

Originally Processed With FOIA(s):
2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: German Unification Files
Subseries: Chronological Files

OA/ID Number: 91116
Folder ID Number: 91116-007

Folder Title:
German Unification (May 1990)

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	2	3

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	Nicholas F. Brady to POTUS Re: Your Meeting with West German Finance Minister Theo Waigel, Tuesday, May 8, 1990 (1 pp.)	5/7/90	(b)(1)	C
01b. Summary	Re: German Economic and Monetary Union Summary (1 pp.)	5/7/90	(b)(1)	
02a. Outline	Re: Meeting with Theo Waigel, Chairman of the FRG Christian Social Union (2 pp.)	5/8/90	(b)(1)	C
02b. Talking Points	Re: Points To Be Made for Meeting with FRG Christian Social Union Chairman Theo Waigel (3 pp.)	n.d.	(b)(1)	C
02c. Talking Points	Re: Points To Be Made for Meeting with FRG Christian Social Union Chairman Theo Waigel (3 pp.)	n.d.	(b)(1)	C
02d. Report	Theo Waigel [FOIA EXEMPTIONS REDACTED] (1 pp.)	n.d.	(b)(1), (b)(3)	C
02e. Memo	Robert L. Hutchings to Brent Scowcroft Re: The President's Meeting with CSU Chairman Waigel, May 8, 1990 (1 pp.)	5/7/90	(b)(1)	C
03a. Memo	Brent Scowcroft to POTUS Re: Telephone Call from Chancellor Kohl, Federal Republic of Germany (1 pp.)	5/29/90	(b)(1)	C

Page 1 of 2

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: German Unification Files
Subseries: Chronological Files
WHORM Cat.:
File Location: German Unification (May 1990)

Pinksheet Number: cap980
OA/ID Number: 91116-007
Date Closed: 2/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
03b. Talking Points	Re: Points To Be Made for Telephone Call from Chancellor Kohl (2 pp.)	n.d.	(b)(1)	C
03c. Memo	Robert L. Hutchings to Brent Scowcroft Re: Telephone Call from Chancellor Kohl (1 pp.)	5/29/90	(b)(1)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: German Unification Files
Subseries: Chronological Files
WHORM Cat.:
File Location: German Unification (May 1990)

Pinksheet Number: cap980
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Date Closed: 2/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

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NSC/S PROFILE

RECORD ID: 9003676
RECEIVED: 09 MAY 90 09

TO: PRESIDENT

CHRON FILE

FROM: BRADY, N

DOC DATE: 07 MAY 90
SOURCE REF:

KEYWORDS: GERMANY F R

ECONOMICS

PERSONS: STRAUSS, FRANZ JOSEF

WAIGEL, THEO

SUBJECT: MEMO TO PRES FM SEC BRADY RE PRES MTG W/ FRG MINISTER WAIGEL

ACTION: NOTED BY PRES

DUE DATE: 12 MAY 90

STATUS: C

STAFF OFFICER: NONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
BLACKWILL
HUTCHINGS
MELBY

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White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cop NARA, Date 2/18/09

COMMENTS: _____

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OPENED BY: NSMDC

CLOSED BY: NSMDC

DOC 1 OF 1

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ACTION DATA SUMMARY REPORT

RECORD ID: 9003676

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001

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E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cap NARA, Date 2/18/09

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~~CONFIDENTIAL~~
THE SECRETARY OF THE TREASURY
WASHINGTON

1990 MAY 8 8:53
THE PRESIDENT HAS SEEN

May 7, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: Nicholas F. Brady *NFB*

SUBJECT: Your Meeting with West German Finance
Minister Theo Waigel, Tuesday, May 8, 1990 *W*

Minister Waigel is here to attend the Spring meetings of the G-7 Finance Ministers and the IMF Interim Committee. He has generally been constructive in the G-7 process. I believe he is a rising star in the German political scene. A brief meeting would be useful.

Appointed Finance Minister in an April 1989 Cabinet shakeup aimed at restoring the credibility of the government's economic policy and reversing its slumping political popularity, Waigel is the most senior conservative member of the Cabinet. He is the successor of the legendary Franz-Josef Strauss as chairman of Bavaria's conservative Christian Social Union (CSU), the sister party of the main German governing party -- the Christian Democratic Union. He plays a critical role in the Kohl government.

