

Case Number: 2015-0777-M

MR MARKER

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Original OA/ID Number: 2063				
Document ID: 9806864				
Row: 45	Section: 5	Shelf: 11	Position: 1	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Strobe Talbott to POTUS re: Meeting with Chancellor-Elect Gerhard Schroeder (2 pages)	10/07/1998	P1/b(1) KBH 4/3/2020
002a. memo	From Samuel Berger and Gene Sperling re: Restricted Meeting and Working Lunch with Chancellor-Elect Gerhard Schroeder (5 pages)	10/08/1998	P1/b(1) KBH 4/3/2020
002b. talking points	re: Summary Points to be Made for Meeting with Chancellor-Elect Schroeder (1 page)	10/08/1998	P1/b(1) KBH 4/3/2020
002c. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroeder (4 pages)	10/08/1998	P1/b(1) KBH 4/3/2020
002d. report	re: U.S. Government Report (2 pages)	10/07/1998	P1/b(1)
002e. report	re: U.S. Government Report (2 pages)	09/30/1998	P1/b(1)
002f. report	re: U.S. Government Report (2 pages)	05/07/1998	P1/b(1)
002g. report	re: U.S. Government Report (2 pages)	09/27/1998	P1/b(1)
002h. report	re: U.S. Government Report (2 pages)	10/07/1998	P1/b(1)
002i. report	re: U.S. Government Report (1 page)	10/07/1998	P1/b(1)
002j. report	re: U.S. Government Report (2 pages)	10/07/1998	P1/b(1)
002k. report	re: U.S. Government Report (2 pages)	10/07/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2063

FOLDER TITLE:

9806864

2015-0777-M

rs1390

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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002l. memo	[Duplicate of 001] (2 pages)	10/07/1998	P1/b(1) KBH 4/3/2020
002m. talking points	re: Summary Points to be Made for Meeting with Chancellor Elect Schroeder (1 page)	10/06/1998	P1/b(1) KBH 4/3/2020
002n. memo	From Berger and Sperling re: Restricted Meeting and Working Lunch with Chancellor-Elect Gerhard Schroder (5 pages)	10/06/1998	P1/b(1)
002o. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder (4 pages)	10/06/1998	P1/b(1)
002p. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder [incomplete copy] (3 pages)	10/06/1998	P1/b(1)
002q. memo	From Berger and Sperling re: Restricted Meeting and Working Lunch with Chancellor-Elect Gerhard Schroder [incomplete copy] (2 pages)	10/06/1998	P1/b(1) KBH 4/3/2020
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002t. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder [incomplete copy] (1 page)	10/06/1998	P1/b(1) KBH 4/3/2020
002u. memo	From Berger and Sperling re: Restricted Meeting and Working Lunch with Chancellor-Elect Gerhard Schroder (5 pages)	10/06/1998	P1/b(1) KBH 4/3/2020
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~~002y. talking points~~	~~re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder [incomplete copy] (1 page)~~	~~10/00/1998~~	~~P1/b(1)~~ KBH 4/3/2020
~~003. talking points~~	~~re: Summary Points to be Made for Meeting with Chancellor-Elect Schroeder (1 page)~~	~~10/09/1998~~	~~P1/b(1)~~ KBH 4/3/2020

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~~SECRET~~
NSC/RMO PROFILE

RECORD ID: 9806864
RECEIVED: 06 OCT 98 16

TO: PRESIDENT

FROM: TALBOTT, S

DOC DATE: 07 OCT 98
SOURCE REF: 9817304

KEYWORDS: GERMANY

VISIT

PERSONS: SCHROEDER, GERHARD

SUBJECT: MTG W/ CHANCELLOR ELECT GERHARD SCHROEDER

ACTION: ORIGINALS RETURNED TO NSC/RMO

DUE DATE: 12 OCT 98 STATUS: C

STAFF OFFICER: MCELDFOWNEY

LOGREF:

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

FOR INFO
NSC CHRON

COMMENTS: MEMO OF RECORD IS TRACKED UNDER DOC 1

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSSWD

CLOSED BY: NSDMK

DOC 4 OF 5

~~SECRET~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

~~SECRET~~

RECORD ID: 9806864

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER	Z 98100713 FWD TO PRESIDENT FOR INFORMATION
001 SPERLING, G	X 98100816 FOR SIGNATURE
002 MCELLOWNEY	Z 98100711 ADD-ON / APPROPRIATE ACTION
002	X 98101615 ORIGINALS RETURNED TO NSC/RMO
003 MCELLOWNEY	Z 98100806 ADD-ON / APPROPRIATE ACTION
003	X 98101615 ORIGINALS RETURNED TO NSC/RMO
004 MCELLOWNEY	Z 98100806 ADD-ON / APPROPRIATE ACTION
004	X 98101615 ORIGINALS RETURNED TO NSC/RMO
005 PRESIDENT	Z 98100820 FOR INFORMATION
005	X 98101515 NOTED BY PRESIDENT
005	X 98101516 ORIGINAL MTG CARDS RETURNED

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

005 981008	VICE PRESIDENT
005 981008	WH CHIEF OF STAFF

~~SECRET~~

TO: PRESIDENT

FROM: TALBOTT, S

DOC DATE: 07 OCT 98
SOURCE REF: 9817304

KEYWORDS: GERMANY

VISIT

PERSONS: SCHROEDER, GERHARD

SUBJECT: MTG W/ CHANCELLOR ELECT GERHARD SCHROEDER

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 12 OCT 98 STATUS: X

STAFF OFFICER: MCELDFOWNEY

LOGREF:

FILES: PA

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS:

NFA

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OPENED BY: NSSWD

CLOSED BY:

DOC 4 OF 4

~~SECRET~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS/NARA, Date 11/15/2019
2015-0777-M

S/S 9817304
DEPARTMENT OF STATE
WASHINGTON

October 7, 1998

6864

~~CONFIDENTIAL~~

DECL: 10/5/06

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.01)

18M 11/22/2019

MEMORANDUM FOR THE PRESIDENT

FROM: Strobe Talbott, Acting (ST)

SUBJECT: Meeting with Chancellor-Elect Gerhard Schroeder

Although Schroeder is consumed by the formation of a Red-Green coalition, he values this early visit with you as symbolic affirmation of his pledge of continuity in German foreign policy, which he hopes will give him breathing room to focus on his real interest, reforms at home.

In this context, Schroeder wants to know our expectations of the relationship. The visit is an opportunity for you to enlist the support of Schroeder and his likely Foreign Minister, Greens leader Joschka Fischer, for our priorities.

Timing puts Kosovo at the top of the agenda. Consumed by election politics, the new team has not fully grasped the need for swift NATO action. No one close to Schroeder is advising him to support such action without a U.N. mandate. Schroeder himself supports a mandate, but he is not dogmatic. He will want to hear directly from you the reasons, especially the legal basis for such action now.

Schroeder is clearly not prepared to have his first major international decision as Chancellor be seen as breaking ranks with Germany's allies. However, the French waffled on the mandate issue when Schroeder saw them last week; and given the inner-coalition fractures on this issue, expecting a clear decision from him now to deploy German forces might be more than the traffic can bear. Our first priority is full German support and participation; you should reject hand-wringing that Germany can do nothing until November. Should Schroeder propose constructive abstention, approving the NATO action but not with German forces, you should push him at a minimum to commit to such participation once he enters office.

~~CONFIDENTIAL~~

Classified By: Strobe Talbott, Acting Secretary
Reason: 1.5 (B) and (D)

~~CONFIDENTIAL~~

- 2 -

Both Schroeder and Fischer support NATO and will prevail over Green party positions calling for German withdrawal from the Alliance, but we need more than a passive, if supportive, partner in the run-up to the April Washington Summit. We need Germany to join us actively in defining the NATO of the 21st century: a larger, more flexible alliance committed to collective defense and capable of defending against threats to common interests.

Schroeder's own international priority is the European Union; Germany assumes the EU Presidency in January, the same time the Euro will be launched. We anticipate an EU mandate to negotiate under the German Presidency the Transatlantic Economic Partnership (TEP) you announced with Prime Minister Blair in May, but the substance is being whittled away by intra-EU bargaining. You should underscore to Schroeder our concern that the TEP have as much substance as possible; it could form the transatlantic centerpiece of the German EU Presidency.

Schroeder will also chair the G-8 summit in Cologne next spring. He shares two of our G-8 priorities: Russia's stability and economic prosperity, and managing the international financial crisis.

Schroeder was critical of Helmut Kohl's focus on Boris Yeltsin and will look to establish a strong working relationship with Primakov. He has spoken of the need to understand Russia's version of "social capitalism" and rollback of various reforms. You should stress the importance of continued economic reform and encourage Schroeder to join us in our message to Moscow that it needs to present a credible stabilization program.

Schroeder is an ally in addressing the international financial crisis. Even Germany's stable markets have been rocked by instability in Asia and Russia. Schroeder is likely to endorse lower interest rates and to pursue policies that spur economic growth. Your meeting is an opportunity to review your initiative on international financial reform and to enlist Schroeder's assistance.

This is a time for greater engagement with Germany, when we can help steer the new government's course and build strong relations with many new faces. In this regard, our international agenda with the new coalition is likely to fare better if supported by a strong dialogue on common domestic concerns.

~~CONFIDENTIAL~~

TO: PRESIDENT

FROM: BERGER
SPERLING, G

DOC DATE: 08 OCT 98
SOURCE REF:

KEYWORDS: GERMANY

VISIT

PERSONS: SCHROEDER, GERHARD

SUBJECT: BRIEFING MEMO & TALKING POINTS FOR PRES 9 OCT RESTRICTED MTG &
WORKING LUNCH W/ GERMAN CHANCELLOR ELECT SCHROEDER

ACTION: NOTED BY PRESIDENT

DUE DATE: 12 OCT 98 STATUS: C

STAFF OFFICER: MCELDFOWNEY

LOGREF:

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

FOR INFO

BANDLER
MCELDFOWNEY
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSSWD

CLOSED BY: NSDMK

DOC 5 OF 5

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White House Guidelines, May 16, 2017
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RECORD ID: 9806864

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003 MCELLOWNEY	Z 98100806 ADD-ON / APPROPRIATE ACTION
004 MCELLOWNEY	Z 98100806 ADD-ON / APPROPRIATE ACTION
005 PRESIDENT	Z 98100820 FOR INFORMATION
005	X 98101515 NOTED BY PRESIDENT

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

005	981008	VICE PRESIDENT
005	981008	WH CHIEF OF STAFF

~~SECRET~~

THE WHITE HOUSE THE PRESIDENT HAS SEEN
WASHINGTON 10-9-98
October 8, 1998

98 OCT 8 PM8:58

RESTRICTED MEETING AND WORKING LUNCH WITH
CHANCELLOR-ELECT GERHARD SCHROEDER

DATE: October 9, 1998

LOCATION: Oval Office and
Family Dining Room

TIME: 12:00 - 1:15 p.m.

FROM: SAMUEL BERGER
GENE SPERLING**DECLASSIFIED**
PER E.O. 135262015-0717-M (1.02)
KBM 11/22/2019

I. OBJECTIVES

- Press for close cooperation with new government, enlisting Schroeder's personal engagement on key issues.
- Obtain full endorsement for NATO action in Kosovo, including ACTORD approval, without additional UN mandate.
- Call for close cooperation on Russia, need for international community to speak frankly with one voice on economic crisis.
- Secure support for your international financial reform initiatives.
- Preview key objectives for 1999 NATO summit.

II. BACKGROUND

The flush of Schroeder's overwhelming victory on September 27 has given way to a sober appreciation of the daunting challenges ahead, both domestically and abroad. In choosing to form a government with the often unruly Green party, Schroeder has sparked questions about his ability to manage -- and sustain -- this potentially fractious coalition. Despite the 21-seat margin of the SPD-Greens within the Bundestag, Schroeder knows that many Germans would have preferred a CDU-SPD "grand coalition" and he faces difficult negotiations before a detailed policy platform can be agreed with the Greens.

Schroeder hopes to be elected to the Chancellorship by the Bundestag on October 27. In the remaining weeks, he is scrambling to avoid a misstep on foreign policy -- his area of greatest inexperience. The looming crises in Kosovo, Russia, and the international financial system have posed immediate and unexpected problems for Schroeder, who is suffering from Germany's lack of an elaborate transition process. He will be looking to you for a frank discussion of key upcoming foreign policy decisions and the difficult trade-offs they are likely to require.

III. AGENDA

RESTRICTED SESSION

U.S.-German Cooperation. You should use your restricted session with Schroeder to stress the need for close collaboration over the coming weeks and to underscore our desire to be helpful to his new government. Despite Schroeder's good meetings on September 30 with Chirac and Jospin, he has made clear that he will be looking to you and Tony Blair as key partners.

Domestic Political Objectives. Schroeder is also likely to use the smaller setting in the Oval Office to review his agenda for political and economic change within Germany. Though his campaign was dominated by the issue of economic reform, he is just now moving to formulate a detailed program of economic policies to attack unemployment, stalled growth in the east, and long overdue liberalization of the German economy. He will have to overcome strong elements of his own party that remain loyal to traditional SPD interventionist policies and knows that early action on issues such as tax reform will be seen as a litmus test of his ability to implement a new centrist approach.

WORKING LUNCH

Kosovo. Schroeder has confessed to feeling overwhelmed by the dimensions of the decision he faces on Kosovo. He would prefer a second UN mandate explicitly authorizing NATO action and will be wary of taking formal decisions prior to an October 15 Bundestag vote authorizing the German deployment. Both Schroeder and Kohl are fearful that an early German decision will rupture the growing German consensus in favor of peacekeeping missions and violate their constitutional requirement to seek

parliamentary approval before deploying forces. Nonetheless we believe that Schroeder is prepared to have Germany join consensus at NATO on the ACTORD -- perhaps with the caveat that they will only commit forces after the Bundestag vote. Your meeting with Schroeder will provide an opportunity to ensure he supports this approach before the NAC planned for Saturday, October 10.

Russia. Schroeder criticized Kohl for being too Yeltsin-centric, but shares our concerns about Russia's deepening economic crisis. He will want to hear your assessment of Primakov and will probably push for broadening our engagement with presidential hopefuls (e.g., Lebed and Luzhkov) and regional leaders. You should emphasize that the Russians see Germany as their main European partner and that Bonn's views on economic and foreign policy matters carry special weight across the Russian political spectrum. The current situation remains worrisome -- Yeltsin is less engaged on day-to-day policy matters, and Primakov has been unable to develop a comprehensive economic program, much less forge consensus on the tough steps needed to tackle the crisis. The Russian team that attended the annual IMF and World Bank meetings offered few specifics on their plans or agenda. Ironically, Primakov's most constructive statement on economics has been that he yet has no strategy. (That statement was essentially a rebuff to the Soviet-style plan drafted last week by First Deputy PM Maslyukov.)

You should emphasize to Schroeder that we want to support an economic program that works. We need to send very clear signals to the Russians about facing up to urgent tasks such as restoring the fiscal balance, overhauling the tax system, stabilizing the exchange rate, restructuring the banking sector, and coming to appropriate terms with Western creditors on state and commercial debt. We have been pushing the Russians to tackle these problems in ways that will bolster their credibility internationally but avoid a spike in inflation, a currency meltdown, or collapse of the banking system.

International Financial Situation. In response to the ongoing crisis, we and other G-7 members have called for a shift in emphasis from concerns with inflation to growth. In contrast, Germany and Bundesbank head Tietmeyer have thus far strongly resisted calls to reduce interest rates and for multilateral commitments to the type of

precautionary financing facility that the Administration presented to the G-7 last weekend. While the SPD has signaled that it would favor an interest rate cut, its support for such an action (ultimately a Bundesbank call) has been tepid, in part because such action might undercut the strength of the Euro when it is introduced next year. We hope Schroeder will cooperate in taking a stronger stance, both in support of lower interest rates and for new IMF-led approaches to containing contagion.

NATO Summit. Though both the SPD and the Greens have a history of antipathy toward NATO, Schroeder understands the crucial role played by the Alliance and will be receptive to our objectives for next year's summit. That said, he lacks the instinctive commitment of Kohl to NATO and is likely to require more extensive consultation before joining -- much less leading -- consensus on any given issue. Schroeder will want to hear from you about the likely direction of next steps on Open Door and specifically whether you favor any new invitations at the summit. He will also want to hear your views about NATO's new missions in regional conflict and WMD, and how the summit can best position us to extend our common strategic horizon.

Environment. The ascendance of the Greens creates at least one important opportunity and one potential problem for our global environment agenda. Fortunately, the new German Government should be more willing than its predecessor to support environment standards for export credit agencies (an issue you have raised at each of the last two G-8 Summits.) You should urge a U.S.-German partnership on this issue. Less happily, the new German Government may take a harder line in favor of restrictions on emissions trading under the climate treaty.

Turkey. The SPD has been more sympathetic towards problems of Turkish residents of Germany -- favoring for example less restrictive citizenship rules for those born in Germany -- and has called for a more open approach to Turkey. The SPD will support Turkish EU membership only in the long term due to fear of unrestricted immigration and criticism of human rights abuses, but Schroeder will seek to improve the tone of German-Turkish and EU-Turkish relations. His policies should reinforce our efforts to maintain Turkey's pro-Western alignment and to ease tensions in the Aegean.

IV. PARTICIPANTS

The list of participants is at Tab B.

V. PRESS PLAN

Pool Spray

VI. SEQUENCE

Photo Op/Restricted Meeting/Working Lunch

Attachments

Tab A Points to be Made

Tab B Scenario

Tab C Bio

Tab D Memo from Acting Secretary of State

SUMMARY POINTS TO BE MADE FOR MEETING
WITH CHANCELLOR-ELECT SCHROEDER

- Want to work closely, help new government with strong start. Need to keep U.S., Germany tightly coordinated. Available to consult personally; rest of team eager to engage.
- Essential that you support NATO consensus on Kosovo, even without commitment of forces until Bundestag vote, if necessary. Delay would undercut any chance for negotiated solution. Current UNSC resolution sufficient. Cannot allow Russian veto on NATO action in Kosovo.
- Moscow situation very fluid. Germany has unique influence. Need to maintain engagement, speak frankly with one voice, maximize chances to revive reform.
- International financial crisis demands joint action to spur growth. Need your help to work through new ideas to adapt IMF, other Bretton Woods institutions to cope with new circumstances.
- NATO Summit next year will define future alliance. Must come to terms with new threats of WMD, regional conflict. Need to sustain credibility of open door, strengthen candidacies to ensure new members in coming years.
- On environment, meeting challenge of climate change a top priority. Need joint effort to make promise of Kyoto reality.

DECLASSIFIED
PER E.O. 13526
2015-0777-m (1.03)
KBH 11/22/2019

~~SECRET~~

Reason: 1.5 (d)

Declassify on: 10/06/08

POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR-ELECT GERHARD SCHROEDER

RESTRICTED SESSION

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.04)
KBM 11/22/2019

U.S.-German Cooperation

- Want to work very closely with you, do everything possible to ensure your new government gets strong start.
- Have ambitious common agenda in months ahead, need to keep U.S. and Germany tightly coordinated on top priorities.
- Want you to know that I am available to consult whenever you have issues to discuss; rest of Administration also ready and eager to engage.
- Understand you're still negotiating coalition/policy agreement with Green party. Interested to hear your expectations of outcome for policy agenda.

WORKING LUNCH

Kosovo

- Alliance unity on Kosovo is key to efforts to stop killing, get parties to negotiating table.
- Know this comes at awkward time in German politics, but need to work together to get it right. Essential that we get NAC decision on ACTORD this weekend in Brussels. Delay will undercut our ability to get Milosevic to agree without the need for airstrikes.
- Want this to be first successful example of our working together on key foreign policy challenge.
- Vitally important that you are squarely behind strong NATO stance, even if you cannot make a clear decision right now to deploy troops. Urge you to allow NATO consensus to proceed, if necessary with public statement clarifying your intention to seek Bundestag approval before committing forces.

~~SECRET~~

Reason: 1.5(d)

Declassify On: 10/06/08

- You know our position on a UN mandate. We don't think NATO needs one. For those countries that do, believe current resolution should be sufficient.
- Making every effort to do this together with Russians. However, since NATO-Russia Founding Act, have refused to give Russia veto over Alliance decisions. Cannot allow them to exercise a veto on NATO's action in Kosovo either.

Russia

- Situation in Moscow still very fluid. Economic situation will be very difficult for foreseeable future. Want to be helpful if new government gets its act together.
- You have pivotal relationship with Russia. Encourage you to take proactive role.
- Important to engage new team frankly and openly about tough choices they face on budget, state and commercial debt, banking crisis, and currency stabilization. Critical for Russians to reassure international community that sensible approach to crisis will prevail.
- Economic crisis may make nonproliferation problems harder to solve. Destitute enterprises have bigger incentive to sell. Need to send a common message on importance of tough export controls especially concerning Iran.

International Financial Situation

- We are in midst of most serious economic crisis world has faced in fifty years. Turmoil in Russia, Asia, Latin America is affecting Germany's economy, as well as our own.
- We need to work together on two challenges: short term challenge of containing crisis and long term challenge of reforming international financial architecture.
- Industrial countries must act together to spur global growth. America will do its part. Hopeful about IMF vote.
- Vital that Japan move rapidly to address its serious banking problems.

- Hope Germany can lead Europe to pursue policies to spur growth and encourage greater efforts to further liberalize markets.
- Also critical to stop contagion from spreading to countries that are pursuing sound policies in Latin America and elsewhere. Believe we need to develop precautionary financial facility anchored in IMF that can help good performers ward off financial attacks.
- Most immediate focus is Brazil, where we are working closely with G-7. Expect they will negotiate financial program with IMF over the next few weeks. We are looking at possibility of supplementing this with bilateral funds together with our G-7 partners. Hope we can look to Germany for support.
- On long-term architecture reform, new group of financial ministers and central bank governors combining G-7 with key emerging economies has developed a very productive process and some interesting initial recommendations. Hope this work can be carried forward and feed into the G-7/G-8 process that you will chair next year.

NATO Summit

- NATO is at core of European security; essential link between Europe and United States.
- Active German leadership at NATO is vital to health of Alliance, bolsters strength of Euro-Atlantic partnership.
- Look forward to your visit to Washington in April for NATO Summit, marking Alliance's 50th anniversary.
- Our goal for Summit is to define NATO of 21st century: a larger, more flexible Alliance, committed to collective defense and capable of dealing with a broad range of challenges to Alliance interests.
- At Summit, need to look at threats emanating from beyond NATO's borders, such as WMD, ethnic conflict, terrorism.
- Must also use summit to sustain momentum of enlargement, reaffirm Open Door. See little consensus for new invitations, but believe robust package to strengthen candidacies will help ensure new members in coming years.

- Have heard of past positions by Green Party calling for German withdrawal from NATO and the dissolution of Bundeswehr. Hope these ideological stances will not affect platform of your new government.

Environment

- What agenda do you foresee for environment policy?
- Hope we can work together to promote environment standards for export credit agencies as our Ex-Im is already doing. Few things we could do that would have more impact in protecting the global environment.
- Meeting the challenge of climate change one of my top priorities. Working hard on this here at home; hope we can work together to make promise of Kyoto a reality.
- Flexible trade measures a key to making binding limits cost effective.

Turkey

- Pleased with your public support for closer ties between Germany and Turkey and an end to "past irritations."
- Closer Turkish ties with the EU will enhance prospects for progress on Cyprus and the Aegean, democracy and human rights, and cooperation on regional issues.
- Hope you'll work for progress before Vienna Summit, during EU Presidency.
- Turkey knows it's not ready for membership, but needs clearer recognition that it is candidate just like other applicants.
- Signals and presentation count. Making it clearer that there are twelve candidates, even if all are at different stages, is important. Also need to find way to remove Greek veto on EU funds.

SCENARIO FOR WORKING VISIT OF
CHANCELLOR-ELECT GERHARD SCHROEDER OF GERMANY
October 9, 1998

11:45 a.m. Prebrief participants in the Oval Office.

The President
Sandy Berger
Gene Sperling
Tom Pickering (or Marc Grossman)
Jim Steinberg
Leon Fuerth
Don Bandler

11:55 a.m. Chancellor-elect Schroeder and party arrive at the West Lobby, are greeted by Larry Dunham, Assistant Chief of Protocol, who escorts the Chancellor-elect into the Roosevelt Room to sign the Guest Book. Members of the U.S. and German Delegations are escorted to the State Dining Room.

Noon Mr. Dunham escorts Chancellor-elect Schroeder to the Oval Office and makes introductions. Official photographers/TV, and stills enter for photos, then depart.

<u>U.S. Participants</u>	<u>German Participants</u>
The President	Chancellor-elect Schroeder
Sandy Berger	Ambassador Chrobog
(Interpreter)	(Interpreter)

12:15 p.m. Greetings end. The President, accompanied by Chancellor-elect Schroeder, exits the Oval Office and proceeds thru the Rose Garden to the State Dining Room. (Press Pool will be staged at distance behind rope).

12:20 p.m. The President escorts guests into the Old Family Dining Room and invites them to be seated for lunch. Lunch begins.

<u>U.S. Participants</u>	<u>German Participants</u>
The President	Chancellor-elect Schroeder
Secretary Rubin	Juergen Chrobog, Ambassador to the U.S.
Secretary Cohen	Joschka Fischer, Member of Parliament
Samuel Berger	Gunther Verheugen, Member of Parliament
Gene Sperling	Ludger Volmer, Member of Parliament
John Kornblum, U.S. Ambassador	Uwe Karsten Heye, State Secretary and Government Spokesman of Lower Saxony
Tom Pickering or Marc Grossman	
James Steinberg	
Leon Fuerth	
Don Bandler	
(Brigitta Richman,	

Interpreter)

Alfred Tacke, State Secretary
of the Ministry for Economy,
Technology and Transportation
(Lena Hassinger-Lees,
Interpreter)

1:15 p.m. Upon completion of lunch, the President and
Chancellor-elect Schroeder hold briefly while
members of the German delegation are escorted to
their motorcade outside the West Lobby.

1:20 p.m. The President escorts Chancellor-elect Schroeder
to the West Lobby and bids him farewell.

The President returns to the Oval Office.

execsec/scenario/SCHROEDER10998

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002d. report	re: U.S. Government Report (2 pages)	10/07/1998	P1/b(1)

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RESTRICTION CODES

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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002f. report	re: U.S. Government Report (2 pages)	05/07/1998	P1/b(1)

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S/S 9817304
DEPARTMENT OF STATE
WASHINGTON

October 7, 1998

~~CONFIDENTIAL~~

DECL: 10/5/08

6864

MEMORANDUM FOR THE PRESIDENT

FROM: Strobe Talbott, Acting (ST)

SUBJECT: Meeting with Chancellor-Elect Gerhard Schroeder

Although Schroeder is consumed by the formation of a Red-Green coalition, he values this early visit with you as symbolic affirmation of his pledge of continuity in German foreign policy, which he hopes will give him breathing room to focus on his real interest, reforms at home.

In this context, Schroeder wants to know our expectations of the relationship. The visit is an opportunity for you to enlist the support of Schroeder and his likely Foreign Minister, Greens leader Joschka Fischer, for our priorities.

Timing puts Kosovo at the top of the agenda. Consumed by election politics, the new team has not fully grasped the need for swift NATO action. No one close to Schroeder is advising him to support such action without a U.N. mandate. Schroeder himself supports a mandate, but he is not dogmatic. He will want to hear directly from you the reasons, especially the legal basis for such action now.

Schroeder is clearly not prepared to have his first major international decision as Chancellor be seen as breaking ranks with Germany's allies. However, the French waffled on the mandate issue when Schroeder saw them last week; and given the inner-coalition fractures on this issue, expecting a clear decision from him now to deploy German forces might be more than the traffic can bear. Our first priority is full German support and participation; you should reject hand-wringing that Germany can do nothing until November. Should Schroeder propose constructive abstention, approving the NATO action but not with German forces, you should push him at a minimum to commit to such participation once he enters office.

~~CONFIDENTIAL~~

Classified By: Strobe Talbott, Acting Secretary
Reason: 1.5 (B) and (D)

OCT 8 6:21

~~CONFIDENTIAL~~

- 2 -

Both Schroeder and Fischer support NATO and will prevail over Green party positions calling for German withdrawal from the Alliance, but we need more than a passive, if supportive, partner in the run-up to the April Washington Summit. We need Germany to join us actively in defining the NATO of the 21st century: a larger, more flexible alliance committed to collective defense and capable of defending against threats to common interests.

Schroeder's own international priority is the European Union; Germany assumes the EU Presidency in January, the same time the Euro will be launched. We anticipate an EU mandate to negotiate under the German Presidency the Transatlantic Economic Partnership (TEP) you announced with Prime Minister Blair in May, but the substance is being whittled away by intra-EU bargaining. You should underscore to Schroeder our concern that the TEP have as much substance as possible; it could form the transatlantic centerpiece of the German EU Presidency.

Schroeder will also chair the G-8 summit in Cologne next spring. He shares two of our G-8 priorities: Russia's stability and economic prosperity, and managing the international financial crisis.

