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MEMORANDUM OF CONVERSATION

SUBJECT:Meeting with Helmut Kohl, Chancellor of the
Federal Republic of Germany (U)PARTICIPANTS:The President
James A. Baker, Secretary of State

Brent Scowcroft, Assistant to the President for National Security Affairs Robert Blackwill, Special Assistant to the President for National Security Affairs (Notetaker)

Helmut Kohl, ChancellorHorst Teltschik, Security Adviser to the ChancellorWalter Neuer, Head of Chancellor's OfficeUwe Kaestner, Deputy Security Adviser to the Chancellor for East-West Issues

DATE/TIME February 24, 1990, 2:37 - 4:50pm EST AND PLACE: Camp David - First Meeting

<u>Chancellor Kohl</u>: I have a couple of items I'd like to discuss with you. First, I want to thank you for inviting me here. Second, I want to thank you for all your signs of friendship since you became President. The letter you wrote to me before I went to Moscow will go down in history as an important document in the history of US-German relations. And we will not forget what Secretary Baker did for me in Moscow, briefing me on his talks with Gorbachev before I saw him. It was decisive. German-American friendship is stronger now than it has ever been in the postwar period. It is vital. This is not just true in a military sense. (3)

If things go well, we will have enormous changes occurring in Europe, even if Gorbachev falls. His successor will have to pursue similar policies. This is an obligatory development in the Soviet Union. I told Gorbachev that you cannot go back to Stalin. There will be no Tiananmen Square in Europe, I told him, not in Dresden, Budapest, or Warsaw. The consequences of such an event would be beyond comprehension. Hitler killed people who listened to radio broadcasts, but now German TV programs can be seen in Kiev. The world has changed beyond recognition, and mass communication has been an important cause of these changes. I told Rakowski, the former Prime Minister of Poland, he and the

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Communists would be finished when the Pope visited his country. These changes are the reality in which we live. The situation of renewal will continue to exist, in Poland, in Czechoslovakia, in Hungary, and, a little later, in Bulgaria and Romania. So in Europe there is this new dimension. (3)

In two years we will have the Single EC internal market, and the consequences will be dramatic. There will be an increased demand inside the Community to work for European unity even faster, so that the EC keeps up with the unification of the two German states. I have always pushed for European unity. Now, except for Margaret Thatcher, all the EC leaders agree with me. By the time of the next election for the European Parliament, in 1994, we will have to delegate more authority to European institutions than is now expected. This is because of German unification. People are saying that when Germany is 80 million strong, the Germans must be integrated into Europe. I am happy about this.

These developments will have a major impact on our monetary policy. The United States and the EC, if we are wise, must work closely together. The relationship between the Community and the US is of the greatest importance, and this will be especially true in the 1990s. The EFTA countries, and the states of Eastern Europe will probably become members of the EC during the 1990s. Then there will be movement toward what Francois Mitterrand calls a confederation of Europe. It is a system that will create itself, but it will do so in close cooperation with the United States. (**%**)

Geographically, we are in the center. We will have 80 million people. Economically, we will be number one. So we do have lots of psychological problems to contend with. There are old fears that derive from history; we must take these fears seriously. We must be forthcoming in our relations with our neighbors. Others must see that Germans are the most European Europeans. Our relations with the French are particularly important. It is important for Paris that they have something we don't have, and that something is nuclear weapons. (3)

US-German relations must remain strong. That will help reduce fears in Europe. We, in Germany, need a good relationship with the US for many reasons. We must get out of an inward-looking spirit, because people fear not our military, but our economic strength. The US is slightly ahead of us in R&D; we are even with Japan. This also creates fears. If I can sum up, the net of US-German relations must be woven as tightly as possible. This includes exchanges in universities, firms, and the German-American youth council. (g)

Now, turning to the subject of German unity, the developments are so dramatic I can hardly believe it. Communism in the German

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Democratic Republic has collapsed like a house of cards. It looked like a giant, but it was hollow. We now are trying to stabilize the situation so one does have time to search for reasoned approaches. My ten-point program of last November has been swept away. (\$)

The psychological situation in the GDR was OK until Christmas, but the Modrow government collapsed in January. Let me give you two examples. Thousands of people are running away every day, and Modrow doesn't know how to create confidence. 350,000 people came to the FRG, and 200,000 of them are less than 30 years old. Their numbers included dentists, physicists, engineers, and skilled workers. Between January 1 and today, an entire city's worth of people left the GDR. In seven weeks, the total has been over 100,000. We must find a way to persuade people to stay. Productivity in the East is in sharp decline. Everyone wants to be paid in Deutsche Marks. Shortages are increasing. The corruption trials of the former GDR officials are having disastrous consequences. Of the 15 most important officials in the GDR a year ago, 10 are in prison. That used to be the leadership of the GDR. In the rest of the country, the corruption is just as bad. (\mathbf{Z})

