO BE MADE FOR MEETING WITH
THE NATIONAL SECURITY COUNCIL

- The purpose of this NSC meeting is to consider a number of policy issues concerning our policies toward Europe, West and East. Our agenda, though formidable, breaks down into four main areas:
 - o maintaining the cohesion of the Atlantic Alliance in changing circumstances;
 - o confronting the reality of greater West European economic and political integration;
 - o reassessing our approach to Eastern Europe at a time of major change in the region; and
 - o defining an agenda for the NATO Summit and my visits to Rome, Bonn, and London.
- We face a welcome challenge in Europe: how to deal with success. Western Europe is moving toward greater unity and self-confidence; Eastern Europe -- at least parts of Eastern Europe -- is moving toward liberalizing change and greater distance from Moscow. And the Soviet Union itself -- which the National Security Council will consider tomorrow -- is undergoing changes that may lead to less repression at home and less confrontational policies abroad.

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- These changes vindicate our approach to Europe since the war. They reflect the evolution we have long sought in Europe. What we need to do now is consider how these changes affect U.S. interests and how to adapt our policies to a new Europe. We need to consider, above all, how these changes affect our role in Europe into the next century.
- With that as background, let me turn to Brent.

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Participants

The President
The Vice President
The Secretary of State
The Secretary of the Treasury --
The Secretary of Defense
Chief of Staff to the President
Assistant to the President for National Security Affairs

Plus representatives from the following departments and agencies:

Department of Commerce
Office of Management and Budget
Central Intelligence Agency
Joint Chiefs of Staff
U.S. Information Agency
Arms Control and Disarmament Agency

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20266

NATIONAL SECURITY COUNCIL MEETING

Tuesday, April 4, 1989

Cabinet Room

2:45 p.m. - 4:15 p.m.

WESTERN EUROPE/EASTERN EUROPE

Agenda

- I. Introduction.....The President
- II. Assessment of the Situation.....William H. Webster
- III. Issues for NSC Consideration.....Brent Scowcroft
- IV. Discussion.....All Participants
- V. Summary.....Brent Scowcroft

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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20257 Add On

April 1, 1989

MEMORANDUM FOR

MR. CARNES LORD
Assistant to the Vice
President for National
Security Affairs

CRAIG R. HELSING
Chief of Staff
Department of Commerce

MR. MELVYN LEVITSKY
Executive Secretary
Department of State

MR. FRANK HODSOLL
Executive Associate Director
Office of Management and
Budget

MS. EMILY L. WALKER
Executive Secretary
Department of the Treasury

MR. H. LAWRENCE SANDALL
Executive Secretary
Central Intelligence Agency

COLONEL GEORGE P. COLE, JR.
Executive Secretary
Department of Defense

MR. GARY EDSON
Chief of Staff
U.S. Trade Representative

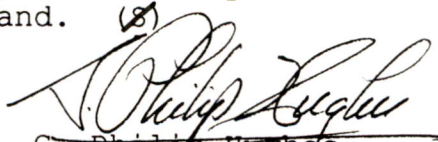
MS. SUSAN NELSON
Executive Assistant to the
Secretary
Department of Agriculture

CAPTAIN ANTHONY MANESS
Executive Assistant to the
Chairman
Joint Chiefs of Staff

MR. ARTHUR E. GREEN
Acting Executive Secretary
U.S. Information Agency

Subject: Deputies Committee Meeting to Discuss Poland:
Final Paper (8)

Attached at Tab A is the final paper tasked by the March 30
Deputies Committee Meeting on Poland. (8)


G. Philip Hughes
Executive Secretary

Attachment:

Tab A Final Paper: Poland

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Deliberations of the Interagency Process on Poland

Interagency groups have deliberated on U.S. policy toward East Europe and specifically Poland. The strong prospect of agreement in early April at the Roundtable talks in Poland that would bring a political breakthrough there has made consideration of a U.S. response an urgent policy issue.

The DC met on March 30 on Poland. The DC rejected a purely hortatory response and agreed that the U.S. should make an immediate and substantive public response to successful conclusion of Roundtable Accords; and remanded consideration of longer-term responses that would require significant U.S.G. funding.

The DC considered specific elements of an immediate substantive response to events in Poland and discussed a number of concrete measures. There exists agreement over five of the seven elements of such a response but substantial disagreement over the other two. None requires significant budgetary outlays.

The DC recommends we begin prompt consultations with our allies and, as appropriate, with Congress. G-7 Finance Ministers are meeting this weekend, and our G-7 partners have stated their intention to raise economic and financial issues related to Poland. Treasury will report the results of these exchanges.

Agreed Elements. The DC agreed that consultations with the allies should begin immediately on the following:

Multilateral steps:

- 1. Paris Club. The U.S. could indicate to its Allies willingness to consider substantial rescheduling of official debt within the Paris Club, once an IMF standby is negotiated for Poland.
- 2. IFC. The U.S. could publicly indicate willingness to support viable private sector loans by the International Finance Corporation, a World Bank affiliate.

Unilateral steps:

- 3. GSP. We could announce intention to seek legislation to accord Poland Generalized System of Preferences. GSP eliminates tariffs on a variety of products.

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- 4. OPIC. We could announce intention to seek legislation making Poland eligible for OPIC (Overseas Private Investment Corporation) insurance. OPIC provides support for private investment.

Steps 3 and 4 would require legislation and would entail immediate, informal discussions with key Congressional leaders.

- 5. Private sector involvement.
 - o We could announce intention to negotiate a government-to-government Small/Private business agreement to facilitate direct contacts with Poland's private business sector.
 - o We could announce support for expanded training and exchange programs, targeted at the emerging private sector.
 - o We could signal our support for voluntary private sector swaps of existing Polish debts for equity in Polish enterprises, or environmental, educational or other humanitarian programs.

There remain interagency differences on two significant elements of a possible response:

- IMF standby. There is agreement the USG should no longer block Poland's negotiations with the Fund on political grounds and that any outcome should be subject to the usual IMF standards. There is disagreement on the conditions under which the U.S. should support formal negotiations between Poland and the IMF toward a stand-by loan for Poland. Treasury believes Poland must first establish a track record of economic reform and stabilization before negotiating a stand-by. State believes the U.S. should allow Poland and the IMF to negotiate immediately for a standby.
- World Bank. The World Bank staff has negotiated project loans valued at about \$250 million but the Bank's final approval of these loans is subject to conclusion of an IMF standby program. Treasury is concerned about overall Polish creditworthiness in the absence of sound macroeconomic policies by the Polish government, which would be evidenced by an IMF decision to grant a standby loan. Treasury believes that to allow the Bank to go forward without the assurances that an IMF standby would provide, would signal a major

shift in U.S. and G-7 efforts to encourage close coordination between the World Bank and the IMF on their activities in debtor countries. State believes the U.S. should indicate willingness to see economically-viable project loans to Poland proceed on their merits, on a case-by-case basis, even before approval of an IMF standby for the Poles.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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20257 Add On

March 31, 1989

ACTION

MEMORANDUM FOR G. PHILIP HUGHES

FROM: CONDOLEEZZA RICE *CR*

SUBJECT: Deputies Committee Meeting to Discuss Poland:
Final Paper

Attached at Tab A is the paper tasked by the March 30 Deputies Committee Meeting to discuss Poland, for forwarding to the agencies involved.

Robert Blackwill concurs.

RECOMMENDATION:

That you sign the memorandum at Tab I which forwards the subject paper.

Approve *CR* Disapprove _____

Attachments:

Tab I Memorandum to the Agencies
Tab A Final Paper for DC Meeting
on Poland

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2888

April 20, 1989

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*

FROM: PHILIP ZELIKOW *PZ*

SUBJECT: Recommended Telephone Call to Chancellor Kohl

The President will call Chancellor Kohl Friday morning, April 21, to encourage the Germans to engage promptly in discussions with the United States before making a final decision on SNF modernization and arms control.

RECOMMENDATION

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

Approve _____

Disapprove _____

Attachment

Tab I Memorandum to the President
Tab A Points to be Made

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THE WHITE HOUSE

WASHINGTON

2888

RECOMMENDED TELEPHONE CALL

TO: Chancellor Helmut Kohl

DATE: Friday, April 21, 1989

RECOMMENDED BY: Brent Scowcroft

PURPOSE: To encourage the Germans to engage promptly in discussions with the United States to arrive at an SNF decision.

SECURE OR OPEN: Open

INTERPRETER: Gisela Marcuse

PHONE NUMBER: 011 49 228 562 000

CONTACT PERSON: Mr. Teltschik, 011 49 228 562 000

TIME DIFFERENCE: + 5

SUGGESTED TIMES: 8:00 A.M.

TOPICS OF DISCUSSION: SNF

Date of Submission:

Action:

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2012-1569-MR
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03c. Talking points	Telephone Call to Chancellor Kohl (1 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: National Security Council
Series: Blackwill, Robert D., Files
Subseries: Chronological Files
WHORM Cat.:
File Location: April 1989 [1]

Date Closed: 5/11/2011	OA/ID Number: 30542
FOIA/SYS Case #: 2011-0298-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

PRM. Removed as a personal record misfile.

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

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

2894

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April 20, 1989

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*
FROM: CONDOLEEZZA RICE *CR*
SUBJECT: Dates for a possible Presidential visit to Poland
and Hungary

The Germans have informed us in confidence that Chancellor Kohl has proposed to the Poles that he visit immediately after the Economic Summit (July 18-21). As you know, we were considering a Presidential visit to Poland after the Economic Summit which takes place July 15-16. The Kohl visit now takes away the option of going to Poland following the summit since the President should not follow Kohl in Poland. The President could go to Poland and Hungary before the Summit, perhaps July 12-13. We still think that a visit to Poland and Hungary during this trip is a good idea but wanted to bring this potential conflict to your attention.

Tim Deal concurs.

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~~CONFIDENTIAL~~
~~WITH SECRET ATTACHMENT~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

20352

April 27, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: CONDOLEEZZA RICE *CR*
SUBJECT: National Security Council Directive on Poland

The memorandum for the President at Tab I forwards an interagency memorandum which lays out our response to the Polish Roundtable and asks his formal approval of the measures. This memorandum will act as the President's formal directive on Poland. Please note that measure one--the rescheduling of Polish debt--does not include the line "after an IMF standby has been negotiated" as did the President's decision memorandum (which is attached at Tab II). This is consistent with the interagency-approved statement of measures on which the President's speech is based. Treasury came back to us and said that they had not intended to have rescheduling conditional because this would actually change (toughen) U.S. policy. We have supported several reschedulings in the absence of an IMF standby in recent years. Treasury and State want the condition dropped.

TD Tim Deal and *NR* Nicholas Rostow (who has coordinated the memorandum with Boyden Gray) concur. *GE* George VanEron and *NM* Nancy Menan concur. Treasury and State concur on the language of the proposed NSD.

RECOMMENDATION

That you sign the memorandum for the President attached at Tab I.

Approve _____ Disapprove _____

Attachments

Tab I Memorandum for the President
Tab A Interagency Memorandum
Tab II President's Decision Memorandum

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20352

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Proposed National Security Directive in Response
to the Polish Roundtable Agreement

Purpose

To approve the proposed Directive at Tab A, implementing your decisions in response to the Polish Roundtable.

Background

After interagency and allied input, your decisions were made on April 11. These decisions, and your public statement on April 17, were developed to provide an appropriate U.S. response to successful completion of the Polish Roundtable and the relegalization of Solidarity.

Please note that measure one--the rescheduling of Polish debt--does not include the line "after an IMF standby has been negotiated" as did your decision memorandum. Treasury came back to us and said that they had not intended to have rescheduling conditional because this would actually change (toughen) U.S. policy. We have supported several reschedulings in the absence of an IMF standby in recent years. Treasury, as well as State, want the condition dropped. The proposed Directive reflects this change and is consistent with the interagency approved statement of measures on which your April 17 speech was based.

Recommendation

That you sign the proposed Directive at Tab A.