Schroeder was critical of Helmut Kohl's focus on Boris Yeltsin and will look to establish a strong working relationship with Primakov. He has spoken of the need to understand Russia's version of "social capitalism" and rollback of various reforms. You should stress the importance of continued economic reform and encourage Schroeder to join us in our message to Moscow that it needs to present a credible stabilization program.

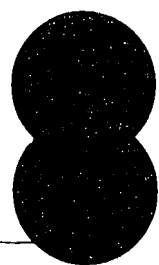
Schroeder is an ally in addressing the international financial crisis. Even Germany's stable markets have been rocked by instability in Asia and Russia. Schroeder is likely to endorse lower interest rates and to pursue policies that spur economic growth. Your meeting is an opportunity to review your initiative on international financial reform and to enlist Schroeder's assistance.

This is a time for greater engagement with Germany, when we can help steer the new government's course and build strong relations with many new faces. In this regard, our international agenda with the new coalition is likely to fare better if supported by a strong dialogue on common domestic concerns.

~~CONFIDENTIAL~~

National Security Council
The White House

10/9/11 5



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	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff	<u>1</u>	<u>10/17</u>	<u>Done</u>
Rice			
Davies			
Kerrick			<u>done</u>
Steinberg	<u>2</u>		<u>to Coaker on Russia</u>
Berger	<u>3</u>		
Situation Room			
West Wing Desk	<u>4</u>	<u>10/2</u>	<u>DSB</u>
Records Mgt.			

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

COMMENTS: Pres working lunch w/ Chancellor
elect Schroeder of Germany

18 OCT 6 09:12

Exec Sec Office has diskette yes

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

6864

October 6, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: DONALD BANDLER

FROM: NANCY MCELLOWNEY

SUBJECT: Meeting and Working Lunch with Chancellor-elect
Gerhard Schroeder

Attached at Tab I is your memorandum to the President forwarding briefing material for his October 9 meeting with German Chancellor-elect Schroeder.

Concurrence by: Andrew Weiss, David Sandalow and Malcolm Lee

RECOMMENDATION

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

Attachments

Tab I Memo to the President

Tab A Points to be Made

Tab B List of Participants

Tab C Bio

Tab D Memo from Acting Sec of State Talbot

~~SECRET~~

Reason: 1.5(d)

Declassify On: 10/06/08

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E.O. 13526
White House Guidelines, May 16, 2017
By RDS, NARA, Date 11/15/2019
2015-0777-M

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SUMMARY POINTS TO BE MADE FOR MEETING
WITH CHANCELLOR-ELECT SCHROEDER

- Want to work closely, help new government with strong start. Need to keep U.S., Germany tightly coordinated. Available to consult personally; rest of team eager to engage.
- Essential that you support NATO consensus on Kosovo, even without commitment of forces until Bundestag vote, if necessary. Current UNSC resolution sufficient. Cannot allow Russian veto on NATO action in Kosovo.
- Moscow situation very fluid. Need to maintain engagement, speak frankly with one voice, maximize chances to revive reform. Economic crisis may make proliferation problems harder, government too distracted to prevent.
- International financial crisis demands joint action to spur growth. Need your help to work through new ideas to adapt IMF, other Bretton Woods institutions to cope with new circumstances. Want to work closely prior to Cologne G-8.
- NATO Summit next year will define future alliance. Must come to terms with new threats of WMD, regional conflict. Need to sustain momentum of enlargement, strengthen candidacies to ensure new members in coming years.
- On environment, meeting challenge of climate change a top priority. Need joint effort to make promise of Kyoto reality.

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PER E.O. 13526
2015-0777-17 (1.14)
KBH 11/22/2019

~~SECRET~~

Reason: 1.5 (d)

Declassify on: 10/06/08

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002n. memo	From Berger and Sperling re: Restricted Meeting and Working Lunch with Chancellor-Elect Gerhard Schroder (5 pages)	10/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2063

FOLDER TITLE:

9806864

2015-0777-M

rs1390

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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]
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- 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 concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002o. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder (4 pages)	10/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2063

FOLDER TITLE:

9806864

2015-0777-M
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RESTRICTION CODES

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LIST OF PARTICIPANTS

United States

The President

The Vice President

Madeleine Albright, Secretary of State

William Cohen, Secretary of Defense

Robert Rubin, Secretary of the Treasury

Samuel Berger, Assistant to the President for National
Security Affairs

John Kornblum, Ambassador to Federal Republic of Germany

Leon Fuerth, Assistant to the Vice President for National
Security Affairs

Donald Bandler, Special Assistant to the President and Senior
Director for European Affairs, NSC Staff, Notetaker

Brigitta Richman, Interpreter

Germany

Gerhard Schröder, Chancellor-elect

Juergen Chrobog, Ambassador to the United States

Joschka Fischer, Member of Parliament (Alliance 90/The Greens)

Günther Verheugen, Member of Parliament (SPD)

Ludger Volmer, Member of Parliament (Alliance 90/The Green)

Uwe Karsten Heye, State Secretary and Government Spokesman
of Lower Saxony

Alfred Tacke, State Secretary of the Ministry for Economy,
Technology and Transportation of Lower Saxony

Mrs. Lena Hassinger-Lees, Interpreter

Protocol
order

Switch these
2

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002p. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder [incomplete copy] (3 pages)	10/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2063

FOLDER TITLE:

9806864

2015-0777-M

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parliamentary approval before deploying forces. Nonetheless we believe that Schroeder is prepared to have Germany join consensus at NATO on the ACTORD -- perhaps with the caveat that they will only commit forces after the Bundestag vote. Your meeting with Schroeder will provide an opportunity to ensure he supports this approach before the NAC planned for Saturday, October 10.

Russia. Schroeder criticized Kohl for being too Yeltsin-centric, but shares our concerns about Russia's deepening economic crisis. He will want to hear your assessment of Primakov and will probably push for broadening our engagement with presidential hopefuls (e.g., Lebed and Luzhkov) and regional leaders. You should emphasize that the Russians see Germany as their main European partner and that Bonn's views on economic and foreign policy matters carry special weight across the Russian political spectrum. The current situation remains worrisome -- Yeltsin is less engaged on day-to-day policy matters, and Primakov has been unable to develop a comprehensive economic program, much less forge consensus on the tough steps needed to tackle the crisis. The Russian team that attended the annual IMF and World Bank meetings offered few specifics on their plans or agenda. Ironically, Primakov's most constructive statement on economics has been that he has no strategy. (That statement was essentially a rebuff to the Soviet-style plan drafted last week by First Deputy PM Maslyukov.)

You should emphasize to Schroeder that we want to support an economic program that works. We need to send very clear signals to the Russians about facing up to urgent tasks such as restoring the fiscal balance, overhauling the tax system, stabilizing the exchange rate, restructuring the banking sector, and coming to appropriate terms with Western creditors on state and commercial debt. We have been pushing the Russians to tackle these problems in ways that will bolster their credibility internationally but avoid a spike in inflation, a currency meltdown, or collapse of the banking system.

International Financial Situation. In response to the ongoing crisis, we and other G-7 members have called for a shift in emphasis from concerns with inflation to growth. In contrast, Germany and Bundesbank head Tietmeyer have thus far strongly resisted calls to reduce interest rates and for multilateral commitments to the type of

IV. PARTICIPANTS

The list of participants is at Tab B.

V. PRESS PLAN

Pool Spray

VI. SEQUENCE

Photo Op/Restricted Meeting/Working Lunch

Attachments

Tab A Points to be Made

Tab B ~~List of Participants~~

Tab C Bio

Tab D Memo from Acting Secretary of State

6864

Nonetheless, we believe that Schroeder is prepared to have

parliamentary approval before deploying forces. We have urged the Germans to join consensus at NATO on the ACTORD -- if necessary with the caveat that they will only commit forces after the Bundestag vote -- as the best way to end the repression in Kosovo and ensure NATO's continuing contributions to peace. Your meeting with Schroeder will be our last opportunity to ensure he supports this approach before the NAC planned for Saturday, October 10. The sequence would be: consultations leading up to Schroeder visit; agreement in your October 9 meeting that Germany will join allied consensus on ACTORD the next day; Schroeder conveys word to Kohl or suggests early a.m. October 10 cabinet meeting in Bonn.

perhaps

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2015-0777-M (1.19)

KOH 11/22/2019

International Financial Situation. In response to the on-going crisis, we and other G-7 members have called for a shift in emphasis from concerns with inflation and ~~"moral hazard"~~ to growth and ~~coordinated intervention~~. In contrast, Germany and Bundesbank head Tietmeyer have thus far strongly resisted calls to reduce interest rates and for multilateral commitments to the type of precautionary financing facility that the Administration presented to the G-7 last weekend. While the SPD has signaled that it would favor an interest rate cut, its support for such an action (ultimately a Bundesbank call) has been tepid, in part because such action might undercut the strength of the Euro when it is introduced next year. We hope Schroeder will cooperate in taking a stronger stance, both in support of lower interest rates and for new IMF-led approaches to containing contagion. (S)

NATO Summit. Though both the SPD and the Greens have a history of antipathy toward NATO, Schroeder understands the crucial role played by the Alliance and will be receptive to our objectives for next year's summit. That said, he lacks the instinctive commitment of Kohl to NATO and is likely to require more extensive consultation before joining -- much less leading -- consensus on any given issue. Schroeder will want to hear from you about the likely direction of next steps on Open Door and specifically whether you favor any new invitations at the summit. He will also want to hear your views about NATO's new missions in regional conflict and WMD, and how the summit can best position us to extend our common strategic horizon.

Environment. The ascendance of the Greens creates at least one important opportunity and one potential problem for our global environment agenda. Fortunately, the new German Government should be more willing than its predecessor to support environment standards for export credit agencies (an issue you have raised at each of the last two G-8 Summits.) You should urge a U.S.-German partnership on this issue. Less happily, the new German Government may take a harder line in favor of restrictions on emissions trading under the climate treaty.

~~TIME PERMITTING~~

Turkey. The SPD has been more sympathetic towards problems of Turkish residents of Germany -- favoring for example less restrictive citizenship rules for those born in Germany -- and has called for a more open approach to Turkey. The SPD will support Turkish EU membership only in the long term due to fear of unrestricted immigration and criticism of human rights abuses, but Schroeder will seek to improve the tone of German-Turkish and EU-Turkish relations. His policies should reinforce our efforts to maintain Turkey's pro-Western alignment and to ease tensions in the Aegean.

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Tab A Points to be Made
Tab B List of Participants
Tab C Bio

SUMMARY POINTS TO BE MADE FOR MEETING
WITH CHANCELLOR-ELECT SCHROEDER

- Want to work closely, help new government with strong start. Need to keep U.S., Germany tightly coordinated. Available to consult personally; rest of team eager to engage.
- Essential that you support NATO consensus on Kosovo, even without commitment of forces until Bundestag vote, if necessary. *Current UNSC resolution sufficient. Cannot allow Russian veto on NATO action in Kosovo.*
- Moscow situation very fluid. Germany has unique influence. Need to maintain engagement, speak frankly with one voice, maximize chances to revive reform.
- International financial crisis demands joint action to spur growth. Need your help to work through new ideas to adapt IMF, other Bretton Woods institutions to cope with new circumstances. *Want to work closely prior to Cologne G-8.*
- NATO Summit next year will define future alliance. Must come to terms with new threats of WMD, regional conflict. Need to sustain *momentum of enlargement*, strengthen candidacies to ensure new members in coming years.
- On environment, meeting challenge of climate change a top priority. Need joint effort to make promise of Kyoto reality.

*Delay
will
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any chance for
negotiated
solution*

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chance
for
negotiated
solution*

credibility of open door

credibility of open door

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2015-0777-M (1.20)
KBM 11/22/2019

POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR-ELECT GERHARD SCHROEDER

RESTRICTED SESSION

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PER E.O. 13526
2015-0777-M (1.21)
KBM 11/22/2019

U.S.-German Cooperation

- Want to work very closely with you, do everything possible to ensure your new government gets strong start.
- Have ambitious common agenda in months ahead, need to keep U.S. and Germany tightly coordinated on top priorities.
- Want you to know that I am available to consult whenever you have issues to discuss; rest of Administration also ready and eager to engage.
- Understand you're still negotiating coalition/policy agreement with Green party. Interested to hear your expectations of outcome for policy agenda.

WORKING LUNCH

Kosovo

- Alliance unity on Kosovo is key to efforts to stop killing, get parties to negotiating table.
- Know this comes at awkward time in German politics, but need to work together to get it right. Essential that we get NAC decision on ACTORD tomorrow in Brussels. *Hi, need this weekend*
get Milosevic to agree without need for airstrikes
- Want this to be first successful example of our working together on key foreign policy challenge. *Delay will undercut our ability to get Milosevic to agree without the need for airstrikes*
- Vitally important that you are squarely behind strong NATO stance, even if you cannot make a clear decision right now to deploy troops. Urge you to allow NATO consensus to proceed, if necessary with public statement clarifying your intention to seek Bundestag approval before committing forces.
- You know our position on a UN mandate. We don't think NATO needs one. For those countries that do, believe current resolution should be sufficient.

Nina,

JS changes
in this cover
memo to Pres
have been made
as well as Andrew's
changes. Tom

THE WHITE HOUSE
WASHINGTON

RESTRICTED MEETING AND WORKING LUNCH WITH
CHANCELLOR-ELECT GERHARD SCHROEDER

DATE: October 9, 1998
LOCATION: Oval Office and
Family Dining Room
TIME: 12:00 - 1:15 p.m.
FROM: SAMUEL BERGER
GENE SPERLING

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.22)
KBM 11/22/2019

I. OBJECTIVES

- Press for close cooperation with new government, enlisting Schroeder's personal engagement on key issues.
- Obtain full endorsement for NATO action in Kosovo, including ACTORD approval, without additional UN mandate.
- Call for close cooperation on Russia, need for international community to speak frankly with one voice on economic crisis.
- Secure support for your international financial reform initiatives.
- Preview key objectives for 1999 NATO summit.

II. BACKGROUND

The flush of Schroeder's overwhelming victory on September 27 has given way to a sober appreciation of the daunting challenges ahead, both domestically and abroad. In choosing to form a government with the often unruly Green party, Schroeder has sparked questions about his ability to manage -- and sustain -- this potentially fractious coalition. Despite the 21-seat margin of the SPD-Greens within the Bundestag, Schroeder knows that many Germans would have preferred a CDU-SPD "grand coalition" and he faces difficult negotiations before a detailed policy platform can be agreed with the Greens.

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Reason: 1.5(d)

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Schroeder hopes to be elected to the Chancellorship by the Bundestag on October 27. In the remaining weeks, he is scrambling to avoid a misstep on foreign policy -- his area of greatest inexperience. The looming crises in Kosovo, Russia, and the international financial system have posed immediate and unexpected problems for Schroeder, who is suffering from Germany's lack of an elaborate transition process. He will be looking to you for a frank discussion of key upcoming foreign policy decisions and the difficult trade-offs they are likely to require.

III. AGENDA

RESTRICTED SESSION

U.S.-German Cooperation. You should use your restricted session with Schroeder to stress the need for close collaboration over the coming weeks and to underscore our desire to be helpful to his new government. Despite Schroeder's good meetings on September 30 with Chirac and Jospin, he has made clear that he will be looking to you and Tony Blair as key partners.

Domestic Political Objectives. Schroeder is also likely to use the smaller setting in the Oval Office to review his agenda for political and economic change within Germany. Though his campaign was dominated by the issue of economic reform, he is just now moving to formulate a detailed program of economic policies to attack unemployment, stalled growth in the east, and long overdue liberalization of the German economy. He will have to overcome strong elements of his own party that remain loyal to traditional SPD interventionist policies and knows that early action on issues such as tax reform will be seen as a litmus test of his ability to implement a new centrist approach.

WORKING LUNCH

Kosovo. Schroeder has confessed to feeling overwhelmed by the dimensions of the decision he faces on Kosovo. He would prefer a second UN mandate explicitly authorizing NATO action and will be wary of taking formal decisions prior to an October 15 Bundestag vote authorizing the German deployment. Both Schroeder and Kohl are fearful that an early German decision will rupture the growing German consensus in favor of peacekeeping missions and violate their constitutional requirement to seek

Saturday
parliamentary approval before deploying forces. We have urged the Germans to join consensus at NATO on the ACTORD -- if necessary with the caveat that they will only commit forces after the Bundestag vote -- as the best way to end the repression in Kosovo and ensure NATO's continuing contributions to peace. Your meeting with Schroeder will be our last opportunity to ensure he supports this approach before the NAC planned for October 10. The sequence would be: consultations leading up to Schroeder visit; agreement in your October 9 meeting that Germany will join allied consensus on ACTORD ~~at October 10 NAC~~; Schroeder conveys word to Kohl or suggests early a.m. October 10 cabinet meeting in Bonn.

the next day The next day

Russia. Schroeder criticized Kohl for being too Yeltsin-centric, but shares our concerns about Russia's deepening economic crisis. He will be receptive to your assessment of the dilemmas facing Primakov and will probably push for broadening our engagement with various presidential hopefuls (Lebed, Luzhkov, et al) and regional leaders. You should emphasize our concern that Yeltsin is less active on day-to-day policy matters and that Primakov has been unable to develop a comprehensive economic program, much less forge consensus on the tough steps needed to tackle the crisis. The Russian team that attended the annual IMF and World Bank meetings offered few specifics on their plans or agenda. Ironically, Primakov's most constructive statement on economics has been that he has no strategy. (That statement was essentially a rebuff to the Soviet-style plan drafted last week by First Deputy PM Maslyukov.)

You should emphasize to Schroeder that we want to support an economic program that works. ~~But we also need to recognize that Primakov and others will be looking to blame failure on the West.~~ We need to be sure that the Russians take ownership of their program and that the Communists or nationalists cannot, in six months, claim that Russian economic distress is due to imposition of Western conditions. Even if the chances are slim, a cautious Western response now will give Russian reformers their best chance to exert greater policy influence several months down the road.

In the foreign policy realm, the picture is mixed at best. Yeltsin dispatched Ivanov and Sergeyev to Belgrade on Sunday in an attempt to head off NATO air strikes. Russian rhetoric about the crisis has been exaggerated on both

Milosevic's compliance with the UNSC's demands and possible NATO action. A Russian government statement suggested that any use of force would be an act of aggression against the FRY. If time permits, it would be useful to alert Schroeder to our continued concerns about Russian entities' cooperation with Iran's missile and nuclear programs.

International Financial Situation. In response to the on-going crisis, we and other G-7 members have called for a shift in emphasis from concerns with inflation and "moral hazard" to growth and coordinated intervention. In contrast, Germany and Bundesbank head Tietmeyer have thus far strongly resisted calls to reduce interest rates and for multilateral commitments to the type of precautionary financing facility that the Administration presented to the G-7 last weekend. While the SPD has signaled that it would favor an interest rate cut, its support for such an action (ultimately a Bundesbank call) has been tepid, in part because such action might undercut the strength of the Euro when it is introduced next year. We hope Schroeder will cooperate in taking a stronger stance, both in support of lower interest rates and for new IMF-led approaches to containing contagion.

NATO Summit. Though both the SPD and the Greens have a history of antipathy toward NATO, Schroeder understands the crucial role played by the Alliance and will be receptive to our objectives for next year's summit. That said, he lacks the instinctive commitment of Kohl to NATO and is likely to require more extensive consultation before joining -- much less leading -- consensus on any given issue. Schroeder will want to hear from you about the likely direction of next steps on Open Door and specifically whether you favor any new invitations at the summit. He will also want to hear your views about NATO's new missions in regional conflict and WMD, and how the summit can best position us to extend our common strategic horizon.

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IV. PARTICIPANTS

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V. PRESS PLAN

Pool Spray

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- Moscow situation very fluid. Need to maintain engagement, speak frankly with one voice, maximize chances to revive reform. Economic crisis may make proliferation problems harder, government too distracted to prevent.
- International financial crisis demands joint action to spur growth. Need your help to work through new ideas to adapt IMF, other Bretton Woods institutions to cope with new circumstances. Want to work closely prior to Cologne G-8.
- NATO Summit next year will define future alliance. Must come to terms with new threats of WMD, regional conflict. Need to sustain momentum of enlargement, strengthen candidacies to ensure new members in coming years.
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POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR-ELECT GERHARD SCHROEDER

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Kosovo

- Alliance unity on Kosovo is key to efforts to stop killing, get parties to negotiating table.
- Know this comes at awkward time in German politics, but need to work together to get it right. Essential that we get NAC decision on ACTORD tomorrow in Brussels.
- Want this to be first successful example of our working together on key foreign policy challenge.
- Vitally important that you are squarely behind strong NATO stance, even if you cannot make a clear decision right now to deploy troops. Urge you to allow NATO consensus to proceed, if necessary with public statement clarifying your intention to seek Bundestag approval before committing forces.
- You know our position on a UN mandate. We don't think NATO needs one. For those countries that do, believe current resolution should be sufficient.

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- Making every effort to do this together with Russians. However, since NATO-Russia Founding Act, have refused to give Russia veto over Alliance decisions. Cannot allow them to exercise a veto on NATO's action in Kosovo either.
- Europe looks to Germany for moral leadership -- cannot allow insistence on another UNSC resolution to prevent Alliance from doing what we all agree is right and necessary.
- Result will not only be failure on ground, but discrediting of Alliance. Cannot allow this to happen.

Russia

- Situation in Moscow still very fluid. Economic situation will be very difficult for foreseeable future. Want to be helpful if new government gets its act together.
- Leadership situation also cloudy. Primakov has not hit ground running or laid out credible economic agenda. Yeltsin keeping his distance from day-to-day policy.
- Important to engage new team frankly and openly about tough choices they face on budget, state and commercial debt, banking crisis, and currency stabilization.
- Overall goal should be to maximize chances to revive reform when Russians realize "third way" doesn't work. Yeltsin is probably hedging his bets about this team.
- In long run, need and want Russia to opt for integration and cooperation. And if they don't, Russians retain ability to make life pretty difficult for us (e.g., Kosovo, Iraq).
- Economic crisis may make nonproliferation problems harder to solve. Destitute enterprises have bigger incentive to sell. Government too distracted to stop them.

International Financial Situation

- We are in midst of most serious economic crisis world has faced in fifty years. Turmoil in Russia, Asia, Latin America is affecting Germany's economy, as well as our own.
- To end crisis, we must act together to spur global economic growth. America will maintain fiscal discipline that has

lowered interest rates, fueled investment and stimulated job growth. Also key: I will act to keep American markets open.

- Hope Germany can lead Europe to pursue policies to spur growth and encourage greater efforts to further liberalize markets.
- In International Financial Institutions, we must develop policies so that countries can keep benefits of free-flowing capital, in a way that is safe and sustainable, even as we carefully and deliberately look at suggestions for reform. We must adapt IMF and other Bretton Woods institutions to enable them to minimize frequency, severity, human cost of new types of financial crises.
- We presented to G-7 last weekend new ideas on financing facilities and enhanced World Bank lending. Need your support in thinking through and implementing this approach.
- In Asia, Japan is key. Look forward to working with you to convince Japanese to adopt appropriate growth policies.
- Your role in G-8 will be vital in addressing these issues. Want to work closely with you prior to Cologne Summit next year.

NATO Summit

- NATO is at core of European security; essential link between Europe and United States.
- Active German leadership at NATO is vital to health of Alliance, bolsters strength of Euro-Atlantic partnership.
- Look forward to your visit to Washington in April for NATO Summit, marking Alliance's 50th anniversary.
- Our goal for Summit is to define NATO of 21st century: a larger, more flexible Alliance, committed to collective defense and capable of dealing with a broad range of challenges to Alliance interests.
- At Summit, need to raise our sights to extend our common strategic horizon, look at threats emanating from beyond NATO's borders, such as WMD, ethnic conflict, terrorism.

- Must also use summit to sustain momentum of enlargement, reaffirm Open Door. See little consensus for new invitations, but believe robust package to strengthen candidacies will help ensure new members in coming years.
- Have heard of past positions by Green Party calling for German withdrawal from NATO and the dissolution of Bundeswehr. Hope these ideological stances will not affect platform of your new government.

Environment

- What agenda do you foresee for environment policy?
- Hope we can work together to promote environment standards for export credit agencies. Few things we could do that would have more impact in protecting the global environment.
- Meeting the challenge of climate change one of my top priorities. Working hard on this here at home; hope we can work together to make promise of Kyoto a reality.

TIME PERMITTING: Turkey

- Pleased with your public support for closer ties between Germany and Turkey and an end to "past irritations."
- Closer Turkish ties with the EU will enhance prospects for progress on Cyprus and the Aegean, democracy and human rights, and cooperation on regional issues.
- Hope you'll work for progress before Vienna Summit, during EU Presidency.
- Turkey knows it's not ready for membership, but needs clearer recognition that it is candidate just like other applicants.
- Signals and presentation count. Making it clearer that there are twelve candidates, even if all are at different stages, is important. Also need to find way to remove Greek veto on EU funds.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002x. talking points	re: Points to be Made for Meeting with Chancellor-Elect Gerhard Schroder [incomplete copy] (2 pages)	10/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2063

FOLDER TITLE:

9806864

2015-0777-M

rs1390

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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]
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- 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 concerning wells [(b)(9) of the FOIA]

- A
- We need to work together on two challenges: short term challenge of containing crisis and long challenge of reforming international financial architecture.
 - Industrial countries must act together to spur global growth. America will do its part. Hopeful about IMF vote.
 - Vital that Japan move rapidly to address its serious banking problems.

- B
- Also critical to stop contagion from spreading to countries that are pursuing sound policies in Latin America and elsewhere. Believe we need to develop precautionary financial facility anchored in IMF that can help good performers ward off financial attacks.
 - Most immediate focus is Brazil, where we are working closely with G-7. Expect they will negotiate financial program with IMF over next few weeks. We are looking at possibility of supplementing this with bilateral funds together with our G-7 partners. Hope we can look to Germany for support.
 - On long-term architecture reform, new group of financial ministers and central bank governors combining G-7 with key emerging economies has developed a very productive process and some interesting initial recommendations. Hope this work can be carried forward and feed into the G-7/G-8 process that you will chair next year.

~~SECRET~~
NSC/RMO PROFILE

RECORD ID: 9806864
RECEIVED: 06 OCT 98 16

TO: PRESIDENT

FROM: BERGER
SPERLING, G

DOC DATE: 08 OCT 98
SOURCE REF:

KEYWORDS: GERMANY

VISIT

PERSONS: SCHROEDER, GERHARD

SUBJECT: BRIEFING MEMO & TALKING POINTS FOR PRES 9 OCT RESTRICTED MTG &
WORKING LUNCH W/ GERMAN CHANCELLOR ELECT SCHROEDER

ACTION: ORIGINAL MTG CARDS RETURNED

DUE DATE: 12 OCT 98 STATUS: C

STAFF OFFICER: MCELLOWNEY

LOGREF:

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

FOR INFO

BANDLER
MCELLOWNEY
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSSWD

CLOSED BY: NSDMK

DOC 5 OF 5

~~SECRET~~

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E.O. 13526
White House Guidelines, May 16, 2017
By RD NARA, Date 11/15/2019
2015-0777-M

~~SECRET~~

RECORD ID: 9806864

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER	Z 98100713 FWD TO PRESIDENT FOR INFORMATION
001 SPERLING, G	X 98100816 FOR SIGNATURE
002 MCELLOWNEY	Z 98100711 ADD-ON / APPROPRIATE ACTION
003 MCELLOWNEY	Z 98100806 ADD-ON / APPROPRIATE ACTION
004 MCELLOWNEY	Z 98100806 ADD-ON / APPROPRIATE ACTION
005 PRESIDENT	Z 98100820 FOR INFORMATION
005	X 98101515 NOTED BY PRESIDENT
005	X 98101516 ORIGINAL MTG CARDS RETURNED

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

005 981008	VICE PRESIDENT
005 981008	WH CHIEF OF STAFF

~~SECRET~~

~~SECRET~~

THE PRESIDENT HAS SEEN 6864

10-9-98

SUMMARY POINTS TO BE MADE FOR
MEETING
WITH CHANCELLOR-ELECT SCHROEDER

- Want to work closely, help new government with strong start. Need to keep U.S., Germany tightly coordinated. Available to consult personally; rest of team eager to engage.
- Essential that you support NATO consensus on Kosovo, even without commitment of forces until Bundestag vote, if necessary. Delay would undercut any chance for negotiated solution. Current UNSC resolution sufficient. Cannot allow Russian veto on NATO action in Kosovo.
- Moscow situation very fluid. Germany has unique influence. Need to maintain engagement, speak frankly with one voice, maximize chances to revive reform.

