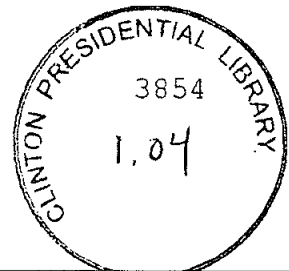


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THE WHITE HOUSE
WASHINGTON



DECLASSIFIED UNDER AUTHORITY OF THE
INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL,
E.O. 13526, SECTION 5.3(b)(3)

MEMORANDUM OF CONVERSATION

ISCAP APPEAL NO. 2013-090, document no. 4
DECLASSIFICATION DATE: October 14, 2015

SUBJECT: Luncheon with British Prime Minister Blair
(U)

PARTICIPANTS: The President
William Crowe, Ambassador to the UK
Samuel R. Berger, Assistant to the
President for National Security Affairs
John Podesta, Deputy Chief of Staff
Daniel Tarullo, Head of the National
Economic Council
James Steinberg, Deputy Assistant to the
President for National Security Affairs
E. Anthony Wayne, Deputy Assistant
Secretary of State for European and
Canadian Affairs
Mary Ann Peters, Director for European
Affairs, National Security Council
(Notetaker)

Prime Minister Blair
Sir John Kerr, Ambassador to the U.S.
Alistair Darling, Chief Secretary, Treasury
Colin Budd, Cabinet Office
Alex Allan, Principal Private Secretary
to the Prime Minister
Jonathan Powell, Chief of Staff
Philip Barton, Assistant Private Secretary
for the Prime Minister
John Holmes, Private Secretary for Overseas
Affairs

DATE, TIME May 29, 1997, 12:30-3 p.m.
AND PLACE: No. 10 Downing Street, London

The President: We should talk about NATO. I have the impression
that most leaders in Paris are in favor of a group of five,
adding Romania and Slovenia to the other three. We have
reservations about that.

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Reason: 1.5(b)

Declassify On: 6/5/07

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[redacted] Our first concern is that the first shall not be the last -- we have said that all along. That is why we need aggressively to build on PFP for future members. If there are five, no one will believe in a second round and we will be under greater pressure to reassure them publicly. This could lead Russia to think that we are committed to Baltic membership. We don't want any grey zones, but the open door must be credible. That may not be as satisfying, but it may be the proper thing to do. (C)

Prime Minister Blair:

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Ambassador Kerr:

(C) E.O. 13526, section 1.4(b)(d)

Mr. Berger: They're shifting because of Slovenia and because they are grateful for Romania's deal with Hungary. (C)

The President: I see Kohl next week; he should know where you are on this. (C)

Prime Minister Blair:

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Mr. Berger: We need to be reassuring and embracing in our language; perhaps not using the example of waiting room. (C)

Prime Minister Blair:

E.O. 13526, section 1.4(b)(d)

Mr. Berger: One way is to emphasize self-selection. (C)

The President: We are working on it and thinking of the package we can put forward. Bill just whispered, "Are Romania and Slovenia ready? This is a military alliance." (C)

Ambassador Crowe: You need to make the judgment in the military context. (C)

The President: We have a disagreement with our partners on the continent but I am sure a larger group would turn up the heat on the Baltic issue and we are not prepared to handle that yet. This is a problem that needs time to sort itself out; we need to give it a few years. If you give it away now, you have nothing to fill the time. (C)

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Prime Minister Blair:

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Mr. Holmes:

The President: What argument did they make? (C)

Mr. Holmes: That they are not ready. (C)

Ambassador Kerr:

E.O. 13526, section 1.4(b)(d)

The President: I would have thought that, but the republican caucus actually favors letting in more countries. I don't want to misrepresent the Hill; I think the republicans will follow their leadership on this. Some are against enlargement because of the fear of provoking a nationalist response in Russia -- that is a silly argument. (C)

Prime Minister Blair: Yes. (C)