Attachment

Tab A Proposed NSD on the Polish Roundtable Agreement

cc: Vice President
Chief of Staff

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PER E.O. 13526

2012-1569-MR
8/2/2013 MM

~~CONFIDENTIAL~~

20352

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF COMMERCE
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY
THE UNITED STATES TRADE REPRESENTATIVE
CHIEF OF STAFF TO THE PRESIDENT
ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS
THE DIRECTOR, UNITED STATES INFORMATION AGENCY

SUBJECT: Actions to Respond to Polish Roundtable Agreement
(U)

I hereby direct that the eight measures listed below be taken in response to the Polish Roundtable agreement. (U)

- The United States will indicate to its Allies willingness to consider substantial rescheduling of Poland's official debt within the Paris Club. (U)
- The United States will inform its allies and IMF management that the United States supports negotiations between Poland and the IMF on a stand-by arrangement subject to normal IMF conditions. (U)
- The United States will publicly indicate willingness to support viable private sector loans by the International Finance Corporation. (U)
- Legislation will be sought to accord Generalized System of Preferences to Poland. GSP treatment eliminates tariffs on a variety of products. (U)
- Legislation will be sought to make Poland eligible for OPIC (Overseas Private Investment Corporation) insurance. (U)

Private Sector Involvement

- The United States will offer to negotiate a government-to-government Small/Private Business Agreement to facilitate direct contacts with Poland's private business sector. (U)

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- The United States will expand training and exchange programs, targeted at the emerging private sector, in Poland. (U)
- The United States will signal support for voluntary private sector swaps of existing Polish debts for equity in Polish enterprises, or environmental, educational or other humanitarian programs. (U)

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C. Rice
THE PRESIDENT HAS SEEN
04/11/89

THE WHITE HOUSE

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WASHINGTON

2387

April 10, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT *BS*
SUBJECT: Conclusion of the Polish Roundtable

The Polish Roundtable concluded successfully April 5. We will want to respond promptly. You will remember that we sought allied reaction to a set of measures that we would like to announce in support of the agreement. The five on which the agencies agree are:

Multilateral Steps:

- 1. Paris Club. The U.S. would indicate to its Allies willingness to consider substantial rescheduling of official debt within the Paris Club once an IMF standby is negotiated for Poland.
- 2. IFC. The U.S. would publicly indicate willingness to support viable private sector loans by the International Finance Corporation, a World Bank affiliate.

Unilateral Steps:

- 3. GSP. We would announce intention to seek legislation to accord Poland Generalized System of Preferences. GSP treatment eliminates tariffs on a variety of products.
- 4. OPIC. We would announce our intention to seek legislation making Poland eligible for OPIC (Overseas Private Investment Corporation) insurance. OPIC provides political risk insurance for private investment.

Steps 3 and 4 would require legislation and we have begun informal discussions with key Congressional leaders.

- 5. Private sector involvement.

We would announce our intention to negotiate a government-to-government Small/Private Business Agreement to facilitate direct contacts with Poland's private business sector.

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Declassify on: OADR

cc: Vice President
Chief of Staff

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We would announce support for expanded training and exchange programs, targeted at the emerging private sector.

We would signal our support for voluntary private sector swaps of existing Polish debts for equity in Polish enterprises, or environmental, educational or other humanitarian programs.

Our allies reacted favorably to our approach and to these specific measures. The EC-member countries made clear that they are not individually considering GSP-like treatment for Poland because such a decision would fall within the competence of the EC.

*932d 11-1-77
11-1-77
11-1-77*

There remain interagency differences on two significant elements of a possible response.

1. Timing of IMF-Polish negotiations for a Polish standby loan arrangement. There is agreement that the USG should no longer block Poland's negotiations with the Fund on political grounds and that any outcome should be subject to the usual IMF standards.

State and Treasury disagree on the conditions under which the U.S. should support formal negotiations between Poland and the IMF toward a stand-by program for Poland. Treasury believes Poland must first establish a track record of economic reform. State believes the U.S. should allow Poland and the IMF to negotiate immediately for a standby. In preliminary reaction, allies support the State position, with the exception of Japan which was non-committal.

2. World Bank. The World Bank has negotiated project loans for Poland but is withholding final approval of the loans subject to conclusion of an IMF standby program. State believes the loans should be approved on a case-by-case basis on their merits. Treasury believes that to allow the Bank to go forward without the assurances that an IMF standby would provide would be a mistake and would signal a major shift in U.S. efforts to encourage close coordination between the World Bank and the IMF on their activities in debtor countries. In preliminary reaction, allies, with the exception of the FRG and Norway, support the Treasury position.

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The Treasury-State debate stretches back months now with no change in either position. Jim Baker is ready to move ahead with both of the disputed measures. The political grounds for moving ahead are clear. In the final analysis, Poland must negotiate an agreement with the IMF and must prove to the latter's satisfaction that it can meet the conditions of an IMF program. By the same token, the World Bank will only approve project loans that make economic sense. An IMF standby has nothing to do with the economic viability of the loans.

RECOMMENDATIONS

1. That you approve the ☒ five agreed measures.

Approve ☒ Disapprove ☐

2. That you resolve the State-Treasury dispute over measures six and seven.

Measure 6 (Timing of Polish-IMF standby negotiations)

State Option: U.S. should allow negotiations immediately.

Approve ☒ Disapprove ☐

or, alternatively

Treasury Option: Poland must first establish track record on economic reform.

Approve ☒ Disapprove ☒ CP

Measure 7 (World Bank loans in the absence of an IMF standby loan agreement for Poland)

State Option: Loans should be approved on their merits on a case by case basis without reference to IMF standby.

Approve ☐ Disapprove ☒ CP

or, alternatively

Treasury Option: IMF standby should be in place prior to final approval of loans.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

1891

April 20, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL 
FROM: BARRY F. LOWENKRON 
SUBJECT: Request To Address British Business Executives

At Tab I is a letter from you from William D. Rogers in which you agree to meet with a group of prominent British executives to discuss international economic issues. Rogers' request is at Tab II. Given the high calibre of the group (list of attendees is at Tab III), we think a meeting would be a worthwhile opportunity to discuss such vital issues as U.S.-European economic relations and the Single European Act.

Tim  Deal concurs.

RECOMMENDATION:

That you agree to meet with the group on Monday, May 1 at 2:00 p.m. for thirty minutes.

Approve____ Disapprove____

That you sign the attached letter to William Rogers at Tab I.

Approve____ Disapprove____

Attachments:

Tab I Letter to William Rogers
Tab II Incoming Letter
Tab III List of British Executives

THE WHITE HOUSE

WASHINGTON

Dear Bill:

Thank you for your letter inviting me to meet with a group of British executives. I agree with your assessment of the individuals participating in the program; it is indeed an impressive group. I would be happy to meet with them on May 1. My staff will be in touch with your office to make the necessary arrangements.

Sincerely,

Brent Scowcroft

The Honorable William D. Rogers
Arnold and Porter
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

LONDON WASHINGTON ASSOCIATES INC.

VISIT TO WASHINGTON DC, APRIL 30th - MAY 3rd 1989

Acceptances as of January 20, 1989

SIR TREVOR HOLDSWORTH - Group Leader
President, Confederation of British Industry

LORD REES-MOGG
Former editor of the London Times
Chairman, London Washington Associates

VISCOUNT BLAKENHAM
Chairman
Pearson Group plc

LORD BOARDMAN
Chairman & Chief Executive
National Westminster Bank plc

SIR PETER CAREY
Chief Executive
Morgan Grenfell Group plc

MR PETER DAVIS
Chairman
Reed International plc

MR RICHARD GIORDANO
Chairman & Chief Executive
BOC Group plc

SIR PAUL GIROLAMI
Chairman
Glaxo Holdings plc

THE EARL OF HARROWBY
Chairman
Dowty Group plc

SIR DAVID PLASTOW
Chairman & Chief Executive
Vickers plc

MR ROY ROBERTS
Chairman
Simon Engineering plc

LORD SAINSBURY
Chairman & Chief Executive
J. Sainsbury plc

SIR ERIC SHARP
Chairman & Chief Executive
Cable & Wireless plc

DR N. BRIAN SMITH
Chairman
Metal Box Group plc

PROFESSOR ROLAND SMITH
Chairman
British Aerospace plc

SIR ROBERT HASLAM
Chairman
British Coal Corporation

LONDON WASHINGTON ASSOCIATES INC.

VISIT TO WASHINGTON DC, APRIL 30TH - MAY 3RD 1989
Acceptances as of January 20, 1989

Brief biographical and company descriptions.

SIR TREVOR HOLDSWORTH - Group Leader

President, the Confederation of British Industry,
Britain's leading employers organisation.

Sir Trevor is one of Britains most distinguished industrialists, he is chairman of British Satellite Broadcasting and a director of Midland Bank, the Prudential Corporation (Britain's largest life insurance company) and several other companies. Until recently he was chairman of GKN, Britains largest engineering group.

VISCOUNT BLAKENHAM

Chairman of the Pearson Group, a diversified company which includes subsidiaries involved in publishing, including The Financial Times (Viscount Blakenham is Chairman of the Financial Times), The Economist, and Viking Penguin Publishers. Pearsons is also involved in investment banking through ownership of Lazard Brothers, and oil and gas industry equipment and services.

LORD BOARDMAN

Lord Boardman has been Chairman of National Westminster Bank since May 1983, when he succeeded Mr Robin Leigh-Pemberton, who became Governor of the Bank of England. He was member of Parliament between 1967 and 1974, and held office as Minister for Industry and Chief Secretary to the Treasury (1972-1974).

National Westminster is the leading bank in the UK. It is becoming a major regional banking force in the Northeast US, and since 1987 owns First Jersey National Corporation.

LONDON WASHINGTON ASSOCIATES INC.

SIR PETER CAREY

Chairman, Morgan Grenfell Group plc, one of the UK's leading merchant banks.

Sir Peter is a former Permanent Secretary of the Department of Trade and Industry, he is also a director of Cable & Wireless plc, NV Philips, Westland Group plc and non executive Chairman of Dalgety plc.

MR PETER DAVIS

Chief Executive, Reed International plc.
Reed International is one of the UK's leading international businesses with mainstream activities in publishing, packaging, paper and paint (turnover \$3.5 billion). Reed International has substantial interests in the US.

MR RICHARD GIORDANO

Chairman & Chief Executive of BOC Group, Britain's largest producer of industrial gases (turnover in excess of \$3.5 billion). The company has 27 production facilities in North America.

SIR PAUL GIROLAMI

Chairman, Glaxo Holdings plc, one of Britain's largest pharmaceutical manufacturers (turnover \$3 billion approx). Glaxo has several production facilities in the US.

THE EARL OF HARROWBY TD

Chairman, Dowty Group plc, a leading and diversified engineering group (turnover \$1 billion approx). Dowty has 8 plants in the US where it manufactures aircraft equipment, electronic controls, hydraulic systems and components and data communications equipment.

LONDON WASHINGTON ASSOCIATES INC.

SIR ROBERT HASLAM

Chairman, British Coal Corporation, a nationalised company and Britains largest coal producer (turnover \$8 billion). Sir Robert is also a Director of the Bank of England and Unilever.

SIR DAVID PLASTOW

Chairman and Chief Executive, Vickers plc, among Britains largest engineering companies (turnover \$1.5 billion). Products include Rolls Royce automobiles and the Chieftain tank. In the US Vickers produces medical equipment, office furniture, printing machinery, marine equipment, and scientific instruments.

LORD REES-MOGG

Lord Rees-Mogg, is former editor of the London "Times". He is Chairman of the Arts Council of Great Britain and the newly formed Broadcasting Standards Council, he is also a director of a number of companies including General Electric Company.

Lord Rees-Mogg is Chairman of London Washington Associates, advisors to British industry on US trade, economic and political developments and the organisers of this visit to Washington DC

MR ROY ROBERTS

Chairman of Simon Engineering, one of the largest UK process plant and engineering companies (turnover \$1 billion). In the US, Simon supplies waste water treatment plants, the oil and gas industry, animal feed services, and the chemical industry, it has over 11 US production facilities.

LONDON WASHINGTON ASSOCIATES INC.

LORD SAINSBURY

Chairman and Chief Executive, J. Sainsbury plc, Britain's largest retail food and grocery business (turnover in excess of \$8 billion).