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PER E.O. 13526
2015-0777-M (1.27)
KSH 11/22/2019

~~SECRET~~

Reason: 1.5 (d)
Declassify On: 10/6/08

*This is the
one thing
that can
bring him
down.*

*Done well on Kosovo.
Now, need to
keep pressure on (M)
to comply on ground.*

Case Number: 2015-0777-M

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2063				
Document ID: 9806985				
Row: 45	Section: 5	Shelf: 11	Position: 1	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001a. memcon~~	~~re: Working Lunch with Chancellor elect Gerhard Schroeder of Germany (11 pages)~~	~~10/09/1998~~	~~P1/b(1)~~ KBH 4/3/2020
~~001b. memcon~~	~~re: Working Lunch with Chancellor elect Gerhard Schroeder of Germany (11 pages)~~	~~10/09/1998~~	~~P1/b(1)~~ KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2063

FOLDER TITLE:

9806985

2015-0777-M

rs1391

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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- 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 concerning wells [(b)(9) of the FOIA]

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NSC/RMO PROFILE

RECORD ID: 9806985
RECEIVED: 13 OCT 98 10

TO: BERGER

FROM: BANDLER

DOC DATE: 13 OCT 98
SOURCE REF:

KEYWORDS: GERMANY
~~HS~~

MEMCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: MEMCON W/ PRES SCHROEDER OF GERMANY ON 9 OCT

ACTION: KERRICK APPROVED RECOM 2

DUE DATE: 19 OCT 98 STATUS: C

STAFF OFFICER: BANDLER

LOGREF:

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

FOR INFO

BANDLER
EXECSEC
FICKLIN
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSSWD

CLOSED BY: NSGP

DOC 1 OF 1

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White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-01

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ACTION DATA SUMMARY REPORT

RECORD ID: 9806985

DOC ACTION OFFICER

001 BERGER
001

CAO ASSIGNED ACTION REQUIRED

Z 98101907 FOR DECISION
X 98101907 KERRICK APPROVED RECOM 2

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**National Security Council
The White House**

PROOFED BY: _____ LOG # 6985
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS
 BYPASSED WW DESK: _____ DOCLOG 5 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
<i>h</i> Cosgriff	_____	_____	_____
Rice	<u>1</u>	<u>R 10/15</u>	<u>~~Ret~~</u>
Davies	<u>2</u>	<u>S 10/15</u>	_____
Kerrick	<u>3</u>	<u>D 10/16</u>	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>4</u>	<u>W 10/16</u>	<u>N</u>
Records Mgt.	_____	_____	_____
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

cc:

COMMENTS: *Mem Com w/ Shredder*

88 OCT 15 AM 7:12

Exec Sec Office has diskette yes

*I recommend
file for the record
only.
(R)*

**National Security Council
The White House**

PROOFED BY: _____ LOG # 6985

URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS

BYPASSED WW DESK: _____ DOCLOG ED A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
Rice	<u>1</u>	<u>R 10/15</u>	<u>~~ED~~</u>
Davies	<u>2</u>	<u>10/15</u>	
Kerrick	<u>3</u>	<u>R 10/16</u>	
Steinberg			
Berger			
Situation Room			
West Wing Desk	<u>4</u>	<u>W 10/17</u>	<u>N</u>
Records Mgt.			

A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

cc:

COMMENTS:

Mem Com w/ Shredder

*I recommend
file for the record
only.*

Exec Sec Office has diskette WFO

R

198 OCT 15 AM 7:12

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

6985

October 15, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM:

DONALD K. BANDLER 

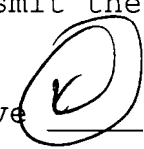
SUBJECT:

Memorandum of Conversation of President's Meeting
with Gerhard Schroeder, Chancellor-elect of
Germany

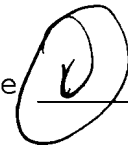
Attached at Tab A is the memorandum of Conversation of the
President's meeting with Gerhard Schroeder, Chancellor-elect of
Germany on October 9, 1998.

RECOMMENDATION

That you authorize Glyn Davies to transmit the Memorandum of
Conversation at Tab A to State.

Approve _____ Disapprove 

That the attached Memorandum of Conversation of the meeting be
filed for the record.

Approve  _____ Disapprove _____

Attachments

Tab I Memorandum to State

Tab A Memorandum of Conversation

~~SECRET~~

Reason: 1.5(d)

Declassify On: 10/15/08

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E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

6985

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation of President's Meeting
with Gerhard Schroeder, Chancellor-elect of
Germany (U)

The attached Memorandum of Conversation of the meeting between
the President and Gerhard Schroeder, Chancellor-elect of
Germany, is provided for the information of the Secretary of
State. It must be distributed via NODIS channels and not below
the Deputy Assistant Secretary (DAS) level. ~~(S)~~

Glyn T. Davies
Executive Secretary

Attachment
Tab A Memorandum of Conversation

~~SECRET~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 10/15/08

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E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-01

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 135262015-0177-M (1.23)
KBH 11/22/2019

MEMORANDUM OF CONVERSATION

SUBJECT: Working Lunch with Chancellor-elect Gerhard
Schroeder of Germany (8)

PARTICIPANTS: The President
Robert E. Rubin, Secretary of the Treasury
William S. Cohen, Secretary of Defense
Samuel R. Berger, Assistant to the
President for National Security Affairs
Gene Sperling, Assistant to the President
for Economic Policy and Director of
National Economic Council
John Kornblum, U.S. Ambassador to Germany
Thomas Pickering, Under Secretary, Political
Affairs, Department of State
James Steinberg, Deputy Assistant to the
President for National Security Affairs
Leon S. Feurth, National Security Advisor
for the Vice President
Donald K. Bandler, Special Assistant to
the President and Senior Director for
for European Affairs, NSC Staff,
(Notetaker)

Gerhard Schroeder, Chancellor-elect
Juergen Chrobog, Ambassador to the U.S.
Joschka Fischer, Member of Parliament
Gunther Verheugen, Member of Parliament
Ludger Volmer, Member of Parliament
Uwe Karsten Heye, State Secretary and
Government Spokesman of Lower Saxony
Alfred Tacke, State Secretary of the
Ministry for Economy, Technology and
Transportation
Interpreter

DATE, TIME October 9, 1998, 11:45 a.m. - 1:20 p.m.
AND PLACE: Old Family Dining Room

~~SECRET~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 10/13/08

The President: We had a good conversation in the Oval office focused largely on Kosovo. Perhaps you can start here by telling us what you are doing to put your governing coalition together and what its policy priorities will be. I'd like to hear about your plans for Germany's domestic economy and how it will be affected by factors beyond German borders -- Russia and the financial crisis in particular. (U)

Chancellor-elect Schroeder: I will begin next week building our new coalition. Chancellor Kohl has been personally very helpful during the transition. His attitude and demeanor have been positive, and he has shown great statesmanship in dealing with change. The new Bundestag will come into session on October 26 and my government will start working on the 27th. (U)

Our three foremost challenges are unemployment, training and jobs for youth, and tax reform. Now all of these issues will be affected by the framework of our overall budget and finances. So it is clear that I will have to proceed in stages. By lowering the costs of doing business and reducing social subsidies, we hope unemployment can be brought down. I am optimistic about this. I will also try to reduce unemployment through an "alliance for work" that is an alliance of unions, employers and the state. (U)

In the foreign policy area I expect lots of continuity. The international problems facing us are challenging and will require new levels of cooperation. On the European level, I will be working very closely with other governments -- especially France and the United Kingdom -- and with the leaders of the social democratic parties to cooperate in the fight against unemployment. Action will be required on the European level -- not as a replacement to national policy but as an essential supplement. (U)

Another key issue will be enlargement of the European Union toward the east. We hope to maintain momentum but expectations do seem quite excessive. We will have to explain to the candidate countries that differences in national economies mean that some candidate countries will take longer to enter the Union than others. This should not erode the candidates' efforts nor those of existing members to bring them in, but more time will be required. (U)

Now concerning international economic cooperation, I hope we can pool our strengths even more in the future. I read your September speech at the Council on Foreign Relations. My own

thinking is very much along the lines as yours concerning a so-called third way. There are three points I would like to make. First, we have to find better ways to control banks, financial markets and capital flows. Second, we have to find out how it will be possible to involve the private sector in finding solutions to international crises. Third, we have to adapt the IMF and World Bank and improve the way they function. (C)

Now one of our best tools for economic cooperation is the G-7/8. This was a very useful instrument but it has degenerated and shows signs of wear today. Summits are delving into a vast array of issues. We should refocus them on the core purpose, which is how to improve international economic cooperation and performance. (C)

The President: I would like to make three observations. First, there is a real opportunity now that you have been elected to build consensus among Germany, the United Kingdom, France and the United States on how to grow our economies and decrease unemployment. With the right policies and tools in place, we will certainly be able to make rapid progress in the West and more gradual progress on the eastern half of the continent. (C)

Second, it is obvious that developments in some regions threaten overall international economic health. This is fundamentally a problem of liquidity: there is just not enough money given worldwide levels of international loan exposure. We need to articulate clearly that the problem is not the risk of inflation but the risk of contraction. In other words, there is not enough liquidity to spur growth. (C)

Third, the international financial institutions have serious problems to deal with in the short-term. The U.S. and Germany could put up \$50 billion tomorrow to deal with some of these problems and it would all be gone within a week -- in many cases, the money would simply be expatriated. So, we need the IMF with backup from the G-7 to increase liquidity. Otherwise, anything we could do would just end up hurting our own economies. (C)

We will have our IMF contribution freed up in the coming days and will then focus more on decisions ahead involving liquidity and the IFIs. The problem with the IMF and World Bank is that they were designed to build a world trading system and a social safety network for the poorest countries. They are not equipped

to construct a world financial system with hundreds of billions of dollars in overnight flows. (C)

In our national economies, we have built regulatory systems that limit the risks of leveraging, market abuses and fraud. Regulation by our Securities and Exchange Commission has helped us deal with huge increases and decreases in our equity markets. When large decreases come we are faced with enormous financial/liquidity needs -- like those affecting Asia, Russia, and Latin America today. The effects eventually hit our financial institutions due to their overseas exposure. (C)

In the short run, we need more liquidity in the system and we have to be disciplined enough not to throw good money after bad. At the same time, we have to be sure that key countries like Brazil, Mexico and Thailand do not fail. In the long run, we have to deal with the entire range of international capital movements by developing an effective global regulatory system. Our finance ministers in the G-7 have been working with 15 or 16 developing countries along exactly these lines. There is no consensus yet on a mechanism to solve the problems. Without such a mechanism, my opinion is that today's international problems will only be repeated. (C)

Secretary Rubin: I agree. The problems are very complex, the worse we have seen in 50 years. Alan Greenspan told me recently that he has never seen anything quite like the situation we are facing. It is important that we engage right away; Germany and the United States should provide a lot of leadership. (C)

Sometimes we get the impression in our G-7, World Bank and IMF discussions that the continental Europeans are less concerned about the problems than are the United States and United Kingdom. A high level of German involvement and initiative will be critically important in resolving the problems we face. (C)

Looking at Asia and Latin America, Europe has been more restrictive in certain -- but not all -- respects in accepting exports from these countries. They are looking for help in order to come back, and that would be in all of our interests. We need to ensure also that we have up to date global financial architecture. A lot of that but not all has already been done. (C)

The President: Over the years I have had lots of ideas on training, on investment in the areas that haven't had it before on education. I was reminded of that when I visited Eisenach in

eastern Germany not long ago. There is no doubt about the impact of the modern industrial investments that have come in there, but there are 20, 50 or 100 other places that haven't yet had that kind of investment. (U)

I realized at a certain point that none of the micro strategies will work in the absence of an overall macro economic strategy. In our case, I realized we needed to drive down the budget deficit, which would in turn bring interest rates down, create jobs and stimulate private sector-driven growth. That approach has worked. (U)

You face a similar dilemma. If you do what is necessary domestically, your banks may still be hit hard by the situation in Russia and the general financial crisis. Whatever our domestic improvement or international successes like Latin America, the weight of the huge international market will weigh down on us. Prosperity based on justice will be impeded by an international crisis regardless of how well we do with third way ideas. (C)

Frankly, I was somewhat taken aback at the World Bank/IMF meetings here in Washington last week when the German and French central bankers emphasized a desire not to overstate the problem because not all developing countries are hurting. This may be true of Poland and Hungary. Moreover, I recognize that Germany and France have moderate growth prospects for the year ahead. But, it's also true, and it wasn't mentioned by these same bankers, that France has 12 percent unemployment and Germany has a similar problem. It bothered me that we have only a 10 percent risk of inflation damaging our economies but a 90 percent risk of deflation, and yet they suggested there was compelling reason to change policies. (C)

I have worked at getting the right policy mix for over six years. Things are going very well in the United States, but all the new prosperity could disappear. We really need an international strategy. It will be important for us to work closely with Jospin, Blair, the Italians and others. We need a consensus about how to regulate the cycle of boom and bust internationally over the long-term -- just as we have been able to do nationally. (C)

You have decided to create the Euro and a monetary union and the idea is a good one. However, there must also be a solid international system, given the degree of interdependency that comes with huge daily capital flows. The prospect for

speculation on currencies and commodities, for leveraging and hedging through funds, for volatile derivatives -- all of this has become a force of nature. (S)

It is clear that those of us who do have strong economies now have to be responsible and get more liquidity into the system. This will complement and accelerate efforts by our policy experts to put measures into place to avoid a growing crisis. I don't say this publicly, but we could have a very serious problem. The risk is not small. (S)

If I had one wish for you, for all of us, it would be for you to be able to develop excellent chemistry with the Japanese government. I have had six Japanese colleagues and not been able to find a way to move them to do what is in their nation's self interest. Japan must, for example, reform its banking system. Whatever we do to fix our own economies, we will have a large weight tied on our feet unless they are with us and they have resolved some of their fundamental problems. Now, I would never say any of this publicly, but you have to look at the facts. And once again, I thought that your central bankers were much too confident and fixated on inflation. Japanese banks are not the biggest problems perhaps, but they are one hell of a problem. (S)

Chancellor-elect Schroeder: I agree there is a real problem building up in Japanese society. The country is much more hostile to reform than others. At one time, the strong consensus that existed in Japanese society was a great advantage. Now it has become an economic and political liability because they just seem unable to change. (S)

The President: The sad thing is that they have all of the resources they need. They have saved 20 percent per capita over a period of more than 20 years. They have well over \$1 trillion in their postal saving system. They could refinance their bank debt and have explosive growth if they played their cards right. (S)

China is another problem. We could do everything right and still not find the solutions due to them. (S)

In any case, your election has generated great hopes. Around the world there is a lot of interest in what you will do with your new leadership. Russia is a good example: Germany has a unique opportunity to be a partner with Russia. (S)

Chancellor-elect Schroeder: But who will be our partner in Russia? (C)

The President: It is a good question and I don't have a full answer. Because you are new you can have an appropriate relationship with the Yeltsin government and still reach out to the others. The Russians have a number of different policy courses they might adopt from here to come out okay. There are also a few things over which they have no real choice -- they need to have an honest banking system, as well as an honest and effective system of taxation. We've been trying to convince them that every country needs that. Unfortunately, the last tranche of IMF assistance from our two countries disappeared in 48 hours. (C)

Chancellor-elect Schroeder: I agree that Germany does have a special responsibility for Russia but I am also asking myself who our partner will be. It is certainly not going to be Yeltsin. How stable do you think the Primakov government is? (C)

Thomas Pickering: We expect to see stability for the next 6-8 months under Primakov. In a perverse sort of way, Primakov is there because he was the least bad alternative. The problem is that he has as little economic capability as anyone you could imagine. This is the four week anniversary of his Prime Ministership and there is still no economic plan. If he had a sensible one we could all have been helping to address their problems in a step-by-step way. (C)

We have seen predictions that by now there would have been 20 to 40 million Russians in the streets. In fact, there are fewer than one million. It is a resilient society. They are always fooling us. (C)

So who might replace Primakov? My view is that Lebed would have a very good chance. In fact, we probably face a choice between a not so smart general and a crooked mayor, Lushkov. The reformers think that they will be back in six to eight months. If so, there are any number of people riding white horses. The public is looking for anyone who can lead. (C)

The President: I think you have a possibility, since you are starting fresh, to have a correct relationship and to build bridges to people like Lebed and Lushkov. Russian space scientists have not been paid for 6 months. There are enormous needs and in this sense opportunities. (C)

Samuel Berger: We are not going to give up on this government, either. It has real opportunities. It has not been able to establish a new set of economic policies yet. The President said that you can not defy the economic laws of gravity. We have to realize in the coming months we will not be able to simply bail them out. We need some sort of center position that at least connects the Russian economy to the global economy. (C)

Leon Feurth: All of this discussion touches on key issues of economy uncertainty. But it is also essential that we make progress on issues like reducing their stocks of highly enriched uranium and plutonium, eliminating their chemical weapon stocks, getting ratification of the Start II Treaty, demilitarizing weapons -- especially nuclear weapons -- among other things. The price tags on these items are large. Even before the financial crisis, it was clear that Russia could not pay. The question is that if we want to get these things done, should we consider financing these kinds of changes? This is a key issue. Beyond that, there are health issues. For example, we are finding new strains of TB developing in Russia, strains that are highly resistant. Travel will spread these new strains. Intervention may become necessary to attack what could become a common health problem. (C)

Thomas Pickering: So far they have been moving within the framework of their constitutional system. This is something we should recognize. It is very important. (C)

Joschka Fischer: I want to repeat what Gerhard Schroeder said; we really don't know with whom and on what basis we can develop our relationship with the Russian government. We don't know if we will have to work with Primakov or a new government. There is much talk about the food shortages this winter and the need for imports. What do you think? What effects would you expect on the stability of the Russian government and on our relations if we intervene militarily in Kosovo? (C)

The President: On the question of food it is amazing and a matter of concern that they import close to 70 percent of their food despite their great agricultural capacity and potential. This is a symbol of their broader problem. The west should move as soon as possible to help meet these needs. What Leon said about the nuclear threats is also absolutely true. We should do whatever we can do to help. Similarly, in the area of public health. Now on your second question about Kosovo, this is a

difficult question to evaluate. I have sought to persuade the French not to push a UN Security Council resolution that Russia would have to veto. That approach would put Russian weakness into high relief, and a veto by them would draw international opprobrium. Such an outcome would strengthen extreme and nationalist elements. (C)

Samuel Berger: In fact, the Russians went twice to Belgrade and got promises which were only respected in the most cosmetic ways. This has diminished their willingness to back Milosevic. He has disregarded Russian as well as western interests and this has tempered Moscow's reaction. (C)

The President: The Russians are neither stupid nor insensitive. They know that they have been lied to by Milosevic. But we also should not underestimate Russia's interests and its special view of things. Kosovo is not Bosnia. There have not been as many deaths. Moscow sees Kosovo against the backdrop of Chechnya as a kind of autonomous region looking for independence, with lots of Muslims that need to be brought to heel. A large percentage of Russian opinion sees and feels it that way, but we have reduced the risk of this situation breaking out. Let's return to the economics. (C)

Joschka Fischer: As you said, liquidity is at the root of the problem. How can we envision a solution for Russia? This is important to Germany. If Russia was left to us it would overburden our resources -- it's like what we call a "cat biting its tail," a vicious circle. Problems that they have could have disastrous impact on their ability to regain stability and to do reform. (C)

The President: We need to get through a viable IMF package and a reasonable World Bank social safety network. The funds will never stay inside Russian borders unless the government is successful in collecting taxes, in building a viable banking system and offering investment protections. Both of our countries need to make sure that we are clear with Russia: unless you adopt certain rules of the road, we will not be able to help you. (C)

Chancellor-elect Schroeder: I think we have to be frank here. It's possible the Primakov government can't even make use of an economic blueprint because they don't have a state. That is the real problem. That is why all economic progress has failed. Under the circumstances all that we can really foresee is to focus on project-oriented assistance. This is the only way to

ensure that the assistance funds will not get eaten up or end up in numbered accounts in Cyprus, Switzerland and elsewhere. (C)

The President: I would like to raise a few other topics. We have devoted an awful lot of time in the past years to lessening tensions between the Greeks and the Turks over Cyprus and the Aegean. This is one of only a couple of foreign policy areas where I have made absolutely no progress in my six years. India-Pakistan is another one. You and I discussed this once before. I recognize the complexity of the issue for Germany, but we won't get a fix for Greek-Turkish-Cyprus and Aegean problems on their own terms. Solutions are more likely to flow from something that Europe or the U.S. does with Greece or that Turkey does with the EU. We have different factors in play to resolve some of the basic issues. If we can find a way to handle these problems right, including the problems of Islam to the east and the Balkans to the northwest, this could have a huge positive impact for the next 25 years. And Germany is uniquely poised to play a very positive role with Turkey. (C)

Joschka Fischer: This will not be simple. The third generation of Turks will integrate into German society. They have a positive perspective. We have to keep the EU door open for Turkey, but this is only in a very long-term perspective. The EU is now addressing enlargement to our east. This is a very different kind of project. On human rights, I am not very positive about Turkey. Moreover, the Greek-Turkish problem is very serious, so any European solution can only be considered in a long-term perspective. (C)

Chancellor-elect Schroeder: Well, I need 40 percent of the voters. He only needs 6 percent. (C)

Joschka Fischer: Next time, that will be 8 percent. (C)

The President: I know that this is a big problem. I've been thinking about it and working on it for 6 years. And without really finding a solution. It is a big problem that will shape the dangers and opportunities over the next 30-40 years. (C)

Joschka Fischer: The Kurds, Turkey's domestic situation, and its problems with human rights all create real problems for us. (C)

The President: We understand that. But if Germany were to make a gesture to clarify that there is no risk of European Union bias against letting a Muslim country be part of Europe in the

long-run, this would remove Turkey's excuse for not dealing with its own problems. Over a period of years it might reduce the dysfunctions of their living under a one party government and they wouldn't have their easy comebacks in dealing with Europe.

(S)

Chancellor-elect Schroeder: I want to remind you of what I said last time we met: the European Union is not a religious society but a values society, so Turkey must address its domestic problems. We understand what you are interested in but it is also true that it didn't help when the United States declared that Turkey should be an EU member. I don't share Helmut Kohl's view of the religious issues involved in Turkey and the European Union but we do have to be careful. (S)

The President: We will have to try to meet again soon in the future. There are a number of other things I would like to talk to you about. We have a big NATO Summit coming up next year. I wish we could discuss the global environment. This is one of the great intellectual challenges of our age, to convert people from the idea that there is no longer an iron bond between economic growth and energy use. This is a big problem around the world. (S)

There are important things that we can and should do together and we will need more time soon to talk about this agenda. (S)

Chancellor-elect Schroeder: Mr. President, thank you very much.

(S)

-- End of Conversation --

Dejban, Donna D.

From: Dejban, Donna D.
Sent: Thursday, October 15, 1998 9:13 PM
To: Bandler, Donald K.
Cc: @EUROPE - European Affairs; @CROSS - Cross Hatches
Subject: Pkg 6985 - Schroeder Memcon ~~SECRET~~



6985memconSchroede
r.doc

Don, please see the highlighted portions on pages 5 and 9 and let us know if correct. Thank you.

@CROSS - The edits have been made and document printed in final awaiting clarification from Don Bandler. The package in is the hold file.

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.29)
KBH 11/22/2019

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526

MEMORANDUM OF CONVERSATION

SUBJECT: Working Lunch with Chancellor-elect Gerhard
Schroeder of Germany (g)

PARTICIPANTS: The President
Robert E. Rubin, Secretary of ^{the} Treasury
William S. Cohen, Secretary of Defense
Samuel R. Berger, Assistant to the
President for National Security Affairs
Gene Sperling, Assistant to the President
for Economic Policy and Director of
National Economic Council
John Kornblum, U.S. Ambassador to Germany
Thomas Pickering, Under ^{Sec} Secretary, Political
Affairs, Department of State
James Steinberg, Deputy Assistant to the
President for National Security Affairs
Leon S. Feurth, National Security Advisor
for the Vice President
Donald K. Bandler, Special Assistant to
the President and Senior Director for
for European Affairs, NSC Staff,
(Notetaker)

Gerhard Schroeder, Chancellor-elect
Juergen Chrobog, Ambassador to the U.S.
Joschka Fischer, Member of Parliament
Gunther Verheugen, Member of Parliament
Ludger Volmer, Member of Parliament
Uwe Karsten Heye, State Secretary and
Government Spokesman of Lower Saxony
Alfred Tacke, State Secretary of the
Ministry for Economy, Technology and
Transportation
Interpreter

DATE, TIME October 9, 1998, 11:45 a.m. - 1:20 p.m.
AND PLACE: Old Family Dining Room

~~SECRET~~

Reason: 1.5(d)

Declassify On: 10/13/08

Classified by blyn T. Davis

The President: We had a good conversation in the Oval office focused largely on Kosovo. Perhaps you can start here by telling us what you are doing to put your governing coalition together and what its policy priorities will be. I'd like to hear about your plans for Germany's domestic economy and how it will be affected by factors beyond German borders -- Russia and the financial crisis in particular. (U)

Chancellor-elect Schroeder: I will begin next week building our new coalition. Chancellor Kohl has been personally very helpful during the transition. His attitude and demeanor have been positive, and he has shown great statesmanship in dealing with change. The new Bundestag will come into session on October 26 and my government will start working on the 27th. (U)

Our three foremost challenges are unemployment, training and jobs for youth, and tax reform. Now all of these issues will be affected by the framework of our overall budget and finances. So it is clear that I will have to proceed in stages. By lowering the costs of doing business and reducing social subsidies, we hope unemployment can be brought down. I am optimistic about this. I will also try to reduce unemployment through an "alliance for work" that is an alliance of unions, employers and the state. (U)

In the foreign policy area I expect lots of continuity. The international problems facing us are challenging and will require new levels of cooperation. On the European level, I will be working very closely with other governments -- especially France and the United Kingdom -- and with the leaders of the social democratic parties to cooperate in the fight against unemployment. Action will be required on the European level -- not as a replacement to national policy but as an essential supplement. (U)

Another key issue will be enlargement of the European Union toward the east. We hope to maintain momentum but expectations do seem quite excessive. We will have to explain to the candidate countries that differences in national economies mean that some candidate countries will take longer to enter the Union than others. This should not erode the candidates' efforts nor those of existing members to bring them in, but more time will be required. (U)

Now concerning international economic cooperation, I hope we can pool our strengths even more in the future. I read your September speech at the Council on Foreign Relations. My own

thinking is very much along the lines as yours concerning a so-called third way. There are three points I would like to make. First, we have to find better ways to control banks, financial markets and capital flows. Second, we have to find out how it will be possible to involve the private sector in finding solutions to international crises. Third, we have to adapt the IMF and World Bank and improve the way they function. (C)

Now one of our best tools for economic cooperation is the G-7/8. This was a very useful instrument but it has degenerated and shows signs of wear today. Summits are delving into a vast array of issues. We should refocus them on the core purpose, which is how to improve international economic cooperation and performance. (C)

The President: I would like to make three observations. First, there is a real opportunity now that you have been elected to build consensus among Germany, the United Kingdom, France and the United States on how to grow our economies and decrease unemployment. ~~With~~ With the right policies and tools in place, we will certainly be able to make rapid progress in the West and more gradual progress on the eastern half of the continent. (C)

Second, it is obvious that developments in some regions threaten overall international economic health. This is fundamentally a problem of liquidity: there is just not enough money given worldwide levels of international loan exposure. We need to articulate clearly that the problem is not the risk of inflation but the risk of contraction. In other words, there is not enough liquidity to spur growth. (C)

Third, the international financial institutions have serious problems to deal with in the short-term. The U.S. and Germany could put up \$50 billion tomorrow to deal with some of these problems and it would all be gone within a week -- in many cases, the money would simply be expatriated. So, we need the IMF with backup from the G-7 to increase liquidity. Otherwise, anything we could do would just end up hurting our own economies. (C)

We will have our IMF contribution freed up in the coming days and will then focus more on decisions ahead involving liquidity and the IFIs. The problem with the IMF and World Bank is that they were designed to build a world trading system and a social safety network for the poorest countries. They are not equipped

to construct a world financial system with hundreds of billions of dollars in overnight flows. (C)

In our national economies, we have built regulatory systems that limit the risks of leveraging, market abuses and fraud. Regulation by our Securities and Exchange Commission has helped us deal with huge increases and decreases in our equity markets. When large decreases come we are faced with enormous financial/liquidity needs -- like those affecting Asia, Russia and Latin America today. The effects eventually hit our financial institutions due to their overseas exposure. (C)

In the short run, we need more liquidity in the system and we have to be disciplined enough not to throw good money after bad. At the same time, we have to be sure that key countries like Brazil, Mexico and Thailand do not fail. In the long run, we have to deal with the entire range of international capital movements by developing an effective global regulatory system. Our finance ministers in the G-7 have been working with 15 or 16 developing countries along exactly these lines. There is no consensus yet on a mechanism to solve the problems. Without such a mechanism, my opinion is that today's international problems will only be repeated. (C)

Secretary Rubin: I agree. The problems are very complex, the worse we have seen in 50 years. Alan Greenspan told me recently that he has never seen anything quite like the situation we are facing. It is important that we engage right away; Germany and the United States should provide a lot of leadership. (C)

Sometimes we get the impression in our G-7, World Bank and IMF discussions that the continental Europeans are less concerned about the problems than are the United States and United Kingdom. A high level of German involvement and initiative will be critically important in resolving the problems we face. (C)