Mr. Berger: New polling data shows that NATO is just not a grass-roots issue in Russia. (C)

Prime Minister Blair: What a surprise -- they are just being normal and caring more about the economy. (C)

The President: What do you think about the Iranian election? (C)

Ambassador Kerr:

E.O. 13526, section 1.4(b)(d)

Mr. Budd:

The President: That is where we are. We hope things will get better. It concerns me that we are getting to the point that there are no Western-educated politicians in the government. (C)

Prime Minister Blair:

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E.O. 13526, section 1.4(b)(d)

~~(C)~~
The President: We have made an attempt to address this within NATO -- the European Security and Defense Identity. Except for AFSOUTH we are happy with that. And we are trying to work out AFSOUTH. ~~(C)~~

On the Middle East, Saddam has literally violated the no-fly zone. We would be stupid to take action against those flights that 99 percent of the world think are okay. But the UN resolutions are at stake; we have to do something about his challenge of the no-fly zone. Our idea is that he can have as many humanitarian flights as he wants but we need to have advance notice. The only problem is that if you tell him that and he does not comply, you have to respond. That puts a burden on us. But if we believe in the UN resolutions, it is the best we can do. ~~(C)~~

Ambassador Crowe: Shoot them down? ~~(C)~~

The President: No. We want to avoid deaths and especially deaths of civilians. I don't want to comment because we have not defined it yet. We will get credit with world opinion for permitting humanitarian flights and it is reasonable to demand notification. ~~(C)~~

Prime Minister Blair:

~~(C)~~
Ambassador Kerr:

E.O. 13526, section 1.4(b)(d)

Mr. Berger: There has been a refinement in our thinking. A conversation between our two militaries produced a range of options. ~~(C)~~

The President: This is not a question of how to win, but how to avoid a loss. There is no way to win with world public opinion but we are not prepared to let Saddam walk away from the resolutions. We are not looking for a victory; this is not like our response to the attempt on President Bush's life. There is a sanctions committee in the UN but we don't trust them. We don't want him to think he can sucker punch us into shooting down innocent civilians. ~~(C)~~

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Mr. Holmes:

~~(C)~~

Prime Minister Blair:

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Mr. Budd:

Prime Minister Blair:

Mr. Berger: If he knocks and a door opens, he will knock again next time. ~~(C)~~

The President: Whatever we do, even if it is less, we must do it together. ~~(C)~~

Ambassador Crowe: I wonder what his lawyers are telling him? ~~(C)~~

The President: I concur with your analysis on Iran. It is imperative we stay together. I want to discuss it on its merits, not in terms of money. Others are saying that all is well as long as they don't blow up our people, and we can all make money. But we have a larger responsibility. You know about terrorism because of the IRA. ~~(C)~~

Prime Minister Blair: I agree. We need to hold firm. ~~(C)~~

The President: In terms of yesterday's NATO conference, there is less than meets the eye. I think what we are really doing is reorganizing ourselves to face the new challenges, getting rid of the intellectual clutter to free ourselves for the future. If you believe we need to combat proliferation, ethnic hatred and terrorism and that we need a common policy on the environment, then we have to be organized to deal with these transnational problems. The world looks to us to be honest about these problems; we may not always be right but we have to be honest. The pressure to go for the commercial benefits is enormous. ~~(C)~~

Prime Minister Blair: Can we discuss China and Hong Kong? ~~(C)~~

The President: We are with you on that. ~~(C)~~

Prime Minister Blair:

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The President: Under the terms of the 1984 agreement, the UK and China made a deal that you asked us to endorse. [REDACTED]

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[REDACTED] Have you heard about this movie that is to be released on July 1? It is the story of how the British got Hong Kong; you do not come off well. They are doing what we did in Germany after the war, in reverse. That won't make much difference since Hong Kong is one of the most open places in the world, but it is a metaphor for how they are going to play it. (C)

We want to be helpful. [REDACTED]

E.O. 13526, section 1.4(d)

