

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with Chancellor Kohl of Germany (U)

PARTICIPANTS: The President
Helmut Kohl, Chancellor
Notetaker: Robert Hutchings, NSC Staff
Interpreter: Gisela Marcuse

DATE, TIME January 28, 1991, 11:08 - 11:28 a.m.
AND PLACE: The Oval Office

Chancellor Kohl initiated the call. (U)

The President: Hello, Helmut. How are you? (U)

Chancellor Kohl: Good, thank you. I wanted to talk as a follow-up to our last talk. But, first, is there any news about the Gulf? (✓)

The President: No inside news. It is going according to plan. We were surprised at the evacuation of Iraqi planes to Iran. (✓)

Chancellor Kohl: What is the meaning of that? Did they fly out illegally or under the command of Saddam Hussein? (✓)

The President: At first we thought it was illegal, that they were fleeing. Now we are not sure. If we had to guess, we would say now that he has orchestrated an evacuation to protect these front-line fighters. There have been quite a few air engagements and every time, without exception, the Iraqi aircraft have been shot down. (✓)

Chancellor Kohl: If he sends more into safety, do you think they will come back or will Iran do what it has said and keep them until the end of the war? (✓)

The President: I hope they will. We will be monitoring this through intelligence. (✓)

Chancellor Kohl: Is there other news? (U)

The President: There is not much else. The oil slick worries us. It is a desperate move with no military advantage. The evidence is very good that he is simply dumping all this oil into the Gulf. (✓)

Chancellor Kohl: In Europe, this matter is having a terrible psychological effect for him. Psychologically, it is one of his biggest mistakes. His first mistake was attacking Kuwait. There is no doubt about that. He has made three further mistakes. The hostage taking is a major mistake. Then there was this crazy act with the POWs. He seems half-mad. Now he has gone right into the heart of all the ecologists in Europe. These are terrible acts, but they have a positive side effect in European opinion. (Ø)

The day after tomorrow I will present the government's program in the Bundestag. I will send the text of those parts on German-American relations and the Gulf, which may interest you, as quickly as possible. I would be grateful if your press people could look at it. Tonight we will have a visit from the Israelis and will discuss specific assistance with them. You can imagine what equipment I am thinking of. I think that meets your interests, too. (Ø)

The President: Yes, anything you can do will be helpful. I thought Genscher's trip was very good and very generous. I was embarrassed when I saw there were some demonstrations against him. (Ø)

Chancellor Kohl: I simply wanted to say we intend to act generously. Once we are finished I will send a letter addressed to you personally, because I am not sure they will tell you exactly what we intend to do. (Ø)

The President: Good. That is a good way. Send it to me directly. (U)

Chancellor Kohl: In presenting the government program I will also say something on Turkey. I will announce that certain parts of our air defense will be sent to Turkey. This will have an important stabilizing effect. (U)

The President: Yes, I think so, too. (U)

Chancellor Kohl: Then we will also repeat that of course we will stand by our NATO obligation. I will repeat that and be very precise. (U)

The President: Excellent. (U)

Chancellor Kohl: The last point: the two things I just mentioned on Turkey I will make public only the day after tomorrow. That brings me to our last conversation and the question of support for the United States. I wanted to tell you today because tomorrow you have your report on the State of the Union. First, I also intend to announce that due to the cost resulting from the war in the Middle East and also because of the high cost we have had to pay for a very long time for reform countries like Poland, it is my intention to increase taxes. We have a tight budget situation, so we have tried to be careful.

Of course, we can't stand aside if countries like the U.S. have enormous costs. Therefore, I will tackle the problem in a very offensive manner. (S)

My question concerns the 5 billion dollars your finance minister mentioned to our finance minister. You spoke of 6 billion, and in parallel to that we have a British request of about 800 million. At the same time I have gotten a letter from Walesa asking us to do something because they are in a very tight situation. Could we agree on 5 billion dollars for three months? (S)

The President: I don't have my notes in front of me on the difference between the 5 billion and the 1 billion, but if that is your decision we would welcome that. (S)

Chancellor Kohl: Let me be very frank: I would like to do something with respect to London. (S)

The President: Yes, I understand that. It is very noble. (S)

Chancellor Kohl: Can we then agree on 5 billion dollars? Let me say just as frankly that if this causes problems for you I won't do it. I want to be helpful. (S)

The President: Can I do this -- check with Jim Baker and get right back to you through him or Brent Scowcroft. (S)

Chancellor Kohl: Yes, I am just as willing to contact you again by phone. I just wanted to reach agreement with you so you can go public. (S)

The President: I will talk to Baker right away. First, I am very appreciative of your willingness to something like this. (S)

Chancellor Kohl: George, that is self-understood. You do this also on our behalf. So I don't want to be difficult; I just wanted to get something also to London. (S)

The President: I will get back to you. I am a little confused. (S)

Chancellor Kohl: I think there is a misunderstanding. Last year I discussed with Jim Baker three billion DM, then in January I met again with Baker, and then Brady in his meeting with Waigel talked about 5 billion. (S)

The President: Yes, I think one billion dollars was for Desert Shield and 5 billion for the first of this year for hostilities. I believe that is the discrepancy. (S)

Chancellor Kohl: Yes, would you like to talk to Jim? (S)

The President: Yes, I will call him and get right back to you. (S)

Chancellor Kohl: Within the next hour? (C)

The President: Yes. (U)

-- End of Conversation --