Minister Waigel has been preoccupied with assuring that the fiscal costs of economic and monetary union (GEMU) with East Germany (GDR) do not impose excessive burdens on the FRG economy, alienating voters ahead of critical state and national elections later this year. In this context Waigel has found it necessary to make political statements to the right of Chancellor Kohl in an effort to retain the support of his traditional conservative constituency in Bavaria, which is still considered susceptible to the appeals of the new right wing Republikaner party. As the CSU's principal foreign policy expert, Waigel is strongly committed to NATO and to continued good relations with the United States. A brief meeting with you serves to enhance his overall political image within Bavaria, in particular, and Germany, in general.

A summary of the main aspects of GEMU is attached.

Attachment

cc: Secretary Baker
General Scowcroft
Governor Sununu

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AS AMENDED
2009-0662-MR
21 3119110



DEPARTMENT OF THE TREASURY

WASHINGTON

GERMAN ECONOMIC AND MONETARY UNION

SUMMARY

- FRG and GDR agreed on May 2 to the terms for Ostmark conversion to DM and confirmed that July 2 remains the target conversion date. The plan is the monetary portion of a comprehensive economic unification package, some of which is still under discussion.
- The Kohl government's proposal of a package that was widely viewed as generous (and over the strong private objections of the cautious Bundesbank) was driven importantly by political developments in the GDR and political considerations in Bonn.
 - Kohl had effectively promised a generous currency conversion during campaigning for the GDR election in March, and this was seen as an important reason for the surprisingly strong conservative showing in this election.
 - A leak of a less generous Bundesbank plan about 6 weeks ago unleashed a storm of protest in the GDR which it was feared would result in anti-CDU backlash in local elections (May 6) that were seen as an important follow-up test of conservative strength in the GDR. (Early returns show some erosion, but continued solid support.)
- Key points of the currency plan include: conversion of East German wages/salaries at a rate of 1:1; conversion of Ostmark household savings at a rate of 1:1 subject to fairly high limits; conversion of GDR corporate debt at a 2:1 rate; West German pension system applied to the GDR.
- Market response to the Kohl proposal was negative due to concerns about inflation from pent-up GDR demand and interest rate pressures from large additional public borrowing needs. In addition, adopting a generous plan over the objections of the Bundesbank was seen to damage the Bank's prestige.
- Closer analysis suggests that the money creation implicit in the savings conversion need not be inflationary: a consumer demand surge may not be too large and can be met in part by imports.
- But there are still major concerns about the plan's longer-term impact on industrial restructuring in the GDR. Many GDR firms might not be competitive with wages converted at 1:1, and substantial unemployment and bankruptcy seems inevitable.
- The scope of new budget demands on Bonn is potentially large: social payments (unemployment, pensions); infrastructure investment; firm bailouts. The FRG's strong current budget position is a plus, but heavy borrowing will be required (thus far Bonn has rejected a tax hike) and interest rate pressure is already evident.

5/7/90

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NSC/S PROFILE

RECORD ID: 9003625
RECEIVED: 07 MAY 90 16

TO: PRESIDENT

CHRON FILE

FROM: SCOWCROFT

DOC DATE: 08 MAY 90
SOURCE REF:

KEYWORDS: GERMANY F R

AP

PERSONS: WAIGEL, THEO

SUBJECT: PRES MTG W/ WAIGEL / CHAIRMAN OF FRG CHRISTIAN SOCIAL UNION ON 8 MAY
/ TALKING POINTS / PARTICIPANTS LIST / BIO

ACTION: NOTED BY PRES

DUE DATE: 10 MAY 90

STATUS: C

STAFF OFFICER: HUTCHINGS

LOGREF: 9003121

FILES: PA

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

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BLACKWILL
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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cop NARA, Date 2/18/09

COMMENTS: _____

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DOC 3 OF 3

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THE PRESIDENT HAS SEEN 3625

THE WHITE HOUSE

WASHINGTON

May 8, 1990

1990 MAY -8 AM 11:44

MEETING WITH THEO WAIGEL,
CHAIRMAN OF THE FRG CHRISTIAN SOCIAL UNION

DATE: May 8, 1990
LOCATION: The Oval Office
TIME: 3:15 - 3:35 p.m.

