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THE WHITE HOUSE  
WASHINGTON

SYSTEM II  
90284  
ADD-ON SIX

44797

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Chirac of France (U)

PARTICIPANTS: The President  
The Vice President  
Secretary Shultz  
Howard H. Baker, Jr.  
Frank C. Carlucci  
Assistant Secretary Rozanne Ridgway  
Ambassador Joe Rodgers  
Tyrus W. Cobb, NSC  
Alec Toumayan, Interpreter  
  
Prime Minister Jacques Chirac  
Foreign Minister Jean-Bernard Raimond  
Ambassador Emmanuel de Margerie  
Francois Bujon de l'Estang, Notetaker

DATE, TIME: March 31, 1987, 10:31 - 11:34 a.m.  
AND PLACE: Oval Office

In opening, The President welcomed the Prime Minister to Washington. He noted his disappointment that the sudden deluge of rain had forced us to move the arrival ceremony indoors. The President emphasized he was very pleased to see again another Conservative who shared many of his own personal philosophies. He was particularly pleased that there would be a ceremony today to highlight the success the PM had enjoyed in the promotion of private sector activities in France. (U)

The Prime Minister expressed his appreciation for the kind words the President had said in his arrival remarks. Chirac said that he was always happy to come to the United States to see old and new friends. The President replied that he understood that the Prime Minister knew this country well; after all, he had studied and traveled extensively in the United States. (U)

The President said that he wished to turn his attention to another visit that would soon be coming up. He was sending Secretary Shultz to Moscow in April to explore the possibilities of reaching agreements with the Soviet leadership. He felt that

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the prospects of improving relations with the Soviet Union were good. He stressed that this was a result of the realistic approach that we -- both America and France -- have taken in dealing with the USSR. The President added that we were now dealing with Gorbachev from a position of strength and confidence. (C)

The President continued that in dealing with Moscow we should be under no illusions. While we were definitely pleased with the General Secretary's moves to improve conditions internally, that movement has been rather minimal. What we need, he said, were explicit steps by the Soviets, in particular a genuine withdrawal from Afghanistan. The President commented that he understood that Mr. Chirac would also be going to Moscow soon. (S)

The Prime Minister said that he appreciated the President's overview of where we were heading with respect to our ties to Moscow. Frankly, he agreed with the President's observation that there was less than met the eye on the internal developments in the Soviet Union. Chirac said that he was a very prudent person and was especially cautious in evaluating what was taking place in Russia. Like the President, he said, more specific steps were needed before we could conclude that Gorbachev was really sincere about making significant changes. Chirac also expressed the view that he was not certain that the Soviet system could tolerate a fundamental restructuring. (S)

Chirac said there were three prerequisites from a French perspective that were required before we accept the idea that Gorbachev's policies will be significantly different. First, we would like to see all of the political prisoners released. Secondly, we would want a definite increase in the levels of Jewish emigration. Finally, a genuine Soviet withdrawal from Afghanistan was required. If these three steps were to be implemented, then we would be convinced that a genuine evolution in the Soviet system was taking place. To be frank, he said, France was not expecting this to happen. (S)

Saying he wished to turn to arms control, the Prime Minister said that France strongly supports the concept of an initial 50 percent reduction of strategic weapons by the superpowers. Further, France can accept an INF agreement along the lines that have been proposed, including securing real constraints on SRINF. Chirac added that what was significant today was that, for the first time, the European heads of government share a point of view. That was only reasonable; they don't want to be divided. In sum, France, and Europe in general, on the whole support what this initiative is designed to achieve; but there was some real concern on SRINF. (S)

Foreign Minister Raimond said he wanted to press further on the question of negotiations regarding SRINF, which he described as

those systems between 400 and 1,000 kilometers. Raimond asked if it were not the U.S. position that it would not conclude an agreement unless SRINF were constrained? (S)

Secretary Shultz replied that this was indeed our position, but he wanted to lay it out. Within an INF agreement there should be, with respect to SRINF, a freeze at or below current levels, a U.S. right to equality, and follow-on negotiations on reductions. The question is, if such an agreement emerged, would there be in Europe a willingness to deploy, or would we have an empty agreement? The Secretary raised this because the Soviets might agree to go to zero (SRINF) and we could have equality at that number. But if the Europeans aren't willing to deploy, we won't have equality. (S)

The President said that he wanted to add one key point here. We are proceeding on the basis of realism. We know the history of arms control where many agreements were made just for the sake of securing an agreement. He told the Prime Minister that when he (the PM) met with Gorbachev that he would find the General Secretary to be a skilled, outgoing individual. The President said he understood the domestic problems that Gorbachev faced and why he needed to pursue an arms control agreement. But our bottom line was that we would proceed on the basis of the old Russian proverb, "doveriye, no proveriye" (trust, but verify). The key point was that if we were to get an agreement on the theater missiles, INF and SRINF, we would still be faced with the problem of enormous Soviet advantages in conventional forces. We would simply not permit this Soviet advantage to remain. (S)