Lord Sainsbury is also Chairman of the Royal Opera House, Covent Garden.

SIR ERIC SHARP

Chairman & Chief Executive of Cable & Wireless plc, one of the world's leading international telecommunications groups which operates in 49 countries (turnover \$2 billion). Cable and Wireless have seven US companies.

DR N. BRIAN SMITH

Chairman, MB Group plc. The Metal Box Group is one of the world's largest manufacturer of containers, fasteners, and packaging materials (\$2 billion). In the US the group has manufacturing facilities in 16 locations.

PROFESSOR ROLAND SMITH

Chairman, British Aerospace plc, Britain's largest aircraft manufacturer (turnover \$7 billion).

ARNOLD & PORTER

1200 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20036

(202) 872-6700

CABLE: "ARFOPO"

TELECOPIER: (202) 872-6720

TELEX: 89-2733

PARK AVENUE TOWER

65 EAST 55TH STREET

NEW YORK, NEW YORK 10022-3219

(212) 750-5050

WILLIAM D. ROGERS

DIRECT LINE: (202) 872-6915

March 14, 1989

*Stop for
recommendation
& reply for BS*

Signature
1891

1700 LINCOLN STREET
DENVER, COLORADO 80203

(303) 863-1000

Cy Florence

MAR 16 1989

General Brent Scowcroft
Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

Dear Brent:

We are writing about a visit to Washington, D.C. in early May by a prominent group of British business executives. A list of the delegation is attached. It is, as you will see, nothing if not distinguished. The group proposes to meet senior members of the Bush administration and of Congress to discuss economic policy. They have set meetings with Alan Greenspan and Dan Rostenkowski. Others are in the process of being arranged.

The trip is being coordinated by London Washington Associates, which provides advice on American developments for British multinationals. London Washington Associates works with our firm. It has asked if we might be of assistance in setting up additional meetings. We agreed, in the hope that you might enjoy and benefit from such a meeting. The group has time available on May 1 and 2.

I hope you agree with me that this group is worth meeting. I look forward to hearing from you.

Sincerely,

DR

William D. Rogers

Enclosure

(List of British Executives)

Chen

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

UNCLASSIFIED W/
CONFIDENTIAL ATCH

2800

April 20, 1989

ACTION

MEMORANDUM FOR PHILIP HUGHES

FROM: ROBERT HUTCHINGS *RH*

SUBJECT: Agreement: New Danish Ambassador

State has recommended (Tab II) that the President agree to the appointment of Peter Dyvig as Denmark's Ambassador to the United States. We have no reason to object to his appointment.

Robert *Blackwill* concurs.

RECOMMENDATION

That you sign the Tab I memorandum to State, forwarding the President's approval.

Approve _____

Disapprove _____

Attachments

Tab I Memorandum for J. Stapleton Roy

Tab A Biography
Tab B Diplomatic Note Dated
April 6, 1989

Tab II Incoming

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS
SS 9/3/85

UNCLASSIFIED W/
CONFIDENTIAL ATCH

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

UNCLASSIFIED WITH
CONFIDENTIAL ATTACHMENT

2800

MEMORANDUM FOR J. STAPLETON ROY
Executive Secretary
Department of State

SUBJECT: Agreement: New Ambassador of Denmark

The President has reviewed and concurs in the recommendation of the Department of State that the appointment of Peter Dyvig as Ambassador Extraordinary and Plenipotentiary of Denmark to the United States would be agreeable to the Government of the United States. You are requested to inform the Government of Denmark.

G. Philip Hughes
Executive Secretary

Attachments

Tab A Biography
Tab B Diplomatic Note Dated
April 6, 1989

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REMOVAL OF CLASSIFIED
ATTACHMENTS
SS 9/3/75

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CONFIDENTIAL ATTACHMENT

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06c. Report	Government report [FOIA EXEMPTIONS REDACTED] (1 pp.)	n.d.	(b)(1), (b)(3)	C

Collection:

Record Group: Bush Presidential Records
Office: National Security Council
Series: Blackwill, Robert D., Files
Subseries: Chronological Files
WHORM Cat.:
File Location: April 1989 [1]

Document Partially Declassified
(Copy of Document Follows)
 By MM on 3/4/2015

Date Closed: 5/11/2011	OA/ID Number: 30542
FOIA/SYS Case #: 2011-0298-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #: 2012-1569-MR(505)
AR Disposition:	MR Disposition: Released in Part
AR Disposition Date:	MR Disposition Date: 10/24/2013

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

PRM. Removed as a personal record misfile.

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

~~CONFIDENTIAL~~



Proposed New Ambassador: Peter DYVIG
(Phonetic: DOO vig)

DENMARK

One of his country's senior diplomats, Peter Dyvig is currently Denmark's Ambassador to the United Kingdom of Great Britain and Northern Ireland. In the six years prior to his assuming the London post in 1986, Ambassador Dyvig served in two of the most senior political affairs positions in the Danish Ministry of Foreign Affairs.

Peter Dyvig was born on February 23, 1934. He earned a law degree from the University of Copenhagen in 1959 and joined the Ministry of Foreign Affairs that year. Except for a 1963-64 sabbatical at the Johns Hopkins University School of Advanced International Studies, Dyvig spent his first six years in the Danish Foreign Service assigned to the Foreign Ministry. From 1965 to 1969 he was assigned to Denmark's NATO mission. He then returned to the Ministry's political division to handle West European and North American affairs until 1974, when he began a two-year assignment as Deputy Chief of Mission at Denmark's Embassy in Washington.

In 1976 Dyvig again returned to the political division in Copenhagen as Deputy Under Secretary with the rank of Ambassador, with subsequent promotions to Under Secretary and then to Permanent Under Secretary of State in 1983. A dedicated Atlanticist, Dyvig has worked diligently to keep Danish security policy in line with those of other Alliance members -- frequently in the face of ambivalent public opinion and a sometimes hostile parliament. His 1984 "Dyvig Report," a comprehensive analysis of Danish security policy for the 1980's, argued strongly that Denmark had to remain a faithful and reliable participant in the NATO Alliance.

(b)(1); (b)(3)

he speaks fluent English. Married to the former Karen Moeller, the Dyvigs have two adult children.

A thorough search of U.S. Government sources reveals no grounds for objection.

Sources include:

(b)(1); (b)(3)

Danish biography
FBI

~~CONFIDENTIAL~~
(DECL:OADR)

DECLASSIFIED IN PART
PER E.O. 13526

2012-1569-MR
10/24/2013 MM

ROYAL DANISH EMBASSY

WASHINGTON, D. C.

April 6, 1989

Mr. Secretary,

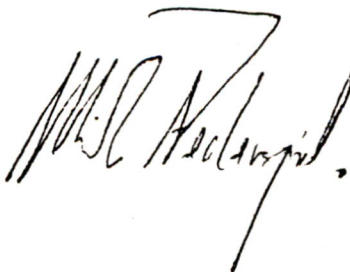
I have the honor to inform You that the Danish Minister for Foreign Affairs intends to propose to Her Majesty to appoint Ambassador Peter Pedersen Dyvig as Ambassador Extraordinary and Plenipotentiary to the United States effective from June 1, 1989.

Ambassador Dyvig is at present Ambassador to the United Kingdom of Great Britain and Northern Ireland.

I beg to enclose an extract of the paragraph in the Register of the Danish Foreign Office describing his career.

I have been directed to request that You will be good enough to inform me whether the appointment of Ambassador Dyvig would be agreeable to the Government of the United States.

I avail myself of this opportunity to renew to You, Mr. Secretary, the assurances of my highest consideration.

A handwritten signature in dark ink, appearing to read "M. C. Aschengrau". The signature is fluid and cursive, with a large, stylized initial "M" and a long, sweeping underline.

The Honorable

James A. Baker, III

Secretary of State of the United States of America

Washington, D.C.



S/S 8908426

United States Department of State

Washington, D.C. 20520

2800

UNCLASSIFIED
(With CONFIDENTIAL Attachment)

April 18, 1989

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

SUBJECT: Appointment of Peter Dyvig of Denmark as
Ambassador to the United States

The Government of Denmark has inquired whether our Government agrees to the appointment of Peter Dyvig as Ambassador Extraordinary and Plenipotentiary of Denmark to the United States (TAB 2). A biography of Mr. Dyvig is attached (TAB 1).

The Department believes from the information available that Mr. Dyvig will make an excellent Ambassador to the United States and recommends that the President agree to the proposed appointment. If he concurs, the Department will inform the Government of Denmark.

J. Stapleton Roy
J. Stapleton Roy
Executive Secretary

Attachments:

1. Biography.
2. Diplomatic Note of April 6, 1989.

UNCLASSIFIED
(With CONFIDENTIAL Attachment)

Chron

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2802

~~CONFIDENTIAL~~

April 20, 1989

MEMORANDUM FOR G. PHILIP HUGHES

FROM: BARRY F. LOWENKRON *BM*
SUBJECT: Presidential Letter to the Polish-American Congress

At Tab I is a memorandum from you to Shirley Green requesting her to send a Presidential message to Edward Moskal, President of the American Polish Congress. Attached is a suggested draft (Tab A) and the incoming from the State Department (Tab B).

BB Bob Blackwill concurs.

RECOMMENDATION

That you sign the attached memorandum and forward it along with the State Department's draft letter to Shirley Green.

Approve _____

Disapprove _____

Attachments

Tab I Hughes Memorandum to Green

Tab A Draft Presidential Response
Tab B Incoming

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By 11 NARA, Date 5/11/11

~~CONFIDENTIAL~~

Declassify on: OADR

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2802

~~CONFIDENTIAL~~

MEMORANDUM FOR SHIRLEY GREEN

FROM: G. PHILIP HUGHES

SUBJECT: Presidential Letter to Polish-American Congress

The National Security Council would appreciate your office sending a Presidential letter to Edward Moskal, the President of the Polish-American Congress. A suggested draft, supplied by the State Department and cleared by the NSC, is at Tab A.

Attachment

Tab A State Department Draft of Presidential Message

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By jr NARA, Date 5/1/11

~~CONFIDENTIAL~~

Declassify: OADR

Dear Mr. Moskal:

I know how pleased you and the Polish American Congress are at the steps the Polish people have been taking in recent weeks toward greater freedom and democracy. It was a pleasure seeing you in Hamtramck on April 17 on such a hopeful occasion.

Despite years of oppression, the Polish people have never accepted a system imposed from outside. Solidarity has remained true to its ideals and steadfast in promoting them. The courage, strength and wisdom of the Polish people have been rewarded with a success. Because American Polonia has stood with Solidarity through all the hard years, in a real sense this is your success too.

The Polish people still face a long, tough road ahead in their struggle for freedom and prosperity. As I said in Hamtramck, I want to do what I can to help this brave and worthy effort. I know you do as well.

The Polish American Congress has made a real contribution to U.S. policy toward Poland, and never more than in recent weeks. I wish to thank you for that. I look forward to continued work with the Polish American Congress in support of our shared goals of democracy and prosperity for Poland.

With best wishes,

George Bush

Mr. Edward J. Moskal, President,
The Polish American Congress,
1200 North Ashland Avenue,
Chicago, Illinois.



8908344

United States Department of State

Washington, D.C. 20520

2802

April 18, 1989

~~CONFIDENTIAL~~MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Presidential Letter to the President of the
Polish American Congress, Edward Moskal

The Polish American Congress, the largest Polish community organization in the United States, has been strongly supportive of U.S. policy toward Poland. We have worked closely with PAC representatives in Washington. In meetings with you and in the Department last month, PAC President Moskal urged the U.S. to make a strong, positive response to the Roundtable Agreements in Poland. He was present at the President's speech on Poland in Hamtramck, Michigan on April 17. The PAC's continued support will be important to the President's initiative.

We recommend the President send a short note to PAC President Moskal. We have prepared a suggested text which expresses appreciation for the PAC's past support and reaffirms the Administration's intention to continue working with the Polish American community in support of the Polish people and Solidarity.