FROM: BRENT SCOWCROFT

RG for 9

I. PURPOSE

To strengthen our ties with Chancellor Kohl's coalition partner and solidify our common position on the essentials of German unification.

II. BACKGROUND

In his dual capacities as CSU Chairman and FRG Finance Minister, Waigel plays a key role in German unification, particularly its economic aspects, and in Chancellor Kohl's reelection prospects. Your meeting will be an opportunity to give prominence to Waigel and his party and also to underscore our common positions on Germany's NATO membership and the role of U.S. military forces in a united Germany.

Waigel and his Finance Ministry have led the inter-German discussions on the German Economic and Monetary Union. With the issue of the conversion rate for GDR "East-Marks" now resolved, Waigel is focusing on the terms of a draft State Treaty for consideration by the two German Governments May 17, with the aim of having the Treaty signed by July 2. As it would regulate the terms of the economic and monetary union -- including its financial, commercial, and social dimensions -- the Treaty would resolve most of the internal aspects of German unification and make the process nearly irreversible.

Waigel will have insights worth hearing on the economic and social costs of unification, which has become a hot issue in FRG politics and therefore crucial to Chancellor Kohl's prospects for reelection. Waigel maintains that economic unification can be achieved without inflationary consequences, but neither the German public nor Germany's economic partners are so sanguine.

On the external aspects of German unity, there is no daylight between our position and Waigel's. He and his party are strong advocates of continued full German membership in NATO and a continuing strong U.S. military

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Declassify on: OADR

cc: Vice President
Chief of Staff

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6/12/09

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presence on German soil. He needs no persuading on our part, though you might remind him that public statements to that effect are useful, both here and in Germany. In light of a recent SPD draft resolution in the state of Hesse calling for the withdrawal of all foreign troops, you might ask him about public support for a continued U.S. troop presence after unification.

The mere fact of your meeting will strengthen Waigel at a time when the CSU faces a potential loss of its absolute majority in Bavaria in the October state elections, as well as the embarrassment of the very poor showing of its sister party in the March 18 GDR elections. A strong CSU is obviously important to Kohl's reelection. It is also important to U.S. interests, both before and after unification, that the firmly pro-U.S. CSU remain a major factor in German politics.

III. PARTICIPANTS

A list of participants is at Tab B.

IV. PRESS PLAN

Open photo, writing pool

V. SEQUENCE

Photo opportunity and meeting in Oval Office

Attachments

Tab A	Points to be Made
Tab B	Participants List
Tab C	Biography

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CARD 1 OF 6

POINTS TO BE MADE FOR MEETING WITH
FRG CHRISTIAN SOCIAL UNION CHAIRMAN THEO WAIGEL

- IT IS ALMOST IMPOSSIBLE TO BELIEVE ALL THAT HAS HAPPENED SINCE WE MET LAST SEPTEMBER.
 - THE GOAL OF GERMAN UNITY, WHICH EVEN THEN SEEMED A LONG WAY OFF, IS NOW ALMOST AT HAND.
 - WE HAVE TRIED TO SHOW, BY OUR DEEDS AS WELL AS OUR WORDS, THAT WE FIRMLY SUPPORT GERMAN UNIFICATION AND HAVE FULL CONFIDENCE IN THE LEADERS OF THE FEDERAL REPUBLIC.
- GERMAN UNITY -- INTERNAL ASPECTS
- I WOULD WELCOME YOUR VIEWS ON THE INTERNAL ASPECTS OF UNIFICATION, ESPECIALLY THE GERMAN ECONOMIC AND MONETARY UNION, IN WHICH YOU HAVE BEEN SO DEEPLY INVOLVED.

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CARD 2 OF 6

- CAN THE ECONOMIC UNION BE ACHIEVED WITHOUT HIGH INFLATION? HOW WILL IT AFFECT INTERNATIONAL ECONOMIC STABILITY?
 - HOW IS THE ISSUE PLAYING DOMESTICALLY? ARE YOU ABLE TO ALLAY CONCERNS IN THE FEDERAL REPUBLIC ABOUT THE COSTS OF GERMAN UNIFICATION? WILL THE OPPOSITION SOCIAL DEMOCRATS BE ABLE TO MAKE A SUCCESSFUL CAMPAIGN ISSUE OF THIS?
 - HOW DO YOU ASSESS THE COALITION'S PROSPECTS FOR THE DECEMBER ELECTIONS?
- TWO PLUS FOUR
- WE ARE SATISFIED WITH THE WAY THE TWO PLUS FOUR PROCESS IS GOING. BUT IT'S GETTING HARDER TO MANAGE. SHEVARDNADZE TOOK A MODERATE LINE PUBLICLY, BUT PRIVATELY HE WAS

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CARD 3 OF 6

TOUGH.

