

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with President Mikhail Gorbachev of the Soviet Union on May 11, 1991 (U)

PARTICIPANTS: The President
President Mikhail Gorbachev
Interpreter: Dmitri Zarechnak
Notetaker: Nicholas Burns, NSC Staff

DATE, TIME May 11, 1991, 9:03-9:47 a.m.
AND PLACE Camp David

The President: Mikhail, this is George Bush. How are you? (U)

President Gorbachev: I am very happy to hear your voice. And I am happy that your mild condition is behind you. (U)

The President: I'm up at Camp David and I feel good. My heart is perfect and once I get this thyroid under control I will be totally normal. (U)

President Gorbachev: Well, George, I hope you will quit jogging several miles every morning and confine yourself to horseshoes. (U)

The President: I wanted to talk with you today -- I don't want to see our countries drift apart. I read Matlock's report and it had me concerned. And when Eduard Shevardnadze was here, he said the same thing. (S)

President Gorbachev: My dear George, I thought since we have covered a lot of ground to reach the current state of our relations, that when we reached it, it was well received. So I decided to share my immediate concerns quite sincerely so I could prevent a bad turn in the relationship. (S)

The President: Good. First, I remain firmly committed to a strong cooperative relationship with you. I tried to make that clear in my press conference the other day. I know what you stand for. As long as you continue down the reform path with measures like the new agreement with the nine republics, you'll get nothing but praise from me. Lastly, you are correct. Some in the U.S. want us to pull back now. I don't want to do that and will not do that. (S)

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President Gorbachev: I am very happy to hear that. I wish to repeat the phrase you used -- I also am firmly committed to cooperation. Acting together we have accomplished a great deal. I am quite convinced we should continue to develop our relations which is in the national interests of the U.S. and USSR. I intend to stand by that approach in the USSR. It enjoys support among people in the USSR but there are some, of course, who have doubts. (S)

Of course, we are going through a special transition period. There are new forms of doing things and no ready-made solutions. Some advocate one thing and some another. We will have to go through this period and shape a new life drawing from the experience and support of others. One very important point to share with you is that we are faced with so many difficulties. Virtually all of the republics felt we had to stand together. We are now finishing the anti-crisis program. You know about it. People from all the republics are now in a Moscow suburb working to complete it. (S)

So, I want you to understand that it will take an effort to make it succeed. Because there are so many things we simply didn't know before. There is no guarantee, given the size of the country and its problems, that we may not get something we didn't expect. I think the biggest mistake would be for us to stop or succumb to pressure or move in reverse. And in this type of situation, I sometimes have to take very drastic measures. So, George, this is what I wanted you to keep in mind. (S)

In a normal situation, some of these steps would have been seen as unacceptable. But we have to make allowances for this period. And when I'm looking to you, George, for assistance, it is because I am in this kind of situation. I really need it. And I appreciate the political support and friendly feelings I've been getting. My hope is that these feelings will stay unabated. The main thing for you, George, is that you must know I've made the choice -- there is no alternative for me. I am going to do everything I can to continue moving along the track of renewal. (S)

Now this is what I wanted you to know. We are at a very important moment. The specific point is that I will take some major decisions in the next few days and weeks. Well, I've been going on for some time now but since we had not spoken in a while, I thought I would be specific about things. (S)

The President: Mikhail, if you have time, I want to touch on arms control and economic issues. (S)

President Gorbachev: That is what I thought we would do after discussing this general overview. (S)

The President: If it is okay with you, I would like to start with arms control. (S)

The CFE problem, frankly, is putting a strain on our relationship. Our biggest concern is naval infantry. It is causing a problem not so much here in the Administration but is very difficult across our public opinion. We will see Moiseyev and hope his visit will lead to a rapid solution of this corrosive issue. (S)

Having gotten CFE done, I believe we could then get our experts to overcome the difficulties on START. Both of us should make sure that gets done. If we can get a CFE solution, I would be anxious to have a summit this summer and make every effort to get START ready for signature. I think we have narrowed the differences but am anxious to get your views. That is about all I have to say on arms control. (S)

President Gorbachev: Well, George, I want you to know I want to resolve quickly the first issue in the near future. Moiseyev will bring something to help push things in that direction. I also share your desire to have a treaty ready to sign. It is simply a duty for us to go ahead with the treaty on fifty percent reductions, especially since we have already accomplished a lot. And, of course, if that goes well, we could have a very large-scale summit this summer. (S)

The President: I would like to do that very much. (C)

President Gorbachev: That is my goal too. Of course, we could have an interim meeting if there are delays, but our goal should be a large-scale meeting. (S)

The President: I agree with that. (C)

President Gorbachev: I also think there is a chance, George, to succeed in our cooperation in the Middle East. Alexander and Jim are moving on the same track. There is a possibility of cooperation there as in the Persian Gulf. (S)

The President: I think it is very good that Jim and Sasha are working together. They will meet in Cairo. It is a wonderful arrangement we are talking about. I hope Israel and the Arabs will be cooperative. (S)

President Gorbachev: I think if we act together, we can push them in the right direction. (C)

The President: At some point, we may have to do so publicly if the Baker-Bessmertnykh shuttle diplomacy doesn't work. (S)

President Gorbachev: Okay, I agree to give that some thought at a later point. (C)