Continuing, the President said he felt the Soviets had a choice. The Soviets could engage in an arms race or they could seek a more equitable conventional balance in Europe. The President reiterated that the Prime Minister would find Gorbachev to be a very engaging individual. However, the General Secretary was raised in the Soviet system and he is very much a product of that environment. For example, my discussions with him convinced me that he honestly believes that some sort of military-industrial complex really does run the U.S. Finally, the President said, Gorbachev will try to turn the tables in discussing issues. For example, he told Margaret Thatcher, when she raised the problem of human rights in the USSR, that she should be more concerned about the human rights that were denied to all those unemployed, poor people in Britain. (S)

The Prime Minister said that he was pleased to outline France's position. Specifically, France will support the 0-0 LRINF option for an agreement. We agree with Secretary Shultz on the necessity regarding a freeze for SRINF and equality. With respect to Secretary Shultz' question whether or not Europe would accept SRINF deployments, he could only say, at this time, that we would need to have consultations on this question. Europe was

never so close together; we have a growing consensus on security issues. Europe would not be divided by Soviet initiatives. While he could not speak for other countries, his sense is that we all have a better understanding of each other's security concerns. Referring to the speech that President Mitterrand gave to the German Bundestag, the Prime Minister described Mitterrand's endorsement of INF deployments as a major turning point. (S)

Chirac continued that five European countries deployed the INF missiles despite domestic opposition. It is possible that it could be done again. He could not speak for the others and France is not involved in SRINF, but as for the UK, FRG, Belgium and Italy, but maybe not the Netherlands, if an agreement with a zero LRINF option is reached, then this would mean that the PII could become the PI(B). France would lead such a campaign for the deployment of SRINF to replace the intermediate range missiles that were being removed. He concluded that it was indeed possible that Europe would accept such deployments. (S)

Chirac then asked if we would insist on any specifics on SRINF under a 0-0 LRINF regime. He asked if we would remove the LRINF missiles without this agreement. His first question was: would we accept an agreement on INF if the Soviets had not accepted a restriction on their SRINF. Secondly, if there were a side agreement on SRINF -- and the Soviets subsequently failed to comply with that agreement -- would the U.S. continue to conform with the INF agreement? (S)

Secretary Shultz said our position was that clearly stated by the President: our LRINF position is linked to SRINF constraints. We would walk away from any Soviet offer that failed to include this provision. We don't wish to exchange one inequitable level for another. As the Vice President has clearly stated to our European friends, we would remove our LRINF missiles if the Soviets would. We would search for agreements on SRINF. The question is whether or not it is better to ask for an SRINF freeze with a right to build up, or to accept a 0-0 SRINF agreement. (S)

Foreign Minister Raimond interjected that Secretary Shultz was asking his question because he fears that he would reach agreement on SRINF constraints and then turn to the Allies for their advice. The risk is that within the Alliance you would have zero SRINF forces. (S)

Secretary Shultz stated that he was not certain a combined 0-0 LRINF and 0-0 SRINF agreement would be advantageous, but if there were zero SRINF we would still have a full range of SNF systems. But we have not placed this suggestion on the table. (C)

The Prime Minister observed that such proposals could lead to the satisfaction of the Soviet ambition -- the denuclearization of

Europe. He insisted that the French would oppose any policy that would result in denuclearization. But we aren't there. There are U.S systems, and French and British systems. French systems cannot be taken into account. There is no situation in which France would accept that its missiles be taken into account. At present, he said, most of our systems are antiquated. But the Parliament has approved increased military appropriations over five years for the development of newer systems. A high proportion of these will involve mobile, multiple warhead systems and submarines. So this is a central system for the French. It is small, but the nature of the system is the same. It would give us the possibility of destroying 50 percent of Soviet cities. This is the basis of our strategy of deterrence and it will not change. However, France does recognize that someday this will be a problem and we will have to enter into negotiations on these systems. (S)

Secretary Shultz said he wished the Prime Minister could have seen the President in Reykjavik. Although Gorbachev tried many times to put the French and British systems on the table, the President absolutely rejected this proposal. Chirac responded that he knew that and wanted to state that he greatly appreciated the President's firmness. The French have no worries, no fears, concerning the manner in which Americans are negotiating this issue. Of course, if there is a problem, France will speak up. But we have confidence in you. Chirac called attention to the massive Soviet propaganda campaign, both in the U.S. and Europe, designed to create pressure to sign an arms agreement very soon. France steadfastly opposes any rush toward an agreement. What is important is that, in the face of this media offensive by Gorbachev, the West not be divided in its responses. (S)

The Prime Minister said he wanted informal consultations between us. He was also making an effort in Europe to improve consultations and strengthen ties between the two sides of the Atlantic. He was guided by three fundamentals: first, nuclear deterrence will remain a sine qua non for peace for a long time, even if there are reductions; second, "coupling" could never be jeopardized. Those who say that U.S. coupling to Europe could diminish are wrong. (The PM was not worried on that score); third, it is essential for European nations to make an effort on their own behalf. They should be more coherent. There should be more and better planned consultations. As you know, he added, he had proposed that the Western European Union (WEU) promote better European cooperation on defense issues. (S)