- WE WILL CONTINUE INSISTING ON A NARROW AGENDA AT TWO PLUS FOUR. THIS IS NOT A FORUM FOR NEGOTIATING GERMANY'S MEMBERSHIP IN NATO OR THE WESTERN TROOP PRESENCE IN GERMANY.
- TWO PLUS FOUR SHOULD NOT PLACE NEW LIMITS ON GERMAN SOVEREIGNTY. WE FAVOR FULL GERMAN SOVEREIGNTY AND DO NOT WANT TO "SINGULARIZE" GERMANY IN ANY WAY.
- WE MUST MAINTAIN THE DISTINCTION BETWEEN INTERNAL ASPECTS OF GERMAN UNITY, WHICH ARE FOR THE TWO GERMANIES TO DECIDE, AND THE EXTERNAL ISSUES THAT ARISE FROM GERMAN UNIFICATION.
- AS YOU KNOW, THE NEXT TWO PLUS FOUR MINISTERIAL WILL BE IN BERLIN NEXT MONTH,

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CARD 4 OF 6

FOLLOWED BY A MEETING IN PARIS IN JULY, TO WHICH THE POLES WILL BE INVITED.

- WE ARE TRYING HARD TO KEEP THE BORDER ISSUE FROM BECOMING A DIVISIVE FACTOR AMONG THE ALLIES AT TWO PLUS FOUR. ANYTHING THE FEDERAL REPUBLIC CAN DO TO EASE POLISH CONCERNS WOULD BE HELPFUL.

GERMANY IN NATO

- I APPRECIATE YOUR STRONG COMMITMENT, AND THAT OF THE CSU GENERALLY, TO GERMANY'S REMAINING A FULL MEMBER OF NATO, INCLUDING ITS INTEGRATED MILITARY STRUCTURE.
- WE NEED TO REMAIN ABSOLUTELY FIRM ON THIS. YOU KNOW AS WELL AS I DO WHAT THIS MEANS FOR GERMANY'S PLACE IN EUROPE, FOR THE FUTURE OF NATO, AND FOR THE U.S. ABILITY TO REMAIN A

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CARD 5 OF 6

EUROPEAN POWER.

- WE HAVE A HARD SELLING JOB TO DO WITH THE SOVIETS, BUT I HOPE WE CAN BRING THEM AROUND TO OUR POINT OF VIEW. I WORRY THAT THEY MAY TRY TO PLACE CONSTRAINTS ON GERMANY'S ROLE IN NATO. WE MUST RESIST.
- THERE ARE OTHER WAYS OF MEETING LEGITIMATE SOVIET SECURITY CONCERNS, AS WE ARE DOING. I HOPE THAT MY SPEECH LAST FRIDAY ABOUT NATO'S FUTURE ROLE WILL START A PROCESS THAT WILL PERSUADE MOSCOW THAT NATO IS NO THREAT TO SOVIET SECURITY.
- WHAT IS YOUR JUDGMENT AS A POLITICIAN ABOUT THE DOMESTIC PRESSURES GERMANY MAY FACE CONCERNING NATO AND THE CONTINUING PRESENCE OF U.S. FORCES? WILL THE GERMAN PEOPLE WANT US

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CARD 6 OF 6

TO STAY AFTER UNIFICATION?

- WE ARE DETERMINED TO STAY AS LONG AS U.S. FORCES ARE NEEDED AND WANTED. ANYTHING YOU CAN SAY PUBLICLY ABOUT THE NEED FOR A CONTINUED U.S. MILITARY PRESENCE WOULD BE HELPFUL, BOTH HERE AND IN GERMANY.