Looking at Asia and Latin America, Europe has been more restrictive in certain -- but not all -- respects in accepting exports from these countries. They are looking for help in order to come back, and that would be in all of our interests. We need to ensure also that we have up to date global financial architecture. A lot of that but not all has already been done. (C)

The President: Over the years I have had lots of ideas on training, on investment in the areas that haven't had it before on education. I was reminded of that when I visited Eisenach in

eastern Germany not long ago. There is no doubt about the impact of the modern industrial investments that have come in there, but there are 20, 50 or 100 other places that haven't yet had that kind of investment. (U)

I realized at a certain point that none of the micro strategies will work in the absence of an overall macro economic strategy. In our case, I realized we needed to drive down the budget deficit, which would in turn bring interest rates down, create jobs and stimulate private sector-driven growth. That approach has worked. (U)

You face a similar dilemma. If you do what is necessary domestically, your banks may still be hit hard by the situation in Russia and the general financial crisis. Whatever our domestic improvement or international successes like Latin America, the weight of the huge international market will weigh down on us. Prosperity based on justice will be impeded by an international crisis regardless of how well we do with third way ideas. (U)

Frankly, I was somewhat taken aback at the World Bank/IMF meetings here in Washington last week when the German and French central bankers emphasized a desire not to overstate the problem because not all developing countries are hurting. This may be true of Poland and Hungary. Moreover, I recognize that Germany and France have moderate growth prospects for the year ahead. But, it's also true, and it wasn't mentioned by these same bankers, that France has 12 percent unemployment and Germany has a similar problem. It bothered me that we have only a 10 percent risk of inflation damaging our economies but a 90 percent risk of deflation, and yet they suggested there was compelling reason to change policies. (U)

I have worked at getting the right policy mix for over six years. Things are going very well in the U.S., but all the new prosperity could disappear. We really need an international strategy. It will be important for us to work closely with Jospin, Blair, the Italians and others. We need a consensus about how to regulate the cycle of boom and bust internationally over the long-term—just as we have been able to do nationally. (U)

You have decided to create the Euro and a monetary union and the idea is a good one. However, there must also be a solid international system, given the degree of interdependency that comes with huge daily capital flows. The prospect for

speculation on currencies and commodities, for leveraging and hedging through funds, for volatile derivatives-- all of this has all become a force of nature in itself. (C)

It is clear that those of us who do have strong economies now have to be responsible and get more liquidity into the system. This will complement and accelerate efforts by our policy experts to put measures into place to avoid a growing crisis. I don't say this publicly, but we could have a very serious problem. The risk is not small. (S)

If I had one wish for you, for all of us, it would be for you to be able to develop excellent chemistry with the Japanese government. I have had six Japanese colleagues and not been able to find a way to move the leadership to get them to do what is in their nation's self interest. They must, for example, reform their banking system. Whatever we do to fix our own economies, we will have a large weight tied on our feet unless they are with us and they have resolved some of their fundamental problems. Now, I would never say any of this publicly, but you have to look at the facts. And once again, I thought that your central bankers were much too confident and fixated on inflation. Japanese banks are not the biggest problems perhaps, but they are one hell of a problem. (C)

Chancellor-elect Schroeder: I agree there is a real problem building up in Japanese society. The country is much more hostile to reform than others. At one time, the strong consensus that existed in Japanese society was a great advantage. Now it has become an economic and political liability because they just seem unable to change. (C)

The President: The sad thing is that they have all of the resources they need. They have saved 20 percent per capita over a period of more than 20 years. They have well over \$1 trillion in their postal saving system. They could refinance their bank debt and have explosive growth if they played their cards right. (C)

China is another problem. We could do everything right and still not find the solutions due to them. (C)

In any case, your election has generated great hopes. Around the world there is a lot of interest in what you will do with your new leadership. Russia is a good example: Germany has a unique opportunity to be a partner with Russia. (C)

Chancellor-elect Schroeder: But who will be our partner in Russia? (S)

The President: It is a good question and I don't have a full answer. Because you are new you can have an appropriate relationship with the Yeltsin government and still reach out to the others. The Russians have a number of different policy courses they might adopt from here to come out okay. There are also a few things over which they have no real choice -- they need to have an honest banking system, as well as an honest and effective system of taxation. We've been trying to convince them that every country needs that. Unfortunately, the last tranche of IMF assistance from our two countries disappeared in 48 hours. (S)

Chancellor-elect Schroeder: I agree that Germany does have a special responsibility for Russia but I am also asking myself who our partner will be. It is certainly not going to be Yeltsin. How stable do you think the Primakov government is? (S)

Thomas Pickering: We expect to see stability for the next 6-8 months under Primakov. In a perverse sort of way, Primakov is there because he was the least bad alternative. The problem is that he has as little economic capability as anyone you could imagine. This is the four week anniversary of his Prime Ministership and there is still no economic plan. If he had a sensible one we could all have been helping to address their problems in a step-by-step way. (S)

Now we have seen predictions that by now there would have been 20 to 40 million Russians in the streets. In fact, there are fewer than one million. It is a resilient society. They are always fooling us. (S)

So who might replace Primakov? My view is that Lebed would have a very good chance. In fact, we probably face a choice between a not so smart general and a crooked mayor, Lushkov. The reformers think that they will be back in six to eight months. If so, there are any number of people riding white horses. The public is looking for anyone who can lead. (S)

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(C)

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? Check w/ Schroeder

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The President: We will have to try to meet again soon in the future. There are a number of other things I would like to talk to you about. We have a big NATO Summit coming up next year. I wish we could discuss the global environment. This is one of the great intellectual challenges of our age, to convert people from the idea that there is no longer an iron bond between economic growth and energy use. This is a big problem around the world. (C)

There are important things that we can and should do together and we will need more time soon to talk about this agenda. (C)

Chancellor-elect Schroeder: Mr. President, thank you very much.
(C)

-- End of Conversation --

~~SECRET~~

6985

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation of President's Meeting
with Gerhard Schroeder, Chancellor-elect of
Germany (U)

The attached Memorandum of Conversation of the meeting between
the President and Gerhard Schroeder, Chancellor-elect of Germany,
is provided for the information of the Secretary of State. It
must be distributed via NODIS channels and not below the Deputy
Assistant Secretary (DAS) level. ~~(S)~~

Glyn T. Davies
Executive Secretary

Attachment
Tab A Memorandum of Conversation

~~SECRET~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 10/15/08

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

Case Number: 2015-0777-M

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

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Document ID: 9807389				
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NSC/RMO PROFILE

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RECEIVED: 29 OCT 98 09

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FROM: BUTLER

DOC DATE: 29 OCT 98
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KEYWORDS:

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SUBJECT: BRIEFING PAPER FOR TELEPHONE CALL GERHARD SCHROEDER

ACTION: LOG NUMBER NOT USED

DUE DATE: 04 NOV 98 STATUS: C

STAFF OFFICER: BUTLER

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FOR ACTION

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OPENED BY: NSGP

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DOC 1 OF 1

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 9807389

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001

X 99070611 LOG NUMBER NOT USED

UNCLASSIFIED

FOR OFFICIAL USE ONLY

National Security Council

DATE: 21 Jun 1999

CREATE ID: NSGP

Memorandum for: BUTLER

From: NSC/S

CREATE DATE: 981029

Subject: BRIEFING PAPER FOR TELEPHONE CALL GERHARD
SCHROEDER

Log #9807389 has been issued to your office

We need the necessary data/copies in order to maintain the active suspense file or index the item for further reference and tracking purposes.

Your help is needed. Thanks.

Check as may be appropriate:

- ☐ Action completed, file attached.
- ☐ Action still pending, copy attached.
- ☐ Action transferred to _____.
- ☐ Action sent forward, copy attached.
- ☐ Cannot find, will continue to check.
- ☐ System action not sent forward, copy attached.
- ☒ Log Number not used.
- ☐ Other: _____.

Please return to Secretariat, Room 379 OEOB.

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Case Number: 2015-0777-M

MR MARKER

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Original OA/ID Number: 2067				
Document ID: 9807468				
Row: 45	Section: 6	Shelf: 1	Position: 2	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001a. telcon~~	~~re: Telcon with German Chancellor Schroeder (2 pages)~~	~~10/29/1998~~	~~P1/b(1) KSH 4/3/2020~~
~~001b. telcon~~	~~re: Telcon with German Chancellor Schroeder [incomplete copy] (1 page)~~	~~10/29/1998~~	~~P1/b(1) KSH 4/3/2020~~

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2067

FOLDER TITLE:

9807468

2015-0777-M

rs1392

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9807468
RECEIVED: 03 NOV 98 09

TO: KENNEY, K

FROM: DAVIES

DOC DATE: 05 NOV 98
SOURCE REF:

KEYWORDS: GERMANY

TELCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: TELCON BTW POTUS & CHANCELLOR SCHROEDER ON 29 OCT

ACTION: RICE SGD MEMO

DUE DATE: 09 NOV 98 STATUS: C

STAFF OFFICER: MCELLOWNEY

LOGREF:

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

FOR INFO

BANDLER
EXECSEC
FICKLIN
MCELLOWNEY
NSC CHRON

COMMENTS: _____

DISPATCHED BY RB DATE 11/5 BY HAND W/ATTCH

OPENED BY: NSDMK

CLOSED BY: NSTSM

DOC 2 OF 2

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

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ACTION DATA SUMMARY REPORT

RECORD ID: 9807468

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
001
002

Z 98110507 FOR DECISIONS
Z 98110519 KERRICK APPROVED RECOMS
X 98110519 RICE SGD MEMO

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 981105 KENNEY, K

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**National Security Council
The White House**

PROOFED BY: _____ LOG # 7468
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 BYPASSED WW DESK: _____ DOCLOG SM A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
<u>B</u> Cosgriff	_____	_____	_____
Rice	<u>1/3</u>	<u>PR 11/4</u>	_____
Davies	_____	_____	_____
Kerrick	<u>2</u>	<u>(D)</u>	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>4</u>	<u>SM 11/5</u>	<u>D</u>
Records Mgt.	<u>S</u>	<u>(PR) 11/5</u>	<u>D</u>
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

cc:

COMMENTS:

Schneider Telcom
 10/29

Exec Sec Office has diskette yes _____

National Security Council
The White House

PROOFED BY: _____ LOG # 7468

URGENT NOT PROOFED: _____ SYSTEM PBS NSC INT ARS

BYPASSED WW DESK: _____ DOCLOG SM A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
<i>h</i> Cosgriff			
Rice	<u>1/3</u>	<u>ER 11/4</u>	
Davies			
Kerrick	<u>2</u>	<u>(D)</u>	
Steinberg			
Berger			
Situation Room			
West Wing Desk	<u>#</u>	<u>SM 11/5</u>	<u>D</u>
Records Mgt.	<u>S</u>	<u>(R) 11/5</u>	<u>D</u>

A = Action I = Information D = Dispatch R = Retain N = No Further Action

CC:

COMMENTS:

Schneider Telcom
10/29

Exec Sec Office has diskette yes

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~~CONFIDENTIAL~~
NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

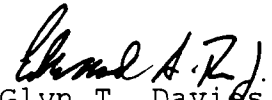
7468

November 5, 1998

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Telephone Conversation with German
Chancellor Schroeder on October 29, 1998 (U)

The attached Memorandum of Telephone Conversation between the President and Chancellor Schroeder is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our embassy in Germany for the Ambassador and/or Deputy Chief of Mission (DCM) only. ~~(C)~~


Glyn T. Davies
fn Executive Secretary

Attachment

Tab A Memorandum of Telephone Conversation

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 11/03/08

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDs NARA, Date 11/15/2019
2015-0777-11

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

7468

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.30)
KBH 11/22/2019

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)

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 11/03/08

~~CONFIDENTIAL~~

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 --

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9807468
DATE 05 NOV 98

SUBJECT: TELCON BTW POTUS & CHANCELLOR SCHROEDER ON 29 OCT
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

MS. KRISTIE A. KENNEY
ROOM 7224, MAIN STATE
2201 C STREET, N.W.
WASHINGTON, D.C. 20520
DEPARTMENT OF STATE

PRINT LAST NAME: _____

COPY: ORIG+DISK

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: RDS Date: 11/15/2019
2015-0 777-M

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC RECORDS MGNT, ROOM 379 OEOB
PAGE 01 OF 01 PAGES

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

7468

November 4, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: DONALD K. BANDLER

FROM: NANCY E. MCELLOWNEY

SUBJECT: Telcon with German Chancellor Schroeder on
October 29, 1998

Attached at Tab A is the Memorandum of Telephone Conversation between the President and Chancellor Schroeder on October 29, 1998.

RECOMMENDATION

That you authorize Glyn Davies to transmit the Memorandum of Telephone Conversation at Tab A to State.

Approve k Disapprove _____

That the attached Memorandum of Telephone Conversation be filed for the record.

Approve W Disapprove _____

Attachments

Tab I Memorandum to State

Tab A Memorandum of Telephone Conversation

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 11/03/08

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDA NARA, Date 11/15/2019
2015-0777-11

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015 0777 m (1.31)
KBH 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Schroeder

Interpreter: ~~X~~ 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

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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
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Chancellor Schroeder: I don't have it but I think we will find
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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. (U)

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 11/03/08

P15edv1
Case Number: 2008-0730-F; 2015-0777-M

MR MARKER

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Original OA/ID Number: 2069				
Document ID: 9807746				
Row: 45	Section: 6	Shelf: 2	Position: 2	Stack: v

Case Number: 2015-0777-M

MR MARKER

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Original OA/ID Number: 2069				
Document ID: 9807848				
Row: 45	Section: 6	Shelf: 2	Position: 2	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	From Samuel Berger re: Phone Call to German Chancellor Gerhard Schroeder (3 pages)	11/18/1998	P1/b(1) KBH 4/3/2020
001b. talking points	re: Points to be Made for Telephone Conversation with Gerhard Schroeder (3 pages)	11/18/1998	P1/b(1) KBH 4/3/2020
001c. talking points	re: Points to be Made for Telephone Conversation with Gerhard Schroeder (2 pages)	11/18/1998	P1/b(1) KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2069

FOLDER TITLE:

9807848

2015-0777-M

rs1393

RESTRICTION CODES

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

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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- 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 concerning wells [(b)(9) of the FOIA]

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

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9807848
RECEIVED: 17 NOV 98 18

TO: BERGER

FROM: BUTLER

DOC DATE: 18 NOV 98
SOURCE REF:

KEYWORDS: GERMANY

TELCON

PERSONS:

SUBJECT: POTUS CALL TO SCHROEDER

ACTION: OBE PER WWD

DUE DATE: 24 NOV 98 STATUS: C

STAFF OFFICER: MCELLOWNEY

LOGREF:

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

FOR INFO
MCELLOWNEY
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGP

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DOC 1 OF 1

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E.O. 13526
White House Guidelines, May 16, 2017
By SP5 NARA, Date 11/15/2019
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9807848

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 MCELLOWNEY
001

Z 99050710 FOR DECISION
X 99050710 OBE PER WWD

~~CONFIDENTIAL~~

National Security Council
The White House

7848

PROOFED BY: _____ LOG # _____
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS
 BYPASSED WW DESK: _____ DOCLOG 78 A/O _____

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Rice	_____	_____	_____
Davies	_____	_____	_____
Kerrick	_____	_____	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	_____	_____	_____
Records Mgt.	_____	_____	_____
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A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

cc:

98 ADVISORY
COMMENTS:

POINTS WERE FAXED
TO POTUS VIA SITROOM
Rice Took Copy Down
TO CAPLAN

Exec Sec Office has diskette _____

National Security Council
The White House

PROOFED BY: _____ LOG # 9807048
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS
 BYPASSED WW DESK: _____ DOCLOG 2 A/O _____

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Davies	_____	_____	_____
Kerrick	_____	_____	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>1</u>	<u>(B) 3/27</u>	<u>ESZ</u>
Records Mgt.	_____	_____	_____
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

cc:

COMMENTS:

98 MAR 27 1998

Exec Sec Office has diskette _____

**National Security Council
The White House**

PROOFED BY: _____

LOG # 98070240

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT ARS

BYPASSED WW DESK: _____

DOCLOG 72 A/O _____

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Rice	_____	_____	_____
Davies	_____	_____	_____
Kerrick	_____	_____	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>1</u>	<u>(B) 3/12</u>	<u>ESF</u>
Records Mgt.	_____	_____	_____
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

CC:

COMMENTS:

1994/03/17 14:50:00

Exec Sec Office has diskette _____

National Security Council
The White House

PROOFED BY: _____ LOG # 7848
URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS
BYPASSED WW DESK: _____ DOCLOG ICC A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
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Rice	_____	_____	_____
Davies	_____	_____	_____
Kerrick	_____	_____	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	_____	_____	_____
Records Mgt.	_____	_____	_____
_____	_____	_____	_____

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

POINTS WERE FAXED
TO POTUS VIA SITROOM
RICE TOOK COPY DOWN
TO CAPLAN

COMMENTS:

Exec Sec Office has diskette _____

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

7848

November 18, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: DONALD K. BANDLER

FROM: NANCY MCELLOWNEY

SUBJECT: Presidential Telephone Call with Chancellor
Schroeder of Germany

Attached at Tab I is your memorandum to the President forwarding talking points for his telephone call with Chancellor Schroeder.

Concurrence by: Joe Marty, Miriam Sapiro and Andrew Weiss

RECOMMENDATION

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

Attachments

Tab I Memo to the President

Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 11/18/08

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RD SNARA, Date 11/15/2019
2015-0777-11

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.34)
KRM 11/22/2019

PHONE CALL TO
GERMAN CHANCELLOR GERHARD SCHROEDER

DATE: 11/18/98

LOCATION: Air Force One

TIME: TBD

FROM: SAMUEL BERGER

I. PURPOSE

- Receive Schroeder's de-brief of his trip to Moscow;
- Discuss situation regarding PKK leader Ocalan.

II. BACKGROUND

Russia. Schroeder requested this phone call to brief you on his trip to Moscow earlier this week. He probably will indicate that Yeltsin is no longer up to the job and has been relegated to a largely ceremonial role. The Russians pushed the Germans hard for emergency financial support and probably maintained that the Administration is the principal roadblock to additional support at this time.

You should highlight the outcome of the Vice President's meeting with Primakov in Malaysia. The Vice President made clear that we are not stepping back from engagement with Russia and stressed our interest in seeing Russia succeed. He reaffirmed our commitment to mobilize international support for a credible reform program. He stressed that we are staying engaged noting our support for food aid, World Bank and EBRD project assistance, bank restructuring, energy investment and threat reduction assistance.

Primakov asked for three things: (1) pressure on western banks to negotiate debt work outs with Russian banks; (2) rescheduling of Paris Club debt; (3) release of two IMF tranches for \$4.3 billion and \$3.8 billion. He highlighted his efforts at START II ratification but did not link this to IMF assistance.

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 11/18/08

On IMF assistance and debt restructuring, the Vice President's response stressed that they need to be a bridge to financial stability -- and that the "engineering and designs" need to be done first to make sure the bridge is sound. He stressed that a realistic budget needs to be the foundation for translating Primakov's goals into a workable strategy and encouraged the Russians to work with the IMF team arriving next week. With Treasury's concurrence he offered a visit to Moscow by Larry Summers. Primakov readily agreed and asked for Larry to come soon. The VP also promised to send another nonpaper with our thoughts on what the IMF will look for in a Russian budget.

Ocalan. Schroeder may also raise concerns about possible extradition of PKK leader Ocalan to Germany. Kurdish People's Party (PKK) leader Ocalan was arrested by Italian police at Rome Airport on November 12 as he got off a flight from Moscow. The United States has designated the PKK as a terrorist organization and welcomed the arrest as an important step in the fight against terror. Turkey and Germany have arrest warrants out for him for conspiracy to commit murder, and homicide, respectively. He remains in Italian custody but there is rising domestic political pressure in Italy to grant him political asylum, especially given his statement yesterday renouncing terrorism. In any case, Italy believes it cannot extradite him to a country with the death penalty, although Turkey has not executed anyone in years and is trying to abolish the death penalty this week.

Schroeder's Chief of Staff, Hombach, made it clear to us that Germany does not want Ocalan and asked for our help in this regard. We believe that Ocalan must be brought to justice, and our strong preference is that a way be found to extradite him to Turkey. If this proves impossible, Bonn should be ready to accept responsibility for prosecution.

Iraq. Schroeder has been supportive of the need to respond firmly with Iraq, but had been guarded publicly about use of force. Foreign Minister Fischer was more forward in expressing relief that force was not used over the weekend. You should ensure that Schroeder understands that use of force is very much a possibility -- and on relatively short notice -- should Iraq not live up to its latest commitments.

Kosovo. The German cabinet has decided that Germany should commit forces to the NATO extraction force in Macedonia (350 Bundeswehr ground troops). The Bundestag is expected to approve this decision tomorrow or Friday.

Attachment

Tab A Points to make

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.35)
KBM 11/22/2019

Kosovo

- Understand your cabinet has decided Germany will participate in the NATO Extraction Force for Kosovo. We very much welcome that decision.
- Force needs to get up and running quickly in view of the fragile nature of the cease-fire in Kosovo.

Russia

- Agree situation in Russia very serious. Pleased you had successful trip to Moscow. VP had good meeting with Primakov in Malaysia earlier this week.
- VP highlighted our desire to stay engaged. Need to keep Russians focused on key challenges, especially getting back in synch with IMF. Many of government's objective are reasonable, but won't happen until they have reasonable budget.
- On IMF assistance and debt restructuring, VP stressed that they can be a bridge to financial stability, provided Russians do the right engineering and design work.
- Russians will need time for intensive work with IMF. No one likely to put more money in without solid macroeconomic framework and real promise of stability.
- Public pressure and threats from the Russians for more money or debt relief are counterproductive. We need to send that message clearly to Russians.

If asked about debt relief or Paris Club restructuring

- Have made clear that any form of rescheduling must follow comprehensive program with IMF. For now, prepared to maintain current stance we've taken to avoid declaring Russia in default on Paris Club debt.

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 11/18/08

- Talks this weekend among G7 deputies very important for ensuring right signals get back to Russia.

If Schroeder says we must help Russia now

- Agree. Think we need to do three things. Must be ready to provide support through IMF as soon as Russia works out credible program. Need to keep pressing Russians to get realistic budget in place.
- Second, need to hold open prospect of comprehensive debt workout that includes public and private creditors once they have credible reform program.
- Third, must identify all ways to provide constructive assistance now (e.g., food aid, EBRD and World Bank project loans, and redoubled threat reduction assistance).
- Gore told Primakov we can help provide ideas on how to get next year's budget together and work constructively with IMF on it. We're also planning to send Summers later this year.

Ocalan/Italy

- Welcomed arrest of PKK leader Abdullah Ocalan (*Odjah-lan*) in Rome on November 12 as an important step in global fight against terror. PKK is one of the most dangerous terrorist organizations in world; has killed many innocent people.
- Ocalan must be brought to justice. We hope that a way will be found to extradite him to Turkey, consistent with Italian and international law. The vast majority of terrorist acts committed by Ocalan were against Turkish citizens.
- Understand your reluctance to request extradition, but ask you not to rule it out until we see what Rome plans to do.
- Suggest you work with Rome and Ankara, help them find a way to send him to Turkey for trial.
- If it turns out that Italy will only extradite him to Germany, hope you will accept responsibility to prosecute him. We must all work together if we are to advance the fight against terrorism.

Iraq

- Our willingness to use force -- backed by the firm support of our allies and the insistence of the international community on Iraqi compliance -- produced our preferred result: the return of the inspectors to work without conditions or restrictions.
- Iraq must now fulfill all its obligations under the Security Council resolutions. UNSCOM must test this vigorously.
- If Iraq refuses cooperation, we have the authority under existing Security Council resolutions to take decisive military action. That remains a very real possibility.
- Thank you again for your support during this latest crisis.

If asked about Iraq Opposition:

- Over the long term, the best way to address Iraq's ongoing threat is through a new government in Baghdad, one that is more representative of the Iraqi people, more responsive to the will of the international community.
- We want to intensify our efforts with the opposition by strengthening our support for the Iraqi opposition and helping it to become a more effective voice for the aspirations of the Iraqi people.

Millison, Cathy L.

From: Sutphen, Mona K.
Sent: Wednesday, November 18, 1998 10:47 AM
To: @EXECSEC - Executive Secretary; @EUROPE - European Affairs; @WHSR - WH Situation Room
Cc: @NSA - Natl Security Advisor
Subject: schroeder tps ~~CONFIDENTIAL~~

final schroeder TPs as cleared by JS. per JS, drop the cover memo altogether and just send TPs to the plane.



7848Schroederpoints_
doc

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
Gerhard Schroeder

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.36)
KEH 11/22/2019

Kosovo

- Understand your cabinet has decided Germany will participate in the NATO Extraction Force for Kosovo. We very much welcome that decision.

Russia

- VP met with Primakov, highlighted our desire to stay engaged. Need to keep Russians focused on key challenges, especially getting back in synch with IMF. Many of government's objective are reasonable, but won't happen until they have reasonable budget.
- On IMF assistance and debt restructuring, VP stressed that they can be a bridge to financial stability, provided Russians do the right engineering and design work.
- Russians will need time for intensive work with IMF. No one likely to put more money in without solid macroeconomic framework and real promise of stability.

If asked about debt relief or Paris Club restructuring

- Have made clear that any form of rescheduling must follow comprehensive program with IMF. For now, prepared to maintain current stance we've taken to avoid declaring Russia in default on Paris Club debt.

If Schroeder asks what we can do

- Think we need to do three things. Must be ready to provide support through IMF as soon as Russia works out credible program. Need to keep pressing Russians to get realistic budget in place.
- Second, need to hold open prospect of comprehensive debt workout that includes public and private creditors once they have credible reform program.

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 11/18/08

- Third, must identify all ways to provide constructive assistance now (e.g., food aid, EBRD and World Bank project loans, and redoubled threat reduction assistance).

Ocalan/Italy

- Welcomed arrest of PKK leader Abdullah Ocalan (*Odjah-lan*) in Rome on November 12 as an important step in global fight against terror. PKK is one of the most dangerous terrorist organizations in world; has killed many innocent people.
- Ocalan must be brought to justice. We hope that a way will be found to extradite him to Turkey, consistent with Italian and international law. The vast majority of terrorist acts committed by Ocalan were against Turkish citizens.
- Understand your reluctance to request extradition, but ask you not to rule it out until we see what Rome plans to do.
- Suggest you work with Rome and Ankara, help them find a way to send him to Turkey for trial.
- If it turns out that Italy will only extradite him to Germany, hope you will accept responsibility to prosecute him. We must all work together if we are to advance the fight against terrorism.

