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THE WHITE HOUSE  
WASHINGTON

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By JMR NARA, Date 10/3/2011  
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Dear Dick:

As you know, we have recently completed two crucial summit meetings of the democratic nations -- the NATO Summit in London (July 5-6) and the Economic Summit in Houston (July 9-11). I am enclosing copies of all the public documents and I want to inform you in greater detail where I believe we now stand.

The London NATO Summit

A new European structure is being built, and it is essential that NATO remain part of it. As you well know, there is no substitute for the Alliance as a guarantor of European security and as the embodiment of American engagement. Yet, in the wake of the collapse of the Warsaw Pact, there was a long-term danger that the relevance of NATO too would be questioned. Therefore I proposed this NATO Summit in order to establish as dramatically as possible that NATO was both responsive to change and central to Europe's future.

There were three audiences. First, Western publics. We wanted to establish NATO's credibility as the natural Western forum for addressing the opportunities -- and uncertainties -- of a new era. Second, the leaders and publics of Eastern Europe. They needed to see that the Western Alliance was relevant to their security and to their hopes of finding a home in a stable democratic Europe. Third, the Soviet Union. Gorbachev had told me how important the NATO Summit would be to him. Struggling with a difficult Party Congress and tough decisions on Germany, he would be aided in maintaining his constructive policies by a NATO meeting that promised a transformed East-West relationship.

Given the high stakes, I handled this NATO declaration in an extraordinary way. The Declaration was drafted within the NSC and the interagency

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coordination was done within a highly restricted group. I then presented the text directly to my counterparts just before the London conference. When we got to London, the drafting was turned directly over to foreign ministers, where Jim Baker did his usual superb job. Manfred Woerner was an invaluable ally in this process.

The end result was the London Declaration. As you will see from the enclosed text and background materials, it had significant new content in four dimensions -- heralding a transformed relationship with old adversaries, revamping our approach to conventional defense and arms control, transforming NATO's nuclear strategy, and offering a common Alliance proposal for the development of CSCE.

The reaction here and in Western Europe has been positive. Vaclav Havel and other East European leaders have hailed the result. Gorbachev and Shevardnadze have both indicated that it made possible the Soviet decision to accept a united Germany's NATO membership.

Whatever uncertainties we still may face over the long term, I believe this Summit has given NATO a great boost and kept the initiative in our hands.

#### The Houston Economic Summit

Four broad issues were the focus of our attention in Houston -- the Uruguay Round of multilateral trade negotiations, the environment, help for the Soviet Union, and lending to China.

I stressed the need to complete the Uruguay Round of trade negotiations this December. I laid out in very strong terms why agricultural reform is the key to a successful Round for us and for many other developed and developing countries. Without substantial reduction in agricultural supports, not only will I not be able to get the Uruguay Round package through Congress, but many other countries will not even sign up to the package. We cannot profess to want to help developing countries when our agriculture policies keep out the very products in which developing countries can be competitive. Helmut Kohl, Francois Mitterrand, and Jacques Delors now realize the importance we attach to agriculture and my willingness to reform U.S. policies if the EC and

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Japan do likewise. While we have a lot of tough negotiations ahead -- negotiations that will require that leaders get involved personally -- I am reasonably confident that our discussions in Houston have given a real impetus to the negotiations in Geneva.

The discussion of the Soviet economy and the role of Western assistance went about as I expected. We all agreed on the importance -- for the Soviet Union as well as for the world -- of the success of the Soviet political and economic reform. We can assist this by the right kinds of economic cooperation with the Soviet Union. Technical assistance could be invaluable, for example, in helping the Soviets develop their financial system and improve their distribution system.

While some countries, notably Germany, are prepared now to extend large-scale financial credits to the Soviet Union, all of us recognized the need to have a much clearer picture of the state of the Soviet economy. We have therefore asked the IMF to convene a group including the World Bank, the OECD, and the new European Bank for Reconstruction and Development (EBRD) to undertake, in consultation with the Commission of the European Communities, a detailed study of the Soviet economy. I expect this effort, which is to be completed by year's end, will result in recommendations both for the Soviet reform program and for ways in which Western assistance could productively support it. There are also a number of political elements -- such as the heavy Soviet expenditures on defense and Soviet support for repressive regimes around the world -- which must be considered. I have spoken with Gorbachev on the phone and written him in detail to inform him of the deliberations in Houston.

We had a good discussion at Houston on concrete steps to protect the environment. I believe there is substantially more consensus among the Summit countries on how to deal with climate change than the press would have our publics believe. While some of the European leaders have domestic pressures which lead them to commit to CO2 reduction targets, they recognize that the wrong kinds of policies in pursuit of those targets could seriously impair our common goal of sustained, non-inflationary growth. I am pleased we reached agreement to work together on a

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pilot project to protect tropical forests in Brazil and on preparation of a global convention to protect forests.

We also had good discussions of political issues, with emphasis on China, updating our position agreed at the Paris Economic Summit a year ago. While Japan will go forward with its third Yen loan to China, multilateral lending will continue to be restricted, pending improvement in human rights and economic reform.

There was another interesting development at Houston -- the growing frustration of non-EC members at the assertiveness of the EC Commission and its desire to speak for Europe. I know that Brian Mulroney and Toshiki Kaifu share my concern that while we want to work with the EC, we do not want to be presented with faits accomplis, such as was the case with the creation of the EBRD and with the EC's own study on the Soviet economy. I will want to discuss this further with my Summit Seven colleagues in the coming weeks and months.

It was good to see you at Yorba Linda.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Nixon', with a long, sweeping underline that extends to the right and then curves back down.

The Honorable Richard Nixon  
577 Chestnut Ridge Road  
Woodcliff Lake, New Jersey 97675

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