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POINTS TO BE MADE FOR MEETING WITH
FRG CHRISTIAN SOCIAL UNION CHAIRMAN THEO WAIGEL

- It is almost impossible to believe all that has happened since we met last September.
- The goal of German unity, which even then seemed a long way off, is now almost at hand.
- We have tried to show, by our deeds as well as our words, that we firmly support German unification and have full confidence in the leaders of the Federal Republic.

GERMAN UNITY -- INTERNAL ASPECTS

- I would welcome your views on the internal aspects of unification, especially the German Economic and Monetary Union, in which you have been so deeply involved.
- Can the economic union be achieved without high inflation? How will it affect international economic stability?
- How is the issue playing domestically? Are you able to allay concerns in the Federal Republic about the costs of German unification? Will the opposition Social Democrats be able to make a successful campaign issue of this?
- How do you assess the coalition's prospects for the December elections?

TWO PLUS FOUR

- We are satisfied with the way the Two Plus Four process is going. But it's getting harder to manage. Shevardnadze took a moderate line publicly, but privately he was tough.

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- We will continue insisting on a narrow agenda at Two Plus Four. This is not a forum for negotiating Germany's membership in NATO or the Western troop presence in Germany.
- Two Plus Four should not place new limits on German sovereignty. We favor full German sovereignty and do not want to "singularize" Germany in any way.
- We must maintain the distinction between internal aspects of German unity, which are for the two Germanies to decide, and the external issues that arise from German unification.
- As you know, the next Two Plus Four Ministerial will be in Berlin next month, followed by a meeting in Paris in July, to which the Poles will be invited.
- We are trying hard to keep the border issue from becoming a divisive factor among the Allies at Two Plus Four. Anything the Federal Republic can do to ease Polish concerns would be helpful.

GERMANY IN NATO

- I appreciate your strong commitment, and that of the CSU generally, to Germany's remaining a full member of NATO, including its integrated military structure.
- We need to remain absolutely firm on this. You know as well as I do what this means for Germany's place in Europe, for the future of NATO, and for the U.S. ability to remain a European power.
- We have a hard selling job to do with the Soviets, but I hope we can bring them around to our point of view. I worry that they may try to place constraints on Germany's role in NATO. We must resist.

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- There are other ways of meeting legitimate Soviet security concerns, as we are doing. I hope that my speech last Friday about NATO's future role will start a process that will persuade Moscow that NATO is no threat to Soviet security.
- What is your judgment as a politician about the domestic pressures Germany may face concerning NATO and the continuing presence of U.S. forces? Will the German people want us to stay after unification?
- We are determined to stay as long as U.S. forces are needed and wanted. Anything you can say publicly about the need for a continued U.S. military presence would be helpful, both here and in Germany.

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PARTICIPANTS

U.S.

The President

Nicholas F. Brady, Secretary of the Treasury
Brent Scowcroft, Assistant to the President for
National Security Affairs

Robert M. Gates, Assistant to the President and
Deputy for National Security Affairs

Raymond G.H. Seitz, Assistant Secretary for European
and Canadian Affairs

Robert L. Hutchings, Director for European Political Affairs, NSC
Staff

Gisela Marcuse, Interpreter

FRG

Theo Waigel, Finance Minister

Horst Koehler, State Secretary, Ministry of Finance

Juergen Ruhfus, Ambassador to the U.S.

Ursula Weide, Interpreter

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02d. Report	Theo Waigel [FOIA EXEMPTIONS REDACTED] (1 pp.)	n.d.	(b)(1), (b)(3)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: German Unification Files
Subseries: Chronological Files
WHORM Cat.:
File Location: German Unification (May 1990)

Document Partially Declassified
 (Copy of Document Follows)
 By MM on 9/11/2005

Date Closed:	2/18/2009	OA/ID Number:	91116-007
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	2012-1474-MR(510.02)
AR Disposition:		MR Disposition:	Released in Part
AR Disposition Date:		MR Disposition Date:	12/8/2014

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

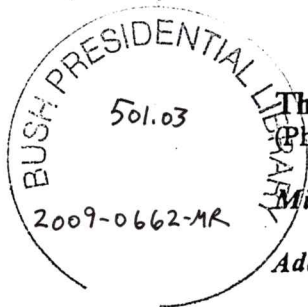
P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information



Theo WAIGEL
(Phonetic: VYEghel)