The President responded that he agreed with the Prime Minister's points. Specifically, the President said, there was no argument here on INF. There is no way we will decouple America from Europe. Our commitment to the continent was very deep and was based on multiple interests. On Chirac's second point, the President pointed out that we were not yet ready to move away

from deterrence based on nuclear retaliation. The President added that he was aware of the Prime Minister's efforts to increase European defense cooperation through the WEU. The President said we were not opposed to these efforts; in fact, we supported them. We are not thinking of going it alone. (S)

The Prime Minister then asked if he could change the subject. He said that France was quite worried about the growing trend toward protectionism in this country. He quickly added that this was seen in Congress, but certainly not on the part of the President. The PM said this growing protectionist sentiment represented a dangerous trend and could lead to increased conflict between Europe and the United States. The only winner from such a dispute would be the Soviet Union. (C)

Chirac continued that France was quite "angry" with the negotiating techniques the U.S. has employed. He described the U.S. measures proposed recently -- against cognac and cheese -- as American "hostage taking". Chirac said he personally didn't care about cognac, or even grain, but he was concerned over U.S. charges of unfair practices related to the Airbus. These actions are causing a serious division to grow between Europe and the U.S., and has generated anti-American sentiment in France. Chirac concluded that one must be careful in permitting the so called "experts" too much negotiating authority. He warned that the EC was experiencing great solidarity on this issue and said that it would lead to a serious confrontation. He recalled saying in his address at Harvard that minor economic issues could explode; the lobbyists and the experts worked together to create these irritants. (S)

The President responded firmly that there were elements in this country, principally in the other party, that are pressing hard for more protectionist action. The President said he remembered being almost alone at earlier Economic Summits in attempting to draw attention to this growing global problem. Finally, other leaders have recognized the seriousness of the problem. The net result was a concerted effort by all to reform the GATT process. In so doing, we quieted our domestic opposition. (C)

The President continued that we needed more European cooperation and less complaining on this issue. While others might not remember the failings of the world trading system that existed in the 1930's, they were quite vivid to him. He did not want to see a return to a system of strong tariff barriers, such as those fostered by Smoot-Hawley. He said it was ironic that it was the Republicans, at that time, who were pressing for higher tariffs; now the Democrats are leading the charge. (C)

The President acknowledged that we have some problems with Europe and Japan. He said he was concerned with the political situation his good friend Nakasone was experiencing. Nakasone had spent a

lot of political capital in trying to push through the controversial sales tax. In sum, he said, we will not go down the protectionist road. If necessary he would use his veto power to prevent it. What we need to strive for is a "level playing field", not a series of regulations and tariffs that would make it impossible to trade. (C)

The Prime Minister said that he was pleased to hear the President's words. He added that he and the President shared identical positions, but expressed concern about public attitudes. Chirac again asked that we try to insure that minor irritants do not explode into major U.S.-European problems. The growing sentiment toward protectionism in both Europe and the United States could lead to political as well as economic problems. (S)

Secretary Shultz interjected that he wished to point out an example of what caused tempers to rise here in America. The European Community was recently considering raising tariffs again on vegetable oils and fats from the U.S., and this has led to great irritation here. He said that he knew these measures were not yet in effect, but they had generated considerable antagonism. The Prime Minister argued that this tax was not directed against U.S. exports, which were about 99% seeds, not oils. He said that this tax was necessary to insure that the domestic costs did not skyrocket. He described it basically as a consumption tax that was not designed against U.S. commodities. He concluded that this was another issue where the so-called "experts" were creating concern when none should exist. Secretary Shultz replied that we should then agree that this tax should be applied so that it would have no effect on the United States. (C)

Saying that he wanted to make one final point, the Prime Minister said that the Third World debt was becoming a major concern. We should view this not just as an economic problem, but as a political one. Gorbachev's initiatives had created a new, more favorable view of the Soviet Union in the Third World. If we don't do something, the LDC's will turn toward Gorbachev's Marxism. The LDC leaders don't care about disarmament, but they do care about their economic situation. He asked that the President address this issue publicly. Chirac also said that he would be coming to Venice with specific suggestions regarding how the world agricultural surplus could be used to help the less developed countries. The President indicated that he would be looking forward to hearing from the Prime Minister. (C)

The meeting concluded at 11:34 a.m. (U)

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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

April 20, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM: FRITZ W. ERMARTH *FWE*

SUBJECT: Memorandum of Conversation with French Prime  
Minister Chirac, March 31, 1987

RECOMMENDATION

That you review and approve the attached Memorandum of Conversa-  
tion for record purposes

Approve *F.C.*

Disapprove \_\_\_\_\_

Prepared by: *FWE*  
Tyrus W. Cobb

Attachments

Tab A MEMCON

DECLASSIFIED  
White House Guidelines, August 28, 1997  
*FWE* NARA, Date 11/5/07

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