

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with Helmut Kohl, Chancellor of Germany on June 24, 1991

PARTICIPANTS: The President  
Helmut Kohl, Chancellor  
Interpreter: Gisela Marcuse  
Notetaker: Nicholas Burns, NSC Staff

DATE, TIME June 24, 1991, 11:27 - 11:51 a.m.  
AND PLACE: The Oval Office

The President: Helmut? (U)

Chancellor Kohl: Hello. (U)

The President: Helmut? How's my friend? (U)

Chancellor Kohl: Very good. And I'm pleased to hear your voice. How's Barbara? (U)

The President: She's fine. I wanted to call you before you headed off to Moscow. (U)

Chancellor Kohl: George, I wanted to say from the start that you may know that I will go to see Gorbachev and I'll be there on the 5th of July. I wanted to call you immediately afterwards on the 8th of July to report on my conversation with him. Is that agreeable, the Monday of the week before we meet in London? (U)

The President: Very good. That's one of the things I was going to ask you. That's wonderful. But at this point, let me just say we are trying to avoid any talk of a so-called grand bargain. And in my view, what is more important than some blank check or some grand bargain is working out concrete measures that will help him reform his economy. Jim spoke Tuesday in Berlin about some of the things that we're doing to help the Soviets in industry, food, energy. These are very important points. We've had our position out there that I hope others agree with on the special associate status at the IMF and the World Bank. That was gone over with our finance ministers and I guess they agreed. And in terms of principle, we are unanimous that the so-called anti-crisis program is unworkable and that the only good thing would be something like Yavlinsky is proposing. Yavlinsky, however, wants a large aid check up front and that's very difficult for a lot of the western countries, probably also especially for Germany. The only other point I wanted to make

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before you go is that we think it's important to keep the emphasis on Eastern Europe because these new democracies must remain a priority. They are already embarked on a painful transformation and, of course, Germany I know is very interested in this. But anyway I'll appreciate your calling me when you get back. It will be an interesting trip at an interesting time.

(S)

Chancellor Kohl: Thank you very much for that update, George. Let me come back for a moment to the position of principle. I'm going to tell Mikhail Gorbachev exactly the same thing that I've been telling everyone else for the past week -- that we can only help him if he is ready and willing to help himself. The most important thing right now is that he pursue the transformation of the structure of the state. That is to say a restructuring of the relationship between the central state and the individual republics. That is the precondition for things actually working out. I met Shevardnadze last week. (S)

The President: Oh. (U)

Chancellor Kohl: It was a very interesting meeting. I asked him, actually, do you pin your hopes on Mikhail Gorbachev? Do you think he is going to prevail? Do you give him any chance at all? And he said that the chances for reform were a lot less probable without Gorbachev. He also said that what one would have to try now was to somehow bring Yeltsin and Gorbachev together because the reforms will only be successful if the two work together. Otherwise, the reform movement will fail. He was very clear and unambiguous. He took up a formula, a statement which I had made earlier, namely that we should try to give them help so that they can help themselves. I think that we should continue to argue along those lines. John Major actually sent a message to me today suggesting that we should deal with him in such a way that he knows that we are genuinely interested in coming to some form of solution. But I think that we should also be very frank indeed in telling him what we think he should do; what his contribution should be to the reform process and what kind of reforms we think are absolutely necessary. (S)

The President: I agree with you. You are looking at it just right. I think it's very important that we all make clear we want to help but that we stay together and I think your visit is coming at a very important time. (S)

Chancellor Kohl: Well, George, let me tell you that I'm going to get back to you as soon as possible on that subject but I would like to mention another subject while we're at it. Let me say that we're going to have the European Summit meeting over the coming weekend and I'm going to argue in the direction of what we have discussed. (S)

The President: Oh good, Helmut. You're very critical to all of that. You know I miss our talks during the war. I missed these conversations because they're always very fruitful. (S)

Chancellor Kohl: We can call each other. (U)

The President: Naturally. (U)

Chancellor Kohl: After all, we'll pick up where we stopped on the 8th of July. There's one last point, George, which I really would like to mention, that is the developments in Yugoslavia. I have the feeling that things are exacerbated. There is one thing which I don't like at all, namely that the Serbs bank on it that we are all trying to promote this idea of a unitarian state without having any regard to the interests of the Croats. George, let me be very frank. It is causing increasing problems for me here. Because we as Germans have demanded the right to self determination and we have made use of that right. Obviously I cannot deny the same right to the Slovenes and the other ethnic groups in Yugoslavia. I am not for a dissolution of Yugoslavia, but the whole thing is only going to hold together if the Slavs grant the same rights to all the same groups.