J. Stapleton Roy
J. Stapleton Roy
Executive Secretary

Attachment:

Suggested note to PAC President Moskal

~~CONFIDENTIAL~~

DECL: OADR

DECLASSIFIED
PER E.O. 135262012-1569-MR
7/8/2013 MM

Chen

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

0832

April 20, 1989

ACTION

MEMORANDUM FOR G. PHILIP HUGHES

FROM: ADRIAN BASORA *AAB*

SUBJECT: Proclamation of the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the Government of Bermuda) Relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters

Attached at Tab A is the subject proclamation, with a related exchange of notes, signed at Washington on July 11, 1986. The Convention entered into force on December 2, 1988.

The Convention is the first tax treaty applicable to Bermuda to be negotiated between the United States and the United Kingdom. It is not a comprehensive income tax treaty and is limited to two issues: the taxation of insurance enterprises and mutual assistance in tax matters.

Your memorandum to the OMB General Counsel forwarding the proposed proclamation is attached at Tab I.

Robert *Blackwill* concurs.

RECOMMENDATION:

That you sign the memorandum at Tab I.

Approve _____ Disapprove _____

Attachments:

Tab I Memorandum to OMB, General Counsel
Tab A Draft Proclamation
Tab II Incoming Memorandum from the Department
 of State

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

0832

MEMORANDUM FOR ALAN CHARLES RAUL

FROM: G. PHILIP HUGHES

SUBJECT: Proclamation of the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the Government of Bermuda) Relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters

Attached for signature by the President is the proclamation of the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the Government of Bermuda) Relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters, with a related exchange of notes, signed at Washington on July 11, 1986.

The Senate gave its advice and consent on October 22, 1988; and, on November 28, 1988, the President signed the instrument of ratification, subject to two reservations. Instruments of ratification were exchanged at Washington on December 2, 1988. The Convention entered into force on December 2, 1988.

The Convention is the first tax treaty applicable to Bermuda to be negotiated between the United States and the United Kingdom. It is not a comprehensive income tax treaty and is limited to two issues: the taxation of insurance enterprises and mutual assistance in tax matters.

Attachment:

Tab A Proclamation

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the Government of Bermuda) Relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters, together with an exchange of notes, was signed at Washington on July 11, 1986, the text of which is hereto annexed;

The Senate of the United States of America by its resolution of October 22, 1988, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification, subject to the following reservations:

(1) Effective January 1, 1990, said Convention shall not operate to prevent the imposition by the United States of any excise taxes on insurance premiums paid to foreign insurers, whether or not such premiums constitute income of an enterprise of insurance of a Covered Jurisdiction; and

(2) Said Convention shall in no event operate to prevent the imposition by the United States of any excise taxes on insurance premiums paid to foreign insurers except with respect to insurance premiums that either:

(a) constitute income of an enterprise of insurance of a Covered Jurisdiction carried on by a company in a taxable year in which the company is a controlled foreign corporation within the meaning of section 957(a) or (b) of title 26 of the United States Code as in effect for such taxable year; or

(b) constitute income of an enterprise of insurance of a Covered Jurisdiction carried on by a company in a taxable year in which:

(i) the company is subject to the rules of the section 953(c) of the Internal Revenue Code of 1986, and

(ii) the company is a controlled foreign corporation within the meaning of section 957(a) of the Internal Revenue Code of 1986 as modified by section 953(c) (1) of said Code, and the premiums constitute related person insurance income within the meaning of section 953(c) of the Internal Revenue Code of 1986.

The Convention and exchange of notes were ratified by the President of the United States of America on November 28, 1988, subject to the said reservations, in pursuance of the advice and consent of the Senate, and were ratified on the part of the Government of Bermuda on March 26, 1987.

It is provided in Article 7 of the Convention that the Convention shall enter into force upon the exchange of instruments of ratification;

The instruments of ratification of the Convention were exchanged at Washington on December 2, 1988, and accordingly the Convention and the exchange of notes, subject to the said reservations, entered into force on December 2, 1988.

NOW, THEREFORE, I, George Bush, President of the United States of America, proclaim and make public the Convention, with a related exchange of notes, subject to the said reservations, to the end that it be observed and fulfilled with good faith on and after December 2, 1988, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington

our Lord one thousand
nine hundred eighty-nine
and of the Independence
of the United States of
America the two hundred
thirteenth.

By the President:

Secretary of State



United States Department of State

Washington, D.C. 20520

February 14, 1989

0832

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Proclamation of the Convention Between
the Government of the United States of America
and the Government of the United Kingdom of
Great Britain and Northern Ireland (on behalf
of the Government of Bermuda) Relating to the
Taxation of Insurance Enterprises and Mutual
Assistance in Tax Matters

Attached for signature by the President is the
proclamation of the Convention Between the Government of the
United States of America and the Government of the United
Kingdom of Great Britain and Northern Ireland (on behalf of
the Government of Bermuda) Relating to the Taxation of
Insurance Enterprises and Mutual Assistance in Tax Matters,
with a related exchange of notes, signed at Washington on
July 11, 1986.

The Senate gave its advice and consent on October 22,
1988; and, on November 28, 1988, the President signed the
instrument of ratification, subject to two reservations.
Instruments of ratification were exchanged at Washington on
December 2, 1988. The Convention entered into force on
December 2, 1988.

The Convention is the first tax treaty applicable to
Bermuda to be negotiated between the United States and the
United Kingdom. It is not a comprehensive income tax treaty
and is limited to two issues: the taxation of insurance
enterprises and mutual assistance in tax matters.

Melvyn Levitsky
Executive Secretary

Attachment:

Proclamation

12 11:02

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the Government of Bermuda) Relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters, together with an exchange of notes, was signed at Washington on July 11, 1986, the text of which is hereto annexed;

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(2) Said Convention shall in no event operate to prevent the imposition by the United States of any excise taxes on insurance premiums paid to foreign insurers except with respect to insurance premiums that either:

(a) constitute income of an enterprise of insurance of a Covered Jurisdiction carried on by a company in a taxable year in which the company is a controlled foreign corporation within the meaning of section 957(a) or (b) of title 26 of the United States Code as in effect for such taxable year; or

(b) constitute income of an enterprise of insurance of a Covered Jurisdiction carried on by a company in a taxable year in which:

(i) the company is subject to the rules of the section 953(c) of the Internal Revenue Code of 1986, and

(ii) the company is a controlled foreign corporation within the meaning of section 957(a) of the Internal Revenue Code of 1986 as modified by section 953(c) (1) of said Code, and the premiums constitute related person insurance income within the meaning of section 953(c) of the Internal Revenue Code of 1986.

The Convention and exchange of notes were ratified by the President of the United States of America on November 28, 1988, subject to the said reservations, in pursuance of the advice and consent of the Senate, and were ratified on the part of the Government of Bermuda on March 26, 1987.

It is provided in Article 7 of the Convention that the Convention shall enter into force upon the exchange of instruments of ratification;

The instruments of ratification of the Convention were exchanged at Washington on December 2, 1988, and accordingly the Convention and the exchange of notes, subject to the said reservations, entered into force on December 2, 1988.

NOW, THEREFORE, I, George Bush, President of the United States of America, proclaim and make public the Convention, with a related exchange of notes, subject to the said reservations, to the end that it be observed and fulfilled with good faith on and after December 2, 1988, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington

our Lord one thousand
nine hundred eighty-nine
and of the Independence
of the United States of
America the two hundred
thirteenth.

By the President:

Secretary of State

**TAX CONVENTION WITH THE UNITED
KINGDOM (ON BEHALF OF BERMUDA)**

R E P O R T

OF THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ON

THE CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (ON BEHALF OF THE GOVERNMENT OF BERMUDA) RELATING TO THE TAXATION OF INSURANCE ENTERPRISES AND MUTUAL ASSISTANCE IN TAX MATTERS, WITH A RELATED EXCHANGE OF NOTES, SIGNED AT WASHINGTON ON JULY 11, 1986



SEPTEMBER 22, 1988.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1988

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

0831

April 20, 1989

4/21/89
0950

Philip --
We think this
was delivered to
us this week.
Bob

ACTION

MEMORANDUM FOR G. PHILIP HUGHES

FROM: ADRIAN BASORA *AAB*

SUBJECT: Proclamation of the Protocol to the Convention
Between the Government of the United States of
America and the French Republic with Respect to
Taxes on Income and Property of July 28, 1967, as
amended

Attached at Tab A is the subject proclamation, as amended by the
Protocols of October 12, 1970, November 24, 1978 and January 17,
1984, which Protocol and related exchange of notes were signed in
Paris on June 16, 1988 and entered into force on December 29,
1988.

The main purpose of the Protocol is to modify the Convention to
take into account the provisions of the Tax Reform Act of 1986.
In addition, the Protocol will permit France to exempt U.S.
citizens resident in France from French tax on their U.S.-source
investment income.

Your memorandum to the OMB General Counsel forwarding the
proposed proclamation is attached at Tab I.

Robert *Blackwill* concurs.

RECOMMENDATION

That you sign the memorandum at Tab I.

Approve____ Disapprove____

Attachments:

Tab I Memorandum to OMB, General Counsel
Tab A Draft Proclamation
Tab II Incoming Memorandum from the Department
of State

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

0831

MEMORANDUM FOR ALAN CHARLES RAUL

FROM: G. PHILIP HUGHES

SUBJECT: Proclamation of the Protocol to the Convention
Between the Government of the United States of
America and the French Republic with Respect to
Taxes on Income and Property of July 28, 1967, as
amended

Attached for signature by the President is the proclamation of the Protocol to the Convention Between the Government of the United States of America and the French Republic with respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocols of October 12, 1970, November 24, 1978 and January 17, 1984, which Protocol and related exchange of notes were signed at Paris on June 16, 1988.

The Senate gave its advice and consent on October 22, 1988, subject to an understanding, and the President signed the instrument of ratification on November 28, 1988. The Contracting States each gave notification of the completion of its respective constitutional procedures to bring the Protocol into force. The Protocol, together with a related exchange of notes, entered into force on December 29, 1988.

The main purpose of the Protocol is to modify the Convention to take into account the provisions of the Tax Reform Act of 1986. In addition, the Protocol will permit France to exempt U.S. citizens resident in France from French tax on their U.S.-source investment income.

Attachment:

Tab A Proclamation

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Protocol to the Convention Between the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocols of October 12, 1970, November 24, 1978 and January 17, 1984, together with a related exchange of notes, was signed at Paris on June 16, 1988, the text of which is hereto annexed;

The Senate of the United States of America by its resolution of October 22, 1988, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification, subject to the following understanding:

That the Treasury Department will effect the negotiation of a new Protocol in an expeditious manner with the objective of modifying the dividend rates specified in paragraph 2 of Article 9 (Dividends) to deny inappropriate relief from taxation at source on dividends paid by Regulated Investment Companies, Real Estate Investment Trusts, and any other U.S. corporations that essentially receive conduit treatment for U.S. income tax purposes.

The Protocol, with a related exchange of notes, subject to the said understanding, was ratified by the President of the United States of America on November 28, 1988, in pursuance of the advice and consent of the Senate;

Each of the Contracting States notified the other Contracting State in writing, through diplomatic channels, upon the completion of its respective constitutional procedures to bring the Protocol into force, and accordingly the Protocol, with a related exchange of notes, subject to the said understanding, entered into force on December 29, 1988, effective in accordance with the provisions of Article XIII;

NOW, THEREFORE, I, George Bush, President of the United States of America, proclaim and make public the Protocol; with an exchange of notes, subject to the said understanding, to the end that it be observed and fulfilled with good faith on and after December 29, 1988, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington

our Lord one thousand
nine hundred eighty-nine
and of the Independence
of the United States of
America the two hundred
thirteenth.

By the President:

Secretary of State



8902876

United States Department of State

Washington, D.C. 20520

0831

February 14, 1989

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Proclamation of the Protocol to the Convention Between the Government of the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967, as amended.

Attached for signature by the President is the proclamation of the Protocol to the Convention Between the Government of the United States of America and the French Republic with respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocols of October 12, 1970, November 24, 1978 and January 17, 1984, which Protocol and related exchange of notes were signed at Paris on June 16, 1988.

