

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
David Gompert, Special Assistant to the President for European and Soviet Affairs (Notetaker)
Gisela Marcuse, Interpreter

Helmut Kohl, Chancellor
Peter Hartmann, Security Advisor to the Chancellor
Dorothee Kaltenbach, Interpreter

DATE, TIME AND PLACE: May 20, 1991, 4:30 - 6:20 p.m.
Oval Office

The President: Welcome Helmut. (U)

Chancellor Kohl: I am very pleased to see that you are well again. (U)

The President: I only have to take pills for thyroid. There is no other change in my regimen. I have a couple of items to discuss here and then we can go into the larger session with the others. (U)

Chancellor Kohl: And we can also carry on the discussion at dinner. (U)

The President: One item is NATO. Your public statement was very good on European security. My other item is the Uruguay Round. (U)

Chancellor Kohl: On security policy I see no problem. Let me explain the German side. Psychologically, we have some problems with our unification. Our partners are suddenly faced with the situation in which a new Germany would be economically supreme in Europe, to think we are now going through a weak period. That is nonsense. Yes, we have problems for three or four years; but we can solve them. During the Marshall Plan 7 billion deutsche marks were set aside. That was your help for 62 or 63 million Germans in a destroyed country. Now we have set aside

100 billion deutsche marks for 17 million people. Many people are concerned. Madame Cresson says it is most important to close the economic gap between France and Germany. My answer is that I hope that we can do that. Germany needs a European roof but we also need a NATO roof as well. For us it is unacceptable that we would neglect our U.S. link in order to promote European unity, we will do both. In principle, my colleagues agree. Francois of course attends to French glory. (S)

The President: Does he have problems with your formulation? (S)

Chancellor Kohl: Not really. The British, Benelux, Dutch, and Portugal all agree with me. I intend to meet with Mitterrand frequently to bring him along. (S)

The President: Does Mitterrand hope for security ties which are separate from or supersede NATO? (S)

Chancellor Kohl: I don't think he has a real concept. It was valuable for the development of French-German relationships that France had nuclear weapons and Germany did not. But the importance of that is receding. (S)

The President: Brent, I think we are agreed on this point. Our worry is that anything which would tend to marginalize U.S. security arrangements would bring a swift reaction here. (S)

Chancellor Kohl: You will be re-elected in 1992. I'll bet you. In the campaign the question will not be security but your economic relations with Europe. Europe will be a success story for the 1990s, not Japan. Americans should bear that in mind and take advantage of it. We want a U.S. apartment in the European house. For us the U.S. link is existentially important. Whatever the size, there should be a visible U.S. presence. (S)

The President: The other matter I wanted to raise is related to your economic point and that is the Uruguay Round. (The President describes the state of play with Congress on fast-track authority vote.) If we don't get the agricultural problems behind us, this round will fall apart and the result will be very bad. Please help us if you can. (S)

Chancellor Kohl: Again, we are not far apart. A clear majority within the European community favors movement. But both sides will have to work. This is important not only for Europe but the Third World too. We have to figure out how to change the subsidy policy of the EC. Delors now understands this and us now attached in France daily. (S)

The President: It is not that I think we are all right and you are all wrong. Both must change. (S)

Chancellor Kohl: I agree. Even if there were no GATT round we cannot continue this. It is a crazy policy. (The Chancellor describes the common agricultural policy.) We can correct it and

improve the environment at the same time. Our productive capability has improved enormously. (S)

The President: Will Francois be flexible on trade negotiations? (S)

Chancellor Kohl: I am working on him every month. It is not just agriculture. If you look at French exports and subtract agriculture there is a big drop. It is very important to them. Mitterrand wants to avoid a decrease in the balance of trade. Automobiles are declining, as are arms and other export items, so agriculture gets more important. We need to cut arms exports. (S)

The President: I hope you noticed our chemical weapons proposal? (S)

Chancellor Kohl: We have no problems here, and Jim mentioned the Middle East proposal on arms restraint. We have no problems there either. On France, you have to look at their overall export policy. I would like to see relief in quotas. The better France is doing in exports the easier it would be to get a good GATT Round. (S)

The President: Is Cresson protectionist? (S)

Chancellor Kohl: Yes, and she is very temperamental. That is not a big problem though. If she changes too much she will fail at the polls. (S)

The President: Is Rocard still a viable candidate for the presidency? (S)

Chancellor Kohl: Sure. (U)

The President: Why did they kick him out?

Chancellor Kohl: Francois was not supporting him. He doesn't want a Prime Minister who is running for president.

-- End of Conversation --