Three weeks ago the situation was such that I concluded that we had to do something quite different. We had to change our program. So now we need monetary union. Marty Feldstein says we are crazy. Textbooks don't help; they don't have answers for problems like this. The GDR election will be in three weeks. The new parliament will make decisions fast. They may want us to put money into their state enterprises. We will say no. We are now spending 6 billion DM for health, but that is different from spending money on industrial development. Their telephone system doesn't work; the railroads are a disaster; and the environment is a mess, including two dangerous nuclear reactors -- worse than the design of the one at Chernobyl. The situation is just disastrous. So I must act quickly. I must insist they move to a market economy immediately after the elections. We will have to finance old age pensions and social security for the unemployed. (\mathscr{S})

It all looks pretty devastating. But I believe if the GDR has a market, has decent working conditions, it will be a prosperous area in 3 to 5 years. And the European Community will benefit from this. This will happen because the East Germans are good people; this is the old industrial area of Germany. The GDR will not be a Bantustan. There are about 5,000 enterprises in the FRG that are ready to go into the GDR. This economic angle is the most pressing aspect of my problems. (\mathcal{S})

<u>Secretary Baker</u>: On monetary union, what are your plans? (\$)

Chancellor Kohl: It must be done fast. All improvement

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presupposes currency conversion. This means we must put the monetary system under the Bundesbank. There are no private banks now in the GDR, but this can be dealt with. This is a real opportunity for the FRG as well. We are getting fat and lazy. Now there is some adventure in our national lives. The prospect of unification is energizing my own party. This weekend, 2,000 CDU members were in the GDR engaging in political activity. In 1948, when I was 18, there was the same kind of fresh mood in the country. Church life in the GDR too is more intense. So there are some good things coming from the GDR. So I hope we can get monetary union completed soon. (g)

In the old days the East German state was divided into <u>Laender</u>. Ulbricht abolished this. That was a major mistake. People there want to bring back the five <u>laender</u>. We want to retain a federal system. The French and the Poles want us to remain this way too. We need to work on two tracks, both of which are equally important: (1) domestic German matters; and (2) dealing with our neighbors. We need to intensify integration in the EC and promote political integration to reduce European fears. (2)

Now, concerning external problems. The border question is not serious. Among friends, I can be honest. In the FRG today 85-90% of the population are in favor of the Oder-Neisse border. The vast majority knows that this will be the border. The man who built Camp David, Mr. Roosevelt, will never be popular in Germany. The Poles were pushed west and the Germans were expelled. This was a reaction to Nazi crimes, but the Germans who were affected were innocent -- this was 12 to 14 million people. One-third of the 1937 Reich was cut off. In 1945, 2 million German civilians were killed fleeing from Eastern Europe. We have to deal with this psychological problem in my country. (\$)

The final resolution of the border question, people thought in the 1970s, would come through a peace treaty. I don't want a peace treaty regarding Germany. It would not be a good idea. 110 countries were at war with Germany in May 1945. The issue is to reassure the Poles about the 1,000 kilometer border. They must be assured they are safe. The Four Powers, for instance, must play a crucial role. We will be uniting three parts: the FRG, the GDR, and Berlin. You are involved legally. The Poles should realize that binding decisions must come by a treaty ratified by an all-German parliament in an all-German state. Т in the FRG cannot act for a united Germany. But we need to work to meet the expectations of the Poles. The border isn't a problem. Rather, the problem is that the Poles may demand reparations. I would find that unacceptable. We have already paid 150 billion DM to Poland, Israel, and individuals. We won't pay more, fifty years after the war. (\mathscr{S})

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Secretary Baker: Does Mazowiecki want reparations? (8)

<u>Chancellor Kohl</u>: Yes, or at least people around him do. We forgave some loans, but I can't do that every year. This brings me to the Two Plus Four. It will be crucial for us to proceed as follows: The US and Germany will cooperate as closely as possible. We must agree on what we want. Then we will talk with our partners, including the Soviet Union. I am absolutely opposed to expanding the Two Plus Four. Once you open it up, you can't draw the line. (\$)

