

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Expanded Meeting with Helmut Kohl, Chancellor of Germany

PARTICIPANTS: The President
The Vice President
Lawrence Eagleburger, Acting Secretary of State
Nicholas F. Brady, Secretary of the Treasury
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Kimmitt, Ambassador to Germany
David C. Gompert, Senior Director for European and Soviet Affairs (Notetaker)
Richard Kauzlarich, Acting Assistant Secretary of State of European and Canadian Affairs
Gisela Marcuse, Interpreter

Helmut Kohl, Chancellor
Peter Hartmann, Security Adviser to the Chancellor
Walter Neuer, Head of the Chancellor's Office
Angela Merkel, Minister for Women and Youth Affairs
Dieter Vogel, State Secretary and Government Spokesman
Juergen Ruhfus, Ambassador to the U.S.

DATE, TIME AND PLACE: September 16, 1991, 1:30 p.m. - 2:30 p.m.
Residence/Cabinet Room

The President: German-American contacts are particularly important at this time. German-American relations are going very well and I always benefit from the Chancellor's views. I would like to give you the floor, Helmut. You can take it from there.
(S)

Chancellor Kohl: First, with regard to the situation in Germany, the California trip we took was important. I've never seen this face of America. We are setting up a German-American academy of sciences. This will be a platform for our two societies to work together in science and cultural exchanges which are important. California was a pleasant surprise. There is a strong interest there in Germany. I got the impression in California that people were happy to see a European face because of the preoccupation

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with Japan there. Next year we might do something about this, George. My second point is that I completely support you on the Middle East peace process. No American president in U.S. history has done more for the Jewish community than George Bush. The peace process requires you to stick with your course. If the process breaks down fundamentalism and war will follow. Israel is asking for German financial support. We have said no if it will be used for settlements in the occupied territories. We need to coordinate our responses. The EC agrees that the U.S. peace initiative should be supported. (S)

The President: We also discussed the Uruguay Round during our private conversation. (S)

Chancellor Kohl: Yes. Of course we are in agreement on the objective. We want success for three reasons. First, the Common Agricultural Policy has to be changed in any case. We can't keep funding these export subsidies. Second, Germany depends on exports. Third, the LDCs are badly in need of an improved trading system. So, I will do my utmost to help produce a success in the GATT. I would like to point out that I will have to talk to one of my friends. I am not pessimistic. Of course, textiles and other issues have to be addressed as well. In the EC, people are becoming more aware of the need for progress. But there is a suspicion that the Japanese are forthcoming in their public statements but really torpedoing the talks. (S)

On Germany, we had serious problems with the five new laender at first. Now not even one year since their accession, the economic situation has improved. But for many individuals, its still a hard time. In some villages over 50% are unemployed. The old structure of enterprises cannot survive. In three to five years, we will have made it. It just so happens that that will be an election year in Germany. We are finding that the East Germans state security system had its tenacles in everything and poisoned everything it touched. We will soon see the same thing in the Soviet Union, but the KGB had 70 years to work on it. Economically, I'm happy about this situation in Germany. GNP has increased by 3%. But we have had to undertake radical budget cuts. We cannot continue to borrow the way we have. I will repeat what I said before. Deutschemark stability is crucial. It is also crucial for European union. We have to move toward greater austerity. (S)

With regard to the Soviet Union, we should be careful not to leap to conclusions. There is something very strange about the current situation. One week everyone is chanting "Gorby, Gorby" and the next everyone is chanting "Boris, Boris." I am telling people that we need both of them. When the winter comes people will ask Yeltsin what he has been doing. If Gorbachev lasts the next 4-8 weeks his position will become stabilized. I was very happy to see that the White House and Secretary Baker are saying that we favor federation, not fragmentation. Some in Congress want to support individual republics. We can only support and do business with individual republics in the context of supporting

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the center. Also, successful arms control requires an effective center. (S)

As for Western aid, I think it is significant that this week the State Council will be debating the structure. This has to be done otherwise there can be no aid. Economic Union is a prerequisite for aid. Food aid is a priority. But the Soviet debt also has to be addressed. The IMF is coming up with the figures. Germany will keep paying because of the Soviet troop withdrawals. The next installment is due soon. We need to have some burden-sharing. Germany has paid 60 billion deutsche marks to USSR and Central and Eastern Europe. We are now at the limit; we can't continue on that scale. Japan will have to help. For years, we have all done more than Japan. I believe that the Kurile issue could be solved if the Japanese were more forthcoming. (S)

With regard to food aid, we should not fight between the U.S. and the EC leadership. And we should not forget Poland, Hungary, and Czechoslovakia. Polish elections are important. The situation there could become unstable. Prime Minister Bielik is good, and we should want him to be re-elected. Of all the leaders in Central and Eastern Europe, he is the best on economics. If the Soviet Union deteriorates further, we could have massive exodus of people to the West. (S)