The Senate gave its advice and consent on October 22, 1988, subject to an understanding, and the President signed the instrument of ratification on November 28, 1988. The Contracting States each gave notification of the completion of its respective constitutional procedures to bring the Protocol into force. The Protocol, together with a related exchange of notes, entered into force on December 29, 1988.

The main purpose of the Protocol is to modify the Convention to take into account the provisions of the Tax Reform Act of 1986. In addition, the Protocol will permit France to exempt U.S. citizens resident in France from French tax on their U.S.- source investment income.

Melvyn Levitsky
Executive Secretary

Attachment:

Proclamation

100-512 91:02

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Protocol to the Convention Between the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocols of October 12, 1970, November 24, 1978 and January 17, 1984, together with a related exchange of notes, was signed at Paris on June 16, 1988, the text of which is hereto annexed;

The Senate of the United States of America by its resolution of October 22, 1988, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification, subject to the following understanding:

That the Treasury Department will effect the negotiation of a new Protocol in an expeditious manner with the objective of modifying the dividend rates specified in paragraph 2 of Article 9 (Dividends) to deny inappropriate relief from taxation at source on dividends paid by Regulated Investment Companies, Real Estate Investment Trusts, and any other U.S. corporations that essentially receive conduit treatment for U.S. income tax purposes.

The Protocol, with a related exchange of notes, subject to the said understanding, was ratified by the President of the United States of America on November 28, 1988, in pursuance of the advice and consent of the Senate;

Each of the Contracting States notified the other Contracting State in writing, through diplomatic channels, upon the completion of its respective constitutional procedures to bring the Protocol into force, and accordingly the Protocol, with a related exchange of notes, subject to the said understanding, entered into force on December 29, 1988, effective in accordance with the provisions of Article XIII;

NOW, THEREFORE, I, George Bush, President of the United States of America, proclaim and make public the Protocol, with an exchange of notes, subject to the said understanding, to the end that it be observed and fulfilled with good faith on and after December 29, 1988, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington

our Lord one thousand
nine hundred eighty-nine
and of the Independence
of the United States of
America the two hundred
thirteenth.

By the President:

Secretary of State

PROTOCOL TO THE 1967 TAX CONVENTION
WITH FRANCE

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE PROTOCOL OF JUNE 16, 1988, TOGETHER WITH A RELATED EXCHANGE OF NOTES, TO THE CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC WITH RESPECT TO TAXES ON INCOME AND PROPERTY OF JULY 28, 1967, AS AMENDED BY THE PROTOCOLS OF OCTOBER 12, 1970, NOVEMBER 24, 1978 AND JANUARY 17, 1984



AUGUST 1, 1988.—Protocol was read the first time, and together with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate

U.S. GOVERNMENT PRINTING OFFICE

19-118

WASHINGTON : 1988

LETTER OF TRANSMITTAL

THE WHITE HOUSE, August 1, 1988.

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Protocol to the Convention between the United States of America and the French Republic with respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocols of October 12, 1970, November 24, 1978, and January 17, 1984, which Protocol and related exchange of notes were signed at Paris on June 16, 1988. I also transmit for the information of the Senate the report of the Department of State with respect thereto.

The main purpose of the Protocol is to modify the Convention to take into account the provisions of the Tax Reform Act of 1986. In addition, the Protocol will permit France to exempt U.S. citizens resident in France from French tax on their U.S.-source investment income.

It is most desirable that this Protocol, together with the related exchange of notes, be considered by the Senate as soon as possible and that the Senate give advice and consent to ratification.

RONALD REAGAN.

(III)

chron

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2802

~~CONFIDENTIAL~~

April 20, 1989

MEMORANDUM FOR G. PHILIP HUGHES

FROM: BARRY F. LOWENKRON *BM*
SUBJECT: Presidential Letter to the Polish-American Congress

At Tab I is a memorandum from you to Shirley Green requesting her to send a Presidential message to Edward Moskal, President of the American Polish Congress. Attached is a suggested draft (Tab A) and the incoming from the State Department (Tab B).

BB
Bob Blackwill concurs.

RECOMMENDATION

That you sign the attached memorandum and forward it along with the State Department's draft letter to Shirley Green.

Approve _____

Disapprove _____

Attachments

Tab I Hughes Memorandum to Green

Tab A Draft Presidential Response
Tab B Incoming

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By *lr* NARA, Date *5/11/11*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2802

MEMORANDUM FOR SHIRLEY GREEN

FROM: G. PHILIP HUGHES

SUBJECT: Presidential Letter to Polish-American Congress

The National Security Council would appreciate your office sending a Presidential letter to Edward Moskal, the President of the Polish-American Congress. A suggested draft, supplied by the State Department and cleared by the NSC, is at Tab A.

Attachment

Tab A State Department Draft of Presidential Message

Dear Mr. Moskal:

I know how pleased you and the Polish American Congress are at the steps the Polish people have been taking in recent weeks toward greater freedom and democracy. It was a pleasure seeing you in Hamtramck on April 17 on such a hopeful occasion.

Despite years of oppression, the Polish people have never accepted a system imposed from outside. Solidarity has remained true to its ideals and steadfast in promoting them. The courage, strength and wisdom of the Polish people have been rewarded with a success. Because American Polonia has stood with Solidarity through all the hard years, in a real sense this is your success too.

The Polish people still face a long, tough road ahead in their struggle for freedom and prosperity. As I said in Hamtramck, I want to do what I can to help this brave and worthy effort. I know you do as well.

The Polish American Congress has made a real contribution to U.S. policy toward Poland, and never more than in recent weeks. I wish to thank you for that. I look forward to continued work with the Polish American Congress in support of our shared goals of democracy and prosperity for Poland.

With best wishes,

George Bush

Mr. Edward J. Moskal, President,
The Polish American Congress,
1200 North Ashland Avenue,
Chicago, Illinois.



United States Department of State

Washington, D.C. 20520

2802

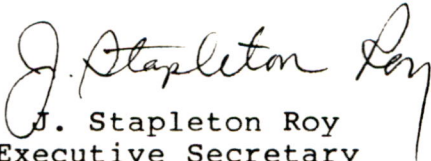
April 18, 1989

~~CONFIDENTIAL~~MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Presidential Letter to the President of the
Polish American Congress, Edward Moskal

The Polish American Congress, the largest Polish community organization in the United States, has been strongly supportive of U.S. policy toward Poland. We have worked closely with PAC representatives in Washington. In meetings with you and in the Department last month, PAC President Moskal urged the U.S. to make a strong, positive response to the Roundtable Agreements in Poland. He was present at the President's speech on Poland in Hamtramck, Michigan on April 17. The PAC's continued support will be important to the President's initiative.

We recommend the President send a short note to PAC President Moskal. We have prepared a suggested text which expresses appreciation for the PAC's past support and reaffirms the Administration's intention to continue working with the Polish American community in support of the Polish people and Solidarity.


J. Stapleton Roy
Executive Secretary

Attachment:

Suggested note to PAC President Moskal

~~CONFIDENTIAL~~

DECL: OADR

DECLASSIFIED
PER E.O. 135262012-1569-MR
7/8/2013 MM

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2593

April 20, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL AND DEANE HOFFMANN *LOH*
FROM: ADRIAN BASORA AND TIM DEAL *AAB*
SUBJECT: Invitation to Attend the World Economic Forum on
May 17, 1989

An invitation for you to participate in a meeting of the World Economic Forum on May 17 is attached at Tab II. You are asked to discuss East-West relations and U.S. defense spending priorities with 100 business leaders.

The World Economic Forum is a Swiss-registered foundation which holds high-level conferences bringing together Ministers, senior officials, academics and ranking businessmen for discussion of current international problems. The annual meeting at Davos is especially well known and regularly attracts U.S. cabinet officers who carry on substantive discussions with their counterparts on the margins of the regular meetings.

Given the timing, just before the President's NATO trip, and the limited relevance of this forum for a statement on defense and strategic issues, we recommend that you decline.

RECOMMENDATION:

That you sign the letter of regret attached at Tab I.

Approve _____ Disapprove _____

Attachments:

Tab I Letter of Regret
Tab II Incoming

THE WHITE HOUSE

WASHINGTON

Dear Ms. Bidwell:

Your invitation to join in the World Economic Forum's National Meeting discussions this year is very much appreciated. Unfortunately, due to an extremely busy schedule, I will be unable to attend. May I extend my best wishes for a successful forum.

Sincerely,

Brent Scowcroft

Ms. Gail Bidwell
Member of the Executive Board
World Economic Forum
53 chemin des Hauts-Crets
1223 Cologny
Geneva, Switzerland

2. World Economic
Forum (Gail Bidwell)

Discussion w/you on
strategic considerations of
East-West relations & US
defense-spending priorities
in DC.

Wed, May 17 ~~cliff~~
(afternoon) ~~for~~
Yes ___ No ___ ~~recommen~~
~~line~~

FORT

Per General Scowcroft,
please provide information
on this forum/group and
your recommendation re
accept/regret.

Dona

Paul Smyke
Geneva

4122 - 360.843

Invitation to join the World Economic Forum's Nt
Washington D.C. 17-18 May 1989

Dear General Cy Florence

The World Economic Forum will hold its yearly private discussions on the United States this May in Washington. It will be a particularly important occasion next spring at the beginning of the new Administration.

It is with particular pleasure that I invite you to join Administration and Congressional leaders as well as chief executives from the world over at this meeting.

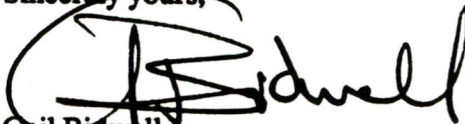
We would be most honoured if you could ~~join us during the afternoon of Wednesday 17~~
~~May. The 100 business leaders present would particularly appreciate a discussion with you on~~
~~strategic considerations of East-West relations and U.S. defense spending priorities.~~

The discussions would be completely informal and in private; thus, no prepared statement would be necessary.

I hope your agenda will permit you to join us during the afternoon of the 17th.

With kind regards, I remain

Sincerely yours,


Gail Bidwell
Member of the Executive Board

WORLD
ECONOMIC
FORUM

*THE FOLLOWING MEMBERS OF THE US ADMINISTRATION AND CONGRESS
HAVE JOINED DISCUSSIONS AT OUR RECENT MEETINGS*

The Secretary of Commerce

The Secretary of the Treasury

The Secretary of Defense

The Secretary of Labor

The Secretary of Agriculture

The Attorney-General

The Director of the Office of Management and Budget

The US Trade Representative

Senators Lloyd Bentsen, Bill Bradley, Dale Bumpers,
John Danforth, Robert Dole, David Durenberger, Jake Garn,
John Heinz, Nancy Kassebaum, Warren Rudman

Congressmen Don Bonker, Bill Frenzel, Edward Markey, Charles Schumer

Members of the Board of Governors of the Federal Reserve

Chairmen of the Commissions (SEC, FTC, ITC, etc)

Geneva Meetings

The foundation's Geneva Meetings are a practical mechanism for its members to meet, in a very private and personalized way in Geneva, the economic decision-makers of key industrializing countries.

These one-day meetings are also a systematic opportunity for ministers from developing countries to explain their new economic policies and measures, and to receive, in a confidential and frank way, the reactions of the international business community.

Because the meetings include individual conversations with the minister, they are particularly important for the furthering of business projects and partnerships.

Sectoral academies and informal gatherings

In its sectoral academies, the World Economic Forum brings together the world's best minds and most important decision-makers in specific economic (sectoral) fields - from business, government and academia - in a joint effort to understand, and possibly shape, the future in a spirit of far-reaching concern and with a sense of worldwide responsibility.

Members of the foundation benefit from the research and feedback from the deliberations of all the sectoral academies.

Informal gatherings are distinctive initiatives of the World Economic Forum. They are usually held in parallel to the Annual Meeting in Davos, and bring together a highly select group of world political/economic leaders to examine mutual concerns in a "fireside" atmosphere, in the interest of the world economic community.

The foundation's non-commercial and impartial character, and the confidence it is accorded, have made it a welcome partner in these initiatives, which have a significant international impact.