I will say something a little dangerous, which can be difficult to manage. If we coordinate between the US and the FRG, we might have to solve this issue vis a vis Poland, not through participation, but through consultation to relieve the psychological strain. The Poles are unique. They are the only ones who have a border problem. We have to give thought about how to do that. (3)

I know you have many Polish-Americans in your country. I'd like to help Mazowiecki, but Two Plus Five is not doable. We should stick with Two Plus Four, but think about a consultative mechanism for Poland. Gorbachev is not interested in the Oder-Neisse issue; he just doesn't want Poland to open up the issue of its eastern border. There are old Polish cities in the USSR. (8)

Mitterrand said last week, it's a shame these borders exist but, he added, they are realities. This causes me problems at home, but I will have to deal with it. We need to deal with the psychological problems of Poland, and of the Germans too. The SPD will use this issue against me, not out of love for Poland, but out of lack of love for me. In 1950, the GDR recognized the Polish border but explicitly made Poland give up any claim for reparations from Germany. Now the Poles pretend they didn't do that: border no, reparations yes, as seen from Warsaw. My motives are good. We need to find a sensible solution. I hope an all-German parliament will be convened next year, and will settle it. (%)

<u>General Scowcroft</u>: What sort of timeframe do you have in mind for addressing the border issue? (8)

<u>Chancellor Kohl</u>: We should finish the Two Plus Four this year, before the CSCE Summit. (\$)

<u>Secretary Baker</u>: If the Two Plus Four complete their work, it will come up at the CSCE Summit. (*S*)

<u>Chancellor Kohl</u>: When the Two Plus Four talks are concluded, the CSCE would bless whatever is concluded. (8)

<u>Secretary Baker</u>: Exactly. (8)

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<u>Chancellor Kohl</u>: But we need a psychologically attractive solution for Poland. We have to keep thinking. A way can be found. (8)

Germany doesn't want neutrality in any way. This would be a deadly decision. There is no serious interest in it. A united Germany will be a member of NATO. One needs a precise definition for Germany's NATO membership, however. We will also need a transition period. NATO units, including Bundeswehr forces dedicated to NATO, cannot be stationed on East German soil. (\$)

It wouldn't work to have the Soviet group of forces in East Germany remain there indefinitely because it would compromise German sovereignty. And we have to decide what we will do about the East German New People's Army, with its 200,000 soldiers. And if West Germany is a member of NATO, should it be done in the way we are handling France? What about German military integration of the new Germany? Is this a good idea? But we do not want any special status for all of Germany, as occurred after 1918. That is why NATO is so important. (\mathscr{S})

Concerning nuclear cooperation, we must think about what will happen with nuclear artillery, <u>Lance</u>, and the Follow-On-To-Lance (FOTL). What will your Congress say about FOTL? And how will these weapons be seen in Eastern Europe? But we must remain in NATO, and US forces must remain in Europe. (2)

The President: I would like to make a few general comments. (U)

We are going to stay involved in Europe. We have some pressure here to lower the level of US troops and defense spending. We are being asked: who is the enemy? The enemy is unpredictability, apathy, and destabilization. But we will stay in Europe. It will be a tough fight. As for FOTL, FOTL is dead as a doornail. (\$)

<u>Chancellor Kohl</u>: We will be getting into a nuclear discussion well before 1992. It will be an election issue this year. On the <u>Lance</u> business, I want to avoid the impression that the US caved in to public opinion in Europe. (8)

<u>The President</u>: Congress is very unlikely to fund the FOTL program. (\mathscr{S})

The concept of Germany being in NATO is absolutely crucial. I hate to think of another France in NATO. We need full participation for Germany in NATO. It will be stabilizing for Europe. We will continue to keep US troops in Germany and in Europe despite the pressure. (\mathscr{S})

I'm concerned when I hear the Polish Prime Minister talk about keeping Soviet troops in Eastern Europe. I'm not enthralled when

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I hear Poland might want the Soviets to stay because of the issue of the Polish-German border. I don't like that, and I don't want to accept that. (\mathscr{S})

We want to play a key role with you in all of this. You know and I know your European neighbors are nervous about this. Sometimes I forget to consult. But you and I must take care to consult with our smaller NATO partners. (\mathscr{S})

Chancellor Kohl: Yes. (8)

<u>The President</u>: Genscher made this statement to the Italians in Ottawa, that: "You're not in the game." This offended Italy, and some of the other guys. I will try to be sensitive to their concerns. Genscher must be sensitive too. I'm not suggesting that you haven't been. (8)