The President: We are putting together a humanitarian food and medicine package for the winter. I don't think it will be politically controversial. With regard to Baker's visit, we sense strong cooperation between Gorbachev and Yeltsin. We share your view that fragmentation is not the answer. The Baltics were a special case. Baker was satisfied that Gorbachev and Yeltsin agreed on the need for singular nuclear control and also a single currency. Baker says that they are willing to work through the IMF and World Bank. They have moved on Cuba and they have moved on Afghanistan. The Northern Islands could be tougher but as these political conditions and center republic relations are clarified, we are ready to help. There will be a divided view in the United States on this. There will be some resistance to providing aid to the Soviet Union. But we will do our part, and we will work with the Japanese. I agree with you completely on Central and Eastern Europe and about the Polish Prime Minister in particular. He wants to be involved in helping the Soviet Union. The best thing we can do for Central and Eastern Europe is to open our markets. (S)

Chancellor Kohl: There is a tough discussion in the EC on the association agreements for the East Europeans. The German position is absolutely clear. We must help these countries now or it will cost us far more in the future. (S)

Yakovlev visited me. He's one of the smartest of the Soviet leaders. He played a very important role along with Yeltsin during the coup. Yakovlev said that we need both Gorbachev and Yeltsin and worried that people in the West may be misjudging this. He says food aid needs to be rapid and well-coordinated.

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I understand how the American people feel about the Soviet Union. But if we don't help now, it will cost us more later. I agree that we need to focus on concrete projects. (S)

The President: Yakovlev, Shevardnadze, and Gorbachev agreed with my Kiev speech which emphasized that we can support in self-determination but not anarchy. (S)

I would like to hear your views on Yugoslavia. (S)

Chancellor Kohl: The problem we are faced with is different to us than it is to you. We have 700,000 Croats in Germany. We have excellent relations with Yugoslavia. The situation is horrible but at least there is one positive aspect. If they were occurring in 1975 we could have World War III on our hands. Now it is a localized conflict. But neither you or I can offer a solution. The problem is not just Slovenia, that's really no problem. The Serbs will let them go. But Croats and the small enclaves, Kosovo. Albania wants the Kosovo. Where do we start. We start European differences are significant due to domestic politics. Felipe Gonzales, who is a true democratic, is very worried about the Basques. European history of a thousand years is about to resurface. If there is a major battle, public opinion in Europe will be unambiguous. Mitterrand hesitated but now he is clear. (S)

The President: We are worried about triggering a civil war through recognition. (S)

Deputy Secretary Eagleburger: Milosevic doesn't care about Yugoslavia. He will let Slovenia and part of Croatia go because what he wants is greater Serbia. I don't see how a civil war can be avoided in Bosnia-Dercegovina, Kosovo, and Macedonia. There are no heroes. Everyone is at least partly guilty. The Slovenes for leaving in the first place; Tudjman for not doing more about the Serbs in Croatia; and Milosevic most of all. I don't see a solution. (S)

Chancellor Kohl: We have put pressure on Tudjman to look after the Serbs in Croatia. He took too long to realize this. But now the mood in Germany is shifting because of daily television scenes of violence against the Croats and of course there is a strong religious angle. (S)

Deputy Secretary Eagleburger: We need to get the message out that Bulgaria, Hungary, Albania, and the Greeks need to show restraint. (S)

Chancellor Kohl: If there is no dialogue and a war begins to rage, recognition of sovereignty will become a necessary consequence. (S)

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

September 23, 1991

SIGNED

ACTION

MEMORANDUM FOR WILLIAM F. SITTMANN

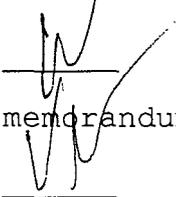
FROM: DAVID C. GOMPERT 

SUBJECT: Memoranda of Conversations of the President with
Chancellor Helmut Kohl of Germany on September 16,
1991

Attached at Tab A and B are Memoranda of Conversations between
the President and Chancellor Helmut Kohl of Germany on
September 16, 1991.

RECOMMENDATIONS

That the attached Memoranda of Conversations be filed for the
record.

Approve  Disapprove _____

That you sign the memorandum to State at Tab I.

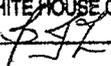
Approve _____ Disapprove _____

Attachments

- Tab I Memorandum to State
- Tab A Expanded Memorandum of Conversation
- Tab B One on One Memorandum of Conversation

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E.O. 12958, SEC 8.5(B)
WHITE HOUSE GUIDELINES, AUGUST 28, 1997
BY  NARA, DATE 01/10/01

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