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THE WHITE HOUSE  
WASHINGTON

December 14, 1989

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E.O. 13526, Section 3.5

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By JMR NARA Date 10/3/2011  
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Dear President Nixon:

As President Bush previously informed you would be our practice, here is the second of our periodic updates on key recent developments -- the Malta meeting with Gorbachev; the Brussels meeting with allies; defense budget issues; the violence in El Salvador and the Philippines; and my trip to China.

### The Malta Meeting

The Malta meeting turned out to be exactly the kind of informal, wide-ranging conversation which the President had sought in suggesting the meeting and format to Gorbachev. The exchanges were candid yet friendly, and the President feels he achieved all his objectives for the meeting.

Gorbachev seemed confident, despite the desperate problems we know he is facing. He sprang no surprises. The only new ideas were ones he had foreshadowed in speeches in Italy just before -- a Summit-level meeting of the 35 CSCE nations during 1990 (which the President countered by linking it to a CFE treaty) and a call for naval arms control, specifically limits on seaborne tactical nuclear weapons (which the President flatly rejected). The free nations' security and prosperity depend so vitally on the seaplanes that there is no symmetry between U.S. and Soviet naval interests, nor is our naval power to be equated with the Soviet ground-forces advantage that we are determined to reduce.

The President seized the initiative at Malta and presented Gorbachev with 20-odd proposals, ideas, and issues. These were later released, and I enclose a copy.

The President made a special point of pressing Gorbachev on certain regional issues, especially Central America. He emphasized the irrefutable evidence of new flows of weapons to the FMLN, in violation of regional peace accords. The Soviets disclaimed responsibility. We stepped up the pressure, holding them accountable in order to press them to use the influence they clearly have with their Cuban and Nicaraguan clients.

Eastern Europe naturally was a major topic. Interestingly, Gorbachev had no grand proposals on Europe and did not call for the "dissolution of the two blocs." Rather, he talked of how NATO and the Warsaw Pact needed to become political rather than military groupings. On German reunification, he declared that history had created the two Germanies and we should leave it to history to resolve the issue -- somewhat softer than the earlier prohibitory statements, but still negative in tone.

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In arms reduction, we set a target -- not a deadline -- to complete the major issues in START in time for a June 1990 Summit. Jim Baker and Shevardnadze are to meet again in January and tackle a number of key issues. We have agreed with the Soviets (and our allies) to try to achieve a CFE treaty during 1990, which we proposed be signed at a CFE Summit. The President also proposed an initiative to speed agreement on a CW ban, agreed we should complete work on the TTBT/PNET verification protocols, and pressed for progress in constraining missile proliferation.

The other highlight was in the economic field. The President had decided it was time to signal the Soviets more strongly where we were prepared to go in economic relations. Gorbachev spoke at length about his plans, explaining the major problems he had in moving to a free price system and a convertible ruble. The President listed a number of small steps (see the enclosed) which the United States was prepared to take to convey our support for economic reform in the Soviet Union. Both sides recognized that the main responsibility for the success or failure of economic reform rested with the Soviets. On Jackson-Vanik, we maintained our requirement that they finish codifying their new emigration laws before a waiver would be possible, but we will start negotiating now on the necessary new trade agreement to replace the 1972 accord. The President has targeted the 1990 Summit for granting a temporary Jackson-Vanik waiver and MFN, if the Soviets have codified their emigration laws and the trade agreement is completed.

#### Brussels Meeting with Allies

The President flew to Brussels where he dined with Helmut Kohl and then reported to all the allies. In the morning he briefed on Malta; in the afternoon he made an important statement on future challenges and opportunities for the Alliance. It was a delicate moment, because of many allies' nervousness about the rapidity of change in Central Europe and because of differences about the pace and scope of European integration.

The President stressed the need for both NATO and the EC to be consolidated, not diluted, as we face a new era of change in Central and Eastern Europe. Western institutions and values were being vindicated (a point about which Gorbachev is quite sensitive and defensive), and the architecture of a new Europe should rest on these foundations.

The President also put on record his approach to German unification:

- Self-determination should be pursued without prejudice to its outcome, neither endorsing nor excluding any particular vision of unity at this time.

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- Unification should occur in the context of the FRG's continued commitment to NATO and an increasingly integrated EC, and with due regard for the legal role and responsibilities of the Four Powers.
- In the interests of general European stability, the move toward unification must be peaceful, gradual, and part of a step-by-step process.
- On the question of borders, we should reiterate our support for the principles of the Helsinki Final Act.

The President assured the allies that the United States intended to remain a significant military power in Europe so long as they needed us in a common defense effort. He reiterated U.S. support for the "continued, perhaps even intensified, effort" of the twelve EC nations to integrate, which would serve as a magnet for Eastern Europe. He encouraged other European common efforts, such as the Western European Union in the defense field.