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2070				
Document ID: 9807932				
Row: 45	Section: 6	Shelf: 3	Position: 1	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. telcon	re: Telcon with German Chancellor Schroeder (3 pages)	11/18/1998	P1/b(1) K8H 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2070

FOLDER TITLE:

9807932

2015-0777-M

rs1394

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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]
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- 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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9807932
RECEIVED: 23 NOV 98 08

TO: KENNEY, K

FROM: DAVIES

DOC DATE: 23 NOV 98
SOURCE REF:

KEYWORDS: GERMANY

TELCON

PERSONS:

SUBJECT: MEMO OF TELCON W/ GERMAN CHANCELLOR SCHROEDER ON 18 NOV 98

ACTION: RICE SGD MEMO

DUE DATE: 28 NOV 98 STATUS: C

STAFF OFFICER: MCELDowney

LOGREF:

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

FOR INFO

EXECSEC
FICKLIN
MCELDowney
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

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CLOSED BY: NSGP

DOC 2 OF 2

~~CONFIDENTIAL~~

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E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/15/2019
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9807932

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
001
002

Z 98112409 FOR DECISION
X 98112409 KERRICK APPROVED RECOM
X 98112409 RICE SGD MEMO

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 981123 KENNEY, K

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National Security Council
The White House

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 BYPASSED WW DESK: _____ DOCLOG IS A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
<i>W</i> Rice	<u>1/3</u>	<u>(P) 11/23 "123</u>	<u>edit Done 11/23</u>
Davies		<u>(C)</u>	
Kerrick	<u>2</u>		
Steinberg	<i>copy ✓</i>		
Berger			
Situation Room			
West Wing Desk	<u>4</u>	<u>(P) 11/23</u>	<u>D</u>
Records Mgt.	<u>5</u>		<u>D + DISK</u>

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

COMMENTS:

98 NOV 23 PM 2:27

Exec Sec Office has diskette *up* _____

National Security Council
The White House

PROOFED BY: _____ LOG # 7932
URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS
BYPASSED WW DESK: _____ DOCLOG IS A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
Rice	<u>1/3</u>	<u>① 11/23</u>	<u>edit Disk 11/23</u>
Davies		<u>②</u>	
Kerrick	<u>2</u>		
Steinberg			
Berger			
Situation Room			
West Wing Desk	<u>4</u>	<u>③ 11/23</u>	<u>D</u>
Records Mgt.	<u>5</u>		<u>D + DISK</u>

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

COMMENTS:

Exec Sec Office has diskette WGS

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

7932

November 23, 1998

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Telephone Conversation with German
Chancellor Schroeder on November 18, 1998 (U)

The attached Memorandum of Telephone Conversation between the President and Chancellor Schroeder is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our embassy in Germany for the Ambassador and/or Deputy Chief of Mission (DCM) only. ~~(C)~~


Glyn T. Davies
Executive Secretary

Attachment

Tab A Memorandum of Telephone Conversation

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 11/23/08

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RD NARA, Date 11/15/2019
2015-0777-M

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.37)

KBH 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Gerhard Schroeder

Interpreter: Gisela Marcuse
Notetakers: Robin Rickard, Liz Rogers,
James Smith, Roger Merletti, Nancy
McEldowney

DATE, TIME November 18, 1998, 11:19 - 11:35 a.m. EST
AND PLACE: Air Force One

The President: Hello, Gerhard. (U)

Chancellor Schroeder: Yes, hello, Mr. President. (U)

The President: It's nice to hear your voice. I'm on an
airplane. (U)

Chancellor Schroeder: It's impossible to understand you.
Hello? (U)

The President: I can hear you. Please go ahead. (U)

Chancellor Schroeder: I would like to talk about my recent trip
to Moscow. Can you hear me, Mr. President? (U)

The President: Yes, I hear you. Please go on. (U)

Chancellor Schroeder: I want to tell you about my meetings with
Yeltsin, Primakov, and all factions of the Duma. (C)

The President: Gerhard, I am sorry but I can't hear you or the
translator very well. (U)

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies
Reason: 1.5(d)
Declassify On: 11/23/08

Chancellor Schroeder: I will give the translator my receiver.
(U)

The President: Yes, thanks very much. (U)

Chancellor Schroeder: With regard to Boris Yeltsin, I am concerned that he is not in very good shape. Obviously in public, I offered a different characterization. On Primakov, it is clear there is currently no alternative; we must all work with him. I also talked to leaders of the various political factions in the Duma as well as the governors of the provinces. My impression is that we've got to talk to everyone possible in order to stabilize the situation. (C)

Now, turning to the economic situation, I believe it is really dramatic. With Primakov, I talked about the possibility of making the conditions of aid compatible with the IMF conditions. They place a great deal of importance on the outside assistance and are looking to the IMF with great hopes. Primakov has presented an economic program with some realistic elements. We've agreed that Russian and German experts will work together to try to make the Russian plan compatible with IMF. (C)

I have also called upon German private investors to stay in Russia and I would be grateful if American investors would do the same. My impression is that in the coming winter, there could be a severe shortage of supplies. In this case, it will be important to have aid from the EU. But it is most important to have a sound Russian economic program that is compatible with the IMF and the World Bank. I hope we will have made some good headway on this by the time the G-7 meets in Cologne next year. (C)

One foreign policy point: Russia is worried by the public statements about the toppling of Saddam Hussein. Though they agree with our stress on compliance, these statements make them uncomfortable. (C)

The President: Thank you very much. First, let me say I completely agree with your decision. We have to meet all Russian leaders and work with Primakov. Secondly, I agree that any financial help should be consistent with the IMF plan. I think we need to work toward three things. First, we need to provide more support through the IMF as soon as Russia works out a credible program, but they have to get a realistic budget in place. Second, we need to hold open the prospect of comprehensive debt relief that includes public and private

creditors once they have a credible reform program. Third, we must identify all the ways to provide constructive assistance now: in food aid, project loans and things of that kind. I agree we need to help them this winter. When we meet in Cologne, we need to be prepared to step up our efforts if they do the things they need to do. I met with American investors there while I was in Russia, and I think they'll get a lot more involved if the Russians would just change their banking laws and protect the integrity of investments. We can turn this around if Primakov can get the Duma to do the right things. I heard very, very good things about your trip. You did it very well and this all seems very helpful. (U)

Chancellor Schroeder: Thank you. (U)

The President: The only other issue I wanted to mention is Kosovo. I want to thank you for your cabinet's decision on deployments. (U)

Chancellor Schroeder: I thank you. We were glad to do it. (U)

The President: And I'm sorry about the bad telephone connection; I'm in the air. (U)

Chancellor Schroeder: When are you not in the air? (U)

The President: Good question. Far too often. Thank you so much. Goodbye. (U)

Chancellor Schroeder: Goodbye. (U)

-- End of Conversation --

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

7932

November 23, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: DONALD K. BANDLER

FROM: NANCY E. MCELLOWNEY

SUBJECT: Telcon with German Chancellor Schroeder on
November 18, 1998

Attached at Tab A is the Memorandum of Telephone Conversation between the President and Chancellor Schroeder on November 18, 1998.

Concurrence by: Andrew Weiss

RECOMMENDATION

That you authorize Glyn Davies to transmit the Memorandum of Telephone Conversation at Tab A to State.

Approve ☒ Disapprove ☐

That the attached Memorandum of Telephone Conversation be filed for the record.

Approve ☒ Disapprove ☐

Attachments

Tab I Memorandum to State

Tab A Memorandum of Telephone Conversation

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 11/23/08

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS/NARA, Date 11/15/2019
2015-0777-M

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9807932
DATE 23 NOV 98

SUBJECT: MEMO OF TELCON W/ GERMAN CHANCELLOR SCHROEDER ON 18 NOV 98
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

MS. KRISTIE A. KENNEY
ROOM 7224, MAIN STATE
2201 C STREET, N.W.
WASHINGTON, D.C. 20520
DEPARTMENT OF STATE

PRINT LAST NAME: _____

COPY: ORIGINAL + DISK

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS

Initials: RDS Date: 11/15/2019
2015-0777-M

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC RECORDS MGNT, ROOM 379 OEOB
PAGE 01 OF 01 PAGES

Case Number: 2015-0777-M

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2710				
Document ID: 9900838				
Row: 46	Section: 3	Shelf: 10	Position: 2	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (3 pages) <i>Partial release - KBH 4/3/2020</i>	02/12/1999	P1/b(1)
001b. memo	From Samuel Berger and Gene Sperling re: Meeting the Chancellor Schroeder (5 pages) <i>Partial release - KBH 4/3/2020</i>	02/10/1999	P1/b(1)
001c. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (1 page) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001d. talking points	re: Points to be Made for Meeting with Chancellor Schroeder (4 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001e. talking points	re: Talking Points for President Clinton's Use... (1 page)	02/05/1999	P1/b(1)
~~001f. memo~~	~~Madeleine Albright to POTUS re: Meeting with Chancellor Gerhard Schroeder (3 pages)~~	~~02/09/1999~~	~~P1/b(1)~~ <i>KBH 4/3/2020</i>
001g. memo	Robert Rubin to POTUS re: Meeting the German Chancellor Schroeder (3 pages)	02/09/1999	P1/b(1)
001h. report	re: U.S. Government Report (2 pages)	01/21/1999	P1/b(1)
001i. report	re: U.S. Government Report (2 pages)	01/15/1999	P1/b(1)
001j. memo	Lawrence Butler to Berger re: Presidential Meeting with German Chancellor Gerhard Schroeder (1 page) <i>[Partial Release] KDE 5/26/2016</i>	02/10/1999	P1/b(1)
001k. memo	Berger and Sperling re: Meeting with Chancellor Schroeder [incomplete copy] (1 page)	02/11/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
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001l. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (1 page) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001m. talking points	re: Points to be Made for Meeting with Chancellor Schroeder (4 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001n. memo	Butler to Berger re: Presidential Meeting with German Chancellor Gerhard Schroder (1 page) <i>Partial release - KDE 5/26/2016</i>	02/08/1999	P1/b(1)
001o. memo	From Berger and Sperling re: Meeting with Chancellor Schroeder (8 pages)	02/08/1999	P1/b(1)
001p. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (3 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
~~001q. talking points~~	~~re: Points to be Made for Meeting with Chancellor Schroeder [incomplete copy] (1 page)~~	~~02/08/1999~~	~~P1/b(1)~~ <i>KBH 4/3/2020</i>
001r. memo	From Berger and Sperling re: Meeting with Chancellor Schroder (9 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001s. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (3 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001t. talking points	re: Points to be Made for Meeting with Chancellor Schroeder [incomplete copy] (3 pages)	02/08/1999	P1/b(1)
001u. memo	From Berger and Sperling re: Meeting with Chancellor Schroeder (7 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001v. talking points	re: Points to be Made for Meeting with Chancellor Schroeder (7 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)

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NSC Records Management
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RESTRICTION CODES

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Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001w. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (3 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
001x. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany (1 page) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
~~001y. talking points~~	~~re: Points to be Made for Meeting with Chancellor Schroeder [incomplete copy] (2 pages)~~	~~02/08/1999~~	~~P1/b(1)~~ <i>KBH 4/3/2020</i>
001z. memo	From Berger re: Meeting with Chancellor Schroeder (5 pages) <i>Partial release - KBH 4/3/2020</i>	02/08/1999	P1/b(1)
~~002. talking points~~	~~re: Points to be Made for Meeting with German Chancellor Schroeder (1 page)~~	~~02/10/1999~~	~~P1/b(1)~~ <i>KBH 4/3/2020</i>

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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NSC/RMO PROFILE

RECORD ID: 9900838
RECEIVED: 06 FEB 99 13

TO: PRESIDENT

FROM: BERGER
SPERLING, G

DOC DATE: 10 FEB 99
SOURCE REF:

KEYWORDS: GERMANY
VISIT

AP

PERSONS: SCHROEDER, GERHARD

SUBJECT: BRIEFING MEMO FOR POTUS MTG W/ CHANCELLOR SCHROEDER ON 11 FEB

ACTION: NOTED BY PRESIDENT

DUE DATE: 12 FEB 99 STATUS: C

STAFF OFFICER: BUTLER

LOGREF:

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

FOR INFO

BLINKEN

BUTLER

NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSDMK

CLOSED BY: NSTSM

DOC 4 OF 5

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DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/18/2019
2015-0777-21

~~SECRET~~

RECORD ID: 9900838

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER	Z 99020917 FWD TO PRESIDENT FOR INFORMATION
002 BUTLER	Z 99021010 ADD-ON / APPROPRIATE ACTION
003 BERGER	Z 99021017 FWD TO PRESIDENT FOR INFORMATION
003 SPERLING, G	Z 99021023 FOR SIGNATURE
004 PRESIDENT	Z 99021023 FOR INFORMATION
004	X 99030418 NOTED BY PRESIDENT
005 BUTLER	X 99021107 ADD-ON / APPROPRIATE ACTION

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

004	990210	VICE PRESIDENT
004	990210	WH CHIEF OF STAFF

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National Security Council
The White House

PROOFED BY: _____ LOG # 0038 ⁷⁰⁰
 URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT ARS
 BYPASSED WW DESK: _____ DOCLOG 8 A/O 01

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
^K Cosgriff	_____	_____	_____
Rice	<u>1</u>	_____	_____
Davies	_____	_____	_____
Kerrick	_____	_____	_____
Steinberg	_____	_____	_____
Berger	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>2</u>	<u>JB</u> ² / ₁₂	<u>N</u>
Records Mgt.	<u>3</u>	<u>JB</u> ³ / ₄	<u>N</u>

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

COMMENTS:

[#]
 ADD ON ¹
 Pres Mtg of Schvedler

99 FEB 10 AM 3:00

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National Security Council
The White House

2/11/39

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DOCLOG 13 A/O _____

TMA

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
Rice	1	2/9	~~done~~
Davies			
Kerrick			
Steinberg	2		
Berger	3		
Situation Room			
West Wing Desk	3	TC 2/10	Butler
Records Mgt.			
Butler	4		FFA

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CC:

COMMENTS:

Pres mtg w/ German
Chancellor Schroeder
11 Feb

2000 04 04

Exec Sec Office has diskette yes

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/12/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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2015-0777-M [1.38]

KBH 11/22/2019

~~SECRET~~

~~Thurs - Cyprus EU~~
~~2-12-99~~
~~THE PRESIDENT HAS SEEN~~
SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF
GERMANY

~~Trade - WTO agenda~~

EO 13526 1.4c

- Your trip next week to Moscow can energize Primakov, convince him IMF won't provide money without strategy.
- Russian resources to fight proliferation diminishing. Help employ scientists, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion/five years, increase of 70 percent. Hope we can work to get G8 on board at Cologne.
- Kosovo. Appreciate commitment of ground forces. Should not reopen organizational structure of KVM.

• WTO Summit - ESX in WTO
- UN Security
- Open door

• G-8/Kohn

~~SECRET~~

Reason: 1.5 (c) (1)
Declassify On: 2/8/09

99 FEB 10 PM 10:33

PHOTOCOPY WJC HANDWRITING

~~SECRET~~

THE PRESIDENT HAS SEEN

2

2-11-99

- **NATO Summit** needs to prepare for new challenges; essential to keeping NATO robust, relevant. On **mandates**, prepared to reaffirm UN respect, not deny NATO's flexibility to act. Need to convince Chirac not to tie NATO's hands.
- Implement Berlin decision on building **ESDI in NATO**; support more Euro capabilities consistent, interoperable with NATO.
- **No First Use**. Appreciate agreement not to pursue before Summit; nuclear doctrine keeps potential aggressors uncertain of response. Urge help with Cooperative Threat Reduction.
- **G-8 Summit/Cologne**. Agree should be informal, small number of topics. Our nonproliferation experts need to work quickly on programs. Need to look at ways that existing International Finance Institutions can be improved.

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~~SECRET~~

3

- Improved EU relations key to getting **Turks engaged on Cyprus.**
- **Environment.** Hope you will support in Cologne work on environmental standards for export credit agencies. Oppose "caps" in trading, politically non-viable.
- Need to work on security for new embassy in Berlin.
- **Trade.** Want to work closely on developing robust agenda for WTO Round. Also need your help in managing trade disputes on bananas and beef.

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National Security Council
The White House

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	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
Rice	<u>1</u>		
Davies			
Kerrick			
Steinberg			
Berger			
Situation Room			
West Wing Desk	<u>2</u>	<u>12</u>	<u>N</u>
Records Mgt.	<u>3</u>	<u>3/4</u>	<u>N</u>

A = Action I = Information D = Dispatch R = Retain N = No Further Action

CC:

COMMENTS:

ADD on #1
Pres Mtg w/ Schroeder

Exec Sec Office has diskette yes

National Security Council
The White House

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TMA

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
Rice	<u>1</u>	<u>2/9</u>	<u>done</u>
Davies			
Kerrick			
Steinberg	<u>2</u>		
Berger	<u>3</u>		
Situation Room			
West Wing Desk	<u>3</u>	<u>TC 2/10</u>	<u>BUTLER</u>
Records Mgt.			
Butler	<u>4</u>		<u>FFA</u>

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CC:

COMMENTS:

Pres mtg w/ German
Chancellor Schroeder
11 Feb

Exec Sec Office has diskette yes

SECRET

~~SECRET~~

0838

DECLASSIFIED IN PART
PER E.O. 13526

THE WHITE HOUSE

WASHINGTON

99 FEB 10 PM 10:33

February 10, 1999

THE PRESIDENT HAS SEEN

2-12-99

2015-0777-M [1.40]

KBH 11/22/2019

MEETING WITH
CHANCELLOR SCHROEDER

DATE: February 11, 1999

LOCATION: Oval Office

TIME: 12:30 - 2:35 p.m.

FROM: SAMUEL BERGER *SB*
GENE SPERLING *GS*

I. KEY OBJECTIVES

- Develop personal relationship.
- Deepen partnership on common foreign and domestic challenges, including NATO, G-8 and U.S.-EU Summits.

II. CONTEXT OF MEETING

This meeting, set quickly last week when the Central America trip was postponed, has as its main purpose for you and Schroeder to develop a personal relationship, "to get the chemistry right," as his Diplomatic Adviser Steiner told me. This is key both as Schroeder tries to work his way through a difficult domestic agenda and, importantly, as he establishes his alignment in a new Europe: either giving a recalcitrant Franco-German relationship primacy or seeing himself more clearly aligned with you and Blair.

The first one hundred days of the SPD-Green coalition were marred by missteps, including: divisions between Foreign Minister Fischer and Defense Minister Scharping over nuclear no first use; a flip flop on phasing out nuclear power that upset first the French and British (who have reprocessing contracts), then the Greens; and a split between Schroeder and Finance Minister Lafontaine over support for international currency bands. Meanwhile, Germany's economy remains stuck in first gear with slowing growth, high unemployment, and strikes looming. Schroeder's shaky start was punctuated by a surprise state election defeat in Hesse last weekend that cost him control of Germany's upper house and threatens legislative gridlock. Exit polls blame the reversal on a CDU petition

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Reason: 1.5(b) (d)

Declassify On: 2/8/09

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drive against (Green-inspired) citizenship reforms, which would have given dual citizenship to upwards of 4 million foreigners. Schroeder faces challenges in holding his disparate coalition together; his saving grace is a personal popularity rating holding at 70 percent.

Exacerbating these policy problems are two practical burdens. First, the SPD has been out of federal power for sixteen years, and the Greens have never been in. Second, by an accident of the calendar, Germany is saddled with three major presidencies: the EU (locked in a bitter battle over member assessments and agricultural subsidies); the WEU; and the G-7/G-8.

Schroeder and his team are looking to develop a close foreign policy relationship with you. They are close to us on many core issues -- including Kosovo (where they stand ready to deploy 4,000 troops); Iraq (where they publicly supported our air strikes); and NATO (where we have found common ground in the lead-up to the Summit). They are open to pragmatic discussion where our views diverge and want to be seen as strong Atlanticists. Thus, we may be able to get Bonn to help with other allies, notably France, and with Russia -- though the French are determined to woo Schroeder to their side of divisive issues.

At the same time, Schroeder is looking to you for inspiration on his domestic agenda. His goal is to redefine traditional Social Democracy toward the "New Center" and so hold the caring, pragmatic middle ground of German politics far into the future. His challenges are similar to ours: coping with globalization, making welfare more effective and efficient, fighting crime and drugs, and contending with migration and social diversity. He will be anxious to absorb the lessons you have learned; at the same time, he will appreciate your interest in his success in forging a third way in Germany.

III. AGENDA

Schroeder has a number of specific issues to raise with you, listed below. You will also want to take the opportunity to move forward on key areas such as Kosovo, Russia, NATO-related issues and G-7/G-8 issues.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. memo	From Samuel Berger and Gene Sperling re: Meeting the Chancellor Schroder [partial] (2 pages)	02/10/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

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EO 13526 1.4c

Death Row Clemency. Schroeder wrote seeking clemency for two Germans convicted of murder awaiting execution late this month in Arizona.

Nazi Compensation. Schroeder has made an effort to establish a fund to compensate victims of Nazi forced labor; his chief of staff, Bodo Hombach, met with Stu Eizenstat this week to deal with a dozen class action suits against German companies that used forced labor. This is also holding up the Deutsche Bank-Bankers Trust merger. Schroeder may raise the idea of an "executive agreement" -- essentially a bilateral treaty to terminate the lawsuits. Our lawyers are concerned that this may not only be ineffective but end up spurring litigation against us.

G-7 Representation. The EU seeks to increase representation in G-7 financial meetings, from the four current EU members of the G-7 to include the European Central Bank president, a Commission representative, and the EU nation heading the EURO-11 grouping, if not a G-7 member. We do not want to expand participation to preserve the effectiveness of the G-7.

Berlin Chancery. Berlin city authorities will not allow us acceptable distance from the street for our new embassy. This is critical to protect from possible terrorist attacks.

Russia. Schroeder goes to Moscow February 16-18. Stronger German engagement could help energize Primakov on economic reform. Another promising partnership is Cooperative Threat Reduction, which plays to the SPD-Green concern for nuclear-related issues, although Bonn is leery of cost.

Kosovo. Germany has expressed willingness to commit ground forces, and Schroeder will seek your assurance that the United States will do likewise.

NATO Summit. The Germans have agreed not to press "no first use" of nuclear weapons in the lead-up to the summit but are looking for agreement to establish a post-summit group to review nuclear issues. We seek to channel them away from a divisive doctrinal debate and into areas where they can make a contribution: nuclear security, weapons dismantling, tightened controls over WMD, and employment for Russian scientists. On the issue of UN mandates for NATO operations, while Schroeder understands that we cannot put NATO "under the authority" of the UN, he wants to emphasize the importance of the Security Council and international law.

ESDI. In response to Franco-British ideas on European Security and Defense Identity (ESDI), Schroeder has reaffirmed the importance of building ESDI within NATO (as we strongly prefer), but faces pressure from Paris to develop capabilities outside of NATO.

G-8 Summit. The Germans want to reprise the Birmingham format of informal, heads only, discussion with a limited agenda of economic and social issues. The tentative agenda is next steps on the international financial architecture during the G-7 portion; the G-8 talks would focus on: "sustaining public support for globalization" (social safety nets, environment and labor, debt and development policies); nonproliferation (with an emphasis on Russia and cooperative threat reduction) and education in the information age. We need his engagement on our nonproliferation initiatives, especially the expanded NIS threat reduction program.

EU and Turkey. Progress on improving EU-Turkey relations remains stalled. Germany can help (even though Turkish issues are controversial -- it was his advocacy of granting dual citizenship to Turkish workers that led to Schroeder's coalition defeat in Hesse).

Iran. Khatami spent time in Germany, and Bonn has an interest in freeing an imprisoned German national facing execution. Schroeder's chief of staff, Hombach, met with Khatami earlier this month and said that Iranian hard-liners are pressing for the release of one of the Mykonos convicts, which Hombach declared a non-starter. Hombach said Bonn wants close coordination with us on Iran.

IV. PARTICIPANTS

See Scenario at Tab B.

V. PRESS PLAN

See Scenario at Tab B.

VI. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A Points to Make

Tab B Scenario

EO 13526 1.4c

Tab D Memo from Secretary Albright

Tab E Memo from Secretary Rubin

Tab F Bios

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001c. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF GERMANY

EO 13526 1.4c

- Your trip next week to Moscow can energize Primakov, convince him IMF won't provide money without strategy.
- Russian resources to fight proliferation diminishing. Help employ scientists, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion/five years, increase of 70 percent. Hope we can work to get G8 on board at Cologne.
- Kosovo. Appreciate commitment of ground forces. Should not reopen organizational structure of KVM.
- NATO Summit needs to prepare for new challenges, essential to keeping NATO robust, relevant. On mandates, prepared to reaffirm UN respect, not deny NATO's flexibility to act. Need to convince Chirac not to tie NATO's hands.
- Implement Berlin decision on building ESDI in NATO; support more Euro capabilities consistent, interoperable with NATO.
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- G-8 Summit/Cologne. Agree should be informal, small number of topics. Our nonproliferation experts need to work quickly on programs. Need to look at ways that existing International Finance Institutions can be improved.
- Improved EU relations key to getting Turks engaged on Cyprus.
- Environment. Hope you will support in Cologne work on environmental standards for export credit agencies. Oppose "caps" in trading, politically non-viable.
- Need to work on security for new embassy in Berlin.
- Trade. Want to work closely on developing robust agenda for WTO Round. Also need your help in managing trade disputes on bananas and beef.

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Reason: 1.5 (c) (d)

Declassify On: 2/8/09

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001d. talking points	re: Points to be Made for Meeting with Chancellor Schroeder [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR SCHROEDER

EO 13526 1.4c

- Understand you may need to say something on this EO 13526 1.4c

our governments have agreed to continue discussions, and are cooperating.

Forced Nazi Labor

- Appreciate announcement of foundation to compensate former forced laborers and others -- historic gesture.
- (If asked) Regarding **executive agreement**, our lawyers concerned that it might be ineffective in terminating litigation here, lead to suits against USG. Better approach would be for parties to a possible multilateral agreement to undertake to inform courts, with no obligation, that your foundation offers best mechanism to resolve claims.

European Representation in G-7

- Important to find solution to representation issue that both are sensitive to Europe's needs and preserve informal nature of group. Decisions about ministerial meetings best left to ministers.
- (If raised) Exchange rate target zones: support cooperation on macro policies through G-7, not management of exchange rates. Your experience with Euro shows what was needed to achieve concerted monetary/exchange rate policy.

Russia

- Important that Primakov understand we want him to succeed, but Russia must take necessary steps. Need to convince him IMF cannot provide money on basis of promises.
- Once Russia has IMF program, we should be ready to help on external debt. Know difficult for Germany.

SECRET

Reason: 1.5(b)(d)

Declassify On: 2/8/09

DECLASSIFIED IN PART
PER E.O. 13526

Threat Reduction Initiative

- Wrote about expanding partnership to reduce risk of proliferation from Russia/NIS. Have asked Congress for \$4.5 billion over five years. Key issue for Cologne. Important G-8 find way to coordinate efforts, reach out to Nordics, others.
- Hope you will consider increasing aid in such areas as plutonium disposition, military relocation, and assistance to Russia to implement its Chemical Weapons Convention obligations.
- As Sherpas agreed, we would like to discuss these ideas further at a G-8 nonproliferation experts meeting in late February. Sherpas can consider at their March meeting.

Kosovo

- If we get agreement, NATO will need to deploy rapidly. Appreciate German pledge of 4,000 troops. Just met with foreign policy team on U.S. force; close to decision to participate if agreement is strong.
- On the civilian side, want to stress Bosnia lessons (importance of standing up local police) and OSCE's KVM experience. OSCE already doing monitoring, elections and human rights work, able to take on policing and support other's economic reconstruction efforts.
- Understand your reps in Rambouillet seek to dismantle KVM, put a new entity in charge of civilian implementation. Concerned we'll lose time -- hard for us to support your proposal.

NATO Summit and ESDI

- Summit needs to prepare NATO for new challenges. New **strategic concept**, initiatives on conventional defense forces and weapons of mass destruction, essential to keeping NATO robust, relevant in years ahead.
- On **mandates**, cannot agree to blanket requirement for UNSCR that ties NATO's hands. Need to find way to convey respect for UN while retaining necessary flexibility to act, in real-world situations like Kosovo.

- On ESDI, must complete effort already underway to implement Berlin decision on building ESDI within NATO. Need to ensure stronger ESDI means stronger transatlantic link.

NATO Nuclear Policy: No First Use

- Appreciate agreement not to pursue in Summit; NATO's nuclear doctrine needs to make potential aggressors uncertain about our response.
- Personal commitment to reducing nuclear dangers: working for START II ratification in Russia; ready to move on significant START III reductions; 70 percent increase in funding for nuclear safety/dismantling efforts in Russia; promoting G-7/G-8 coordination on nonproliferation; all-out campaign to secure Senate approval of CTBT, adherence by India and Pakistan.
- In short, making real progress toward shared goals: halting proliferation, employing nuclear scientists in other fields, preventing nuclear accidents. Much work remains. You could make a great contribution by putting Germany in forefront of Europe.

[If Schroeder pushes for a review of doctrine, nonproliferation and arms control following NATO Summit]:

- Urge you to avoid what is sure to be divisive doctrinal debate. If you can't, such issues as nuclear doctrine, policy and programs fall under purview of NATO's High Level Group.

Global Economic Situation

- Concerned about Japan, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.
- We need to work together on appropriate means of assisting Brazil.

G-8 Summit and International Financial Architecture

- Appreciate your willingness to include nonproliferation at Cologne -- experts need to get to work quickly to develop concrete programs that we can all support.
- We need to ensure world continues to enjoy benefits of free-flowing capital, while taking steps to mitigate "boom and

bust" cycles, create stronger incentives for emerging markets to adopt policies to capture benefits of globalization, and develop incentives in industrial countries for more disciplined investment and credit decisions.

- Need to look at how to improve existing International Finance Institutions to meet more effectively needs of globalized economy; G-7 deputies are currently discussing.

Trade

- Want to work with you on robust agenda for WTO Round, especially agriculture. Would also like to make progress on strengthening labor support for trade.
- Should use months before U.S.-EU Summit to manage differences on bananas and beef better; too close to a trade war over bananas -- requested new consultations to reach a negotiated solution. Appreciate your role, hope you will encourage Commission to talk.
- We also must prevent similar dispute over beef hormones.

EU Enlargement/Turkey

- Improving EU-Turkey relations could be helpful in getting Turks to engage on Cyprus.

Iraq

- Iraq must meet UNSCR obligations. Results of UN assessment panels should provide basis to move forward. Meantime, must assure needs of Iraqis, through expansion and enhancement of oil-for-food program -- not lifting of sanctions.

Environmental issues

- Have been urging G-8 leaders to establish environmental standards for export credit agencies; would like to make progress at Cologne. Strongly oppose "caps" in trading -- political unacceptable here.

Embassy Berlin

- Have difficulties with new Embassy. Africa terror attacks forced additional security. Need help with city officials.

2/10/99

SCENARIO FOR INFORMAL WORKING VISIT OF
CHANCELLOR SCHROEDER OF GERMANY
February 11, 1999

12:15 p.m. Prebrief participants in the Oval Office.

The President
Madeleine Albright
Samuel Berger
Gene Sperling
James Steinberg
Lael Brainard
Leon Fuerth
Tony Blinken

12:25 p.m. Chancellor Schroeder and party arrive at the West Lobby, are greeted by Ambassador Mel French, Chief of Protocol, who escorts him into the Roosevelt Room to sign the Guest Book.

