

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Helmut Kohl, Chancellor of the Federal Republic of Germany (U)

PARTICIPANTS: The President
The Vice President
Richard Cheney, Secretary of Defense
Lawrence Eagleburger, Acting Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Vernon Walters, Ambassador to the FRG
Robert Kimmitt, Under Secretary of State for Political Affairs
Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs
Robert L. Hutchings, Director for European Political Affairs, NSC Staff (Notetaker)
Gisela Marcuse, Interpreter

Helmut Kohl, Chancellor
Hans-Dietrich Genscher, Foreign Minister
Gerhard Stoltenberg, Defense Minister
Hans Klein, Spokesman of the Federal Government
Horst Teltschik, Security Advisor to the Chancellor
Dieter Kastrup, Political Director, Ministry of Foreign Affairs
Klaus Naumann, Major General, Ministry of Defense
Walter Neuer, Director of the Chancellor's Office
Uwe Kaestner, Director for East-West Relations, Federal Chancellery
Dorothee Kaltenbach, Interpreter

DATE, TIME May 17, 1990, 11:40 - 12:55 p.m.
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The President: Mr. Chancellor, welcome. I am delighted to see this high-level German team back. I had a little chat with the Chancellor -- mostly serious, but there was some reminiscing. I told the Chancellor that on the Gorbachev meeting it is important to get your views and for me to share ours with you. It is not an easy time with Soviet Union. I have great respect for German

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efforts to be a catalyst in solving the Lithuanian problem. The letter was a great help. I hope this will help get that matter in better shape than is it now. It does cloud our relationship. My view is that the Lithuanians themselves have not been as flexible as they should have been. Gorbachev is under pressure. We've had pressure, too -- not unmanageable, but some pressure -- to cancel the summit or impose sanctions. We have tried to handle this carefully, because it affects not just us but also Germany and the rest of Europe. After all, we managed arms control negotiations at a time when things were much more difficult. But I want to say that it is not easy. My position is not as flexible as it might be. (S)

Chancellor Kohl: Mr. President, dear George, first let me thank you for your warm welcome. I would like to repeat in this larger meeting -- and I will say it again in my press briefing (A problem with the President's earphone leads to jokes about its having been made in Japan rather than Germany.) So let me say, without meaning to embarrass you, that for us Germans and Europeans, President George Bush is a lucky thing indeed. I say this not just because I am a guest. But in the Oval Office in the past there were some who have knew considerably less about Germany. (S)

In this dramatic period of transition, we have an interest in pursuing this path in very close cooperation with the U.S. In two weeks' time, I will be meeting with a group of U.S. Senators and Congressmen. The next day, I will meet U.S. intellectuals in the field of literature. And, later, Feldstein will point out that my economic ideas are half-baked Communism. All these are connected with our working together. I am also preparing to set up a German-American Academy. All this will have an effect. For European development, think ahead to the year 2000. It is essential that Americans remain in Europe. Some on the Hill don't grasp the important of this for the U.S., too. I think the military dimension will lose in importance. It will remain, but we need to develop our relations in all fields. I am firmly convinced that NATO is indispensable. Therefore it is essential that a united Germany remain in NATO. We couldn't maintain NATO otherwise, given all the domestic effects in the U.S. Who would send American troops under those circumstances? And what about the Norwegians and the Benelux without the security guarantee of NATO? (S)

As to our relationship, I'm very grateful that we personally have established such close ties, and that our colleagues, Jim Baker and Hans-Dietrich Genscher, Stoltenberg and Cheney, also cooperate in an excellent way. I met a very excellent member of the Department of Justice and asked him facts about organized crime for the EC Summit. As to present realities and your preparations for Gorbachev, rest assured that we gave great sympathy for Latvia, Lithuania, and Estonia. Before the war, we had lots of contacts with the former states. But they can't live on sympathy alone. I met Prunskiene and had a very frank talk. I told her she cannot expect support from us unless she enters

into a dialogue. She cannot expect that I would find it wise if Lithuania prejudiced all other issues. It was a good discussion.