#### Defense Budget Issues

You may have read some misleading accounts of our defense budget planning. The fact is, Gramm-Rudman-Hollings does put increasing pressure on DoD spending, and the new international environment will -- starting next year -- lead to an even more intense congressional effort to cut. At the same time, the changing strategic landscape warrants adjustments in our posture.

In balancing these factors, our immediate challenge is to ensure that our pace of restructuring is appropriate -- that we do not take hard-to-reverse actions based on anticipated or hoped-for changes in the environment, or trigger a spasm of uncoordinated unilateral cutbacks by our allies. For the near term we will, as much as possible, tie reductions in our own forces to negotiated agreements in START, CFE, and CW.

Over the longer term, we envisage our active armed forces being smaller, more global in their perspective, and less Eurocentric in their equipment, training, and doctrine. We will demand of these active forces a degree of agility, readiness, and sustainability appropriate to the likely regional contingencies. As a hedge against an uncertain future, we will build reversibility into our efforts wherever possible, investing in R&D and retaining substantial reserve forces (albeit at reduced readiness). We hope the FY91 defense budget will begin the transition toward this kind of military in an orderly way.

#### El Salvador

We are deeply troubled by the terrorism and political intransigence of the FMLN in El Salvador and the support it continues to receive from Nicaragua, Cuba, and indirectly the Soviet Union. The President has assured Salvadoran President Cristiani of our continued support. At the same time, he has made clear the absolute necessity for a prompt and thorough

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investigation of the killing of the Jesuit priests and prosecution of the perpetrators, whoever they may be.

As I noted above, the President raised the problem of Nicaraguan and Cuban support for the FMLN very forcefully at Malta. We will continue to press the Soviets to stop the support of revolution in the hemisphere, to end the Sandinista military buildup, and to support a free election in Nicaragua.

✓ In that regard, there are increasing signs that the Sandinistas are beginning to shrink the political space permitted to the Nicaraguan opposition. There have been numerous incidents of harassment of the opposition, including physical attacks by Sandinista thugs and the lifting of Vice Presidential candidate Godoy's parliamentary immunity. Nicaragua also announced that it would not permit an official U.S. election monitoring team, including Congressional members, to visit, despite explicit assurances to us. We will work to restart cease-fire talks with the Resistance, which the Sandinistas abruptly left several weeks ago.

#### The Philippines

In the early hours of the attempted military coup, a number of military units sat on the sidelines, presumably waiting to see which way the tide was moving. We quickly gave permission for General Ramos to use Clark AFB to ferry in troops for the fighting around Manila, and somewhat later agreed to fly cover over two rebel-controlled airfields to prevent rebel planes from taking off. These demonstrations of U.S. support were not only militarily useful, but I believe helped convince wavering units to support the government.

After eight days of fighting, the immediate military rebellion ended, but prospects for long-term political stability remain clouded. The government appears weakened and its legitimacy eroded, not only with the military but probably with wide segments of the Manila population. "People power," which President Aquino attempted to use against the latest coup, may be a spent force.

More than anything else, the rebel officers sought personal power, but they have also raised troublesome issues, such as: Ramos' fitness to lead the armed forces; the politicization of promotion; failure to pay the troops; the inability to defeat the NPA; corruption in the army, the government, and the President's family; the anti-military hue of Aquino's advisers; and the government's inability to solve the country's major problems.

Since February 1986, we have given substantial aid to the Philippines. The economy has grown at six percent a year, and the NPA has been at least contained. Yet, there have now been six separate armed challenges to Aquino, and the recent one probably would have succeeded without U.S. intervention. Things

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are not working well in the Philippines. The army will need to be reorganized and retrained; corruption in government has become a major impediment to the institutionalization of democracy.

My Trip to China

President Bush sent Larry Eagleburger and me to China last week for several interrelated reasons. We have traditionally exchanged views with the Chinese, in good times and bad, on issues of international significance. The President's meeting with Gorbachev was clearly one of those occasions. There is, in addition, a leadership struggle taking place. We should not be trying to promote Chinese isolation at such a critical moment in the evolution of post-Mao China. And, finally, we went there as a gesture, an attempt to break the logjam and elicit some significant response on their part. They seemed to understand our point, but it remains to be seen whether this was enough to shake loose the policy deadlock in their leadership. If there is no significant movement on their part by the time the Congress reconvenes, we will be powerless to stop another downward spiral in relations occasioned by further Congressional action -- sure to come without a change in the climate.

Sincerely,



Brent Scowcroft

Attachment

Tab A Proposals for Gorbachev

The Honorable Richard Nixon  
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