

THE WHITE HOUSE
WASHINGTON

MEMCON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany (U)

PARTICIPANTS: The President
 The Vice President
 James A. Baker, III, Secretary of State
 John H. Sununu, Chief of Staff
 Brent Scowcroft, Assistant to the President for National Security Affairs
 Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
 Robert D. Blackwill, Special Assistant to the President for European and Soviet Affairs
 Robert Zoellick, Counselor, Department of State
 Raymond G.H. Seitz, Assistant Secretary of State for European and Canadian Affairs
 Vernon Walters, Ambassador to the Federal Republic of Germany
 Harry Obst, Interpreter

Hans-Dietrich Genscher, Foreign Minister
 Dieter Kastrup, Political Director, Ministry of Foreign Affairs
 Frank Elbe, Chief of the Foreign Minister's Staff
 Juergen Ruhfus, Ambassador to the U.S.
 Perry Notbohm, Interpreter

Not H.S.

DATE, TIME: April 4, 1990, 10:10 - 10:45 a.m.
 AND PLACE: The Cabinet Room

Following a photo opportunity in the Oval Office, the President and Foreign Minister Genscher began their meeting in the Cabinet Room at 10:10. (U)

The President: Welcome. I want to congratulate you on how Germany has handled its end of things. (U)

Foreign Minister Genscher: Thank you for receiving me at this crucial time. Greetings from the Chancellor. And thank you for your help in solving the problems with German unification. (U)

In the DDR, the election produced a majority for those supporting unification and a market economy, like ourselves. There are still great complications: the creation of an economic, monetary

and social union, where we will have to overcome decades of mistakes by the DDR Communists. The new Government there is very weak. The Federal Government is preparing a draft treaty to present to the DDR Government on steps toward legal unification. Then there will be political discussions. We have made a mistake on our side concerning the rate of D-Mark exchange. But we are on the right track. But this is all part of the internal aspects of unification. (7)

In addition, there are the external aspects. The next Two Plus Four official level talks will be after the formation of a DDR Government. Then at the end of April there will be the first Two Plus Four Ministerial. We want to reach agreement with the Four Powers before a CSCE Summit in November. We want to present to the 35 the results of the Two Plus Four talks. This CSCE Summit was proposed by the Soviets before German unification became urgent. If we cannot reach a Two Plus Four agreement, we would have to wait for the next CSCE Summit in 1992. This would produce great instability in the DDR, whose citizens would panic. We don't want a special CSCE Summit in 1991 which would have the character of a German peace conference. When I met Shevardnadze in Windhoek, he raised the idea of a Peace Treaty. I asked if he wanted Sam Nujoma to attend such a peace conference. This cannot happen. (7)

The membership of a united Germany in NATO is an essential of the Western position. I think the Russians are more and more accepting this. But how will they react to our position? What if they say, yes, but....? Soviet soldiers on the territory of the DDR: we can accept that, but not linked to U.S. troops in the FRG. Second, what will be the size of the Bundeswehr and Allied stationed troops? We cannot accept that this will be discussed in Two Plus Four. This would put Germany in a special, isolated position. But when the Russians raise this, we think the West should answer that this will be discussed in CFE. This emphasis on a CFE II won't meet all Soviet concerns. Third, therefore, the CSCE Summit is of great importance to the Soviets, which will give impulse to changes in Europe. They want a substitute for an eroding Warsaw Pact. They need an institutional framework for change, and maybe we do, too. This could mean, first, regular foreign ministers' meetings; second, a CSCE crisis center; third, an environmental protection agency; fourth, institutions to protect human rights, like the Council of Europe's Court of Human Rights; fifth, mechanisms to secure the rights of minorities; and sixth, adding the right of free elections to the Final Act principles and a monitoring body. (8)

Finally, the EC is on the way to political union. We are improving the institutions of the European Community. This will give the EC a new identity. This is the right time to give the relationship between the EC and the U.S. a push. We need a U.S.-EC declaration which would express our common goals, convictions, and responsibilities. I discussed this with the EC foreign

ministers and there was no substantial disagreement. This would be alongside our close relationship in NATO. We need to produce dynamic West-West cooperation in this time of change. (S)

Concerning the German Question, your meeting with Gorbachev will be crucial. They have not yet made up their mind. (S)

The President: Jim has told me how helpful you have been on the EC. As I listen to you, we are very close on the major issues. We must stay close before the Gorbachev meeting. We have an opportunity at the Gorbachev meeting to get agreement on Germany. What has been your public position on Lithuania? (S)

Foreign Minister Genscher: Like yours. The EC's is, too. Lithuania happened 6 to 12 months too early for Gorbachev. He needs CSCE to help to show there is a new framework in Europe to ease his dilemmas in Lithuania. Maybe there will eventually be a Soviet confederation. There must be a stable framework. (S)

The President: Yes. We have been responsible. We have fire-eaters. Senator D'Amato wants to go tell Gorbachev off. That's easy to say. But I am gratified we are on the same wavelength. (S)

Foreign Minister Genscher: At the same time, the economic situation in the USSR is getting worse. I saw Robert Maxwell yesterday, who had spent two hours with Gorbachev on Monday. Gorbachev is extraordinarily preoccupied with economic problems. They know what they want but have no economic strategy. I wonder if we -- you -- can give them the right advice to run a market economy. (S)

The President: I totally agree with your assessment. But as long as Lithuania is flapping, it's hard to move ahead. (S)

Foreign Minister Genscher: We and the DDR Government are going to give assurance that the DDR-Polish Treaty of 1970 and the Warsaw Treaty [between the FRG and Poland] will be final. (S)

The President: I hope you can work this out along the lines Helmut explained to me on the phone. This needs further discussion. (S)

Secretary Baker: I told Hans-Dietrich that we would stick with the German Government. (S)

The President: I was frank with the Polish Prime Minister on this issue. I told him we are on Germany's side. I hope the Poles can be persuaded to see the light. (S)

Secretary Baker: On the question of CSCE, I expressed our concern to Foreign Minister Genscher about an enhancement of the security side that would undermine NATO. (S)

The President: Thanks again for coming. It was a pleasure to see you. We want to stay together. I will be having important meetings with Prime Minister Thatcher and President Mitterrand.
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-- End of Conversation --