

## THE WHITE HOUSE

WASHINGTON

## MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Helmut Kohl, Chancellor of Germany on July 15, 1991

PARTICIPANTS: The President  
James A. Baker, 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 Zoellick, Under Secretary for Economic Affairs and Counselor  
David C. Gompert, Special Assistant to the President for European and Soviet Affairs (Notetaker)  
Gisela Marcuse, Interpreter

Helmut Kohl, Chancellor  
Hans Dietrich Genscher, Foreign Minister  
Peter Hartmann, National Security Advisor  
Theo Waigel, Minister of Finance  
Juergen Chrobog, Political Director  
Horst Koehler, Financial Secretary  
Johannes Ludewig, Chancellery Director  
Walter Neuer, Private Secretary  
Hans-Joehen Vogel, Government Spokesman  
Miss Kaltenbach, Interpreter

DATE, TIME AND PLACE: July 15, 1991, 8:07 - 9:00 a.m.  
Winfield House, London, England

The President: Mitterrand wanted to talk about NATO when I saw him in France yesterday. (S)

Chancellor Kohl: This is very important. After August we need to discuss in detail and calmly what we want to do before the NATO Summit. (S)

The President: Actually, he was not too mad. He thinks that we have created a Rapid Reaction Corps for things like going into Yugoslavia. I told him that no one is going to use force recklessly. Mitterrand thinks the United States is going to pull out of Europe, which is why the Europeans have to start creating their own defense identity now. Of course, this could be a self-fulfilling prophecy. This issue worries me. (S)

Chancellor Kohl: We will find a solution, Mr. President. We have to be aware of the dramatic changes in Europe. So far,

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things have been relatively simple for us and the French. The Cold War made things clear and simple. In a crisis, we all knew that France would have been with us in NATO. Now with German unity, we are much bigger. Nuclear weapons don't matter so much any more. The Force de Frappe doesn't have the same weight as it used to. This has a big psychological impact on everyone. Let's look for ways to deal with this before the NATO Summit. (S)

The President: Mitterrand seems to want an EC-centered defense identity. My concern is this: as long as you want us involved in Europe, don't do anything that would dilute the Alliance. This is a key point. What he's doing could have the opposite effect. With regard to the recent NATO Ministerial decisions, we can't redo what's been agreed. (S)

Foreign Minister Genscher: We agree. Copenhagen was very good. (S)

The President: Let's be sure we don't reopen things. As long as Soviet missiles are aimed at the United States, I know who the enemy is. These Soviet missiles are still being modernized. This brings us to START. Let me ask Jim Baker to fill you in, if you are interested. First, let me say that we didn't want to link the START negotiations with the question being discussed here in London about G-7 support for the Soviets. (S)

Secretary Baker: Bessmertnykh and I went non-stop on START for several days. We disposed of all the issues but one. It's a very important issue and a very technical one. It has to do with throw-weight and the definition of a new missile. Telemetry encryption is solved. After 15 years, we've solved this problem. We solved PPCM and the new types definition. We solved the heavy bomber ALCM counting rule problem. We solved down-loading on a satisfactory basis. The Soviets initially wanted 1700. We said 1000 and we settled at 1250. So the matter now boils down to how to define throw-weight. This in turn will determine whether a new road-mobile Soviet missile system which could be destabilizing is considered to be a new type or not. They'll deploy it anyway. But the question is, how much will it cost them? Bessmertnykh and Moiseyev were not in a position to decide this. But we did make outstanding progress. (S)

Chancellor Kohl: This sounds very positive. (U)

The President: Let's turn to the question of the G-7 Summit. When I saw John Major last night, I asked him about his priorities. He said: one, handling Gorbachev correctly; two, a strong outcome on the Uruguay Round; three, providing debt relief for the poorest of the poor. (S)

I hope we're together on Gorbachev. It's important that he leave here with dignity, but not if that means we have to give him a pile of money. (S)

Chancellor Kohl: Three points are important. We must agree on GATT. Within the European Community, we're discussing

substantial change in the common agricultural policy. The general direction we're taking is good. It is a decisive change. It will cause domestic political problems for many of us, especially France, but also including Germany. But this is the correct course of action and I will contribute my share so we can reach an agreement. (S)

The President: Major said something disturbing. He said that the French are going around saying that the United States isn't really interested in concluding the GATT round. This is wrong. Make no mistake about it, we are in favor of a successful GATT round. (S)

Chancellor Kohl: Well, at least the French aren't accusing us. (S)

The President: We'll get you into the rumor if you'd like. Think about it, though. Why would we have fought so hard for the fast track authority if we didn't want a deal? Helmut, I believe that you hold the key to what the French decide to do on this. Agriculture is not the only point. We have to move forward on a package of key issues: market access, property rights, etc., have to be part of it. Of course, we'll be pressing on agriculture. I know you understand that. (S)