(S)

The President: May I interrupt to ask a question? We were impressed with her. I wonder if she's not more flexible than Landsbergis. (S)

Chancellor Kohl: Yes. I said why don't you leave that gentleman at home and you travel around the world. I told her frankly: put your decisions in the freezer for now. Say you want a dialogue, not conditioned on the boycott. But tell the world that you can't talk with the boycott in effect. The world will understand. I need not go into details, but we would like to use our contacts with Moscow in such a way as to convince Gorbachev that if he wants the Summit to succeed he must improve the climate, so that there will be no demonstrations. This is also the opinion of Mrs. Thatcher. Normally she is tough, but on Lithuania she is restrained because she sees the importance of the matter. (S)

Second, in Germany things are more dramatic than we expected. Tomorrow we will have a treaty between the two German states that I would not have hoped for even four weeks ago. We will introduce the D-Mark into the GDR on July 1. I have no doubt that in four years it will be a thriving economy. There are many problems. There are far too many in the GDR administration. Yesterday we achieved a financial miracle, which you will understand as a federal state: we concluded a treaty with our federal states on financing these acts without raising taxes. (S)

It is important for us, it is our wish and plea, that your raise with Gorbachev those issues that hinder Two Plus Four -- so that he will see that the U.S. has an essential interest in not prolonging that process, that you have an interest in seeing these issues settled. The mood in the GDR and the FRG is that people do not want unification prolonged; they want all-German elections. (S)

The real problem of the GDR is not economic, but the wounds to the soul. The GDR has 17 million people, and 105,000 were members of the State Security. To understand this reign of terror, compare it to the Third Reich, which had 80 million people and 50,000 Gestapo. You see how the GDR population was terrorized. We have to find out where these people stashed their money. Information is available that money was used by the GDR Security and Romanian Security for drug trafficking. Now, with an opening border, there is an enormous opportunity for this to expand. That is just one reason that compels me to take quick action. I can't give you a date; but I can't delay beyond January, and it would not be good to have elections then and to elect again in six months on an all-German basis. (S)

If the Two Plus Four works out, it will settle satisfactorily the German issue. But look at the overall situation -- in Poland,

Czechoslovakia, Bulgaria, Romania, and the USSR. We're in the position of a farmer cutting hay. He asks in the evening, should I bring it in? If it looks cloudy, he brings it in just in case. We should be the farmer that brings in the hay on time. (S)

The President: I think on these matters we're pretty much on the same wavelength. The American people basically support a continuing U.S. troop presence, though we have trouble knowing how long this will last. One thing is certain: it is essential that we have this common view of NATO. The Soviets should not be allowed to expand the Two Plus Four to solve their security problems. We favor an expanded CSCE, as an umbrella under which all participants can be sheltered, but we are convinced that an expanded role for NATO is essential. We want to stay in Europe, but this is only possible if we have an institution that provides a proper forum for us. We have thought hard about this and believe an expanded role for NATO is the only way to accommodate this requirement. I'm convinced that we can convince Gorbachev that U.S. troops do not threaten the USSR. It will take time. We do have all those missiles pointed at each other, after all. But we can convince him that U.S. troops are a stabilizing force. The Chancellor put it very well, when he referred to the distance for the Soviets and the distance for the U.S. We will do our best to convince him that an expanded NATO is not detrimental to his interests. I will tell him that I talked to you, Mitterrand, Thatcher, and Woerner. I don't think we have any differences on this. I hope we agree on the essentials of Two Plus Four. (S)

Chancellor Kohl: We do. There are no problems. The talks between Hans-Dietrich Genscher and Jim Baker are on an excellent track. Regarding Gorbachev's visit with you, it will gain even more importance because of the events ahead of us in the next two weeks. What he will announce in the Supreme Soviet regarding economic reforms will have an enormous effect. It comes two to three years too late, but if we consider them reasonable steps we should make favorable comments. He faces real public opinion, so he has an interest in the U.S. response. The Soviet Union has enormous problems in the eyes of the world and his own people, so he has to avoid looking like a smaller partner with the U.S. They have had a loss of prestige. For a Soviet Foreign Minister it is a new situation: when he gets together with the Warsaw Pact countries, he has to face the man from Prague, the man from Warsaw, and the man from Budapest, and they say Germany has to stay in NATO. Shevardnadze has talked about that publicly. They call him a weakling in the Soviet parliament. (S)

The President: They're learning fast. They had one big demonstration criticizing Gorbachev and then passed a law saying people can't criticize the President. We want the same thing here. More seriously, you have given good advice, which I accept 100 percent. I want to say in front of your colleagues that everyone has a level of pride. Gorbachev has done amazing things. In terms of Gorbachev's standing, I am sensitive to what you have said. I will do my best not to treat them as a nation in decline or undermine his standing. I understand exactly what you are saying. We have problems, which we will discuss, but we

know how much this relationship means -- even for big, powerful countries like the FRG. We will discuss the concerns we have but will treat him with the respect he deserves. It is in our interest that he should succeed. The press says I am a Gorbachev lover. That may be true. I have met the other kind. You've met Yazov. If you sent to central casting for the stereotype of a Soviet general, they would send you Yazov. (S)