<u>Chancellor Kohl</u>: I totally agree. I wasn't in Ottawa, but I had to take some of the consequences of Genscher's act. And I didn't like it. It was totally unnecessary. It's not my style either. There are domestic political reasons for this. Genscher is having trouble with his party. (*S*)

Everyone is confused but me. I'm doing OK, but the other parties are in disarray, including the FDP. As for the Ottawa matter, I realize, of course, that I have to do a master resuscitation with Andreotti and the others. (\mathscr{S})

I'll do the same thing with Francois Mitterrand at some time. He has been holding firm. Most of the French people are on our side, but the political class is against us. But we have to keep working the problem. Copenhagen, and Norway, are also hard cases. The Netherlands and the UK are also problems. Margaret Thatcher: I can't do anything about her. I can't understand her. The Empire declined fighting Germany -- she thinks the UK paid this enormous price, and here comes Germany again. (*X*)

<u>The President</u>: We don't look at it that way. We don't fear the ghosts of the past; Margaret does. But you and we must bend over backwards to consult, 'recognizing our unique role in history. I called Margaret today just to listen to her, which I did for an hour. (\$)

<u>Chancellor Kohl</u>: In the FRG there is anger among Germans because we have been reliable partners for over 40 years. Why doesn't that help? Logic doesn't help. (**X**)

<u>The President</u>: The United States can and will help. When you say Germany will be stay An NATO with full membership, that helps. Margaret told me today that everyone expects German unity (although six months ago she felt differently). But she said everyone is worried about the uncertainties. Germany being fully

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involved in NATO helps. (8)

We don't support the idea of Polish reparations. On the Polish border, it has cycled over here as an issue. I know you have political problems, but the more you can do on this the better it will be. (\mathscr{S})

We feel that US nuclear weapons are an essential part of the US military presence in Germany. If US nuclear forces are withdrawn from Germany, I don't see how we can persuade any other ally on the continent to retain these weapons. Because there is uncertainty, we need a nuclear presence in Germany. Our public sees the nuclear deterrent as the protection for our boys. I worry that if we lose nuclear weapons, domestic support for US troops would erode. (\$)

On the Two Plus Four, we don't want the Soviets to use this mechanism as an instrument to force you to create the Germany they might want. I am concerned that the Two Plus Four not get in the way of your dialogue with the GDR on the nature of unification. I worry that too early an engagement in Two Plus Four talks will stimulate the Soviets to interfere. (8)

I told Margaret that the Two Plus Four should focus on giving up Four Power rights and responsibilities for Germany as a whole and for Berlin. I would hate to see the Two Plus Four get involved in the issue of Germany's full membership in NATO. (8)

Chancellor Kohl: Gorbachev will have his views on NATO. (2)

<u>Secretary Baker</u>: I believe Gorbachev and Shevardnadze believe US forces are a stabilizing presence. The Soviets haven't yet decided on their final position on Germany and NATO. (\$\mathcal{S})

The President: Full German membership is linked to our ability to sustain US troops in Europe. You must understand that. (8)

<u>Chancellor Kohl</u>: I like that very much. I want America in Europe, and not only its military presence. I want to eradicate the concept of a Fortress Europe. Hundreds of steps are required, but we must make Fortress Europe an impossibility. (*X*)

<u>Secretary Baker</u>: NATO is the raison d'etre for keeping US forces in Europe. If the Soviets want the US in Europe, they have to accept NATO. We couldn't have US forces in Europe on the soil of a non-full member of NATO. (8)

<u>Chancellor Kohl</u>: The Soviets are negotiating. But this may end up as a matter of cash. They need money. (**%**)

<u>The President</u>: On US-Soviet relations, we want to see Gorbachev succeed. We want a successful US-Soviet Summit which will give

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him a boost at home. We want a CFE agreement signed. A CSCE Summit. A START accord this year. (8)

Having said that, the Soviets are not in a position to dictate Germany's relationship with NATO. What worries me is talk that Germany must not stay in NATO. To hell with that. We prevailed and they didn't. We can't let the Soviets clutch victory from the jaws of defeat. (8)

We have weird thinking in our Congress today, ideas like this peace dividend. We can't do that in these uncertain times. We can't let the Polish Prime Minister dictate how many Soviets stay. We have to stay together and work things out. (8)

<u>Chancellor Kohl</u>: The Soviets could stay in Germany for a limited time if that could be a solution, if the time is limited. But it must not be for an extended period. (8)

The President: Just so we don't say: All the Soviets must leave, so all the US troops must leave Germany too. (8)