12:30 p.m. Ambassador French escorts Chancellor Schroeder into the Oval Office and makes introductions. All are seated. Official photographers/video and stills enter for photos, then depart.
(Consecutive interpretation)

<u>U.S. Participants</u>	<u>German Participants</u>
The President	Chancellor Schroeder
Madeleine Albright	Michael Steiner
Samuel Berger	(Interpreter)
Leon Fuerth	
(Gisela Marcuse, Interpreter)	

1:15 p.m. Meeting adjourns. The President escorts Chancellor Schroeder and other luncheon guests into the Oval Dining Room and invites them to be seated for lunch.

1:20 p.m. Lunch begins.

<u>U.S. Participants</u>	<u>German Participants</u>
The President	Chancellor Schroeder
Madeleine Albright	Michael Steiner
Samuel Berger	(Interpreter)
(Gisela Marcuse, Interpreter)	

2:25 p.m. Upon completion of lunch, the President and Chancellor Schroeder hold briefly while other members of the German Delegation are escorted to their vehicles outside the West Lobby.

2:27 p.m. The President escorts Chancellor Schroeder from
 the Oval Dining Room to the West Lobby.

2:30 p.m. The President bids farewell to Chancellor
 Schroeder at the door of the West Lobby. (Open
 photos from stakeout area).

execsec/scenario/Schroeder21199

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001e. talking points	re: Talking Points for President Clinton's Use... (1 page)	02/05/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

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

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

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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THE SECRETARY OF STATE
WASHINGTON

0838

February 9, 1999

~~CONFIDENTIAL~~

DECL: 2/8/09

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.47)

KBH 11/22/2019

MEMORANDUM FOR THE PRESIDENT

FROM: Madeleine K. Albright *MKA*

SUBJECT: Meeting with Chancellor Gerhard Schroeder

Gerhard Schroeder has had a bumpy start. In his first 100 days, his coalition of Social Democrats and Greens has demonstrated inexperience and internal dissension in dealing with such issues as unemployment, economic reform, NATO nuclear policy and the future of domestic nuclear power. Last week the coalition parties also suffered a surprise defeat in a state election, depriving them of their majority in Parliament's upper house. Germany's triple Presidencies (G-8, European Union, and West European Union) and the pending government move to Berlin make for a daunting early agenda for the new team. Schroeder himself, however, is enormously popular with the German people, with approval ratings above 70 percent.

During Strobe's visit to Bonn on February 4, Strobe had an excellent meeting with Sandy's counterpart, Michael Steiner, who will accompany Schroeder to Washington. According to Steiner, Schroeder would like his talks with you to be as informal as possible. The main purpose is to "get the chemistry right" and build on your personal relationship. Schroeder is not coming with a laundry list of issues; he wants first to discuss with you ways to give political resonance to our overall partnership, and second to review the most pressing problems on our agenda.

Schroeder wants to demonstrate that he is as much of an Atlanticist as Helmut Kohl, but he is looking to define this new Atlanticism in ways that are perceived to be linked to the future rather than the past. The theme of learning from each other as we tackle common domestic challenges--a Transatlantic

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Classified by: Madeleine K. Albright, Secretary of State
E.O. 12958: Reason 1.5 (B) and (D)

FEB10 6:04

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-2-

Learning Community--could also be developed for your June trip to Germany as new glue for the partnership.

Kosovo is clearly on the Chancellor's mind. Despite some rumblings from the Greens, the Germans have announced their intention to provide ground troops, if needed, and have joined us in condemning Serb atrocities and Milosevic's intransigence. Steiner told Strobe that Schroeder's message to you will be that Germany wants to share the burden, behave as a "good ally," and play a constructive role. Bundestag approval of German military engagement in Kosovo will be difficult but manageable. You should reassure the Chancellor that the path on which we have embarked at Rambouillet and within the Alliance is the right course. Milosevic will probably test us, and we will have to be tough; but ultimately that is the only way to make him behave, and it will perhaps hasten his eventual departure.

Schroeder wants to help make the NATO Summit a success. I have spoken to Foreign Minister Fischer on several occasions to emphasize that our decisions at the Summit will shape the Euro-Atlantic partnership for years to come. U.S.-German cooperation is the key to advancing the Summit agenda. Schroeder sees eye-to-eye with us on our core goals, but remains reluctant to get out in front of his fellow Europeans. You will want to reassure him that success is possible only if you, he and Tony Blair are in full agreement.

The Germans can be an enormous help to us in managing ESDI within the Alliance. ESDI is gaining momentum in Europe, a fact which Steiner attributed to the introduction of the Euro and the cooperation and coordination it has engendered. We must ensure that it stays on track and that there are no contradictions between ESDI and NATO. Your message to Schroeder should be that we welcome our European friends' assuming new tasks, and we should have the closest possible consultations on any new initiatives.

Schroeder will host the G-8 Summit in Cologne June 18-20 and the U.S.-EU Summit in Bonn June 21. On the G-8 Summit, messages on trade liberalization and open markets, sustaining globalization and equipping our people for its challenges and opportunities appear quite consistent with your own agenda. Schroeder's international priority is the European Union--an

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~~CONFIDENTIAL~~

-3-

opportunity for you to engage him on ways we can use Germany's EU Presidency to advance our goal of a more effective and operational U.S.-EU partnership. By June, we want to have resolved some major trade disputes; achieve concrete progress in the Transatlantic Economic Partnership; activate U.S.-EU collaboration on Russia and Ukraine; and take our partnership to a new level through a strong Summit Statement--a "Bonn Declaration"--that commits us together to work more effectively in fast-breaking crises; manage such differences as bananas and beef earlier and better so that they do not get out of hand; and expand the areas of U.S.-EU joint action.

You may know that Schroeder's Chief of Staff, Bodo Hombach, will have been in Washington February 8-9 and held in-depth talks with Stu Eizenstat and others on the establishment of a "German Remembrance Fund" to provide justice and compensation to the millions who suffered as forced and slave laborers under the Nazi regime. You should congratulate Schroeder on his courage and demonstrated intention to bring proper closure to this ugly chapter of German history.

I leave for last an issue of great personal concern to you and all of us: the future of Russia and Ukraine. Schroeder was critical of Helmut Kohl's focus on Boris Yeltsin and is reaching out to Primakov and other leaders. Schroeder also spoke of the need to understand Russia's version of "social capitalism" and the rollback of various reforms. Here you should stress the message I gave in Moscow last month: we remain engaged with Russia. It is a tough environment--political and economic--for Russia, but we must keep pressing them to make the right choices in their own long-term interests; --to develop realistic budgets and work closely with the IMF on a program we can all support. Such a program can pave the way for dealing with Russia's other pressing debt problems, including the Paris Club. The United States and Germany remain the two most important countries that can help guide Russia and Ukraine toward greater prosperity and democracy.

This is a time for greater engagement with Germany. As Schroeder learns his way as Chancellor, he will continue to look to you for support, guidance and friendship.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001g. memo	Robert Rubin to POTUS re: Meeting the German Chancellor Schroeder (3 pages)	02/09/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION

001h. report	re: U.S. Government Report (2 pages)	01/21/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001i. report	re: U.S. Government Report (2 pages)	01/15/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001j. memo	Lawrence Butler to Berger re: Presidential Meeting with German Chancellor Gerhard Schroeder (1 page) [Partial Release] KDE 5/26/2016	02/10/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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

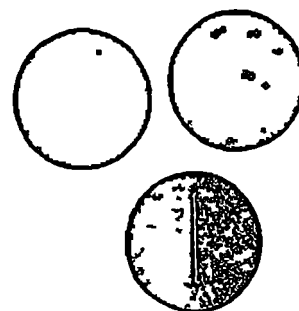
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0838 Redo

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

February 10, 1999



ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN

FROM: LAWRENCE BUTLER

SUBJECT: Presidential Meeting with German Chancellor
Gerhard Schroeder, February 11, 1999

Attached at Tab I is your memorandum to the President forwarding briefing material and talking points for his meeting with Chancellor Schroeder on February 11, 1999.

Concurrences by: { Carlos Pascual, James Baker, Andrew Weiss,
Nancy McEldowney, Anne Witkowsky and Richard
Holtzapple

RECOMMENDATION

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

Attachments

Tab I Memo to the President

Tab A Points to be Made

Tab B Scenario

EO 13526 1.4c

Tab D Memo to President from Secretary Albright

Tab E Memo to President from Secretary Rubin

Tab F Bios

SECRET

Reason: 1.5(b,d)

Declassify On: 2/8/09

DECLASSIFIED IN PART
PER E.O. 13526

2013-0777-M 105126116 KDE

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001k. memo	Berger and Sperling re: Meeting with Chancellor Schroeder [incomplete copy] (1 page)	02/11/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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2015-0777-M

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RR. Document will be reviewed upon request.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
0011. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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2015-0777-M

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SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF GERMANY

EO 13526 1.4c

- Your trip next week to **Moscow** can energize Primakov, convince him IMF won't provide money without strategy.
- Russian resources to fight **proliferation** diminishing. Help employ scientists, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion/five years, increase of 70 percent. Hope we can work to get G8 on board at Cologne.
- **Kosovo**. Appreciate commitment of ground forces. Should not reopen organizational structure of KVM.
- **NATO Summit** needs to prepare for new challenges, essential to keeping NATO robust, relevant. On **mandates**, prepared to reaffirm UN respect, not deny NATO's flexibility to act.
Need to convince Chirac not to tie NATO's hands.
- Implement Berlin decision on building **ESDI in NATO**; support more Euro capabilities consistent, interoperable with NATO.
- **No First Use**. Appreciate agreement not to pursue before Summit; nuclear doctrine keeps potential aggressors uncertain of response. Urge help with Cooperative Threat Reduction.
- **G-8 Summit/Cologne**. Agree should be informal, small number of topics. Our nonproliferation experts need to work quickly on programs. Need to look at ways that existing International Finance Institutions can be improved.
- Improved EU relations key to getting **Turks engaged on Cyprus**.
- **Environment**. Hope you will support in Cologne work on environmental standards for export credit agencies. Oppose "caps" in trading, politically non-viable.
- ~~Have problem with Berlin regarding security for new Embassy.~~
Need to work on security for new Embassy in Berlin

SECRET

Reason: 1.5 (c) (d)

Declassify On: 2/8/09

DECLASSIFIED IN PART
PER E.O. 13526

2015-0777-M [1.53]

KBH 11/22/2019

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001m. talking points	re: Points to be Made for Meeting with Chancellor Schroeder [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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2015-0777-M
rs1395

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR SCHROEDER

EO 13526 1.4c

- Understand you may need to say something on this - EO 13526 1.4c

~~have better understanding of the difficulties~~, our governments have agreed to continue discussions, and are cooperating.

Nazi
Forced Labor

- Appreciate announcement of foundation to compensate former forced laborers and others -- historic gesture.
- (~~If~~ asked) Regarding **executive agreement**, our lawyers concerned that it might be ineffective in terminating litigation here, lead to suits against USG. Better approach would be for parties to a possible multilateral agreement undertake to inform courts, with no obligation, that your foundation offers best mechanism to resolve claims. *to*

European representation in G-7

- Important to find *and* solution to representation issue *That both are* sensitive to Europe's needs, preserve informal nature of group. Decisions about ministerial meetings best left to ministers.
- (*If raised*) Exchange rate target zones: Support cooperation on macro policies through G7, not manage exchange rates. Your experience with Euro shows what was needed to achieve concerted monetary/exchange rate policy.

Russia

- *Important that* ~~You'll hear from Primakov that we don't want him to succeed, but that Russia already taking necessary steps.~~ *understand we* Need to convince him IMF cannot provide *must* money on basis of promises.
- Once Russia has IMF program, we should be ready to help on external debt. Know difficult for Germany.

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Reason: 1.5(b)(d)

Declassify On: 2/8/09

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2015-0777-M [1.55]

KBH 11/22/2019

Threat Reduction Initiative

- Wrote about expanding partnership to reduce risk of proliferation from Russia/NIS. Have asked Congress for \$4.5 billion over five years. Key issue for Cologne. Important G8 find way to coordinate efforts, reach out to Nordics, others.
- Hope you will consider increasing aid in areas as plutonium disposition, military relocation, and assistance to Russia to implement its Chemical Weapons Convention obligations.
- As Sherpas agreed, we would like to discuss these ideas further at a G-8 nonproliferation experts meeting in late February. Sherpas can consider at their March meeting.

Kosovo

- If we get agreement, NATO will need to deploy rapidly. Appreciate German pledge of 4,000 troops. Just met with foreign policy team on U.S. force; close to decision.
 - On the civilian side, want to stress ~~incorporating~~ Bosnia lessons and OSCE's KVM experience. OSCE already doing monitoring, elections and human rights work, able to take on policing and support other's economic reconstruction efforts.
- (importance of standing up local police)
- Understand your reps in Rambouillet seek to dismantle KVM, put a new entity in charge of civilian implementation. Concerned we'll lose time -- hard for us to support your proposal.
- to participate if agreement strong.

NATO Summit and ESDI

- Summit needs to prepare NATO for new challenges. New **strategic concept**, initiatives on conventional defense forces and weapons of mass destruction, essential to keeping NATO robust, relevant in years ahead.
- On **mandates**, cannot agree to blanket requirement for UNSCR that ties NATO's hands. Need to find way to convey respect for UN while retaining necessary flexibility to act, in real-world situations like Kosovo.
- On **ESDI**, must complete effort already underway to implement Berlin decision on building ESDI within NATO. Need to ensure stronger ESDI means stronger transatlantic link.

NATO Nuclear Policy: No First Use

- Appreciate agreement not to pursue in ~~advance~~ of Summit; NATO's nuclear doctrine needs to make potential aggressors uncertain about our response.
- Personal commitment to reducing nuclear dangers: working for START II ratification in Russia; ready to move on significant START III reductions; 70 percent increase in funding for nuclear safety/dismantling efforts in Russia; promoting G-7/G-8 coordination on non-proliferation; all-out campaign to secure Senate approval of CTBT, adherence by India and Pakistan.
- In short, making real progress toward shared goals: halting proliferation, employing nuclear scientists in other fields, preventing nuclear accidents. Much work remains. You could make a great contribution by putting Germany in forefront of European.

[If Schroeder pushes for a review of doctrine, nonproliferation and arms control following NATO Summit]:

- ~~Some of these issues -- such as, nuclear security in Russia -- could be discussed in NATO's Senior Proliferation Group.~~
- Urge you to avoid what is sure to be divisive doctrinal debate. If you can't, such issues of nuclear doctrine, policy and programs fall under purview as NATO's High Level Group.

Global Economic Situation

- Concerned about Japan, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.
- We need to work together on appropriate means of assisting Brazil.

G-8 Summit and International Financial Architecture

- Appreciate your willingness to include non-proliferation at Cologne -- experts need to get to work quickly to develop concrete programs that we can all support.

- We need to ensure world continues to enjoy benefits of free-flowing capital, while taking steps to mitigate "boom and bust" cycles, create stronger incentives for emerging markets to adopt policies to capture benefits of globalization, and develop incentives in industrial countries for more disciplined investment and credit decisions.
- Need to look at how to improve existing International Finance Institutions to meet more effectively needs of globalized economy; G-7 deputies are currently discussing.

European Union and Trade

- Should use months before U.S.-EU Summit to manage differences on bananas and beef ~~earlier and better~~; too close to a trade war over bananas -- requested new consultations to reach a negotiated solution. Appreciate your role, hope you will encourage Commission to talk.
- We also must prevent similar dispute over beef hormones.

EU Enlargement/Turkey

- Improving EU-Turkey relations could be helpful in getting Turks to engage on Cyprus.

Iraq

- Iraq must meet UNSCR obligations. Results of UN assessment panels should provide basis to move forward. Meantime, must assure needs of Iraqis, through expansion and enhancement of oil-for-food program -- not lifting of sanctions.

Environmental issues

- Have been urging G-8 leaders to establish environmental standards for export credit agencies; would like to make progress at Cologne. Strongly oppose "caps" in trading -- political unacceptable here.

Embassy Berlin

- Have difficulties with new Embassy. Africa terror attacks forced additional security. Need help with city officials.

SCENARIO FOR INFORMAL WORKING VISIT OF
CHANCELLOR SCHROEDER OF GERMANY
February 11, 1999

12:15 p.m. Prebrief participants in the Oval Office.

The President
Madeleine Albright
Samuel Berger
James Steinberg
Tony Blinken
Others TBD

Lael

Gene Sperling

12:25 p.m. Chancellor Schroeder and party arrive at the West Lobby, are greeted by Ambassador Mel French, Chief of Protocol, who escorts him into the Roosevelt Room to sign the Guest Book.

12:30 p.m. Ambassador French escorts Chancellor Schroeder into the Oval Office and makes introductions. All are seated. Official photographers/video and stills enter for photos, then depart.
(Consecutive interpretation)

<u>U.S. Participants</u>	<u>German Participants</u>
The President	Chancellor Schroeder
Madeleine Albright	Michael Steiner
Samuel Berger	(Interpreter)
(Gisela Marcuse, Interpreter)	

1:15 p.m. Meeting adjourns. The President escorts Chancellor Schroeder and other luncheon guests into the Oval Dining Room and invites them to be seated for lunch.

1:20 p.m. Lunch begins.

<u>U.S. Participants</u>	<u>German Participants</u>
The President	Chancellor Schroeder
Madeleine Albright	Michael Steiner
Samuel Berger	(Interpreter)
(Gisela Marcuse, Interpreter)	

2:25 p.m. Upon completion of lunch, the President and Chancellor Schroeder hold briefly while other members of the German Delegation are escorted to their vehicles outside the West Lobby.

2:27 p.m. The President escorts Chancellor Schroeder from the Oval Dining Room to the West Lobby.

2:30 p.m.

The President bids farewell to Chancellor Schroeder at the door of the West Lobby. (Open photos from stakeout area).

execsec/scenario/Schroeder21199

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001n. memo	Butler to Berger re: Presidential Meeting with German Chancellor Gerhard Schroder (1 page) [Partial Release] KDE 5/26/2016	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

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

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SECRET

0838

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

February 9, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN *AB*

FROM: LAWRENCE BUTLER *W*

SUBJECT: Presidential Meeting with German Chancellor
Gerhard Schroeder, February 11, 1999

Attached at Tab I is your memorandum to the President forwarding briefing material and talking points for his meeting with Chancellor Schroeder on February 11, 1999.

Concurrences by: Carlos Pascual, James Baker, Andrew Weiss,
Nancy McEldowney, Anne Witkowsky and Richard
Holzapfel *Jo*

RECOMMENDATION

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

Attachments

Tab I Memo to the President

Tab A Points to be Made

Tab B Scenario

EO 13526 1.4c

Tab ~~BFD~~ Memo to President from ~~Strobe Talbott~~ *Tab E- memo from Rubin Secretary Albright*

Tab ~~E~~ Bios

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PER E. O. 13526

2015-0772-M 05/26/16 KDE

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Reason: 1.5(b,d)

Declassify On: 2/8/09

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION

001o. memo	From Berger and Sperling re: Meeting with Chancellor Schroeder (8 pages)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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2015-0777-M

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SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF GERMANY

Oval Office Session

- Looking to Germany to provide strong leadership in lead-up to April NATO and June G-8 and U.S.-EU Summits in Germany.
- Appreciate your willingness to address Holocaust issues.
- ~~Applaud move to Berlin,~~ have security problem with security for our new Embassy with city officials.
- Russia. Worried about Boris's health, political situation. Your trip to Moscow opportunity to focus Russians.
- Primakov says we don't want him to succeed and Russia already taking necessary steps. Need to convince him IMF won't provide money without up front strategy. Understand dilemma, but alternatives worse. Need to be ready to help with debt once IMF program in place.
- **Cooperative Threat Reduction**. Russian resources to fight proliferation diminishing. Need to help Russians keep scientists employed, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion over five years, increase of ~~2/3~~. ~~Hope Sherpas can shape this for Cologne.~~
- **Kosovo**. ~~To be provided Wednesday.~~ Welcome German pledge to commit troops to implement deal. Face humanitarian disaster if we cannot provide security.
- **NATO Summit and ESDI**. Summit needs to prepare for new challenges. New strategic concept, initiatives on conventional defense forces and weapons of mass destruction, essential to keeping NATO robust, relevant in years ahead.
- On mandates, cannot agree to blanket requirement for UNSCR that ties NATO's hands.
- On ESDI, must implement Berlin decision on building ESDI within NATO, but support increased European capabilities consistent and interoperable with NATO.

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Reason: 1.5 (c) (d)

Declassify On: 2/8/09

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PER E.O. 13526

2015-0777-M [1.60]

KBH 11/22/2019

not explained in memo

not explained in memo

not explained in memo

not in memo

need position further

need position

only 70% nearly 70%

Hope we can
will try to fit
G-8 and
on board
to
help at
Cologne

Hope we
can

to get

G-8 on
board to
help at
Cologne

- **NATO Nuclear Policy - No First Use.** Appreciate agreement not to pursue in advance of Summit; we believe NATO's nuclear doctrine is where it needs to be to protect our security and ensure potential aggressors are uncertain of our response. Rather than divisive debate, urge your government help with practical Cooperative Threat Reduction including support for keeping scientists employed, destroying plutonium, protecting nuclear facilities, dismantling warheads.

Oval Dining Room Session

- **Common Domestic Challenges.** Good dialogue with Tony Blair, Jospin, others on common challenges of globalization. Hard to maintain pace of domestic adaptation, resist protectionism.
- **Global Economic Situation.** Concerned about Japan, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.

- **G-8 Summit.** Looking forward to Cologne. Our nonproliferation experts need to get to work quickly to develop concrete programs that we can all support. Need to look at ways that existing International Finance Institutions can be improved. *Agree that it should be informal, small number of topics*

- **European Union.** Looking forward to June. Like to issue a "Bonn Declaration" that commits us together to work better in fast-breaking crises; manage differences like bananas and beef earlier and better so they do not get out of hand.

- Have requested new WTO consultations on bananas. Appreciate your role, must work together to prevent a similar dispute over implementation of findings on beef hormones.

- Appreciate efforts to make EU-Turkey relations better; could be helpful in getting Turks to engage on Cyprus.

- Iraq continues to violate obligation to cooperate with UNSCOM, IAEA; Aziz announced legitimacy of overthrow of Arab governments.

- Iraq must meet UNSC obligation. Results of UN assessment provides common basis to move forward. In long run only way to secure a better future for Iraqi people is through new government.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001p. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

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NSC Records Management
([Schroeder and Mem*...])
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- Iran. Want to demonstrate strong support for Khatemi but too many accolades from us provide grist for those who would like to portray him as a Western puppet. Assessment of Khatemi?
- Environment. Hope you will support in Cologne work on environmental standards for export credit agencies. Reducing greenhouse gas emission priority for me. Oppose "caps" in trading.

•

EO 13526 1.4c

POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR SCHROEDER

Oval Office Session

- Appreciate your success in addressing challenges after 16 years in opposition.
- Looking to Germany to provide strong leadership in lead-up to April NATO and June G-8 and U.S.-EU Summits in Germany. Pivotal year for transatlantic partnership and Euro-integration -- opportunity to set foundation for security, economic and political cooperation far into future.
- Bodo Hombach was here to see Jim Steinberg, John Podesta, and Under Secretary Eizenstat. Appreciate your willingness to address Holocaust issues and go to closure.
- Look forward to your move to Berlin*
• ~~Applaud acceleration of move to Berlin, though must be difficult. We also have difficulties there~~ Terrorist attacks in Africa forced us to take additional security, even for new chancery in central Berlin but have problems with city officials. Hope you can help us resolve this important issue.

Russia

- Worried about Russia: Boris's health, political situation. Narrow window to move economy before elections.
- Europeans can advocate steps to head off worse crisis. Your trip to Moscow opportunity to focus Russians on challenges.
- IMF wants to work with Primakov to improve budget to provide financial support. Need amendments to make realistic. Understand hard, but Russians need to meet us halfway.
- We have a serious communication problem with Russians. You'll hear from Primakov that United States doesn't want him to succeed, that Russia already taking necessary steps.
- Primakov convinced IMF can provide support on basis of promises to increase revenues if problems develop.

~~SECRET~~

Reason: 1.5(b)(d)

Declassify On: 2/8/09

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.62)
K8H 11/22/2019

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PER E. O. 13526

Butler
changes

2015-0777-M [1.63]

KBH 11/22/2019

MEETING WITH
CHANCELLOR SCHROEDER
DATE: February 11, 1999
LOCATION: Oval Office
TIME: 12:30 - 2:35 p.m.

FROM: SAMUEL BERGER
GENE SPERLING

I. KEY OBJECTIVES

- Deepen partnership, in particular on common domestic challenges, and key ~~foreign policy~~ goals for NATO and other summits.
- Lock in Schroeder's commitment to German participation in a NATO ~~role mission~~ in Kosovo.
- Develop cooperation on Russia.

II. CONTEXT OF MEETING

Out of federal power for 16 years, the first 100 days of the SPD-Green coalition were marred by confusion and uncertainty within the coalition: divisions between Foreign Minister Fischer and Defense Minister Scharping over nuclear no first use; controversial tax reform; equivocation on domestic nuclear power; and splits between the Chancellor and Finance Minister Lafontaine over support for international currency bands. Moreover, Schroeder is preoccupied with managing the burdensome EU ~~and G-~~ ~~824~~ ~~Presidency~~ ~~vies~~ and dealing with a slowing economy, with unemployment at 10.8 percent, and strikes threatened.

Schroeder's coalition got a jolt in losing a February 7 state election in Hesse that cost him control of Germany's upper house and threatens legislative gridlock. Exit polls showed that dissatisfaction with Schroeder's handling of the economy, together with the impact of a CDU petition campaign against (Green-inspired) citizenship reforms, were

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Reason: 1.5(b) (d)

Declassify On: 2/8/09

the main causes for the swing. Schroeder faces challenges in holding his disparate coalition together. He personally is enjoying over 70 percent approval ratings and comes here seeking to deepen your personal relationship and to establish a channel to help him with key political issues.

Schroeder will be instrumental in getting others on board for our approach to the April NATO Summit and broader agenda. Germany has continued to support U.S. goals during crisis situations, including the Bundestag's approval of participation in the Kosovo extraction force, as well as favorable statements following the Iraq air strikes. By declaring readiness to use ground forces in Kosovo, Schroeder has broadened consensus on Germany's willingness to deploy combat troops abroad. Schroeder also launched a commendable effort to address Holocaust-era assets issues; his chief of staff, Bodo Hombach, met with Stu Eizenstat this week for discussions on forced/slave labor issues, key to the proposed Deutsche Bank-Bankers Trust merger.

III. AGENDA

Oval Office Session

Russia. Yeltsin's shaky appearance in Jordan will heighten German nervousness about Russia's prospects, especially with Schroeder due to go to Moscow February 16-18. They are reluctant to offer new financial assistance absent renewed impetus on reform and cooperation with the IMF. Stronger EU and German engagement on thorny economic issues could help energize Primakov who remains determined to muddle through the crisis. One promising partnership to pursue is Cooperative Threat Reduction, which plays to the SPD-Green concern for nuclear-related issues although the Germany government is leery of the budgetary cost.

Russia will not make progress until Moscow ~~the Russians~~ builds a political consensus for sound economics. We have encouraged Primakov to develop a reform strategy that he can sell politically. We have focused the IMF on fundamentals: a sound budget, bank reform, and a revenue-generating tax policy. Some IMF assistance will be required, but the financial support needed most is debt relief -- problematic for Bonn since it holds much of that debt. Primakov is ~~to how he can bridge the gap with the IMF~~ getting bad information from his staff and is worried that we are trying to undermine him. At his meeting with

the Vice President in Davos, Primakov ran through a dozen misinformed points on how Russia is on the right track, making it impossible to discuss substance without criticizing him personally.

We need to--Primakov to accept that it is not in our interest to see him fail; that the IMF cannot provide support, and we cannot mobilize debt relief, based on promises to fix problems when they arise -- we need a strategy to deal with problems we know will develop; and that working with the IMF on amendments to the budget can increase revenue and help him protect wages and pensions.

Kosovo. The United States and allies are developing post-Rambouillet options for implementing an interim agreement. France and Germany have stated their willingness to commit ground forces (in a non-hostile environment) to assist in implementing an agreement, and **Schroeder is likely to seek your assurance that the United States will also commit ground forces.** You should review our position on the need for a strong agreement to justify deployment of troops; seek German support for funding civilian implementation (especially police) and the need to send a clear message to Milosevic of the consequences if he does not accept the agreement.

NATO Summit. Schroeder is on our wavelength regarding the April Summit, though he remains wary of new missions and over-extension. The two issues he is likely to raise with you are nuclear doctrine and mandates. On nuclear issues, the Germans have agreed not to press no first use in the lead-up to the summit and, in exchange, are looking for our agreement to establish a post summit political-military group within NATO to review the full range of nuclear issues, including arms control, non-proliferation, and doctrine.