~~SECRET~~

Rice

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

2894

~~SECRET~~

Natl Sec Advisor
has seen

April 20, 1989

BD

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL RB

FROM: CONDOLEEZZA RICE CR

SUBJECT: Dates for a possible Presidential visit to Poland and Hungary

8. → The Germans have informed us in confidence that Chancellor Kohl has proposed to the Poles that he visit immediately after the Economic Summit (July 18-21). As you know, we were considering a Presidential visit to Poland after the Economic Summit which takes place July 15-16. The Kohl visit now takes away the option of going to Poland following the summit since the President should not follow Kohl in Poland. The President could go to Poland and Hungary before the Summit, perhaps July 12-13. We still think that a visit to Poland and Hungary during this trip is a good idea but wanted to bring this potential conflict to your attention.

Tim Deal concurs.

Please note the crosshatch attached at Tab 1. State is recommending that we ask the Germans to wait until we make a decision. We don't think that this is appropriate but we should give some thought soon to the timing of a Presidential visit.

~~SECRET~~

Declassify on: OADR

CR
4/21/89
@ 1445

DECLASSIFIED
PER E.O. 13526

2009-0993-MR
mm 10/26/2015

~~SECRET~~

State Proposed Draft ~~SECRET~~

~~SECRET~~

DECLASSIFIED
PER E.O. 13526

2009-0993-MA
MM 10/26/2015

EUR/EEY:JMSWIHART
04/19/89 647-4136 WANG 2374A
EUR:RLRIDGWAY

EUR:TWSIMONS, JR.
S/S:JCOLLINS
S/S-O:EREDBICK

P:HURTON
NSC:
C:NBURNS

EUR EUR/EEY

IMMEDIATE BONN

MODIS

E.O. 12356: DECL: OADR

TAGS: PREL, GE, PL

SUBJECT: THE CHANCELLOR'S VISIT TO POLAND

JUS
TUST/BB
JC CR
NDX

REF: BONN 12326

1. X - ENTIRE TEXT

2. PLEASE TELL TELTSCHIK WE APPRECIATE HIS ADVISING US OF THE CHANCELLOR'S PROPOSED VISIT TO WARSAW (JULY 25-26). A PRESIDENTIAL TRIP TO POLAND AND HUNGARY IN CONNECTION WITH THE ECONOMIC SUMMIT IS UNDER CONSIDERATION IN THE DEPARTMENT BUT NO FORMAL PROPOSAL HAS YET BEEN MADE TO THE PRESIDENT, THOUGH IF A POSITIVE RECOMMENDATION IS MADE WE WOULD EXPECT A RAPID WHITE HOUSE DECISION. WE OF COURSE WISH TO AVOID ANY CONFLICT WITH THE CHANCELLOR. GIVEN THE SCHEDULING LIMITATIONS SURROUNDING THE ECONOMIC SUMMIT, IF AT ALL POSSIBLE IT WOULD BE HELPFUL IF THE FRG IN ITS DISCUSSIONS WITH THE POLES COULD HOLD OFF AGREEMENT ON DATES UNTIL THE PRESIDENT HAS CONSIDERED THE QUESTION. WE WILL LET YOU KNOW OF OUR INTENTIONS IN THIS REGARD AS SOON AS POSSIBLE THROUGH THE SAME CHANNEL. WE RECOGNIZE THE DIFFICULTY OF THIS APPROACH FOR THE GERMANS BUT IF IT IS NOT NECESSARY FOR THEM TO NAIL DOWN DATES NOW, WE WOULD APPRECIATE IT VERY MUCH.

VV

~~SECRET~~

~~SECRET~~

~~SECRET~~

Blackw. CL

~~SECRET~~

THE WHITE HOUSE

WASHINGTON

2902

April 20, 1989

MEETING WITH SECRETARY CHENEY

DATE: April 21, 1989

LOCATION: Oval Office

TIME: 10:15 a.m. - 11:00 a.m.

FROM: BRENT SCOWCROFT *B*

2
C
RH
AB
mk

I. PURPOSE

To discuss further budget issues and options with Secretary Cheney for Strategic Modernization.

II. BACKGROUND

You have had several meetings on this subject recently. This meeting will allow provide time for further discussions on this issue.

III. PARTICIPANTS

The President, the Vice President, Secretary Cheney, Governor Sununu, General Scowcroft and Robert Gates.

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE

Oval Office discussions.

cc: Vice President
Chief of Staff

~~SECRET~~

Declassify on: OADR

~~SECRET~~

DECLASSIFIED
PER E.O. 13526

2012-1569-MR
7/8/2013 MM

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

UNCLASSIFIED w/
SECRET ATTACHMENT

April 20, 1989

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: CONDOLEEZZA RICE *CR*

SUBJECT: Draft NSD on the Soviet Union

As promised, this is a rough first-cut at a National Security Directive on the Soviet Union. We look forward to discussing the NSD with you Friday morning.

Once we have received your initial comments, we will coordinate the draft NSD within the NSC staff. We asked the senior directors to provide contributions on pending Presidential decisions that impact on U.S.-Soviet relations. We have drawn on those suggestions in drafting the NSD.

Attachment:

TAB I Draft NSD

UNCLASSIFIED w/
SECRET ATTACHMENT

Declassify on: OADR

~~SECRET~~

National Security Directive on U.S.-Soviet Relations

For forty years the United States has committed its power and will to containment of the military and ideological threat of Soviet communism. Containment was never an end in itself; it was a strategy born of the conditions of the postwar world. The United States recognized that, while Soviet military power was not the only threat to international stability, it was the most immediate. The U.S. challenge was to prevent the spread of Soviet communism long enough to rebuild the economic, political and social strength of the world's long-standing and new democracies. Those who crafted the strategy of containment believed that the Soviet Union, denied the easy course of external expansion, would ultimately have to face and react to the internal contradictions of an inefficient, repressive and inhumane system.

This strategy provided an enduring pillar for the growth of Western democracy and free enterprise. Many of the goals of containment have been met. But the military capability of the Soviet Union has not diminished. Rather, in the last two decades, the Soviet Union has increased its military power across the spectrum of capabilities, drawing on that power to conduct a global foreign policy based on intimidation, subversion and consistent opposition to Western interests.

A new era may be upon us, one in which we can move beyond containment to a U.S. policy that actively promotes a restructuring of the Soviet Union's relationship with the international system through the demilitarization of Soviet foreign policy. The U.S.S.R. has signaled its desire for rapprochement with and integration into the family of nations. The Soviet leadership has criticized major tenets of its postwar political-military policy and sounded the need for Soviet new thinking.

These are words that we can only applaud. But a new relationship with the international system can neither simply be declared by Moscow nor can it be granted by others. It must be earned and reinforced by consistently benign Soviet behavior. We cannot react to reforms and changes in the Soviet Union that have not yet taken place. We must challenge the Soviet Union to behave in accordance with the high standards of conduct that the Soviet leadership itself has enunciated. American vigilance is especially important in a period of uncertainty in order to minimize the inescapable risks associated with change.

We seek fundamental alterations in Soviet military force structure, institutions and practices which can only be reversed

~~SECRET~~

DECLASSIFIED
PER E.O. 13526

2012-1569-MR
8/2/2013 M.M

SECRET

at great costs, economically and politically, to the Soviet Union. The United States will pursue a strategy in concert with our allies that challenges the Soviet Union step by step, issue by issue and institution by institution to create the conditions that will support a sustained and cooperative Soviet relationship with ourselves, with our allies, and with the international community. Those conditions include:

A Soviet force posture that is smaller and much less threatening. The United States believes that the Soviet Union has legitimate security interests but Soviet military power is far beyond that needed to defend those interests.

Recognition of the right of self-determination in East-Central Europe and authoritative renunciation of military intervention as an instrument of policy--for any reason.

Demilitarization of Soviet foreign policy in other regions of the world and serious participation in efforts to ameliorate conflict, including bringing pressure to bear on Soviet clients who do not recognize the legitimate security interests of their neighbors.

Participation in cooperative efforts to stop the proliferation of ballistic missile technology and nuclear, chemical and biological weapons and the spread of terrorism.

Acceptance with the United States and the world community of responsibility for addressing pressing global problems, including the international trade in narcotics and dangers to the environment.

Institutionalization of more democratic internal laws and human rights practices, as well as the creation of economic conditions, that will establish a firm Soviet domestic base for a more productive and cooperative relationship with the free nations of the world.

The United States will act reciprocally, though not always symmetrically to build a more cooperative relationship with Moscow. We do not feel compelled to react to every Soviet initiative. But we are willing to engage the Soviet Union in multilateral and bilateral negotiations on all of these matters and, when appropriate, to take unilateral steps that support U.S. objectives.

Strategic-Military Policy

SECRET

SECRET

The United States must maintain modern defenses that strengthen deterrence and enhance the security of our allies and friends. The United States will seek to protect and sustain its military-technological advantages. The purpose of our forces is not to put pressure on a weak Soviet economy or to seek military superiority. Rather, U.S. policy recognizes the need to provide a hedge against uncertain longterm developments in the Soviet Union and to impress upon the Soviet leadership that nothing can be gained by turning back to a more militaristic course. Most importantly, American forces are a reliable and credible guarantee of our safety and of our commitment to the security of our allies in the face of Soviet forces that, even after restructuring, will be large and modern.

At the same time, the United States will seek verifiable arms control agreements with the Soviet Union and its allies that:

Contribute to stability, including where desirable at lower numerical levels, and encourage restructuring of Soviet forces to a less threatening force posture.

Increase transparency through confidence building measures and appropriate contacts between the military officers of the United States and the Soviet Union. In addition, the Soviet Defense Minister and the Secretary of Defense should meet annually to exchange information on defense plans.

Political-Diplomatic Policy

Regional Issues

American regional policy has encouraged democratic political reform and free enterprise. These objectives have been supported by security cooperation between the United States and its allies in the regions, aimed both at arresting the encroachment of Soviet power and at maintaining regional military stability. We recognize that the solution of regional problem rests importantly with the indigenous parties to the conflicts and that poverty and underdevelopment must be addressed in order to promote longterm stability. But the Soviet Union has inflamed regional tensions and fueled conflicts, supporting anti-Western political groups through military assistance, proxy forces and, in some cases, direct Soviet intervention.

Recently, the Soviet leadership has signaled willingness to turn to a more cooperative course. I direct that U.S.-Soviet discussions be resumed at all levels, expert working groups,

~~SECRET~~

Ministerial and when appropriate between myself and President Gorbachev on regional problems.

The Soviets must take into account interests of our regional allies who are threatened by Soviet arms shipments and political support of states that do not recognize the legitimate security interests of their neighbors. We challenge the Soviet Union to:

Cease arms shipments to Nicaragua, whose armed forces outnumber the combined armies of all others in Central America. Moscow should carry out its pledge to cease attempts to export revolution, and insist that its clients do the same. We do not recognize symmetry of interests between the United States and the Soviet Union in Latin America. The Soviets should know that their behavior in Central America will affect the U.S.-Soviet relationship as a whole.

Respect the legitimate security concerns of Israel and other states of the Middle East by a more restrained military assistance program to Syria and Libya, and by demonstrating diplomatically its desire to assist in the peace process.

Demilitarize and return the Northern Territories to Japan as a manifestation of a new Soviet policy that recognizes the legitimate interests of Soviet neighbors and seeks to undo historical wrongs.

Take account of the legitimate security concerns of the Republic of Korea and to act on the Soviet Union's own expressed goal of diminishing tensions on the Korean peninsula by slowing its efforts to modernize the North Korean armed forces.

Second, we are ready to seek joint, cooperative diplomatic solutions to ameliorate regional tensions and promote stability. We ask the Soviet Union to join with us in:

Discussing the problems of stability in the Persian Gulf.

Moving with dispatch to conclude a negotiated settlement to the situation in Cambodia.

Accelerating work toward the implementation of the accords on Namibia.

Relieving the human suffering in the Horn of Africa caused by civil war and famine.

~~SECRET~~

SECRET

Cooperating with the United States to explore ways to contribute to stability in Southern Africa, including the achievement of national reconciliation in Angola.