Chancellor Kohl: George, I should perhaps come back to one thing we discussed before. Last year we prepared with great success the NATO Summit. I looked at how you had to deal with a lady. In the end we achieved our result. She also said she achieved her result, and I have nothing against that. Now, looking back, what was important then is secondary now. In negotiations with our foreign ministers and defense ministers, it is important that we achieve close coordination. Three dates are important in this context: the Gorbachev meeting, the NATO Summit, and the Economic Summit. Don't underestimate the last. These three will determine who is the leader of the West -- the President of the United States of America. In this transitional period, we have to set the right direction. (S)

We feel this in Germany. A large number want unity but also fear it. People in the GDR know they are bankrupt. They need changes, but they fear changes. It is all the more important in such a situation that you give a sense of leadership. That is why I think these three dates are so important. You can count on us. We are campaigners, and of course we have another date that is important to us. Eagleburger doesn't have enough work. Perhaps a few days before he can come over. (C)

The President: You talked about a lady. When Larry goes to see her, he usually goes with Gates. She refers to them as Tweedledee and Tweedledum. It is important that each of these consultations go forward. Let me say one word on the Soviet economy. It is absolutely essential that there be fundamental reform. Greenspan was there. So was Thornburgh. He said the legal thinking was like the dark ages. In visit after visit by business people, I hear the same thing. Their major mission is trying to facilitate economic reform. It is in our interest, too. We'll consult and try to be forthcoming. (S)

Chancellor Kohl: Perhaps Hans-Dietrich Genscher could make a few remarks about the Two Plus Four. (C)

Foreign Minister Genscher: I think the beginning in Bonn was encouraging, particularly with fixing the agenda so we could delineate the desired subjects. There is no reference to a Peace Treaty, nor to any subject that we think should be dealt with in arms control negotiations. We want to avoid the singularization of united Germany. Also, we have achieved a good speed: in June we will meet in Berlin; in July, we will be in Paris, with the Poles participating. This is good because the Bundestag and the Volkskammer will pass the resolutions defining the border, saying united Germany has to affirm the existing frontier. This will be signed and ratified afterwards by an all-German government and

parliament. The Poles are uneasy about our sincerity. Mazowiecki is responsible, but he is under Communist pressure. Also, Walesa has his own ambitions, creating a kind of tripolar situation. To create this security we will have these two declarations, which will then be accepted by the two Governments, who will formally notify the Polish Government to show that we must enter into binding obligations. We will be grateful if the U.S. could support this approach. Also, the Polish Prime Minister has the idea of initialing a treaty now and have it signed at the time of unification. We think nothing could be more binding than a resolution by the two parliaments and governments. (S)

We also talked about a fourth venue, in the Soviet Union. Shevardnadze was actually ready to do this. He didn't want it in July, because of the Party Congress, so the meeting in the Soviet Union will be in early September. This also has the advantage that already by then talks will have begun toward the CSCE Summit. (S)

So we are off to a good start. It is interesting that Shevardnadze said that high-level official meetings between Ministerials should move very fast. I think that shows the Soviets recognize they cannot be the country that is odd man out, the one that delays. After all, the Soviet Union depends on there being no anti-Soviet feeling in Germany. We have to push unification -- bring in the harvest. This will also have an impact on Two Plus Four. The Soviets want their own interests settled. If we leave ourselves a lot of time in unification, it also means that external issues may be delayed. This is not good for us, and not good for the Soviet Union. Therefore, in your talks with the Soviets, we would appreciate your showing your interest in having Two Plus Four concluded by the CSCE Summit. Jim Baker is presently in Moscow. It would be helpful if you said it, too. It is important for the next meeting that we adhere strictly to the agenda. A final point: the settlement under international law should terminate the rights of the Four Powers. We will start with that, so it is clear we want to establish at the same time the sovereignty of a united Germany. (S)

Regarding the NATO Summit, the Soviets have mounted a campaign to remove the demonic image of NATO. The Shevardnadze visit to NATO was an example. All this is to show the Soviet people that NATO is not such a bad thing. Concerning Germany in NATO, we refer to the Helsinki reference to the rights of countries to join or leave alliances. When we wrote that in, we had other things in mind. We were focusing on the second point, with the idea of East Europeans leaving the Warsaw Pact. Actually, we are concerned with the first point, the right to remain in an alliance. (S)