(S)

The President: Helmut, may I ask a favor of you right now. Can I shift this call to Jim Baker, because he is just back from there. And I'd like to be sure that our Secretary of State and the Germans are looking at this in the same way. Could I let him finish up this phone call? (S)

Chancellor Kohl: Yes. (U)

The President: He's right here in the White House. Thank you very much and I'll talk to you on the 8th. I'll switch this over to Jim. (S)

Chancellor Kohl: Thank you, George. (U)

The President: All right. Hold on. (U)

Secretary Baker: Hello, Chancellor, how are you? (U)

Chancellor Kohl: Jim, I saw you on television being a candidate for the presidential elections in Albania. (S)

Secretary Baker: Yes, I think I would have a great opportunity there, Chancellor. (S)

Chancellor Kohl: Jim, I think you should tell the President that this is a really sizeable congregation for a presidential candidate, 500,000 people. (S)

Secretary Baker: I've never seen anything like it in the 20 years I've been in politics. And I have accompanied three Presidents on trips abroad. It was all totally spontaneous. It was an extremely moving event. These people have not been permitted to express themselves in any way for 50 years or more and you could just see that this was a yearning for the right to just be able to speak their mind. We really should try and find

a way to help them because they are desperately poor and they desperately want to move to democracy and free markets. (S)

Chancellor Kohl: But I do, Jim, see a real chance for helping them. I think we should use the G-7 meetings, the breaks, for talking a little bit about them. Perhaps you have noticed that the Albanians pin a lot of their hopes on the Germans. There is a very strong pro-German feeling in the country despite the very terrible experience they have had during the war. (S)

Secretary Baker: Yes, I detected that while I was there and furthermore, Chancellor, I think the fact that it is such a small country that the G-7 could do something very meaningful as far as they are concerned. They do not need a lot of money. Their total debt is only about 350 or 400 million dollars. (S)

Chancellor Kohl: Jim, I do think that we will be able to find a way here of helping them. Let me say I am very much concerned about the developments in Yugoslavia. Because I think that the situation there is gradually drifting towards a no return position. A no way out situation. It seems to me that it is the Serbs in a rather determined way who were deliberately misunderstanding what we are aiming at, namely keeping Yugoslavia together because we want to see the Slovenes, the Croats, and all the other ethnic groups respected. (S)

Secretary Baker: I totally agree with you, Chancellor. I am quite depressed having spent a full day and having talked at length with each republic president and the prime minister and the foreign minister. I brought, of course, a message from the 12 that we agreed upon in Berlin. I agreed upon with Jacques Poos and frankly with some of Yugoslavia's neighbors including Austria and Hungary. I made a suggestion that they consider receiving a technical assistance mission from the 12 to assist them in preparing a new basis for Yugoslav unity, perhaps a new constitution that would recognize the desire of Slovenia and Croatia for democracy and for greater autonomy. We, of course, would be willing to participate in that and I indicated that, but I think it's an effort that should be led by Europe. (S)

Chancellor Kohl: Yes, we are preparing to do that. We are going to do that. The only problem I see is that according to information given so far, I don't see any indication of the Serbs wanting to move. (S)

Secretary Baker: No and I saw very little indication of the willingness of the central government to receive such a mission because they see that as a prelude to arbitration which is something that they do not want to subject themselves to at this time. The situation is fast becoming critical, I think, Chancellor, when you consider that the average citizenry are being armed and indeed, in some republics, party members are being given arms. Should there be any violence and bloodshed, it might easily spread. In fact, it was brought home to me in Albania where the Albanians made it quite clear that if there was disintegration or destabilization in Yugoslavia, it would quickly

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involve Albania and particularly the ethnic community in Kosovo province. (S)

Chancellor Kohl: Jim, I see the situation exactly as you see it. Perhaps if you have time, because I'm going to get some new information in the course of the next few days, we can talk again next week at some point because I really am very, very concerned about it. (S)

Secretary Baker: I would be delighted to, of course, any time at your convenience. Just let us hear from you. (S)

Chancellor Kohl: I'll call you next week again. (S)

Secretary Baker: That's wonderful. Thank you so much and have a wonderful trip. (U)

Chancellor Kohl: Thank you, Jim. Good bye. (U)

Secretary Baker: Good bye. (U)

-- End of Conversation \_

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