Chancellor Kohl: There is no other choice. A failure of the GATT round would be catastrophic for the LDCs. (S)

The President: The best aid program in the world for the LDCs is trade. (S)

Chancellor Kohl: One point where I don't think we agree is on the environment. Next year the G-7 Summit is going to be in Munich. Two weeks before that there is going to be a conference on the environment in Brazil. If that conference fails, we're going to have a bad time at the Summit in Germany. This thing is becoming a world-wide domestic problem. (S)

The President: I don't think we're that far apart on the environment. The U.S. clean air bill will cost the United States \$40 billion. We have a good record, but we cannot accept imposed standards that will hit our economy. This is something that we will decide. We won't let Rio de Janeiro set standards that will affect our economy. Whatever we come out of this Brazilian conference with can't throw American people out of work. (S)

Chancellor Kohl: I think there is a misunderstanding. All we're talking about is a pilot project for the Brazilian rain forest. All experts say that if we don't do something now, the rain forest will be destroyed. It is simply a question of whether it will be 8 years or 15 years. We have in mind a \$250 million project. I am warning all of us that it is best to address this now. This would give us something to show. The protection of the tropical rain forest will be a political issue for you in 1992. This is a way you can address it. 65% of the remaining world rain forest is in Brazil, and it's very important for the

world climate. It will vanish in 8 to 15 years. Now at last we have a Brazilian leader who will work with us. We should go on the offensive. (S)

Under Secretary Zoellick: If I may, Mr. President, the \$250 million the Chancellor is referring is part of a \$1.6 billion pilot project, with a still bigger program to come. The U.S. Treasury Department believes the project is big on bureaucracy but small on substance. There is a July 3 proposal that doesn't look very good to us. It doesn't seem to offer much for \$1.6 billion and more. (S)

Chancellor Kohl: I don't want a new bureaucracy. I'm open to counterproposals. We don't need to decide on \$1.6 billion now. All we need to do is agree on a \$250 million program and then set some conditions. At least we can have an announcement. I'm saying this as a friend. This is in your interest, too. Let's avoid this as a hot spot. I will make you a bet that this will become a big issue for you. (S)

The President: Well, maybe we can talk about it on the margins. It is important, I agree. But I can't accept a new bureaucracy. Brazilian President Collor asked me if I could go to this conference. My view is there's absolutely no way I can get to the left of the environmental movement, anyway. So I'll simply do what's right. (S)

Can we get you involved in the Enterprise for Americas Initiative? (S)

The G-7 was designed to talk about the economics of the advanced industrial countries. Now there is an effort underway to institutionalize the G-7. The Japanese want that because they don't belong to any other club. I told Kaifu that we don't need a Sherpa bureaucracy. (S)

Chancellor Kohl: I agree. We have too much bureaucracy. (S)

The President: John Major says that he believes we need some kind of follow-on with regard to supporting Gorbachev's economic reform. Our view is that we ought to kick the follow-on into the IMF. The last thing we need is another international bureaucracy. (S)

Chancellor Kohl: I understand your position; but what we do now with the Soviets would be considered an exception. It won't last. Once they've got this launched, beyond that we won't need to do anything in the G-7. (S)

Secretary Baker: Look, we all have different relationships with the Soviet Union. We can't separate our economic relations from our respective political contacts. You have obvious special considerations with the Soviets. We have special relations as well. The point is that the President wants to avoid collective follow on with the Soviet Union. (S)

Chancellor Kohl: Look, there is no need for this kind of diplomatic beating around the bush. Those who are pushing for this want to overtake the UN permanent five. But we don't have such desires. Our position in Europe is now more difficult. Things used to be more balanced. The new reality is that there are 80 million Germans. We have the most difficult geopolitical position. Please don't forget we're not an island. Please don't forget we have our own history and that our neighbors remember this history. We are not liked because we are efficient. Yet Germans want to be liked by everyone, even though we're not. We don't have the charm of the French. We're always criticized. (S)

The President: U.S.-German relations are better than ever. The American people understand Germany. (S)

Chancellor Kohl: Thank you. That's good to hear. That's why I am clear that our partnership is more important than ever. But you don't have our problems. I'd like to take the core of your Mainz speech and apply it to Europe as a whole. (This is a reference to partners in leadership.) (S)

The Atlantic bridge used to mean a security bridge. Now we have to add economic, cultural and educational matters on that same bridge. The East-West conflict is changing. The North-South conflict is getting wider and wider. This means that we must work more closely together to help the LDCs. This is another reason for greater Atlantic cooperation. The strongest plank in the Atlantic bridge must be the German-American plank. (S)

The President: Helmut, I wish that our G-7 conversations could all be more like this -- a free discussion of all sorts of questions. (S)

Secretary Baker: I would like to add one more point. We've been trying to finalize the question of U.S. claims on the former GDR. We must get this problem out of the way and would like the Chancellor's help. (S)

-- End of Conversation --