Our strategy should be to channel the Germans away from a divisive doctrinal debate and into areas where they can make a positive contribution: nuclear security, weapons dismantling, tightened controls over WMD, and employment for Russian scientists. If the Germans agree to work on that agenda rather than nuclear policy, we could agree to do so in a NATO committee, the Senior Proliferation Group.

On mandates, Schroeder understands that we cannot put NATO "under the authority" of the UN, but at the same time,

wants to emphasize the importance of the Security Council and international law more generally. We are prepared to reaffirm our respect for the purposes and principles of the UN but cannot accept language that would deny NATO's flexibility to act. You should enlist Schroeder's help in convincing Chirac that we should not tie NATO's hands with artificial restrictions for UN mandates.

ESDI. In response to Franco-British ideas on accelerating the development of a European Security and Defense Identity (ESDI), Schroeder has strongly reaffirmed the importance of building ESDI within NATO so that it strengthens the transatlantic link (and not put a strain on budgets by duplicating NATO assets). The Germans will reinforce this point in their on-going EU and WEU presidencies, but are facing pressure from Paris to develop independent capabilities outside of, and in competition with, NATO. Regarding WEU, the Germans originated the idea of merging it with the EU, proposing to double hat the to-be-appointed EU foreign policy coordinator also with the WEU chair. We should enlist Schroeder's support for a statement of principles, to be announced at the NATO summit, that would support ESDI but anchor its future development firmly within NATO. ~~NATO Summit. Schroeder is on our wavelength regarding the April Summit, though he remains wary of new missions and over-extension. The two issues he is likely to raise with you are nuclear doctrine and mandates. On nuclear issues, the Germans have agreed not to press no first use in the lead-up to the summit and, in exchange, are looking for our agreement to establish a post-summit political-military group within NATO to review the full range of nuclear issues, including arms control, non-proliferation, and doctrine.~~

~~Our strategy should be to channel the Germans away from a divisive doctrinal debate and into areas where they can make a positive contribution: nuclear security, weapons dismantling, tightened controls over WMD, and employment for Russian scientists. If the Germans agree to work on that agenda rather than nuclear policy, we could agree to do so that in a NATO committee, the Senior Proliferation Group. {Problem is this does not solve German domestic problem of needing to show they pushed on NFU...}~~

~~On mandates, Schroeder understands that we cannot put NATO "under the authority" of the UN, but at the same time, wants to emphasize the importance of the Security Council~~

and international law more generally (~~((NANCY --- JIM WANTS US TO SAY WHAT WE ARE PREPARED TO DO))~~). You should enlist his help in convincing Chirac that we should not tie NATO's hands with artificial restrictions for UN mandates.

~~ESDI. In response to Franco-British ideas on accelerating the development of a European Security and Defense Identity (ESDI), Schroeder has strongly reaffirmed the importance of building ESDI within NATO so that it strengthens the transatlantic. The Germans will reinforce this point in their on-going EU and WEU presidencies, but are facing pressure from Paris to develop independent capabilities outside of, and in competition with, NATO. We should enlist their support for setting clear parameters (phil --- what do we mean??) now, which could be announced at the NATO Summit.~~

Oval Dining Room Luncheon

Common Agenda. Schroeder's main objective in meeting with you is to seek support as he develops his political bearings. Ambassador Kornblum reported that he has done well so far in projecting a pragmatic social democracy, dubbed the "new center," but his real impact has been through his personality. He is under pressure from his left wing and the press of events. He has spoken with Tony Blair about defining third way ideas (education, employment, job retraining and other global economy-related challenges), and would like to expand this to a trilateral relationship involving you. He wants to demonstrate that he is as much of an Atlanticist as Kohl, but he is looking to define this in future-oriented ways. Schroeder's strong interest in your own experiences in tackling similar domestic challenges provides broad common ground.

Global Economic Situation. Slowing growth in Europe has bad implications for emerging markets. Euro-11 growth will fall from 3 percent to 2 percent this year, with Germany somewhat lower. Led by Lafontaine, Bonn has shifted emphasis from structural reforms toward demand-side stimulus to reduce unemployment; German and EU long term growth prospects depend on structural reforms to make labor markets more flexible. However, with Japan in recession and the United States current account deficit rising, it becomes critical that Europe support demand-led growth to provide outlets for crisis country exports. We need to

enlist Schroeder to urge the Japanese to take all the measures needed to get their economy back on track.

G-8 Summit/Financial Architecture. Schroeder hosts the G-8 Summit in Cologne in June. The Germans are trying to return the Summit to a less results-oriented event, with more of an economic/social focus, reprising the Birmingham format of informal discussion by heads only of a small number of topics. The tentative agenda is to discuss next steps on the international financial architecture during the G-7 portion; while the G-8 talks will center around three areas:- "sustaining public support for globalization" (social safety nets, environment and labor, debt and development policies); nonproliferation (with an emphasis on Russia and cooperative threat reduction) and education in the information age. Schroeder also has a growing interest in Y2K cooperation. Schroeder has put forward an initiative for international debt reduction that mirrors existing U.S. positions, but Schroeder's represents a welcome move toward greater flexibility. We need Schroeder's direct engagement on our nonproliferation initiatives, especially expanded NIS threat reduction program. You should also urge him to energize his Finance Ministry to work with us and the others to agree on, and implement a concrete set of reforms to the international financial architecture, while pulling Lafontaine back from currency exchange bands.

Trade Issues. On January 29, ~~we succeeded in we~~ requested WTO approval of a \$500 million banana retaliation list after the EU gave up procedural maneuvering to block our action; the EU appealed the amount, delaying action until after March 2. The Germans intervened in Geneva, to the annoyance of Leon Brittan and the EU Commission to get the Commission to back down. ~~prevented a destructive approach that threatened the WTO.~~ Next up is a similar dispute over an EU import ban on beef produced with growth-promoting hormones. The EU must implement WTO findings by May or face more retaliation. USTR is working on a number of ideas, including labeling ~~of the offending meat,~~ to avert a crisis. You should express appreciation to Schroeder for leading the effort for mutually acceptable compromises.

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lowering its assessment, which would have to be offset by reducing agricultural subsidies that benefit France. Failure to enact the Agenda 2000 reforms could delay EU enlargement. Turkey is anxious to be formally designated as a candidate for EU membership, One of the EU aspirants is Turkey, but progress on improving EU-Turkey relations is stalled. While we recognize that Turkey must do its part, Germany can help (even though Turkish issues are controversial at home -- it was the question granting dual citizenship to Turkish workers in Germany that led to Schroeder's coalition defeat in Hesse). We hope the EU will unblock customs union funds for Turkey and designate Turkey as the twelfth candidate. This would provide an incentive for Turkey to re-engage in our efforts to find a Cyprus solution, without which EU enlargement may also be at risk.

Miscellaneous topics. As time permits, you should raise the following topics briefly:

Berlin Chancery. We have been stymied in negotiating with Berlin city authorities an arrangement that gives us acceptable distance from the street for our proposed new embassy there. This is critical to protect from possible terrorist attacks. While this is a municipal-level issue, given Schroeder's commitment to speed up the transfer of the federal capital to Berlin, you should draw his attention to this standoff that pits urban planners against security engineers.

Iran. Khatami spent time in Germany, and Bonn has an interest in freeing an imprisoned German national facing execution. Schroeder's chief of staff, Hombach, met with Khatami earlier this month and said that Iranian hard-liners are pressing for the release of one of the Mykonos convicts, which Hombach declared a non-starter. Hombach also indicated his impression that under the current political circumstances, Khatami cannot go further. Hombach made it clear Bonn wants close coordination with Washington on Iran.

Iraq. The Germans have expressed some support for French efforts in the UN on Iraq, and have asked for evidence of weapons stockpiles to justify maintaining pressure on Baghdad. You should remind him of Iraq's actions and implications for the region.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001r. memo	From Berger and Sperling re: Meeting with Chancellor Schroder [partial] (2 pages)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

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- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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Environment. You have urged G-8 leaders to establish export credit agency environment standards. The Kohl government was not willing to take this step but the SDP-Green coalition is inclined to do so; you should urge Schroeder to put this on the Cologne agenda.

EO 13526 1.4c

(If raised) **Death Row Clemency.** Schroeder wrote you seeking clemency for two Germans convicted of murder awaiting execution later this month in Arizona. Schroeder was quoted in a German magazine as saying he was opposed to the death penalty on principle and wanted it commuted. Should he raise the question, you should express understanding of his interest, and remind him of the jurisdictional issues involving states offenses and capital punishment.

III. PARTICIPANTS

See Scenario at Tab B.

IV. PRESS PLAN

See Scenario at Tab B.

V. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A Points to Make

Tab B Scenario

EO 13526 1.4c

Tab D Memo from Secretary Albright

Tab E Memo from Secretary Rubin

Tab F Bios

SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF GERMANY

Oval Office Session

- Looking to Germany to provide strong leadership in lead-up to April NATO and June G-8 and U.S.-EU Summits in Germany.
- Appreciate your effortswillingness to address **Holocaust** issues, set up foundation to compensate victims of slave/forced labor.
- ~~Applaud move to Berlin;~~ Have security problem with security for our **new Embassy** with city officials.
- **Russia.** Worried about Boris's health, political situation. Your trip next week to Moscow opportunity to focus Russians.
- Primakov says we don't want him to succeed and Russia already taking necessary steps. Need to convince him IMF won't provide money without up front strategy. Understand dilemma, but alternatives worse. Need to be ready to help with debt once IMF program in place.
- **Cooperative Threat Reduction.** Russian resources to fight proliferation diminishing. Need to help Russians keep scientists employed, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion over five years, increase of nearly 70 percent. Hope we can work together to get G-8 on board to help at Cologne.
- **Kosovo.** Appreciate commitment of ground forces -- important to implement an agreement, prevent humanitarian disaster. Should not reopen overall organizational structure of KVM. Establishing original was difficult enough. KVM can easily adapt to the new missions likely to emerge -- envisioned and included in the original mandate.
- ~~To be provided Wednesday. Welcome German pledge to commit troops to implement deal. Face humanitarian disaster if we cannot provide security.~~
- **NATO Summit and ESDI.** Summit needs to prepare for new challenges. New **strategic concept**, initiatives on

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Reason: 1.5 (c) (d)
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2015-0777-M 1.65]

KBH 11/22/2019

conventional defense forces and weapons of mass destruction, essential to keeping NATO robust, relevant in years ahead.

- ~~On mandates, cannot agree to blanket requirement for UNSCR that ties NATO's hands.~~ Prepared to reaffirm respect for the purposes and principles of the UN but cannot accept language that would deny NATO's flexibility to act. Need to convince Chirac that we should not tie NATO's hands with artificial restrictions for UN mandates.

□

- On ESDI, must implement Berlin decision on building ESDI within NATO, but support increased European capabilities consistent and interoperable with NATO.
- NATO Nuclear Policy - No First Use. Appreciate agreement not to pursue in advance of Summit; we believe NATO's nuclear doctrine is where it needs to be to protect our security and ensure potential aggressors are uncertain of our response. Rather than divisive debate, urge your government help with practical Cooperative Threat Reduction including support for keeping scientists employed, destroying plutonium, protecting nuclear facilities, dismantling warheads.

Oval Dining Room Session

- Common Domestic Challenges. Good dialogue with Tony Blair, Jospin, others on common challenges of globalization. Hard to maintain pace of domestic adaptation, resist protectionism.
- Global Economic Situation. Concerned about Japan, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.
- G-8 Summit. Looking forward to Cologne. Agree that it should be informal, small number of topics. Our nonproliferation experts need to get to work quickly to develop concrete programs that we can all support. Need to look at ways that existing International Finance Institutions can be improved.
- European Union. Looking forward to June. State Department is working with your people on ideas of how we can~~Like to issue a "Bonn Declaration" that commits us together to~~ work better in fast-breaking crises; manage differences like bananas and beef earlier and better so they do not get out of hand.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001s. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

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- Have requested new WTO consultations on bananas. Appreciate your role, must work together to prevent a similar dispute over implementation of findings on beef hormones.
- Appreciate efforts to make EU-Turkey relations better; could be helpful in getting Turks to engage on Cyprus.
- **Iraq** continues to violate obligation to cooperate with UNSCOM, IAEA; Aziz announced legitimacy of overthrow of Arab governments.
- Iraq must meet UNSC obligation. Results of UN assessment provides common basis to move forward. In long run only way to secure a better future for Iraqi people is through new government.
- **Iran.** Want to demonstrate strong support for Khatemi but too many accolades from us provide grist for those who would like to portray him as a Western puppet. Assessment of Khatemi?
- **Environment.** Hope you will support in Cologne work on environmental standards for export credit agencies. Reducing greenhouse gas emission priority for me. Oppose "caps" in trading.

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Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001t. talking points	re: Points to be Made for Meeting with Chancellor Schroeder [incomplete copy] (3 pages)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

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THE WHITE HOUSE
WASHINGTON

DECLASSIFIED IN PART
PER E.O. 13526

2015-0777-M [1.69]

KBH 11/22/2019

MEETING WITH
CHANCELLOR SCHROEDER
DATE: February 11, 1999
LOCATION: Oval Office
TIME: 12:30 - 2:35 P.M.

FROM: SAMUEL BERGER
GENE SPERLING

vnbold

I. KEY OBJECTIVES

- Deepen partnership, in particular on common domestic challenges, and key goals for NATO and other summits.
- Lock in Schroeder's commitment to German participation in a NATO mission in Kosovo.
- Develop cooperation on Russia.

vnbold

II. CONTEXT OF MEETING

16
Out of federal power for sixteen years, the first 100 days of the SPD-Green coalition were marred by missteps: Foreign Minister Fischer's call for NATO to consider nuclear no first use; controversial tax reform; equivocation on domestic nuclear power; and Finance Minister Lafontaine's support for international currency bands. Moreover, Schroeder is preoccupied with managing the burdensome EU Presidency and dealing with a slowing economy, with unemployment at 10.8 percent, and strikes threatened.

Schroeder's coalition lost a state election ^{February 7} Sunday in Hesse that cost him control of Germany's upper house and threatens legislative gridlock. Exit polls showed that dissatisfaction with Schroeder's handling of the economy, together with the impact of a CDU petition campaign against citizenship reforms, were the main causes for the swing. Schroeder himself, however, is enjoying over 70 percent approval ratings, but this will not translate into a reelection without improvement in the economy. He comes

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here seeking to deeper your personal relationship and to establish a channel to help him with key domestic policy issues.

Schroeder will be instrumental in getting others on board for our approach to the April NATO Summit and broader agenda. Germany has continued to support U.S. goals during crisis situations, including the Bundestag's approval of participation in the Kosovo extraction force, as well as favorable statements following the Iraq air strikes. By declaring readiness to use ground forces in Kosovo, Schroeder has broadened consensus on Germany's willingness to deploy combat troops abroad. Schroeder also launched a commendable effort to address Holocaust-era assets issues; his chief of staff, Bodo Hombach, met with Stu Eizenstat this week for discussions on forced/slave labor issues, key to the proposed Deutsche Bank-Bankers Trust merger.

III. AGENDA

Oval Office Session

Russia. Yeltsin's shaky appearance in Jordan will heighten German nervousness about Russia's prospects. They are reluctant to offer new financial assistance absent renewed impetus on reform and cooperation with the IMF. Stronger EU and German engagement on thorny economic issues could help energize Primakov who remains determined to muddle through the crisis. In other areas, one promising partnership to pursue is Cooperative Threat Reduction, which plays to the SPD-Green concern for ~~all things~~ *nuclear-related issues.*
~~nuclear.~~

Russia will not make progress until Moscow builds a political consensus for sound economics. We have encouraged Primakov to develop a reform strategy that he can sell politically. We have focused the IMF on fundamentals, ~~a~~ [#] sound budget, bank reform, and a revenue-generating tax policy. Some IMF assistance will be required, but the financial support needed most is debt relief. ~~problematic~~ [#] for Bonn since it holds much of that debt. Primakov is getting bad information from his staff and is worried that we are trying to undermine him. At his meeting with the Vice President in Davos, Primakov ran through a dozen misinformed points on how Russia is on the right track, making it impossible to discuss substance without criticizing him personally. #

We need Primakov to accept that it is not in our interest to see him fail; that the IMF cannot provide support, and we cannot mobilize debt relief, based on promises to fix problems when they arise -- we need a strategy to deal with problems we know will develop; that working with the IMF on amendments to the budget can increase revenue and help him protect wages and pensions. *and*

Kosovo. The United States and allies are developing post-Rambouillet options for implementing an interim agreement. France and Germany have stated their willingness to commit ground forces (in a non-hostile environment) to assist in implementing an agreement, *United States* and Schroeder is likely to seek your assurance that the *US* will also commit ground forces. The Germans want a review of problems in Albania and to develop a long term regional strategy. You should stress that we collectively need to pay more attention to the democracies on the periphery of the Balkan conflicts; that we want to enhance security consultations with those states and to help them, in concrete ways, advance their military and economic reforms -- as we are doing for the Baltics --; and that he will be hearing more from us on this. ✓

NATO Summit. Schroeder is on our wavelength regarding the April Summit, though he remains wary of new missions and over-extension. The two issues he is likely to raise with you are nuclear doctrine and mandates. On nuclear issues, the Germans have agreed not to press *no first use* in the lead-up to the summit and, in exchange, are looking for our agreement to establish a post summit political-military group within NATO to review the full range of nuclear issues, including arms control, non-proliferation, and doctrine. We should not agree to an "open ended" dialogue and be careful about venues -- NATO has a High Level Group responsible for nuclear doctrine, policy and programs. (NOT capitalized on Pg 1)

Our strategy should be to channel the Germans away from a divisive doctrinal debate and into areas where they can make a positive contribution: nuclear security, weapons dismantling, tightened controls over WMD, and employment for Russian scientists. If the Germans agree to work on that agenda rather than nuclear policy, we could agree to do so in a NATO committee, the Senior Proliferation Group.

On mandates, Schroeder understands that we cannot put NATO "under the authority" of the UN, but at the same time,

wants to emphasize the importance of the Security Council and international law more generally. You should enlist his help in convincing Chirac that we should not tie NATO's hands with artificial restrictions for UN mandates.

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okay. Potes
familiar with
Is that term.
right?
1 Nations
of European
Union?

Spell

out

G-8

G-8 Summit/Financial Architecture. Schroeder hosts the ^(G8) Summit in Cologne in June. The Germans are trying to return the Summit to a less results-oriented event, with more of an economic/social focus, reprising the Birmingham format of informal discussion by heads only of a small number of topics. The focus will be on education, non-proliferation, globalization, and financial architecture. Schroeder has put forward an initiative for international debt reduction that mirrors existing U.S. positions, but represents a welcome move toward greater flexibility. Consistent with our approach on Russia, we need German support for our nonproliferation initiatives, including an expanded NIS threat reduction program. We also need Schroeder to energize his Finance Ministry to work with us and the others to agree on, and implement a concrete set of reforms to the international financial architecture, while pulling Lafontaine back from currency exchange bands.

take out? yes
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the EU ✓

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EO 13526 1.4c

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III. PARTICIPANTS

See Scenario at Tab B.

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See Scenario at Tab B.

V. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A Points to Make

Tab B Scenario

EO 13526 1.4c

Tab D Memo from Strobe Talbott

Tab E Bios

POINTS TO BE MADE FOR MEETING WITH
CHANCELLOR SCHROEDER

Oval Office Session

- Appreciate your success in addressing challenges after 16 years in opposition. G-8
- Looking to Germany to provide strong leadership in lead-up to April NATO and June G8 and U.S.-EU Summits in Germany. Pivotal year for transatlantic partnership and Euro-integration -- opportunity to set foundation for security, economic and political cooperation far into future.
- Bodo Hombach was here to see Jim, John Podesta, and Under Secretary Eizenstat. Appreciate your willingness to address Holocaust issues and go to closure. *Steinberg*
- Applaud acceleration of move to Berlin, though must be *difficult.* ~~a real headache~~. We also have difficulties there. Terrorist attacks in Africa forced us to take additional security, even for new chancery in central Berlin but have problems with city officials. Hope you can help us resolve this important issue.

Russia

- Worried about Russia: Boris's health, political situation. Narrow window to move economy before elections.
- Europeans can advocate steps to head off worse crisis. Your trip to Moscow opportunity to focus Russians on challenges.
- IMF wants to work with Primakov to improve budget to provide financial support. Need amendments to make realistic. Understand hard, but Russians need to meet us halfway.
- We have a serious communication problem with Russians. You'll hear from Primakov that United States doesn't want him to succeed, that Russia already taking necessary steps.
- Primakov convinced IMF can provide support on basis of promises to increase revenues if problems develop.

SECRET

Reason: 1.5(b) (d)

Declassify On: 2/8/09

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PER E.O. 13526

2015-0777-M [1.71]

KBH 11/22/2019

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2

Line up
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page

- Need to convince him IMF cannot provide money on basis of promise. Need sound strategy up front to deal with problems we know will arise.
- Neither we nor IMF want to make this budget more austere. Understand people's pain, but alternative is worse.
- Once Russia has IMF program, we should be ready to help on external debt. Know difficult for Germany.

Cooperative Threat Reduction

- Wrote to you about expanding international partnership to reduce risk of proliferation from Russia and other NIS.
- In our national security interest -- Russian resources to fight proliferation diminishing; financial pressures on scientists and institutes increasing. ~~state institutions~~
- Need to help Russians keep scientists employed, destroy plutonium, protect nuclear facilities, dismantle warheads.

+ two thirds, Have asked Congress for \$4.5 billion over five years, increase of (2/3) Hope Sherpas can shape this for Cologne. Need as well to reach out to Nordics and others. Your EU role key.

Kosovo

- Rambo update to be provided Wednesday.
- Russian/French angles?
- Keep KVM in place now; when to thin it out?
- Welcome French and German pledges to commit ground troops to implement a deal. We face real humanitarian disaster if we cannot provide security on ground.

NATO Summit and ESDI

- As we proceed with Kosovo, must also ensure we're on right track for NATO Summit in April.
- U.S.-German cooperation is key to producing right outcome. Believe our approaches largely in sync.

SECRET

- Summit needs to prepare NATO for new challenges. New **strategic concept**, initiatives on conventional defense forces and weapons of mass destruction, essential to keeping NATO robust, relevant in years ahead.
- On **mandates**, cannot agree to blanket requirement for UNSCR that ties NATO's hands. Need to find way to convey respect for UN while retaining necessary flexibility to act, in real-world situations like Kosovo.
- On **ESDI**, must complete effort already underway to implement Berlin decision on building ESDI within NATO.
- Support increased European capabilities consistent and interoperable with NATO. Need to work closely to ensure a stronger ESDI means a stronger transatlantic link. Hope we can set clear parameters by Summit.

NATO Nuclear Policy: No First Use

- Appreciate agreement not to pursue in advance of Summit, as we believe NATO's nuclear doctrine is where it needs to be to protect European security and ensure that potential aggressors are uncertain about how we would respond.
- Want to underscore my personal commitment to reducing nuclear dangers:
 - Continue to work for START II ratification in Russia; ready to move on significant START III reductions;
 - We have made 70 percent increase in funding for nuclear safety/dismantling efforts in Russia;
 - Promoting G-7/G-8 coordination on non-proliferation;
 - Expect all-out campaign to secure Senate approval of CTBT, adherence by India and Pakistan.
- In short, making real progress toward shared goals: halting proliferation, employing nuclear scientists in other fields, preventing nuclear accidents.

- Much work remains. You could make a great contribution by putting Germany in forefront of European efforts to solve real problems affecting well being of our people.

[If Schroeder pushes for a review of doctrine, nonproliferation and arms control following NATO Summit]:

- Some of these issues -- such as, nuclear security in Russia -- could be discussed, for example, in NATO's Senior Proliferation Group. Germany has important, positive role to play in supporting, advancing non-proliferation agenda.
- Urge you to avoid what is sure to be divisive doctrinal debate. If you can't, such issues ^{as} of nuclear doctrine, policy and programs fall under purview of NATO's High Level Group.

Oval Dining Room Session

Common Domestic Challenges

- Appreciate situation you have faced since first of year -- first 100 days, ^{G8} G9, WEU and EU responsibilities, all with slowing economy. G-8
- Have established good dialogue with Tony Blair, Jospin, others on common challenges of globalization. Would like to develop themes with you.
- Hardest thing facing us ^{all} now is to maintain pace of domestic adaptation, while resisting calls to close off trade in response to economic slowdown or surging imports.

Global Economic Situation

- U.S. economy strong, but important that Europe and Japan strengthen demand, help emerging markets recover.
- Concerned about Japan, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.

G-8 Summit and International Financial Architecture

- Looking forward to Cologne. Need to agree on and implement concrete initiatives to show publics that we have a plan to

help them face challenges of globalization and encourage support for open markets.

- Appreciate your willingness to include non-proliferation on our agenda. Our nonproliferation experts need to get to work quickly to develop concrete programs that we can all support.
- We need to continue to work together to ensure that world continues to enjoy benefits of free-flowing capital, while taking steps to mitigate negative, "boom and bust" cycles that often result.
- We should create stronger incentives for emerging markets to adopt policies that will improve their ability to capture benefits of globalization, and we should develop incentives in industrial countries for more disciplined investment and credit decisions.
- Need to look at ways that existing International Finance Institutions can be improved to more effectively meet needs of our globalized economy; G7 deputies are currently discussing this in more detail. G-7
- (If raised) Exchange rate target zones: *should not* We support cooperation on better macro policies through G7 process, but ~~does not make sense to try to manage exchange rates.~~ Your experience with Euro shows that tremendous political will and economic convergence needed for concerted monetary/exchange rate policy -- doesn't exist in international arena. G-7
- (If raised) Euro ^{team} representation in G7. Important to find solution to representation issue sensitive to Europe's needs, preserves small and informal nature of group. Decisions about informal ministerial meetings best left to ministers. G-7

European Union and Trade

- We still have some problems in effort to create a more equal, effective, and operational partnership.
- We'd like to issue a Summit Statement -- a "Bonn Declaration" -- in June that commits us together to work more effectively in fast-breaking crises; manage such differences as bananas and beef earlier and better so they do not get out of hand.
- We are moving too close to a trade war over bananas.

- We have requested new WTO consultations to reach a negotiated solution. We appreciate your role regarding this issue, and I hope you will encourage Commission to talk with us.
- We also must work together to prevent a similar dispute over implementation of WTO's findings on beef hormones.

EU Enlargement/Turkey

- Successful EU enlargement important to United States, complements NATO and key in ensuring permanence of economic and democratic reform in Central Europe.
- Appreciate efforts to make EU-Turkey relations better. Share concerns regarding Turks on human rights, Aegean and Cyprus issues and are pressing them to improve.
- But improving EU-Turkey relations could be helpful in getting Turks to engage on Cyprus.

Iraq

- Iraq continues to defy international community -- violation of obligation to cooperate with UNSCOM and IAEA; Tariq Aziz renounced legitimacy of overthrow of Arab governments.
- Iraq seeking to politicize humanitarian endeavors, refusing to attend ICRC-sponsored talks on Gulf War POWs and, in violation of UN policy of non-discrimination, forced withdrawal of U.S. and British personnel.
- We insist that Iraq meet its obligations under Security Council resolutions. Results of UN assessment panels should provide a common basis upon which to move forward.
- In meantime, must assure needs of Iraqi people met, through expansion and enhancement of oil-for-food program -- not lifting of sanctions.
- In long run, only way to secure a better future for Iraqi people is through new government. That is why I appointed Frank Ricciardone as Special Representative for Transition in Iraq, to work with Iraqis inside and outside Iraq, and with Iraq's neighbors, to bring about a change of leadership.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001v. talking points	re: Points to be Made for Meeting with Chancellor Schroeder [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of
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PRM. Personal record misfile defined in accordance with 44 U.S.C.
2201(3).

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concerning wells [(b)(9) of the FOIA]

- I can tell you from my own discussions that there is widespread acceptance of necessity for regime change among Iraq's neighbors.
- Neither they nor we underestimate difficulty of task, and we are committed to maintaining Iraq's territorial integrity -- but we are determined to pursue this seriously.

Iran

- Understand that Khatemi has ties to Germany from his time spent there decades ago.
- United States walks a thin line in our efforts to encourage Khatemi. Want to demonstrate strong support, but too many accolades from us provide grist for those who would like to portray him as a Western stooge.

What is your

puppet

- Assessment of Khatemi's ability to influence change?