One single problem where we have to pay attention is the temporary presence of Soviet forces in the current GDR. Mistakes are being made about this in public. We can accept this temporary presence, but the dates must be fixed. We cannot

accept a parallel with U.S. forces in the FRG. They can't be compared. That is why it is so important to stress the role of the U.S. and the Western alliance for stability. One consequence of European unity is that Western Europe is a strong stabilizing factor. But I have to say in Eastern Europe there are still a lot of national difficulties. It reminds us of 1913. Therefore NATO, besides its military purpose, has an enormous political purpose. That is why we hope during the Gorbachev visit you will underscore the importance of concluding Two Plus Four before the CSCE Summit in the autumn. (S)

Chancellor Kohl: George, don't be worried about those in the FRG who make parallels between U.S. forces in the FRG and Soviet forces in the GDR. We will push this through. We'll put our political existence at stake for NATO and the political commitment of the U.S. in Europe. I hope you see that within a unified Germany for a period of, say, three years, we can accept Soviet troops in GDR territory. Don't worry. There is no parallel. We will need a new treaty. But I don't believe Gorbachev has an interest in having soldiers in Leipzig. In twelve months, if the shops are full, it will present a completely different security problem for him. Demoralization will set in. (S)

Second, again, I would welcome it if you could very clearly get out the American position during your meeting. Finally, on Poland, we did all we could to find a reasonable solution. Let me say frankly that this has an enormous psychological effect in our country. It is not the same as with Havel, who addressed those expelled and said Germans also suffered, along with Czechs. So far there has been nothing along those lines from the Poles. A statement like that would be very helpful. Jaruzelski has not been very helpful in the last few weeks. Frankly, I don't think he wants to help. But we need peace between Poles and Germans. (S)

Foreign Minister Genscher: Mr. President, it would be helpful for us if the U.S. could tell the Polish Government that this resolution of the two parliaments is a good solution. (S)

The President: Let me comment. We all but did this when Mazowiecki was here. We discussed it. Since then the situation has improved. I am concerned with what you said about Jaruzelski. We might have some influence, because we have tried not to knock him publicly. I get the feeling they are more willing to accept your solution, but we can try. (S)

On the meeting with Gorbachev, we will press for the timetable you set. We are on the same wavelength. I worry that the Soviets may try to keep Two Plus Four alive after unity. On the disposition of forces, I have been hard over. The longer Soviet forces remain, the greater the danger of de facto parallelism. I worry that the world would be presented with parallelism. My view is the sooner they are out, the better. If we're successful in persuading them that the U.S. and NATO are stabilizing forces, perhaps that will help. I think we are thinking the same way,

but I worry about this three-year period. On Jaruzelski, we can take care of that. (S)

Foreign Minister Genscher: I explained our position to him. He didn't approve, but he didn't reject, either. (S)

The President: The only other point: Walesa looks like he is on the sidelines. We think Mazowiecki a reasonable man. (S)

Chancellor Kohl: I had talks yesterday on the party level. We have a completely new situation in Poland, Hungary, and Czechoslovakia, though I am skeptical about Romania. On the elections in Czechoslovakia, there are new groups with new names, but they represent the old traditions. In Hungary, Antall is one example of that. Antall is not being given justice in the U.S. press; he is not being treated in a fair way. He is a reasonable man, attached to Western values. In Czechoslovakia, there will be a very clear picture after the elections, with Social Democrats, Liberals, and Christian Democrats. Poland is another matter entirely, more difficult. It is always difficult with the Polish public. What will Walesa do? Mazowiecki? The race is not over yet regarding the parties. I agree with you that Mazowiecki is a clever man. Minister Stoltenberg would like to make a few remarks. (S)

Defense Minister Stoltenberg: The main focus of the talks with Gorbachev will be on arms control. In Vienna, too, after a very good start, again we have delays. We had already anticipated the success of the Vienna talks. The Soviets now say that because of political changes in the GDR, there is a new situation. Therefore to correct that your Administration's approach is important on the difficult issue of ceilings for aircraft. It is very important that the Soviet President see that he must bring the Vienna talks back on track so they can conclude on time. Your Administration has said that CFE must be signed for there to be a CSCE Summit, but a CSCE Summit is also important for other reasons. You have said that the NATO Summit should undertake a political, not only a military, strategy review. Next week, my colleague Secretary Cheney and others will present a few ideas. Vienna is important not just for Germany but for the whole Alliance. (S)

Chancellor Kohl: Let me add one more sentence. I said in our private meeting we are very grateful for your proposals in arms control. (S)

The President: Thank you. Dick? (U)

Secretary Cheney: Having just come from Alberta, we go next week to Brussels. My feeling is that the initiatives on SNF and FOTL are very appropriate concerning the planning meeting. Perhaps we can come to an agreement. (S)

The President: Thank you. Shall we go to lunch? (U)

-- End of Conversation --

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