[REDACTED]
[REDACTED]
[REDACTED] We have more leverage with Russia because of IFI programs and denuclearization funding. We have some leverage with China through the WTO, but Hong Kong is unique and we will support you. (C)

Prime Minister Blair: [REDACTED]

E.O. 13526, section 1.4(b)(d)

The President: [REDACTED]

E.O. 13526, section 1.4(d)

Mr. Berger: It would be useful to come up with agreed benchmarks such as early elections under fair conditions, civil liberties. If we are all sending the same message, it will be more effective. We are not there yet. (C)

Prime Minister Blair: [REDACTED]

E.O. 13526, section 1.4(b)(d)

Mr. Steinberg: It depends what that means. (C)

Mr. Holmes: [REDACTED]

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(C)

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The President: We will be doing our best to stick with you -- you have a big dog in this hunt. ~~(C)~~

Ambassador Crowe: That is an Arkansas expression. (U)

The President: They hunt with dogs here too. I went beagling once. (U)

Prime Minister Blair:

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The President: So our officials will be sitting in front of the Red Army. ~~(C)~~

Mr. Holmes:

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The President: We don't want to put them in a box publicly, but privately we can try to persuade them. ~~(C)~~

Mr. Berger: There will be 25,000 reporters there. The danger is that you set the bar too high with a press that wants a confrontation, as do some people in Hong Kong. If our benchmarks are not clear, we could be drawn into a confrontation. ~~(C)~~

Prime Minister Blair:

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The President: The press tried to get me to comment yesterday. I ducked the question because it is not our business. I know Kohl and Chirac are for it.

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But it would be good to understand what the consequences and alternatives are. It is usually discussed at the theological level rather than in practical terms. That is what I would want to know. (C)

Prime Minister Blair:

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Mr. Tarullo: It is difficult for us to say anything because they think we are concerned about the euro displacing the dollar as a reserve currency. (C)

The President: If it leads to lower growth, it will not be good for us or the rest of the world. At Denver we are going to talk about an Africa initiative; but if we, you and Japan don't have economic growth, we cannot help Latin America or Africa. Your position is principled; the Tories' is ideological. Yours is the best way to go forward since the theological arguments are hard to understand. (C)

Mr. Alan: What is lacking is a strategy for job creation and structural adjustment. (C)

The President: Our labor ministers held a conference in Detroit, but it didn't accomplish much because of economic conditions. Delors put out a white paper at the time but nothing happened. I think we should acknowledge we tried it a few years ago; it is a great idea. (C)

I'd like you to come to Washington soon on an official visit.
(U)

Prime Minister Blair: I'd like to as long as I can visit New York. (U)

The President: You can. You know I am giving the commencement speech at Chelsea's school. Dan Tarullo's daughter goes there too; Chelsea says she is frighteningly smart but still nice. Seniors finish a month early so they can do a special project. Chelsea is going to be a doctor so she is at Georgetown Hospital with a surgeon. She watched a heart valve implant operation and said it was too interesting to be queasy about the sight of blood. (U)

Dan, what is your daughter's project? (U)

Mr. Tarullo: She is teaching English, but I think she is going to be a psychologist. (U)

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Ambassador Kerr: It is amazing the extent to which his daughter has a private life. (U)

The President: The press has been wonderful in honoring the request Hillary and I made to them, with one or two exceptions. Children deserve a chance to grow up in private. I think the press respected this because we did not put Chelsea in the political spotlight. (U)

We will see each other in Denver. We are staying at an old cowboy hotel. Do you know where you are staying? (U)

Prime Minister Blair: I am not sure. (U)

The President: We are arranging a dinner at a place called The Fort that specializes in buffalo meat, which is low fat. When I had lunch with Boris, he served roast pig and told me real men hack off the ears and eat them. And once he served 24 courses, including moose lips. (U)

Prime Minister Blair: It is time to get ready for the press conference. (U)

-- End of Conversation --

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