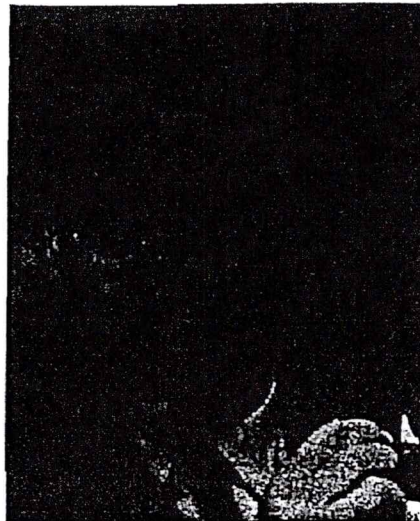
Minister of Finance (since April 1989)

Addressed as: Mr. Minister

FEDERAL REPUBLIC OF GERMANY

Theo Waigel has been chairman of the rightwing Christian Social Union (CSU)—the Bavarian sister party of the governing Christian Democratic Union (CDU)—since November 1988. His presence in the Cabinet helps assure conservative voters that Bonn is listening to their concerns.^{1.4(c)}

A member of the Cabinet Unity Committee, which was recently formed to address specific German unification issues, Waigel heads the committee's working group on monetary union and finance questions.^{(b)(3)}



Staying Ahead of Rapid Change in East Germany

Waigel has announced that the rapid deterioration of the economic situation in East Germany and the threat of a collapse of authority have led Bonn to offer monetary union as a "clear sign of hope" to the East German people. He has also announced that a joint FRG-GDR commission for the preparation of monetary union will begin working immediately. In his view, the rapid introduction of a market economy and deutsche mark into the GDR are good risks, given the excellent health of the West German economy. He believes that the temporarily high unemployment in the GDR that will result from the restructuring of its economy will have to be financed by the FRG. Grave concerns about the continued heavy flow of East German resettlers have lead Waigel to nearly double—in less than a week—the size of Bonn's 1990 supplemental budget. Additional federal aid for Berlin's supplemental budget will also be used to support new resettlers.^{(b)(3)}

Waigel has pushed for equality of opportunity for opposition parties in the GDR campaign for the election scheduled to be held on 18 March. In January he announced that the CSU will support the German Social Union (DSU), a newly formed East German center-right party. Among other things, he has promised to give the DSU financial and campaign support. Now that the DSU has joined two other East German centrist parties in an electoral coalition termed Alliance for Germany, Waigel's CSU will join with the CDU to campaign for the alliance.^{(b)(3)}

Economic Views

Waigel advocates a market economy and a strong social welfare net; he supports the government's role in ensuring a balanced relationship between all segments of the economy. Crediting the government's economic policies with creating an eight-year, self-supporting economic upswing, he says that restrictions on public-sector spending, moderate tax rates, and a strictly limited rise in public loans are key to sustained growth and higher employment. He has stated that the FRG will finance German unity by increased growth rates and without higher taxes. Although he rejects state subsidies on economic grounds, he

(b)(3)

(cont.)

LDA M 90-11475

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2012-1474-MR
12/8/2014 WMM

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3625

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

May 7, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: ROBERT L. HUTCHINGS *RH*
SUBJECT: The President's Meeting with CSU Chairman Waigel,
May 8, 1990

At Tab I is the President's briefing package for his meeting with Waigel.

Concurrences by: *N.A.* Tim Deal, *RH for* Arnold Kanter, *MD* Michael Fry

RECOMMENDATION

That you sign the memorandum for the President at Tab I.

Attachments

Tab I Memorandum for the President
Tab A Points to be Made
Tab B Participants List
Tab C Biography

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White House Guidelines

E.O. 12958, SEC 3.4 (B), September 11, 2006

By *jc* NARA, Date *12/18/09*

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Declassify on: OADR

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NSC/S PROFILE

RECORD ID: 9004250
RECEIVED: 29 MAY 90 11

CHRON FILE

TO: PRESIDENT

FROM: SCOWCROFT

DOC DATE: 29 MAY 90
SOURCE REF:

KEYWORDS: GERMANY F R

TELCALL

PERSONS:

SUBJECT: TELEPHONE CALL FM CHANCELLOR KOHL

ACTION: NOTED BY PRES

DUE DATE: 01 JUN 90

STATUS: C

STAFF OFFICER: HUTCHINGS

LOGREF:

FILES: WH

NSCP:

CODES:

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BLACKWILL
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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cap NARA, Date 2/18/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSMDC

CLOSED BY: NSGAD

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THE PRESIDENT HAS SEEN

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THE WHITE HOUSE

WASHINGTON

May 29, 1990

1990 MAY 29 PM 7:44

FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *Rg for*

SUBJECT: Telephone Call from Chancellor Kohl, Federal Republic of Germany

DATE: May 30, 1990

PURPOSE: To coordinate our approaches on German unification in advance of your meetings with Gorbachev.