Now within the next three days, I will see the leader of China in Moscow. At the conclusion of this meeting, I will brief you on the visit. Now let me give you my views. We appreciate the role of China on the Persian Gulf -- its cooperation there and in other areas. China's positive decision was well thought out. (S)

The President: Our relations with China are strained more than I want. I have the MFN question. There is big opposition in Congress. But I want to find a way to renew their MFN. I don't want to isolate China. If you can convey that, I would appreciate it. Is Li Peng or Yang Shangkun coming? (S)

President Gorbachev: No, Jiang Zemin. I think we can proceed with what we agreed as we talked in the limousine. (S)

The President: Right. I would like to talk about economic issues now. (S)

President Gorbachev: Yes. (U)

The President: One, I know you are in a difficult economic situation. You have explained that at the beginning. In the spirit of frankness, our experts don't believe Pavlov's anti-crisis program will move you fast enough to market reform. If there are more steps toward a market reform effort, then we could do more and help especially with the international financial organizations. (S)

I think...Excuse me, go ahead. (U)

President Gorbachev: Excuse me for interrupting. (U)

The President: I just wanted to say that it would lead quickly to Special Associate Status in the IMF and World Bank. There is also great interest here in the emigration bill that is to be voted on. If that passes and meets internationally acceptable standards, then it would enable us to take steps to normalize the economic relationship; steps such as the trade agreement, and most favored nations status. Then we could go to Congress to repeal the legislative restrictions that make trade and finance so difficult for us. (S)

I have several more points but maybe I should stop there for your comments. (U)

President Gorbachev: I would like to comment on that, George. Among our pressing problems is stabilizing the economic relationship between regions and even enterprises. There are many pitfalls here. The central and republic authorities are on to this issue and are moving to solve it. This is one of the most pressing tasks at hand. I would call it an emergency task. We have done a lot on the planting campaign in the rural areas and have been rather successful at that. In April, agricultural production was up 3-4 percent compared to last year. But there are still difficulties. We are at the end of spring and summer is coming. Last year's reserves are depleted and there is still no new harvest so we have some difficulties. (S)

On Pavlov's program, it has been very seriously changed. But, George, you must always bear in mind the realistic context of our society. The overriding focus of the Pavlov program is to fight inflation through drastic fiscal measures and at the same time stimulate entrepreneurship. You know there are many provisions in the Pavlov program for stepped-up privatization and destatization. There is more economic freedom. It is under strong fire from the trade unions and some in the party organizations. Some call it anti-people and even inhuman. And you know, George, you will reach a different conclusion depending on whether or not you look at the Pavlov program from an academic angle or from a realistic context of society. This is no longer just Pavlov's program by the way since it has been accepted by all the republics. (S)

So much for the current situation. On your other points, I wish to propose something else. What if for the purposes of continuing this discussion, I send over Primakov and Yavlinsky to discuss the possibility of cooperation in the G-7 framework and other international organizations? I know that there is emerging cooperation at the G-7 experts level with your people and ours. But even your experts think it is time to elevate these discussions to a governmental level. (S)

The President: We could talk about that. But I'm not sure exactly what you mean. (S)

President Gorbachev: What I have in mind is that the G-7 will discuss cooperation with the USSR and the place and role of the G-7 in these developments. There is the possibility of Soviet participation in the IMF and participation by the head of the Soviet state in the G-7 session. I'll send Primakov. He will have a package of items to discuss in a closed session. (S)

The President: That is a good idea and I have one to add on agriculture. (S)

President Gorbachev: I just received your letter. I welcome the idea and am prepared to join. (S)

The President: Would May 20 be too soon for the team to arrive? (S)

President Gorbachev: No, it is fine. I will give the appropriate instructions tomorrow. There is much to be done to prepare for this. (S)

The President: I think we can be very helpful. I want you to know that I want it to lead to what you need in agricultural credits. (S)

President Gorbachev: I welcome this very much. I just got the translation of your letter before our conversation. It is a very exciting idea and very encouraging. And I will appoint tomorrow the people who will start work on this. (S)

The President: Good. I will instruct our people to come in a positive frame of mind -- to try to help and not find problems but find reasons to help. After that, Mikhail, it seems to me that at the summit we could discuss financial institutions, energy, the environment and housing. We can discuss this at our meeting. (S)

President Gorbachev: George, these are important and encouraging subjects. I discussed some of these with Mitterrand. George, I am really happy that we had this substantive conversation. It had been some time since we had a conversation like that. (S)

The President: Let me ask you a personal question. How is your health? (C)

President Gorbachev: So far, I am hanging tough. (C)

The President: That is good. You are my friend and I want to prove that and work with you. I don't like stories in our press that put you down. I hope you noticed that I took them on in public the other day. (S)

President Gorbachev: Well, thank you for those words. I share your approach on this and other issues. I have made a choice, a serious choice on relations with the U.S., providing it is reciprocated, and will follow that course. (S)

The President: That is wonderful. It is nice talking to you and good luck. (U)

President Gorbachev: Thank you, George, and the same to you. Best regards to all at Camp David, especially Barbara. (U)

The President: She just walked in the room and just walked out. She is on her way to the gym. (U)

President Gorbachev: I am glad to hear that. (U)

The President: Okay. Good-bye. (U)

President Gorbachev: Good-bye. (U)

-- End of Conversation --