Third, we challenge the Soviet Union to join us in addressing the poverty that contributes to regional instability.

Supporting U.S. efforts to restructure the relief agencies of the United Nations so that they are more efficient and effective. The United States has carried the heaviest burden of support for UN agencies for forty years.

Promoting the efforts of the United States and the international economic agencies to encourage privatization and the institution of free market principles which are ultimately the basis for economic prosperity in developing countries.

Transnational

The United States and the Soviet Union have an opportunity to work together to address some of the pressing problems of the globe. We share an interest in arresting the proliferation of chemical, nuclear and biological weapons and ballistic missile technology and in preventing terrorism; and in slowing the spread of narcotics. The United States challenges the Soviet Union to strengthen international regimes and safeguards against these threats to the security and stability of the international system. The United States must ensure that joint U.S.-Soviet efforts in these areas are carefully structured so that the security of the United States and its allies is not compromised. Because of the sensitivity of these issues, I direct the appropriate interagency committees to develop a detailed plan stating the boundaries of cooperation with the Soviet Union on these matters and a strategy for implementation.

U.S.-Soviet discussions should begin at the appropriate level to explore joint efforts for protection of the environment and for the establishment of agreed international standards and safeguards for that purpose. The United States is a leader in implementing strict national standards against pollution and disruption of the environment. Because environmental destruction knows no boundaries, the Soviet Union must address its national practices and those of its allies if it is to support a claim to a role in custodianship of the planet. I direct the National Space Council to examine ways that the United States and the Soviet Union might jointly use space to conduct research on threats to the environment.

Economic Relations

SECRET

SECRET

It is incumbent on the Soviet Union to create the domestic conditions that would support normal economic relations with the United States. Internally, the Soviet Union has begun to move toward a less centralized economic system. If those reforms succeed in creating an environment more congenial to free enterprise, sufficient to attract private American investment and/or commerce, the United States government will encourage the expansion of those ties. Similarly, when the Soviet Union's internal economic practices are consistent with the principles of the international economic institutions, the United States will consider Soviet entry into them.

I direct appropriate agencies to undertake a study of U.S.-Soviet economic relations and in particular to make recommendations on the following:

Whether to waive the Jackson-Vanik amendment as a test of Soviet willingness to sustain significant emigration.

Whether to streamline the COCOM list.

Whether to subsidize trade and extend credits to the Soviet Union.

Democratization

The United States is encouraged by emerging trends in the internal process of democratization in the Soviet Union. Ultimately, we place our hope for a cooperative and peaceful relationship in the transformation of the Soviet system to one that is more humane and democratic. Our concern about the character of the Soviet system is, in many ways, at the heart of our differences with Moscow. The threat that the Soviet Union poses to the U.S. is in part a consequence of a system that denies its people basic political and economic liberties and pursues an aggrandizing policy abroad, free of democratic constraints. To the extent that Soviet practices are modified and institutions are built based on popular will, we may find that the nature of the threat itself has changed though this transformation would likely take decades. Where possible, the United States should promote Western values and ideas within the Soviet Union, not in the spirit of provocation, but as a means to lay a firm foundation for a cooperative relationship. We challenge the Soviet Union to:

Follow-through on commitments that led to our agreement to the 1991 Moscow human rights conference.

SECRET

Increase institutional safeguards for civil, political, religious and economic liberties.

Create institutions to manage equitably the distribution of power, provide systemic checks and balances and end the monopoly of the Communist Party.

Allow free emigration of peoples.

Promote the peaceful evolution of a new relationship between the peoples of the Soviet Union.

Move toward the establishment of a free economic market, including decentralized economic decision-making.

Public Diplomacy

The United States should make every effort to clearly and responsibly communicate our message about U.S.-Soviet relations at home and abroad. Our goal is a consistent and sustainable policy toward Moscow. We must present our policy in this light and stress its comprehensiveness as well as the fact that the relationship is moving forward on the basis of a long supported Western agenda to which the Soviet Union is now adapting.

Conclusion

The goal of restructuring the relationship of the Soviet Union to the international system is as ambitious a task as containment was in its time. The responsibility for creating the conditions for the integration of the Soviet Union into the family of nations lies first and foremost with Moscow. But the United States will do its part, together with our allies to test Soviet intentions, and while maintaining our strength, to attempt to place Soviet relations with the West on a firmer, more cooperative course than has heretofore been possible in the postwar era.

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 8902896
RECEIVED: 20 APR 89 18

TO: PRESIDENT

FROM: KOHL, HELMUT

DOC DATE: 20 APR 89
SOURCE REF:

KEYWORDS: HS

GERMANY F R

BS has seen

PERSONS:

SUBJECT: SYMPATHY LTR FM KOHL RE ACCIDENT ON THE IOWA

ACTION: APPROPRIATE ACTION

DUE DATE: 24 APR 89

STATUS: S

STAFF OFFICER: HUTCHINGS

LOGREF:

FILES: PA

NSCIF:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
HUTCHINGS

FOR CONCURRENCE

FOR INFO
BLACKWILL
HUGHES
RODMAN
WORKING

COMMENTS: ORIGINAL GIVEN TO HUGHES/GATES

NFAR. R2W

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTAS

CLOSED BY:

DOC 1 OF 1

~~CONFIDENTIAL~~

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By lt NARA, Date 5/1/11

EMBASSY
OF THE
FEDERAL REPUBLIC OF GERMANY
WASHINGTON, D.C. 2896

Dear Mr. President:

In the absence of Ambassador Ruhfus I have the honor to transmit to you the following message from Chancellor Helmut Kohl:

"Sehr geehrter Herr Praesident, lieber George,

mit grosser Betroffenheit habe ich von dem schweren Explosionsunglueck auf dem Schlachtschiff "Iowa" erfahren. Ich spreche Ihnen und den Angehörigen der Toten mein tiefempfundenes Beileid aus.

Mein Mitgefühl gilt auch den bei diesem Unglück verletzten Soldaten und ihren Familienangehörigen.

In Verbundenheit

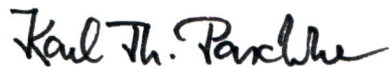
Ihr

Helmut Kohl

Bundeskanzler der Bundesrepublik Deutschland."

A courtesy translation is attached.

Respectfully yours,



Karl Th. Paschke

Minister

Washington, D.C., April 20, 1989

The President

The White House

Washington, D.C.

COURTESY TRANSLATION

Dear Mr. President, dear George:

To my great sorrow I have learnt of the tragic explosion on the battleship "Iowa". I want to express to you and the relatives of the perished my deep felt condolences.

My thoughts are also with the sailors who were injured in this accident, and their families.

With sympathy,
Sincerely yours,
Helmut Kohl
Chancellor of the Federal
Republic of Germany

EMBASSY OF THE FEDERAL REPUBLIC OF GERMANY
WASHINGTON, D.C. 20007

The President

The White House

Washington, D.C.

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Chen File

~~CONFIDENTIAL~~

SYSTEM II
20353

April 21, 1989

MEMORANDUM FOR BRENT SCOWCROFT

Natl Sec Advisor
has seen

THROUGH: ROBERT D. BLACKWILL *PB*
FROM: BARRY F. LOWENKRON *BL*
SUBJECT: Additional National Security Reviews

In response to our discussions on the possible need for additional National Security Reviews, we have considered a range of topics and have decided to recommend the following:

Is this too broad a package?
NATO Southern Flank. The declining political fortunes of both Turkish Prime Minister Ozal and Greek Prime Minister Papandreu, coupled with the ever-present Aegean disputes, argue for a fresh look at our policies in the Eastern Mediterranean. Our position on the Cyprus dispute -- with the unrealistic settlement date of June 1989 that was set by the two Cypriot leaders -- will be treated in this larger study as well.

This is an unnecessary slice, for our purposes
Scandinavia. We need to examine the issues defining the political-security relationship in NATO's northern flank. These include: continued Scandinavian interest in an arms control regime for SLCMs, and in naval arms limitations and confidence building measures; and the possibility of Gorbachev making a dramatic security gesture in the north similar to last years' announcement of unilateral arms reductions. The changing relationship with Greenland -- an issue where inter-agency debate already exists -- will be addressed.

There are three additional issues which we feel should be examined, but that can be folded into existing reviews.

The Economic Dimension of U.S.-Soviet Relations. The tasking for studies on this issue could be incorporated in the NSD on U.S. Policy toward the Soviet Union.

OK
Soviet "New Thinking" Toward the United Nations. We would urge that this topic be fully addressed in any NSR on US policies toward the United Nations.

Soviet Policy toward the Third World. Because of the myriad Soviet foreign policy interests and objectives, we do not feel that this topic can be satisfactorily isolated in an a separate

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Declassify: OADR

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2012-1569-MR
8/15/2013 MM

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~~CONFIDENTIAL~~

-2-

NSR. Rather, we would strongly recommend that the Soviet dimension be factored into all relevant regional reviews currently underway. There are two studies which we considered, but decided against recommending for NSRs.

OK
The future of Germany. There ^{is} are no shortage of questions that can be addressed in evaluating the course of German foreign and domestic policies. However, we rejected the idea of a separate NSR because of the extreme sensitivity of the topic, and the damage to our bilateral relationship should the review become public knowledge. Independent of the NSR process, we will be forwarding to you our assessment of the issues dominating the German landscape along with specific policy recommendations.

OK
Canada. Several major bilateral issues have been resolved (e.g., passage of the Free Trade Agreement, compromise on the Northwest Passage Dispute). Our current bilateral agenda will be dominated by acid rain and FTA implementation -- important issues -- but not ones that merit a National Security Review.

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National Security Council
The White House

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LOG # 2941

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Philip Hughes	_____	_____	_____
Bob Gates	_____	_____	_____
Brent Scowcroft	_____	_____	_____
Philip Hughes	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	_____	_____	_____
NSC Secretariat	<u>1</u>	_____	<u>N</u>
_____	_____	_____	_____
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89 APR 28 19:18

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

NSC/S

Pres made call on
22 Apr 89

4/28
AC

This was
forwarded to
Pres.

PROOFED BY: _____
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 BYPASSED WW DESK: _____

LOG # 2088
 SYSTEM PRS NSC NF
 DOCLOG NO

	SEQUENCE TO	HAS SEEN	DISPOSITION
Robert D. ...	<u>1</u>	_____	<u>Revised</u>
Philip Hughes	_____	_____	_____
Bob Gates	_____	_____	_____
Brent Scowcroft	_____	_____	_____
Philip Hughes	_____	_____	_____
Situation Room	_____	_____	_____
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A = Action I = Information D = Disposition R = Revision N = No Further Action

cc: VP Summary Other _____

COMMENTS

Should be done by: _____

(Date/Time)

*Pres made phone call
 4/22/89
 Close out.
 NBP*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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2941 add-on

Natl Sec Advisor
has seen

April 21, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL/ARNOLD KANTER *RB*

FROM: PHILIP ZELIKOW *PZ*

SUBJECT: Talking Points for the President's Telephone Call
to Prime Minister Thatcher on SNF *He*

Secretary Baker has requested changes in the above-described talking points. A new set of talking points incorporating his suggestions is attached at Tab I. At Tab II we have attached a markup of the old talking points, indicating what has been changed. We do not think these changes pose a problem.

Recommendation

That you replace the talking points previously furnished to the President for this phone call with the new points, attached at Tab I, incorporating Secretary Baker's comments.

Approve ✓

Disapprove _____

Attachments

- Tab I - New Talking Points for the President's Phone Call to Prime Minister Thatcher
- Tab II - Markup of Previous Talking Points Indicating Changes Made by Secretary Baker

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Declassify on: OADR

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By ✓ NARA Date 5/11/11

~~SECRET~~

Telephone Call to Prime Minister Thatcher

- You know that the German coalition has adopted proposed concepts on the subject of SNF and that Genscher and Stoltenberg will come here on Monday to discuss these German ideas.
- You have their language, and the substance of these ideas is, of course, very bad. (The German paper:
 - calls for early SNF negotiations on missiles and artillery shells;
 - leaves open the possibility of a third zero for all SNF systems;
 - treats development of the follow-on to Lance as a purely U.S. decision;
 - postpones any decision on Lance follow-on, including whether it is necessary at all, until 1992.)