SECURE OR OPEN: Open line

INTERPRETER: To be supplied by State Department

PHONE NUMBER: WHCA Head of State circuit

CONTACT: Robert Hutchings

TIME DIFFERENCE: +6

SUGGESTED TIME: 7:30 a.m., May 30, 1990

TOPICS OF DISCUSSION: Following up on his pledge to call frequently over the next few weeks, Kohl wants to consult on German unification before Gorbachev arrives. There have been several new developments since your May 17 meeting with Kohl: Genscher's May 23 meeting with Shevardnadze and his debrief here May 25, heightening domestic pressure in the FRG for holding early all-German elections, and Gorbachev's suggestion, made following his meeting with Mitterrand May 25, that a united Germany might follow the French model of political but not military participation in NATO. (Stoltenberg has already rebuffed the idea of partial German membership in NATO.)

Attachments

Tab A Points to be made

cc: Vice President
Chief of Staff

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POINTS TO BE MADE FOR TELEPHONE CALL FROM CHANCELLOR KOHL

- I am grateful for your call. A lot has happened since we met on May 17, and it is important that we keep in close contact.
- I appreciated Gerhard Stoltenberg's rejection of the idea Gorbachev floated of Germany's accepting French status within NATO. We need to remain absolutely solid on full NATO membership, including participation in NATO's integrated military structure, for all the reasons we have discussed.
- When I meet with Gorbachev, I will do my best to convince him that Germany's remaining fully in NATO is in the interest of stability and security in Europe. I do not expect him to agree, but I hope to move his thinking in the right direction.
- I was grateful for Hans-Dietrich's quick readout on his talks with Shevardnadze. I was unable to see him, but Jim and Brent gave me full accounts.
- As we discussed when you were here on May 17, I will lay out for Gorbachev our views on the Two Plus Four -- including the need to terminate Four Power rights at the time of unification, with no new discriminatory constraints on German sovereignty.
- It will be a complicated Summit in some ways. We have hard work to do and differences to discuss, but the agreements we

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are going to sign will show continued positive movement in
U.S.-Soviet relations.

- Do you have any other advice before I start my meetings with Gorbachev?
- I will send you a message after my meetings with Gorbachev and will look forward to seeing you on June 8. If anything comes up in the meantime, don't hesitate to call.

GB
Ceiling Bundesweh
! Thanks but pressure "

HK
until

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

May 29, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *MB*
FROM: ROBERT L. HUTCHINGS *RLH*
SUBJECT: Telephone Call from Chancellor Kohl

The Chancellery has confirmed that Kohl will call the President at 7:30 a.m., May 30. The Chancellor told the President during their May 17 one-on-one that he wanted to call frequently over the next few weeks about Two Plus Four and related matters. Walter Neuer, director of the Chancellor's office, confirmed that the call is to impart some last thoughts before Gorbachev's arrival.

Kohl may raise several specific topics: the Gorbachev-Mitterrand meeting and Gorbachev's reference to the French model for German membership in NATO, followed by Stoltenberg's swift rebuttal of that idea; Genscher's meeting Shevardnadze and his debriefs here and in Paris; Kohl's support (as reported by Lambsdorff) for all-German elections on December 2 or 16; the FRG debate over the treaty on the economic and monetary union, and the disarray within the SPD on the issue; and Kohl's May 28 meeting with GDR Prime Minister de Maiziere. In hearing Kohl out, the President should look particularly for Kohl's views on how to handle Gorbachev with respect to Two Plus Four and German membership in NATO.

AK Arnold Kanter and *HW* Heather Wilson concur.

RECOMMENDATION

That you sign the Telephone Call Proposal at Tab I.

Attachments

Tab I Telephone Call Proposal
Tab A Points to be Made

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