<u>Chancellor Kohl</u>: No. As I said, there is a difference between being 6000 kilometers away and being 600 kilometers away. It is a ten-to-one difference. You must stay even if the Soviets leave Germany. (**%**)

<u>The President</u>: On a CSCE Summit, I have agreed to participate in a CSCE Summit this year, if we can complete a CFE treaty that can be signed at the meeting. The Summit should review how we are doing in the three CSCE baskets. I hope that the Summit will endorse new CSCE guidelines for the conduct of free elections, to help us protect the emergence of real democracy in Eastern Europe. (\$)

While this CSCE Summit may acknowledge, in some way, the activities of the Two Plus Four, we do not want the CSCE Summit to be centered on Germany, or to be a meeting which tries to undermine Germany's full membership in NATO. (3)

Finally, we need to try to strengthen the CSCE process. But I'm sure you agree with me that the CSCE cannot replace NATO as the core of the West's deterrent strategy in Europe and as the fundamental justification for U.S. troops in Europe. If that happens, we will have a real problem. (\mathscr{S})

<u>Chancellor Kohl</u>: I don't want the CSCE Summit to be a forum for discussion of the German problem. But Gorbachev needs a CSCE Summit. And you will make lots of progress in arms control at a US-Soviet Summit. You can work on progress in the three baskets. (\mathscr{J})

Secretary Baker: What else should we discuss? How about

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procedural next steps on the Two Plus Four process? (8)

<u>The President</u>: And domestic politics in Germany. We support you because of your principles, and because we have a big stake in this. We feel comfortable with you at the wheel. (2)

<u>Chancellor Kohl</u>: We will stick to two tracks: a domestic German track and an international track. It is important that you continue US-Soviet disarmament, so that no one can say the German issue is slowing progress in arms control. I will push EC integration with all my weight. There will be a special EC Summit on the last Saturday in April. We need as many consultations as possible. We need to talk frankly with the Soviets. It would be good for the US to talk to the Soviets outside of the Two Plus Four about German membership in NATO. That way the Soviets will understand that there is total US-FRG agreement without any games. The Soviets may be more willing to tell you their real price tag for their agreement. (*S*)

<u>Secretary Baker</u>: It is important that we send strong public signals about continued full German membership in NATO. (2)

<u>Chancellor Kohl</u>: Of course. We are in complete agreement. There will be concerns for the Soviets if Germany remains in NATO, for their security. And they will want to get something in return. (3)

The President: You've got deep pockets. (8)

<u>Chancellor Kohl</u>: Now, as to the Two Plus Four, we have to work very closely together. After the elections, we will keep you informed about developments with the two Germanys. The Soviets will be likely to influence the new GDR government. We must coordinate every step, along with the UK and France. (*S*)

On domestic developments, the mood of people in the FRG is in favor of unification, but they are afraid of the sacrifices required. These won't be major sacrifices in a historical sense, but people are worrying. We now pay 22 billion DM to subsidize Berlin, and 30 billion DM in tax privileges for Berlin per year. These costs will disappear. If I add up the balance sheet after 10 years, then we will be making money. (8)

Now, on the political situation in the GDR. Someone who lives in Leipzig has to be 79 years old to have participated in free elections before. They would have been 21 years old in November 1932. That says all there is to say. In East Berlin, 32,000 people are employed in State Security. This has left an impact, has shaped the people. There is no middle class. There are no wealthy people. The social structure is warped. It will take some time. It is a peasant and worker state. All of a sudden a market economy will be introduced. (8)

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The first election won't be typical. It will take two or three elections before things take on a clearer shape. I want this March 18 election, then local elections in May, then the <u>Land</u> elections in the GDR, then a federal election in December, and then -- next year -- all-German elections. We had the same situation in 1946-49. If I can win this year in the FRG election, I can win next year in the all-German election. This will give me time. If I postpone elections, I would no longer be in charge. (§)

The GDR's new government will have to make many unpleasant decisions, about inefficient industries, the consequences of introducing supply and demand, and on the environment. They will have to make these decisions. They will have to begin being real politicians. (\mathscr{S})

<u>Secretary Baker</u>: There would be all-German elections in 1991. (8)

Chancellor Kohl: If I have any influence... (8)

<u>Secretary Baker</u>: What if the <u>laender</u> try to join the FRG under Article 23? Will that force you to move the elections up? (8)

<u>Chancellor Kohl</u>: No. I want a graduated strategy from successful monetary union, to the federal elections in December 1990, to all-German elections in 1991. I want to involve GDR politicians in the future of a united Germany. (S)

