

THE WHITE HOUSE
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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Helmut Kohl
(U)

PARTICIPANTS: The President
Chancellor Kohl

Interpreter: Harry Obst (interpreted from
his residence)

Notetakers: Peter Huggins, Cindy Lawrence,
Tony Campanella, Pat O'Shaughnessy, David
Higgins, Marty Hart, James Smith, Don
Bandler, Nancy McEldowney and David Sandalow

DATE, TIME October 21, 1997, 10:04 - 10:27 a.m. EDT
AND PLACE: The Oval Office

The President: Hello. (U)

The President: Hello, Helmut? (U)

Chancellor Kohl: Hello, Bill, how are you? (U)

The President: I'm fine. How are you? (U)

Chancellor Kohl: Thank you, I'm doing quite well. I just had a good party congress and everything went quite well. The economic figures are looking very good. We have 11 months of elections ahead of us. Since we are idiots over here in Germany, we have 4 state elections before our national elections. But you know how it is with old military horses -- though retired to the stables, the minute we hear the bugle call, we rear our heads and are ready to trot again.

The President: I'm glad to hear you are in such good spirits.
(U)

Chancellor Kohl: So how are you? (U)

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Reason: 1.5 (b,d)

Declassify On: 10/23/07

The President: I'm doing great. I just wanted to call you to see how you are doing and to see if there is anything I could do for you over the next several months to help in any way. I also have a few issues to raise with you. (C)

Chancellor Kohl: First of all, thank you for your very kind offer. Should there be a moment when I feel you could be of assistance I will get back to you. (C)

The President: I wanted to talk with you about the Kyoto conference on climate change. Since we met in Denver and especially in the last month I have been working hard, first, to get our government together on a position, and then to get support from the environmental community and the more enlightened business community. We are going to go to Kyoto with a commitment to binding limits, but there are a couple of issues to discuss: what the limits should be and who should participate in the process. (C)

First of all, on limits, I know the European position is that we should go significantly below 1990 levels by 2010, but the problem is, for the United States that it would require over a 30 percent reduction, far larger than anyone else. I believe we can do that, but not more. I was hoping that we could get a commitment for further reductions in 2005, 2010, 2015 and maybe agree to hold a conference every five years. We are working on our proposal now and have strong support from environmental groups. We are also facing bitter opposition from the auto and coal industry, as well as from the labor groups, which are a major part of my political base. We are also opposed by a majority of Republicans in Congress. But I still think we can go forward and get something done. (C)

The second related issue I wanted to mention is participation. The EU is currently opposed to any involvement in this process by developing countries, including the use of joint implementation projects whereby nations, such as Japan could work with developing countries and split the credit for it. Even if we do our part in the developed world, in three decades or so, we will be surpassed by the Chinese, Indians, and others, in carbon emissions, and the overall result would be no reduction in the concentration of gases in the atmosphere. What I am working on is an approach in which major developing countries can agree to be in a process that targets their emissions with a view to stabilizing them without hurting their growth. This would provide a mechanism by which developed

nations can work on energy conservation or renewal projects in developing countries and get credit for reducing carbon emission which would be split between developing and developed nations. Jim Wolfensohn at the World Bank is developing such a trading emissions scheme. I think they will be ready to go with it pretty soon. If the Kyoto conference rejects this, it will weaken our global approach to limit emissions; if it embraces it, it will not alleviate the responsibility of the United States, which has a lot of work to do to reduce our emissions.

(C)

At any rate, I wanted to call you because I know our negotiators are working this week in Bonn, and it is important that Kyoto result in agreement rather than argument. Europe is in a somewhat better position than the United States, primarily because the United States had an unusual bit of good economic growth in the 1990s and because of certain other developments, like Great Britain moving away from coal to natural gas. As a result, Europe is in a better position than we to meet and go below 1990 targets. But, we are working to raise public awareness in the United States. I am beating back a multi-million dollar public relations campaign by the coal and oil industries, and I welcome the fight. However, I don't think we can go 10 percent below 1990 levels by 2010. That would require almost a 40 percent reduction of greenhouse gases. I don't know anyone who believes we can do that, especially since Congress won't pass a gas tax. (C)

I wanted to call you and go over this because I know how deeply you care and because it is a big issue in your country. I hope we can decide in advance what should happen at Kyoto. Joint implementation of projects with developing countries is an important element and I think we can sell it to the developing countries. The Argentines agreed to support joint implementation with developed countries during my recent trip. I think we can bring other Latin American countries on board as well. In any case, I wanted to go over this with you before we say anything publicly. (C)

Chancellor Kohl: Thank you very much for the very interesting and comprehensive report. Thank you in particular for your frankness. This is what I think friendship is all about -- frankly discussing problems. As you said, our experts are meeting right now on this issue. Let me look into this further. Obviously, I have no interest at all in our getting into a controversy on this. I think the situation calls for respect of others' positions. I am interested in the scheme you propose

for cooperation between third world nations and developed nations. I would be very interested in getting more details on this and will then get back to you. Let me assure you that I am very well aware of the situation you face in Congress and what is feasible for you. I suppose that is a position that we all face once and a while. At any rate, I think you ought to know that even though there are differences of opinion, we want to avoid getting into a tough controversy. (C)

The President: Thank you very much. I will send you the information on the developing nations idea immediately. (C)

Chancellor Kohl: Yes, very good. (U)

The President: By the way, isn't this the 15th anniversary of your chancellorship? (U)

Chancellor Kohl: That was a few days ago, I'm sort of an old ass. (U)

The President: Well, since they won't let me run again, I always pull for you so at least someone doesn't have to leave. (U)

Chancellor Kohl: Very good, see you soon. (U)

The President: Very good. Bye-bye. (U)

-- End of Conversation --