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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT:	Telcon with Helmut Kohl, Chancellor of Germany, on July 8, 1991
PARTICIPANTS:	The President Helmut Kohl, Chancellor Interpreter: Gisela Marcuse Notetaker: Robert Hutchings, NSC Staff
DATE, TIME AND PLACE:	July 8, 1991, 8:14 - 8:30 a.m. The Oval Office

The President: Helmut, how are you? (U)

Chancellor Kohl: Good, thanks. I wanted to briefly mention my impressions from the meeting with Mikhail Gorbachev last Friday. First, it is my personal impression that, despite the difficult situation, he seems in quite a good position. This is true also for his physical condition. He seemed very much determined to go into battle. It is his intention to call a meeting of the Central Committee in July and his intention also to present a new party program. He will then expect a split of the party. He made it very clear that he wanted to get the ultras out of his I asked him whether he has fears regarding the military. party. His answer was a clear no. There was not the faintest trace of resignation. As concerns relations between the central government and the various republic governments, I think he gained a very important point on Friday following the vote of the various republics. They basically accepted his program. Ι talked to the Ukrainian government. Their intent is to accept a proposal over the holiday sometime. They told me their intent was not to leave the central state. Irredentist groups, they said, were very small. They were frank about the number of Russians in the Ukraine -- 10 million, especially in the Donets area. They could not accept a solution that might lead to violence or upheaval. (\mathcal{Q})

As concerns the G-7 in London, he is very content with the meeting as planned by John Major, including the various meeting points. I think he is expecting more than special status in the IMF and EBRD. He plans to present his overall economic plan. I also told him he should perhaps tell us how he intends to promote privatization. I said he needed to privatize as soon as possible. That is his intention also. He is also thinking of entrusting the rehabilitation of the energy sector to foreign companies, including nuclear energy. He sees an urgent need to change existing nuclear plants to meet international safety

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standards. As far as disarmament is concerned, I told him it was very important to make some progress. ($\not C$)

That is a very brief outline of the most important points. Т will close with this: it is very important for him that he will be able to keep his dignity at London. He does not want to play the part of a poor relation, but he is very aware of his enormous problems and also very interested in being given technical assistance and advice. On relations with the U.S., he wants to avoid a setback. He also made very friendly mention of his contacts with George Bush. I told him he should be aware of certain groups in the U.S. which are reflected in Congress. Т also pointed out the question of the Baltic states. He thinks Prunskiene's return would lead to a better basis for discussions. I share this view. I think she has more sense than that gentleman (meaning Landsbergis). (\mathcal{L})

<u>The President</u>: Helmut, that's a very interesting report. I appreciate your call. It seems that Germany and the U.S. would be very comfortable with that approach. Certainly we will do nothing to detract from his dignity or standing. That is very important. Thank you for the report. I am very comfortable with that agenda if it works out that way. Helmut, if you have one more minute, I want to raise another question. I was talking with our experts about Yugoslavia and wondered about your latest thoughts. (2)

<u>Chancellor Kohl</u>: My impression is that people are being reasonable, but I cannot assess the part the military plays and cannot foretell how they will act. The problem is, first, that there is a majority of Serbs in the military and, second, and more serious, that they are still old Communists. That has been a problem for a very long time. If the civilian government can get its views through, I see a chance. If they stick to the agreement, we should see an opportunity. (?)

<u>The President</u>: I agree with that and am hopeful that matters can be resolved peacefully and that the west won't get dragged into some kind of military action. (\mathscr{G})

<u>Chancellor Kohl</u>: For me, that is inconceivable. But some people are very fanatic. Of course, if you have fanatical attitudes, you get a fanatical response. That has also become clear when you look at the way they respond to Germans over there. I don't know whether you have received information from their papers, but they are even charging that Germany is supplying weapons. (2)

<u>The President</u>: It's a complicated situation. I look forward to seeing you in a week -- less than a week. (U)

Chancellor Kohl: Until Monday, then. (U)

-- End of Conversation --

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