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2010-1113-MR
SCS 4/18/11

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PER E.O. 13526

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- Moreover, we are concerned about the unilateral way in which the Germans have been proceeding on this issue.
- In determining the essential elements in a commitment to modernize the land-based missile force, a pledge to keep systems up to date where necessary should suffice and realistically is the most we can probably expect to get -- as it was at Brussels last year.
- The situation has since deteriorated and, in any event, specific decisions on deployment can wait until 1991.
- That notion is consistent with the points your government has passed to us. We will try to achieve with the Germans the point that your government suggested, to the effect that the Alliance should express its support for the continuation of the necessary development work.
- I continue to believe that SNF negotiations at this time would be a grave mistake. Any such negotiations would depend, among other things, upon concrete results from the conventional negotiations in Vienna.

SECRET

~~SECRET~~

- We will, of course, inform you of the tenor and results of our discussions with Genscher and Stoltenberg in order to prepare you for your own meeting with Kohl.

- You are an old hand at NATO Summits. This is the opening Summit of my Administration. I know you agree it must be a success. We cannot afford to have it dominated by discussions on SNF. We must have the SNF issue settled well before then.

~~SECRET~~

~~SECRET~~

Telephone Call to Prime Minister Thatcher

-- You know that the German coalition has adopted proposed concepts on the subject of SNF and that Genscher and Stoltenberg will come here on Monday to discuss these German ideas. (They:

- call for early SNF negotiations on missiles and artillery shells;
- leave open the possibility of a third zero for all SNF systems;
- treat development of the follow-on to Lance as a purely U.S. decision;
- postpone any decision on Lance follow-on, including whether it is necessary at all, until 1992.)

you have their language, and
-- ^ The substance of these ideas is, of course, very bad. *←*

-- Moreover, we are concerned about the unilateral way in which the Germans have been proceeding on this issue.

~~SECRET~~

~~SECRET~~

- The situation has deteriorated since then and, in any event, specific decisions on deployment can wait until 1991.
- In determining the essential elements in a commitment to modernize the land-based missile force, a pledge to keep systems up to date ^{where necessary} should suffice. ~~Specific decisions on deployment can wait until 1991.~~ and realistically is the most we can probably expect to get -- as it was at Brussels last year.
- That notion is consistent with the points your government has passed to us. We will ^{try to achieve with the Germans} ~~also be making the point to the~~ ^{that your government} ~~Germans, as you suggested,~~ ^{to the effect} that the Alliance should express its support for the continuation of the necessary development work.
- I continue to believe that SNF negotiations at this time would be a grave mistake. Any such negotiations would depend, among other things, upon concrete results from the conventional negotiations in Vienna.
- We will, of course, inform you of the tenor and results of our discussions with Genscher and Stoltenberg in order to prepare you for your own meeting with Kohl.
- You are an old hand at NATO Summits. This is the opening Summit of my Administration. I know you agree it must be a

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success. We cannot afford to have it dominated by
discussions on SNF. We must have the SNF issue settled well
before then.

~~SECRET~~

**National Security Council
The White House**

PROOFED BY: RES
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	SEQUENCE TO	HAS SEEN	DISPOSITION
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Philip Hughes	<u>2</u>	<u>APL</u>	
Bob Gates	<u>3</u>	<u>8</u>	
Brent Scowcroft	<u>4</u>		
Philip Hughes			
Situation Room			
West Wing Desk	<u>5</u>	<u>CM 4/20</u>	<u>D</u>
NSC Secretariat	<u>6</u>		<u>N</u>
_____	_____	_____	_____
_____	_____	_____	_____

89 APR 21 8:49

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

cc: VP Sununu Other _____

COMMENTS Should be seen by: _____

Thatcher Telephone Call (April 23) (Date/Time)

NSC/S

This one not
 forwarded to
 Pres - see revised
 version

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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2941

April 21, 1989

Natl Sec Advisor
has seen

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL/ARNOLD KANTER ^{RB} ^{RB 6-11-89}

FROM: PHILIP ZELIKOW ^{PZ}

SUBJECT: Recommended Telephone Call to Prime Minister
Thatcher

We have attached talking points (at Tab A) for the President's
call to Prime Minister Thatcher. They have been cleared by
State, OSD, and JCS.

RECOMMENDATION

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

Approve _____

Disapprove _____

Attachment

Tab I Memorandum to the President
Tab A Points to be Made

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Declassify on: OADR

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b) September 11, 2006
By 15 NARA Date 5/11/11

~~SECRET~~

THE WHITE HOUSE

WASHINGTON

2941

~~SECRET~~

April 21, 1989

FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT 
SUBJECT: Recommended Telephone Call
TO: Prime Minister Margaret Thatcher
DATE: Saturday, April 22, 1989
PURPOSE: To exchange views on the SNF issue in light of the planned April 24 visit of the FRG Foreign and Defense Ministers to Washington.
SECURE OR OPEN: Open
INTERPRETER: None
PHONE NUMBER: 011 44 1 222 8141 (ask for Chequers)
CONTACT PERSON: Mr. Charles Powell (at Chequers)
TIME DIFFERENCE: + 5
SUGGESTED TIMES: 10:30 a.m. - 11:00 a.m. (Washington)
TOPIC OF DISCUSSION: SNF
Date of Submission:
Action:

cc: Vice President
Chief of Staff

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Declassify on: OADR

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PER E.O. 13526

2012-1569-AR
7/8/2013 MM

~~SECRET~~

Telephone Call to Prime Minister Thatcher

- You know that the German coalition has adopted proposed concepts on the subject of SNF and that Genscher and Stoltenberg will come here on Monday to discuss these German ideas. They:
 - call for early SNF negotiations on missiles and artillery shells;
 - leave open the possibility of a third zero for all SNF systems;
 - treat development of the follow-on to Lance as a purely U.S. decision;
 - postpone any decision on Lance follow-on, including whether it is necessary at all, until 1992.
- The substance of these ideas is, of course, very bad.
- Moreover, we are concerned about the unilateral way in which the Germans have been proceeding on this issue.

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PER E.O. 13526

2010-1113-MR
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~~SECRET~~

- In determining the essential elements in a commitment to modernize the land-based missile force, a pledge to keep systems up to date should suffice. Specific decisions on deployment can wait until 1991.
- That notion is consistent with the points your government has passed to us. We will also be making the point to the Germans, as you suggested, that the Alliance should express its support for the continuation of the necessary development work.
- I continue to believe that SNF negotiations at this time would be a grave mistake. Any such negotiations would depend, among other things, upon concrete results from the conventional negotiations in Vienna.
- We will, of course, inform you of the tenor and results of our discussions with Genscher and Stoltenberg in order to prepare you for your own meeting with Kohl.
- You are an old hand at NATO Summits. This is the opening Summit of my Administration. I know you agree it must be a

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~~SECRET~~

success. We cannot afford to have it dominated by discussions on SNF. We must have the SNF issue settled well before then.

~~SECRET~~

BLACKWICK

1905

THE WHITE HOUSE
WASHINGTON

April 20, 1989

Dear John:

Thank you for your letter reporting on your trip to Poland and Hungary. Recent events in Poland bear out your sound judgments on the rapid pace of change there. As one of the architects of our successful policy in Eastern Europe, you should be gratified by all that is taking place.

I remember my trip to Poland and Hungary fondly and look forward to an opportunity to return there when the time is right. Thank you for taking the time to tell me of your trip and to pass on the regards from General Jaruzelski and General Secretary Grosz. We are looking into the prospects of a Walesa visit now.

All the best in your new life and please take the time to keep me informed of your thinking on Eastern Europe.

Sincerely,

Love to Nancy

The Honorable John C. Whitehead
Chairman
AEA Investors, Inc.
Park Avenue Tower
65 East 55th Street
New York, New York 10022

THE PRESIDENT HAS SEEN¹⁹⁰⁵
4/22/89
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THE WHITE HOUSE
WASHINGTON

April 19, 1989

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 
SUBJECT: Letter from John Whitehead, Former Deputy
Secretary of State

Purpose

To respond to a letter from John Whitehead, former Deputy Secretary of State, who has just returned from a trip to Poland and Hungary.

Background

As you know, John Whitehead visited these countries when he was in the government and did a great deal to advance our policy of differentiation. He accompanied you on your trip to Eastern Europe in 1987.

John comments on the changes in Poland and Hungary and calls them a triumph for U.S. foreign policy. He also passes regards from General Jaruzelski and notes that both Jaruzelski and Karoly Grosz of Hungary hope that you will visit their countries soon. Finally, he reports that Lech Walesa hopes to visit the United States in the near future.

A reply from you to John Whitehead is attached at Tab A.

RECOMMENDATION

That you sign the attached letter.

Attachment

Tab A	Reply for Mr. Whitehead
Tab B	Letter from Mr. Whitehead

cc: Vice President
Chief of Staff

AEA INVESTORS INC.

PARK AVENUE TOWER

65 EAST 55TH STREET, NEW YORK, NEW YORK 10022

TELEPHONE: 212 / 644-5900

JOHN C. WHITEHEAD

CHAIRMAN

March 13, 1989

The Honorable George Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

Last week Nancy and I visited Poland and Hungary as part of a Council on Foreign Relations trip. It was my sixth visit in the last three years, the first unofficial one, and not your normal honeymoon spot.

The changes taking place in both countries are dramatic, particularly in Poland. The "Round Tables" are scheduled to conclude later this month and free parliamentary elections are scheduled for June. The decisions of the Round Tables have already gone further than anyone believed possible. They will move the country rapidly toward a pluralistic democracy and a western-style, free-market economic system. It represents a complete rejection of the Soviet system and is the first step in the disintegration of the Soviet Bloc in Eastern Europe. We will need to respond more positively and more tangibly than we have done so far. If we do, others in Eastern Europe will be encouraged to follow Poland's lead. What's happening will be a triumph for the U.S. and our foreign policy.

General Jaruzelski made a special point of sending you his warm regards. He hopes very much that you will visit Poland again soon, as does Karoly Grosz in Hungary. Your visit later this year would give great encouragement to the reform movement.

As always, I had a long visit also with Lech Walesa and other Solidarity members. They are winning their peaceful revolution! Walesa told me confidentially that he plans to visit the U.S. in September at the invitation of the AFL-CIO. You may want to consider issuing your own invitation

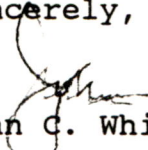
The Honorable George Bush
March 13, 1989

too. By then, developments in Poland may have been enough to make it a truly triumphant occasion for him, not unlike Mrs. Aquino's visit after her election. It is too soon to think about a Jaruzelski visit, but a quiet visit by Prime Minister Rakowski in the Fall might well be appropriate.

I hope that an occasional letter like this one is not out of line. This public service business gets in your blood and it is very hard to abandon it completely. I am always at your service.

With warm regards to you both.

Sincerely,



John C. Whitehead

cc: The Hon. James A. Baker III
The Hon. Brent Scowcroft

1905

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

April 6, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: CONDOLEEZZA RICE *CR*

SUBJECT: Letter from Former Deputy Secretary of State John Whitehead Requesting that President Bush Visit Poland and Hungary

Former Deputy Secretary of State Whitehead has written to the President requesting that President Bush visit Poland and Hungary. Mr. Whitehead has just returned from a trip to the two countries as a member of a Council on Foreign Relations delegation.

Mr. Whitehead makes several good points about developments in Hungary and Poland, including the need to differentiate them from their less reform minded neighbors in Eastern Europe.

The memorandum at Tab I from you to the President tells him of Mr. Whitehead's letter and forwards a draft reply, at Tab A, for the President's consideration. The reply thanks Mr. Whitehead for his letter and tells him that the United States government is encouraged by events in Poland and Hungary and that we are looking at ways to express our policy of differentiation toward them.

RECOMMENDATION:

That you sign the memorandum to the President.

Approve

✓
Rego

Disapprove

Attachments:

Tab I Memorandum for the President
Tab A Reply for Mr. Whitehead
Tab II Incoming