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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Oddsson of Iceland

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President
for National Security Affairs
Andrew Card, Assistant to the President and
Deputy Chief of Staff
Charles Cobb, United States Ambassador to
Iceland
Ralph Johnson, Acting Assistant Secretary of
State
Nancy Bearg Dyke, Director for International
Programs and Public Diplomacy, NSC
(Notetaker)

David Oddsson, Prime Minister
Gudmundur Benediktsson, Secretary General,
Prime Minister's Office
Greinn Loftsson, Assistant to the Prime
Minister
Tomas Tomasson, Icelandic Ambassador to the
United States

DATE, TIME September 24, 1991, 9:45 - 10:15am EST
AND PLACE: Waldorf Astoria Hotel, New York City

Opening pleasantries about Prime Minister Oddsson being in Florida with Ambassador Cobb and having dinner with Jeb Bush. (U)

The President: How is your President? (U)

Prime Minister Oddsson: She is well and is coming to the US. (U)

The President: Pay my respects to her please. I remember especially a dinner she gave at her residence when I was there. (U)

Prime Minister Oddsson: We have a new government in Iceland. The cornerstone is good relations with the US. (U)

The President: I am trying to think if you and I met in Iceland when you were mayor. (U)

Prime Minister Oddsson: No, unfortunately I was away when you visited. (U)

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The President: Ambassador Cobb has invited me to come back and fish more. What would you like to discuss today? (U)

Prime Minister Oddsson: Our relationship is very good. I would like to discuss about Europe and to know about changes in NATO and changes in Iceland's role. Iceland is very important. We know things are changing in Eastern Europe. We know defenses will be reduced. We would like to think the situation in Iceland is different. It is important to keep the way open between the two continents. I can hear from some Americans that the importance of NATO is decreasing. But I still believe in NATO and think it is not very wise to take it away. (C)

The President: Our relationship is good. I don't see anything changing in Europe that would weaken the close relationship between the US and Iceland. Our commitment to Iceland's security is important, and Iceland's position as a member of NATO is important. Yes, there will be some reduction of US forces around the world. Keflavik is very important. We think the cards should still be with NATO and it should remain the principle guarantor of security. We are committed to remaining there. One scenario I suppose is that the French and others could push for us to leave. But we get high-level assurances from France that they want us there. You may see isolationist talk in the US, but neither I nor our administration will be part of that. Our commitment to Iceland is important. Brent, would you like to comment further? (C)

General Scowcroft: The role of Iceland in NATO may become even more important. As the role of NATO decreases, we would depend on Iceland more for getting forces over. (C)

The President: The Soviets are desperate for humanitarian assistance and we should help, but when it comes to massive economic aid, that is more problematical. Soviet missiles are still aimed at us and Soviet ships are patrolling. (We have missiles aimed at them, too, I have admitted to them.) It is not now that all swords should be beat into plowshares. (C)

Prime Minister Oddsson: It is important to help them to help themselves. They have to build free markets. (U)

The President: Exactly right, but they do not know how to do it. They have to hammer out legal arrangements because otherwise it so difficult to provide technical assistance. Where do corporations pay taxes, and many other questions must be sorted out. We do not want to build a perpetual customer for aid grants. I will give you an example. We were flying with Gorbachev to Camp Davis. It was a 30-minute flight over the suburbs of Washington. Gorbachev said who would own a house like that, referring to the houses below. I said workers, maybe those who work in some of the buildings below. Gorbachev asked if the worker could sell it, how he would sell it. I said he would use a real estate agent. Gorbachev said a real estate agent would be shot in the Soviet Union. It is mind boggling that the Soviet Union is so far back on this idea of free enterprise. (C)

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Prime Minister Oddsson: We have changed our position on naval reductions. We don't think that is a priority of NATO. It is not healthy. (C)

The President: I am delighted to know of the change. We had differences with the previous government on naval arms control. The US is unilaterally reducing from 600 to 450 ships without any arms control. I am delighted to know of this. (C)

We are not in the business of encircling the Soviets. Gorbachev gave us a map, including highlighting the Panama Canal, and said we are encircling them. The world is changing and we will change but we won't get rid of our Navy because it is a force for peace. This change you are talking about will be welcome by us and should be by others in NATO. (C)

Prime Minister Oddsson: There is tension about whaling. We are living off of fish products -- 70% of our income. We have been in the International Whaling Commission and we think it does not live up to its international responsibilities now, and we are thinking of moving out of it. I am not saying this day or year; there is no decision yet. But we are thinking this organization does not play by the rules and does not act scientifically. We know states like the US can withdraw from international organizations, like the US did from UNESCO. (C)

The President: We hope you will reflect carefully on the need to get out. There are problems but my persistent view is that sometimes extremes drive these groups. We do not want to see an extreme dominate. We can stay in and work on it. But there will be outside groups and we have no control over them. I am sympathetic. Yes, countries feel free to come and go from international organizations. It would compel us to take action if you leave. I feel uncomfortable to tell you because we are so delighted with your other policies. (C)

General Scowcroft: It is best to reform the organization. (C)

Ambassador Cobb: I have said let's work within it. (C)

The President: Yes, let's do that. We cannot let extremes dictate to the International Whaling Commission. I appreciate your bringing it up. We will have the Ambassador and State stay in touch with you so you do not get blindsided. We owe it to you. We would be under pressure to do sanctions or something if you withdraw. (C)

Prime Minister Oddsson: Ambassador Cobb is doing a good job. (U)

The President: We wish you luck and will keep in touch especially on the IWC. (U)

I am very worried about detaining of the United Nations inspectors in Iraq. (U)

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