The SPD in the GDR is the strongest party. It is a region where that party has had long-time historical strength. This will stir up some emotion. Then, there are the so-called conservative parties -- the former Liberals, the former Christian Democrats. People remember that they cooperated with the SED. After the first elections, time will be needed. Only two people are important in the GDR elections. Willy Brandt, who is 75 years old, and myself. I'll have six campaign appearances in the GDR. Hundreds of thousands of young people come to my rallies. But, whatever happens in the election, the new GDR government will have to face its responsibilities. We will need time before all-German elections. (3)

The President: What do your political opponents in the FRG say about your handling of German unification. (%)

<u>Chancellor Kohl</u>: They criticize me for not putting enough money into the GDR. I'll do that after March 18. People will stay home only when they have cold cash in their hand. It's the same problem Gorbachev has. (3)

The President: Do you think your German domestic political

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opponents will try to oppose full German membership in NATO, and US troops in Germany? (\mathscr{S})

<u>Chancellor Kohl</u>: As far as NATO is concerned, everyone is in favor of full membership. Some in the SPD discuss German membership in NATO along French lines. I don't think it will be a big issue. On US troops, there may be more varied opinions. Worse still, in the next two months, FOTL and nuclear artillery will be coming up in all the parties. The debate will intensify. The ranges of these missiles makes these systems politically untenable. There must be a decision made by the US, and not made under pressure. The Soviets would have to remove theirs too -that would be the US proposal. (*S*)

<u>Secretary Baker</u>: We hope we will have a CFE agreement in June or September. (\$)

The President: What would you like us to do on FOTL? What would help you most? (8)

<u>Chancellor Kohl</u>: For the US President, it is essential that he not give up under external pressure. The question is, of course, to try to involve the Soviets. (8)

General Scowcroft: FOTL funding will be gone by May. (8)

<u>Chancellor Kohl</u>: The initiative should be yours, not with Congress. Couldn't one raise this with the Soviets? (8)

<u>Secretary Baker</u>: Maybe we could lump no modernization of <u>Lance</u> in with our position going into the SNF negotiations. (**3**)

<u>General Scowcroft</u>: The Soviet systems are, by and large, already modernized. (\$)

<u>Chancellor Kohl</u>: There will be a debate in your Congress on this starting in four to six weeks, which will instantly give us a debate in Germany. (3)

<u>The President</u>: We want a position that will help you, and not undermine the Alliance. The authority of the President is also important here. (3)

<u>General Scowcroft</u>: There are two ways we can do it: (1) we can fight to keep the money in; or (2) we can let you announce the cancellation for your political benefit. (8)

<u>Secretary Baker</u>: Last year's debate in the Alliance was about SNF negotiations. If we could fold FOTL into SNF negotiations, that might help with the Congress. (\$)

Chancellor Kohl: Nuclear artillery is also a part of the SNF

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issue. We must keep that in mind. (8)

<u>Secretary Baker</u>: Maybe we can begin SNF negotiations this year, folding in FOTL. (8)

Chancellor Kohl: My problem is with your debate in Congress. (8)

<u>Secretary Baker</u>: There could be an announcement in the next 30 days that we will not fund FOTL in FY 91, as we wait to see what will happen in the SNF negotiations. (\mathscr{S})

<u>Chancellor Kohl</u>: It would be good to make a decision soon. But if you said to Congress that you might ask for a modernized <u>Lance</u> next year if SNF negotiations fail, that would be worse for me than the present situation. (8)

Mrs. Thatcher talks to me in a way I wouldn't accept from anyone else. She is isolating herself from her own countrymen. I once told her that I was post-Churchill, but she was pre-Churchill. (\$)

<u>Secretary Baker</u>: I would like to make a comment on the Polish borders. The Two Plus Four will mostly be a mechanism for consultations. It can't <u>decide</u> issues of fundamental importance to other countries without their presence. It can't be another Yalta. At the press conference, why can't you say that the Two Plus Four is a discussion mechanism, so Poland is not a member, but they would have to be involved with any issue that fundamentally affected them. The Two Plus Four is primarily a consultations and discussion mechanism. Many issues are only for the Germans to decide. (**2**)

On the military status of the GDR, full membership in NATO involves others but is up to a sovereign German government to decide. Since the discussions affect others, those other countries would be at the table when their issues are being discussed. (\mathscr{S})

<u>Chancellor Kohl</u>: On another subject, I want someone to push US-German youth exchanges. They need a little more pep. (2)

- End of First Full Meeting -



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