

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Schroeder

Interpreter: Harry Obst
Notetakers: David Higgins, Jenny McGee,
Robert Ford, James Smith and
Anthony Campanella

DATE, TIME: October 29, 1998, 3:33 - 3:37 p.m. EST
AND PLACE: Kennedy Space Center, Florida

The President: Hello. (U)

Chancellor Schroeder: Hello. Schroeder speaking. (U)

The President: Hello. Forgive me for the bad connection before. (U)

Chancellor Schroeder: No problem. (U)

The President: I hope you are off to a good start and are having good days. (U)

Chancellor Schroeder: Yes, the start was very good. (U)

The President: I wanted to check in with you about the statement we have been working on for the G-7 based on the British statement. (C)

Chancellor Schroeder: I don't have it but I think we will find a common position. I talked with Tony Blair at the summit in Austria and he wants to have a special conference, a summit conference of the G-7. I said to him that it makes sense only if we can have a decision, a result. Meeting and talking without agreement makes no sense. (C)

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Reason: 1.5(d)
Declassify On: 11/03/08

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The President: I agree with that. The statement that we propose to issue, I think tomorrow, basically constitutes a consensus on the steps we need to take and a long-term way to financial reform. (C)

Chancellor Schroeder: I don't know the statement in its details, but from what I know, its tendency is right. (C)

The President: Yes, but it also has a specific endorsement of the precautionary finance facility and that's very important. (C)

Chancellor Schroeder: I agree. (C)

The President: I think that if we do that, we will also get a little boost with the Japanese banking reform, the Brazil reform statement, and then when we have something to say, we can have a meeting. (C)

Chancellor Schroeder: That's great. (U)

The President: I just wanted to keep in touch with you and wish you well. I look forward to working with you. (C)

Chancellor Schroeder: Let me just repeat for clarity's sake, I think it makes sense only if we make absolutely sure there are results, if we are far enough. In any case, I trust your judgement in this issue. (C)

The President: I think we get more credibility if we just issue a statement on the precautionary finance facility, so it appears we are doing things without unnecessarily raising expectations. (C)

Chancellor Schroeder: I totally agree with you. (C)

The President: And then when we have something big to say, we'll have a meeting. (C)

Chancellor Schroeder: Thank you. (U)

The President: Auf Weidersein. (U)

-- End of Conversation --