

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Otto Graf Lambsdorff, Chairman of the Free Democratic Party of the Federal Republic of Germany (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert L. Hutchings, Director for European Political Affairs

Otto Graf Lambsdorff, Chairman of the Free Democratic Party
Juergen Ruhfus, Ambassador to the U.S.
Hagen Graf Lambsdorff, Economic Minister, FRG Embassy
Hans Boie, Advisor to Graf Lambsdorff

DATE, TIME AND PLACE: May 24, 1990, 1:05 - 1:17 p.m.
The Oval Office

The President: There have been fascinating changes. How are things at home? (U)

Chairman Lambsdorff: They are good. I am here in my capacity as Chairman of the FDP and would like to express my gratitude to the U.S. for your support. All Germans feel this way. They used to thank Gorbachev, but now they thank the U.S., particularly because they are now seeing the disaster in the GDR. We will do all we can to convince people that we must stay in NATO and that Americans should stay in Europe. As I used to say, the "common European home" must have a North American Department. I know Gorbachev has problems; Baker was just there. But NATO membership by a unified Germany is essential. The Soviets are unclear about this; in fact, they have said no. (S)

The President: We will try to convince them that Germany in NATO is no threat to their security. (S)

Chairman Lambsdorff: Gorbachev does need two things: a face-saving device and economic assistance from the Germans. He needs supplies from the GDR, and we will have to negotiate these problems. If we have to pay them, we will do it if that is the price for unification. But we will do this in close coordination with the U.S. Nothing will be done secretly or behind the backs of our partners. (S)

The President: Down the road, what is your sense of German feelings about NATO and U.S. forces? (S)

Chairman Lambsdorff: It will be similar to 1982-83 and the INF debate. There was a lot of noise against, but then the election went for those parties that favored deployment. Certainly there will be no problem so long as Soviet troops remain in the GDR.

(S)

The President: Why can't German economic assistance be used for housing returning Soviet soldiers, so as to get them out while the getting is good? My fear is parallelism. The longer Soviet troops stay, the greater the danger that their presence will be linked with U.S. forces. Then there will be sentiment to get both out. It is not my burning desire always to have U.S. troops there, but I do believe they are a stabilizing factor. But if the American people felt they weren't wanted, there would be pressure to bring them home. (S)

Chairman Lambsdorff: It is not my burning desire, either, but is my desire to have North American troops, also Canadian troops, remain. (S)

The President: Yes. If we pull back, it's a long pullback. (S)

Chairman Lambsdorff: But if you ask the Poles, Hungarians, and so forth, you will find support for the U.S. presence. The U.S. is not there to control the Germans, but if it reassures our neighbors it is all to the good. We have been a stable, democratic country for a long time now. (S)

The President: We agree. I get offended at some who want Germany to keep doing penance. Germany has been a democracy and a steadfast ally for 45 years. I totally support your view, and I hope it is coming through to the German people. Germany has been a model of freedom and democracy. I understand the Poles, but I told their Prime Minister what I just told you. But the reason I asked the first question is that it is not clear to me what attitudes in Germany will be down the road. (S)

Chairman Lambsdorff: I can give you no definite answer or definite assurances, but I can explain the given situation and the situation for the foreseeable future. We are very grateful for American assistance and support. We know very well that our number one ally in the process of unification is the United States of America. I support moving rapidly. I have been among the first calling for early all-German elections. As to the economic and monetary union, the SPD won't say no, can't say no to the introduction of the D-Mark into the GDR on July 1. Of course, we need help with problems in the Two Plus Four. (S)

The President: Our problem is with the Russians at Two Plus Four. They want to stay in the game after the game should be over. (S)

Chairman Lambsdorff: They have no clear concept. They were tough at Bonn, but yesterday's meeting between Genscher and Shevardnadze was more hopeful. I haven't gotten a readout yet. Genscher will discuss it tomorrow when he comes to Washington. As to East Central Europe, we also need to help. On COCOM, thank you for your help. (S)

The President: We want to be realistic. We need to free up some of those restrictions, but we also have to keep an eye on sensitive technologies. After all, the Soviet Union still has all those missiles pointed at us. (S)

Chairman Lambsdorff: One last remark on the Economic Summit. On trade, it is better to have no result than a bad result. (S)

The President: We need your help on agriculture. (S)

Chairman Lambsdorff: You help us with textiles, and I'll help you on agriculture. I have been on your side, though I don't represent the majority. (S)

The President: That's for sure. (S)

-- End of Conversation --