Environmental issues

G-8

- Have been urging G8 leaders to establish environmental standards for export credit agencies. Understand that your platform supports this step and would like to make progress at Cologne.
- Reducing greenhouse gas emission priority for me. Proposed \$4 billion for climate change programs. Strongly oppose "caps" in trading -- healthy portion of our reductions will be domestic, but market-based foundation of Kyoto's flexibility mechanism important. ~~Without, politically unacceptable here~~

next line

EO 13526 1.4c

SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF GERMANY

Oval Office Session

- Looking to Germany to provide strong leadership in lead-up to April NATO and June G8 and U.S.-EU Summits in Germany.
- Appreciate your willingness to address Holocaust issues.
- Applaud move to Berlin; have security problem with security for our new Embassy with city officials.
- Russia. Worried about Boris's health, political situation. Your trip to Moscow opportunity to focus Russians.
- Primakov says we don't want him to succeed ^{and} Russia already taking necessary steps. Need to convince him IMF won't provide money without up front strategy. Understand dilemma, but alternatives worse. Need to be ready to help with debt once IMF program in place.
- Cooperative Threat Reduction. Russian resources to fight proliferation diminishing. Need to help Russians keep scientists employed, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion over five years, increase of 2/3. Hope Sherpas can shape this for Cologne.
- Kosovo. To be provided Wednesday. Welcome German pledge to commit troops to implement deal. Face humanitarian disaster if we cannot provide security.
- NATO Summit and ESDI Summit needs to prepare for new challenges. New strategic concept, initiatives on conventional defense forces and weapons of mass destruction, essential to keeping NATO robust, relevant in years ahead.
- On mandates, cannot agree ~~to~~ to blanket requirement for UNSCR that ties NATO's hands.
- On ESDI, must implement Berlin decision on building ESDI within NATO, but support increased European capabilities consistent and interoperable with NATO.

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Reason: 1.5(c) (d) (x1)

Declassify On: x1

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2015-0777-M [1.73]

KBH 11/22/2019

- **NATO Nuclear Policy - No First Use.** Appreciate agreement not to pursue in advance of Summit; we believe NATO's nuclear doctrine is where it needs to be to protect our security *or* and ensure potential aggressors *are* uncertain *of* our response.

Oval Dining Room Session

- **Common Domestic Challenges.** Good dialogue with Tony Blair, Jospin, others on common challenges of globalization. Hard to maintain pace of domestic adaptation, resist protectionism.
- **Global Economic Situation.** Concerned about Japan, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.
- **G-8 Summit.** Looking forward to Cologne. Our nonproliferation experts need to get to work quickly to develop concrete programs that we can all support. Need to look at ways that existing International Finance Institutions can be improved.
- **European Union.** Looking forward to June. Like to issue a "Bonn Declaration" that commits us together to work better in fast-breaking crises; manage differences *like* bananas and beef earlier and better so they do not get out of hand.
- Have requested new WTO consultations on bananas. Appreciate your role, must work together to prevent a similar dispute over implementation of findings on beef hormones.
- Appreciate efforts to make EU-Turkey relations better; could be helpful in getting Turks to engage on Cyprus.
- **Iraq** continues to violate obligation to cooperate with UNSCOM, IAEA; Aziz announced legitimacy of overthrow of Arab governments.
- **Iraq** must meet UNSC obligation. Results of UN assessment provides common basis to move forward. In long run only way to secure a better future for Iraqi people is through new government.
- **Iran.** Want to demonstrate strong support *for* Khatemi but too many accolades from us provide grist for those who would like to portray him as a Western *puppet* ~~stooge~~. Assessment of Khatemi?

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001w. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/08/1999	P1/b(1)

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NSC Records Management
([Schroeder and Mem*...])
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FOLDER TITLE:

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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SECRET

- **Environment.** Hope you will support in Cologne work on environmental standards for export credit agencies. Reducing greenhouse gas emission priority for me. Oppose "caps" in trading ~~without, politically unacceptable here.~~

EO 13526 1.4c

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001x. talking points	re: Summary Points for Meeting with Chancellor Gerhard Schroeder of Germany [partial] (1 page)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

9900838

2015-0777-M

rs1395

RESTRICTION CODES

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

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SUMMARY POINTS FOR MEETING WITH
CHANCELLOR GERHARD SCHROEDER OF GERMANY

2015-0777-M [1.75]

KBH 11/22/2019

EO 13526 1.4c

- Your trip next week to **Moscow** can energize Primakov, convince him IMF won't provide money without strategy.
 - Russian resources to fight **proliferation** diminishing. Help employ scientists, destroy plutonium, protect nuclear facilities, dismantle warheads. Have asked Congress for \$4.5 billion/five years, increase of 70 percent. Hope we can work to get G8 on board at Cologne.
 - **Kosovo**. Appreciate commitment of ground forces. Should not reopen organizational structure of KVM.
 - **NATO Summit** needs to prepare for new challenges, essential to keeping NATO robust, relevant. On **mandates**, prepared to reaffirm UN respect, not deny NATO's flexibility to act. Need to convince Chirac not to tie NATO's hands.
 - Implement Berlin decision on building **ESDI in NATO**; support more Euro capabilities consistent, interoperable with NATO.
 - **No First Use**. Appreciate agreement not to pursue before Summit; nuclear doctrine keeps potential aggressors uncertain of response. Urge help with Cooperative Threat Reduction.
 - **G-8 Summit/Cologne**. Agree should be informal, small number of topics. Our nonproliferation experts need to work quickly on programs. Need to look at ways that existing International Finance Institutions can be improved.
 - Improved EU relations key to getting **Turks engaged on Cyprus**.
 - **Environment**. Hope you will support in Cologne work on environmental standards for export credit agencies. Oppose "caps" in trading, politically non-viable.
 - Need to work on security for new embassy in Berlin.
 - *Trade. Want to work closely on developing robust agenda*
- SECRET for WTO Round. Also need your help in managing
Reason: 1.5 (c) (d)
Declassify On: 2/8/09 trade disputes on bananas, beef.

- On **ESDI**, must complete effort already underway to implement Berlin decision on building ESDI within NATO. Need to ensure stronger ESDI means stronger transatlantic link.

NATO Nuclear Policy: No First Use

- Appreciate agreement not to pursue in Summit; NATO's nuclear doctrine needs to make potential aggressors uncertain about our response.
- Personal commitment to reducing nuclear dangers: working for START II ratification in Russia; ready to move on significant START III reductions; 70 percent increase in funding for nuclear safety/dismantling efforts in Russia; promoting G-7/G-8 coordination on nonproliferation; all-out campaign to secure Senate approval of CTBT, adherence by India and Pakistan.
- In short, making real progress toward shared goals: halting proliferation, employing nuclear scientists in other fields, preventing nuclear accidents. Much work remains. You could make a great contribution by putting Germany in forefront of Europe.

[If Schroeder pushes for a review of doctrine, nonproliferation and arms control following NATO Summit]:

- Urge you to avoid what is sure to be divisive doctrinal debate. If you can't, such issues as nuclear doctrine, policy and programs fall under purview of NATO's High Level Group.

Global Economic Situation

- Concerned about **Japan**, economy will contract this year. Key that we speak with one voice to Tokyo about importance of getting back on track.
- We need to work together on appropriate means of assisting **Brazil**.

G-8 Summit and International Financial Architecture

- Appreciate your willingness to include nonproliferation at Cologne -- experts need to get to work quickly to develop concrete programs that we can all support.

- We need to ensure world continues to enjoy benefits of free-flowing capital, while taking steps to mitigate "boom and bust" cycles, create stronger incentives for emerging markets to adopt policies to capture benefits of globalization, and develop incentives in industrial countries for more disciplined investment and credit decisions.
- Need to look at how to improve existing International Finance Institutions to meet more effectively needs of globalized economy; G-7 deputies are currently discussing.

~~European Union and Trade~~

- Want to work with you on robust agenda for WTO Round, especially agriculture. Would also like to make progress on strengthening labor support for trade
- Should use months before U.S.-EU Summit to manage differences like bananas and beef better; too close to a trade war over bananas -- requested new consultations to reach a negotiated solution. Appreciate your role, hope you will encourage Commission to talk.
- We also must prevent similar dispute over beef hormones.

EU Enlargement/Turkey

- Improving EU-Turkey relations could be helpful in getting Turks to engage on Cyprus.

Iraq

- Iraq must meet UNSCR obligations. Results of UN assessment panels should provide basis to move forward. Meantime, must assure needs of Iraqis, through expansion and enhancement of oil-for-food program -- not lifting of sanctions.

Environmental issues

- Have been urging G-8 leaders to establish environmental standards for export credit agencies; would like to make progress at Cologne. Strongly oppose "caps" in trading -- political unacceptable here.

Embassy Berlin

- Have difficulties with new Embassy. Africa terror attacks forced additional security. Need help with city officials.

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PER E.O. 13526

2015-0777-M [1.78]

KBH 11/22/2019

MEETING WITH
CHANCELLOR SCHROEDER
DATE: February 11, 1999
LOCATION: Oval Office
TIME: 12:30 - 2:35 p.m.

FROM: SAMUEL BERGER 

I. KEY OBJECTIVES

- Develop personal relationship.
- Deepen partnership on common foreign and domestic challenges, including NATO, G8 and U.S.-EU Summits.

II. CONTEXT OF MEETING

This meeting, set quickly last week when the Central America trip was postponed, has as its main purpose for you and Schroeder to develop a personal relationship, "to get the chemistry right," as his Diplomatic Adviser Steiner told me. This is important both as Schroeder tries to work his way through a difficult domestic agenda and, importantly, as he establishes his alignment in a new Europe: either giving a recalcitrant Franco-German relationship primacy or seeing himself more clearly aligned with you and Blair.

The first one hundred days of the SPD-Green coalition were marred by missteps, including: divisions between Foreign Minister Fischer and Defense Minister Scharping over nuclear no first use; a flip flop on phasing out nuclear power that ticked off first the French and British (who have reprocessing contracts), then the Greens; and a split between Schroeder and Finance Minister Lafontaine over support for international currency bands. Meanwhile, Germany's economy remains stuck in first gear with slowing growth, high unemployment, and strikes looming. Schroeder's shaky start was punctuated by a surprise state election defeat in Hesse last weekend that cost him control of Germany's upper house and threatens legislative gridlock.

SECRET

Reason: 1.5(b) (d)

Declassify On: 2/8/09

Exit polls blame the reversal on a CDU petition drive against (Green-inspired) citizenship reforms, which would have given dual citizenship to upwards of 4 million foreigners. Schroeder faces challenges in holding his disparate coalition together; his saving grace is a personal popularity rating holding at 70 percent.

Exacerbating these policy problems are two practical burdens. First, the SPD has been out of federal power for sixteen years, and the Greens have never been in. Second, by an accident of the calendar, Germany is saddled with three major presidencies: the EU (locked in a bitter battle over member assessments and agricultural subsidies); the WEU; and the G-7/G-8.

Schroeder and his team are looking to develop a close foreign policy relationship with you. They are close to us on many core issues -- including Kosovo (where they stand ready to deploy 4,000 troops); Iraq (where they publicly supported our air strikes); and NATO (where we have found common ground in the lead-up to the Summit) -- they are open to pragmatic discussion where our views diverge and want to be seen as strong Atlanticists. Thus, we may be able to get Bonn to help with other allies, notably France, and with Russia -- though the French are determined to woo Schroeder to their side of divisive issues.

At the same time, Schroeder is looking to you for inspiration on his domestic agenda. His goal is to redefine traditional Social Democracy toward the "New Center" and so hold the caring, pragmatic middle ground of German politics far into the future. His challenges are similar to ours: coping with globalization, making welfare more effective and efficient, fighting crime and drugs, contending with migration and social diversity. He will be anxious to absorb the lessons you have learned; at the same time, he will appreciate your interest in his success in forging a third way in Germany.

III. AGENDA

Schroeder has a number of specific issues to raise with you, listed below. You will also want to take the opportunity to move forward on key areas of Kosovo, Russia, NATO-related issues and G7/G8 issues.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION

001z. memo	From Berger re: Meeting with Chancellor Schroeder [partial] (2 pages)	02/08/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2710

FOLDER TITLE:

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EO 13526 1.4c

Death Row Clemency. Schroeder wrote seeking clemency for two Germans convicted of murder awaiting execution late this month in Arizona.

Nazi compensation. Schroeder has an effort to establish a fund to compensate victims of Nazi forced labor; his chief of staff, Bodo Hombach, met Stu Eizenstat this week to deal with the dozen class action suits (against German companies that used forced labor). This is also holding up the Deutsche Bank-Bankers Trust merger. Schroeder may raise the idea of an "executive agreement," essentially a bilateral treaty to terminate the lawsuits. Our lawyers are concerned that this may not only be ineffective but end up spurring litigation against us.

of the G-7
G7 representation. The EU seeks increased representation in G7 financial meetings ~~from the four current EU G7~~ members, *to add* the European Central Bank president, a Commission representative, and the EU nation heading the EURO-11 grouping, if not a G7 member. We do not ~~limit~~ participation to preserve the effectiveness of the G7. *want to expand*

include
Berlin Chancery. Berlin city authorities will not allow us acceptable distance from the street for our new embassy. This is critical to protect from possible terrorist attacks.

Russia. Schroeder goes to Moscow February 16-18. Stronger German engagement could help energize Primakov on economic reform; another promising partnership is Cooperative Threat Reduction, which plays to the SPD-Green concern for nuclear-related issues although Bonn is leery of cost.

Kosovo. Germany has expressed willingness to commit ground forces, and Schroeder will seek your assurance that the United States will do likewise.

NATO Summit. The Germans have agreed not to press "no first use" of nuclear weapons in the lead-up to the summit but are looking for agreement to establish a post-summit group to review nuclear issues. We seek to channel them away from a divisive doctrinal debate and into areas where they can make a contribution: nuclear security, weapons dismantling, tightened controls over WMD, and employment for Russian scientists. On ~~mandates~~, while Schroeder understands that we cannot put NATO "under the authority" of the UN, he wants to emphasize the importance of the Security Council and international law.

the
use
of UN
mandates
for NATO
operations,

ESDI. In response to Franco-British ideas on European Security and Defense Identity (ESDI), Schroeder has reaffirmed the importance of building ESDI within NATO, but faces pressure from Paris to develop capabilities outside of NATO.

G-8 Summit. The Germans want to ~~reprise~~ ^{reprise} the Birmingham format of informal, heads only, discussion with a limited agenda of economic and social issues. The tentative agenda is next steps on the international financial architecture during the G-7 portion; the G-8 talks would focus on: "sustaining public support for globalization" (social safety nets, environment and labor, debt and development policies); nonproliferation (with an emphasis on Russia and cooperative threat reduction) and education in the information age. We need his engagement on our nonproliferation initiatives, especially expanded NIS threat reduction program.

(as we
strongly
prefer)

EU and Turkey. ~~Turkey is anxious to be formally designated as a candidate for EU membership, but progress on improving EU-Turkey relations is stalled.~~ Germany can help (even though Turkish issues are controversial -- it was the ~~question~~ granting dual citizenship to Turkish workers that led to Schroeder's coalition defeat in Hesse).

his
advocacy
of

remains

Iran. Khatemi spent time in Germany, and Bonn has an interest in freeing an imprisoned German national facing execution. Schroeder's chief of staff, Hombach, met with Khatami earlier this month and said that Iranian hard-liners are pressing for the release of one of the Mykonos convicts, which Hombach declared a non-starter. Hombach said Bonn wants close coordination with us on Iran.

III. PARTICIPANTS

See Scenario at Tab B.

IV. PRESS PLAN

See Scenario at Tab B.

V. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A Points to Make

Tab B Scenario

EO 13526 1.4c

Tab D Memo from Secretary Albright

Tab E Memo from Secretary Rubin

Tab F Bios

TO: DAVIES

FROM: KENNEY, K

DOC DATE: 10 FEB 99
SOURCE REF: 9902387

KEYWORDS: GERMANY
VISIT

AP

PERSONS: SCHROEDER, GERHARD

SUBJECT: ADDITIONAL/UPDATED TALKING POINTS FOR POTUS SCHROEDER MTG ON 11 FEB

ACTION: OBE / ORIGINALS RETURNED

DUE DATE: 12 FEB 99 STATUS: C

STAFF OFFICER: BUTLER

LOGREF:

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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DOC 5 OF 5

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E.O. 13526
White House Guidelines, May 16, 2017
By ROS NARA, Date 11/18/2019
2015-0777-M

~~SECRET~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9900838

DOC ACTION OFFICER

001 BERGER
002 BUTLER
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003 SPERLING, G
004 PRESIDENT
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CAO ASSIGNED ACTION REQUIRED

Z 99020917 FWD TO PRESIDENT FOR INFORMATION
Z 99021010 ADD-ON / APPROPRIATE ACTION
Z 99021017 FWD TO PRESIDENT FOR INFORMATION
Z 99021023 FOR SIGNATURE
Z 99021023 FOR INFORMATION
X 99030418 NOTED BY PRESIDENT
Z 99021107 ADD-ON / APPROPRIATE ACTION
X 99031210 OBE / ORIGINALS RETURNED

DISPATCH DATA SUMMARY REPORT

<u>DOC</u>	<u>DATE</u>	<u>DISPATCH FOR ACTION</u>
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004	990210	

DISPATCH FOR INFO

VICE PRESIDENT
WH CHIEF OF STAFF

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NSC/RMO PROFILE

RECORD ID: 9900838
RECEIVED: 06 FEB 99 13

TO: DAVIES

FROM: KENNEY, K

DOC DATE: 10 FEB 99
SOURCE REF: 9902387

KEYWORDS: GERMANY
VISIT

AP

PERSONS: SCHROEDER, GERHARD

SUBJECT: ADDITIONAL/UPDATED TALKING POINTS FOR POTUS SCHROEDER MTG ON 11 FEB

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 12 FEB 99 STATUS: IP

STAFF OFFICER: BUTLER

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FILES: PA

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2015-0777-M



S/S 9902387

United States Department of State

Washington, D.C. 20520

0838

February 10, 1999

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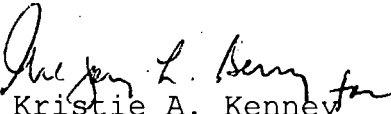
(UNCLASSIFIED when separated from attachment 1)

DECL: 02/10/04

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

SUBJECT: Additional/Updated Talking Points for POTUS-
Schroeder Meeting on February 11

Attached please find talking points for President Clinton's February 11 meeting with German Chancellor Gerhard Schroeder. The updated points cover Brcko. The new points pertain to the Government of Germany's request for a reprieve of the execution of two German nationals in Arizona.


Kristie A. Kenney
Executive Secretary

Attachments:

- Tab 1: Brcko Points
- Tab 2: Points on the Execution of Two German Nationals

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: RDS Date: 11/18/2019
2015-0777-11

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(UNCLASSIFIED when separated from attachment 1)

Classified By: Kristie A. Kenney, Executive Secretary
Reason: Section 1.5 (d).

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DECLASSIFIED
PER E.O. 13526
2015-0777-M (180)
KBH 11/22/2019

POINTS TO BE MADE FOR
MEETING WITH GERMAN CHANCELLOR SCHROEDER

Bosnia: Status of Brcko Arbitration

- We strongly support Owen's decision to issue a final award early this year. It is important to get Brcko behind us before SFOR's planned reductions later this year. An early decision will also enable us to concentrate on other high priority issues such as refugee return. We also believe that a neutral district solution is the only viable option for Brcko.
- Dayton clearly obligates the parties to implement whatever award Owen makes. It is extremely important that the Contact Group and the international community hold them to that obligation.
- Owen has briefed your government on his thinking. He is leaning towards issuing a final award by March 1 that would turn Brcko town and surrounding territory into a neutral district. This compromise solution reflects his view that neither side has fully complied with Dayton or his two interim awards.

Background

Dayton left the future of Brcko to be decided by binding arbitration. In the absence of a consensus among the three arbitrators, the decision will be made by Presiding Arbitrator Robert Owen. The Arbitration Tribunal began its latest round of hearings on February 8.

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Reason: 1.5(d)

Declassify on: 2/10/04

POINTS FOR POTUS-SCHROEDER MEETING:
EXECUTION OF TWO GERMAN NATIONALS

- Secretary of State Albright has prepared a response to your Foreign Minister's letter requesting support in the appeal to Arizona Governor Jane Dee Hull for reprieve for Karl and Walter LaGrand, German nationals scheduled to be executed in Arizona on February 24 and March 3, respectively.
- The LaGrands have had the benefit of all available procedural safeguards, including state and federal court review of their convictions and sentences, during the past 15 years. They will have the further opportunity to make their views known during a clemency hearing later this month.
- The clemency decision in a case such as this, which arose under the laws of Arizona, is left to the discretion of Arizona state officials.

Case Number: 2015-0777-M

MR MARKER

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Document ID: 9900850				
Row: 46	Section: 3	Shelf: 10	Position: 2	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001a. paper~~	~~re: Meeting and Working Lunch with Chancellor Gerhard Schroeder (5 pages)~~	~~02/05/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001b. talking points~~	~~re: Points to be Made for Meeting and Lunch with German Chancellor Gerhard Schroeder (8 pages)~~	~~02/05/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001c. paper~~	~~re: Domestic Politics: The New German Government (2 pages)~~	~~02/05/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001d. paper~~	~~re: German Domestic Economic Situation (2 pages)~~	~~02/05/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001e. paper~~	~~re: Schroeder Visit: Iran (2 pages)~~	~~02/05/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001f. paper~~	~~re: China Human Rights (2 pages)~~	~~02/05/1999~~	~~P1/b(1) KBH 4/3/2020~~

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2015-0777-M

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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.

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RR. Document will be reviewed upon request.

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

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- 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 concerning wells [(b)(9) of the FOIA]

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RECORD ID: 9900850
RECEIVED: 08 FEB 99 10

TO: PRESIDENT

FROM: RUBIN, R

DOC DATE: 09 FEB 99
SOURCE REF:

KEYWORDS: GERMANY
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VISIT

PERSONS: SCHROEDER, GERHARD

SUBJECT: TREASURY INFORMAL WORKING VISIT OF CHANCELLOR SCHROEDER ON 11 FEB 99

ACTION: NO FURTHER ACTION REQUIRED

DUE DATE: 13 FEB 99 STATUS: C

STAFF OFFICER: BUTLER

LOGREF:

FILES: PA

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RECORD ID: 9900850

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Z 99020810 PREPARE MEMO FOR BERGER
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X 99031210 NO FURTHER ACTION REQUIRED

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NSC/RMO PROFILE

RECORD ID: 9900850
RECEIVED: 08 FEB 99 10

TO: DAVIES

FROM: KENNEY, K

DOC DATE: 06 FEB 99
SOURCE REF: 9902105

KEYWORDS: GERMANY

VISIT

PERSONS: SCHROEDER, GERHARD

SUBJECT: INFORMAL WORKING VISIT OF CHANCELLOR SCHRIEDER ON 11 FEB 99

ACTION: PREPARE MEMO FOR BERGER

DUE DATE: 13 FEB 99 STATUS: S

STAFF OFFICER: BUTLER

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FILES: PA

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White House Guidelines, May 16, 2017
By EDS NARA, Date 11/18/2019
2015-0777-M



Washington, D.C. 20520

February 6, 1999

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(UNCLASSIFIED when separated from Attachment)

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

SUBJECT: Informal Working Visit of Chancellor
Gerhard Schroeder, February 11, 1999

Attached are briefing materials and one diskette for
use by the President for the February 11 informal working
visit of German Chancellor Schroeder.

Stephen J. Muller for

Kristie A. Kenney
Executive Secretary

Attachments:

Briefing Memo
Talking Points
Issue Papers
✓-- Domestic Politics
✓-- Domestic Economic Situation
✓-- Iran
✓-- China Human Rights
✓-- Holocaust-era issues
✓-- UNSC expansion
✓-- United Nation arrears
✓-- Climate Change Issues

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OF CLASSIFIED ATTACHMENTS
Initials: RDS Date: 11/18/2019
2015-0777-M

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DECL: 02/05/09

MEETING AND WORKING LUNCH WITH
CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.81)
K8H 11/22/2019

KEY OBJECTIVES

- Outline our highest priority foreign policy objectives and how the U.S. and Germany can cooperate. Schroeder's government is just finding its footing in several foreign policy areas; he will benefit from your guidance.
- Stress key themes and need to cooperate on our ambitious agenda at the NATO, OSCE, U.S.-EU and G-8 Summits in the coming year. Underscore that the NATO Summit is our highest priority this year.
- Emphasize the need for full cooperation on Russia, Kosovo, Iran and Iraq.
- Schroeder wants to define himself as an Atlanticist with a forward-looking agenda and will look to you for guidance. You might suggest that helping each other cope with our similar domestic challenges provides a new glue for the relationship and we should further develop this theme in advance of your June trip to Germany.

CONTEXT OF MEETING

Schroeder last met you on October 9 as Chancellor-elect. Your meeting is an opportunity to ensure that he and other key Allied leaders are in synch with our approach to the April NATO Summit and our broader transatlantic agenda. Schroeder will host the G-8 Summit in Cologne on June 18-20 and the U.S.-EU Summit in Bonn on June 21. Schroeder's own international priority -- and preoccupation -- this spring is managing Germany's EU Presidency.

Schroeder's visit comes after a bumpy one hundred days in office. His red-green government has made some heavily criticized missteps: uncoordinated suggestions that NATO consider nuclear no first use (NFU); limited tax reform; equivocating on the future of domestic civil nuclear power; Finance Minister Lafontaine's call for international currency bands. However, most of these should be seen in context as driven by the rather pragmatic Schroeder's need to throw policy bones, without enthusiasm, to left-wing SPD and Green coalition supporters. Schroeder himself is enjoying over 70 percent approval ratings.

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Classified by EUR Assistant Secretary Marc Grossman
Reason: E.O. 12958 1.5(d)

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- 2 -

While the coalition's confusion on these issues has been problematic, it is important not to exaggerate the risk that the Schroeder government will stray from our positions on key security issues. In fact, Germany has continued to support U.S. goals during crisis situations, including the Bundestag's approval of German participation in the Kosovo extraction force, as well as favorable public statements following recent air strikes against Iraq. By publicly declaring readiness to use ground forces in Kosovo -- if necessary without a UN mandate -- Schroeder has broadened a postwar consensus on Germany's ability and obligation to deploy combat troops for NATO and other agreed multilateral undertakings. Schroeder's government has also launched a commendable effort to address Holocaust-era assets issues; his chief of staff, Bodo Hombach, arrived earlier this week for intensive discussions on forced/slave labor issues.

AGENDA

Russia

German policy is to support Russia politically but offer no new financial assistance absent progress on needed internal reforms and conclusion of a new IMF program. We share this stance and want to remain in tandem with the EU on this and in not declaring Russia in default on its Paris Club debts. As the largest creditor, Germany is especially sensitive on matters of Russian debt. It was agreed at the December U.S.-EU Summit that cooperation on Russia and Ukraine would be a priority for the transatlantic relationship in 1999. Our U.S.-EU Task Force has identified infectious disease, cooperative threat reduction, and banking and tax reform as key areas of possible joint action. As EU President, German support is critical for achieving these objectives and in supporting free and fair elections in Ukraine, Belarus, Kazakhstan and elsewhere in the NIS. We will want to be consulting closely and often with the Germans on Russia; Schroeder would appreciate your views.

Secretary Albright's trip to Moscow in late January was just the latest in our efforts to engage the Russians on key foreign policy issues. We are working closely with the Russians on Kosovo, where they can play a role in pressuring Milosevic. On Iraq, the U.S. and Russia still have serious differences on how the UNSC should proceed in ensuring that Iraq is disarmed. We have to come to an agreement on the best vehicle for getting Iraqi disarmament on track.

On CFE, while some progress has been achieved in the recent Russian-Turkish understandings reached on key aspects of adaptation of the flank regime, much hard work remains to be done

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on the other key issue -- future limits and flexibilities for central and eastern Europe -- if an adapted Treaty is to be ready for signature by the OSCE summit in November 1999.

Secretary Albright's discussions with Russian Foreign Minister Ivanov during her recent visit to Moscow and parallel exchanges between experts focused on positive steps that could be taken to adapt the CFE Treaty. Approaches to two key issues were discussed -- future limits and flexibilities for central and eastern Europe and reconciliation of the flank regime. The talks established an essential framework in which differing positions can be identified and worked out. The Germans detect some flexibility from Russia on CFE.

Kosovo

The focus now shifts to: preparing for Rambouillet (including keeping the pressure on parties to attend), keeping in close touch with allies on judging compliance with NATO demands, preparing NATO forces for possible ACTORD execution, and exploring post-Rambouillet options for implementing an interim agreement.

The Contact Group and NAC meeting on January 29-30 helped reaffirm consensus among allies -- and Russia -- on the way forward. The strong NAC statement backed up with the threat of force underscores our demands that Serbia meet its "status quo ante" obligations and the CG convocation of the parties to the February 6 negotiations. In recent days, Ambassador Hill has pulled together a broad-based Kosovar Albanian delegation, including Rugova and KLA representatives, to participate in the talks. It is important that we go ahead with whatever Kosovar Albanian delegation is willing to participate, working in a coordinated fashion to sideline extremists.

The U.S. and allies have also begun to weigh post-Rambouillet options for implementing an interim agreement. France and Germany have stated their willingness to commit ground forces (in a non-hostile environment) to assist in implementing an agreement, and Schroeder is likely to seek your assurance that the USG also is considering committing ground forces. A related question is the relationship between a future KFOR and the KVM monitors in implementing and monitoring an interim agreement -- a question requiring close NATO and OSCE consultations. You should solicit Schroeder's views on this.

The Germans view the proposed framework agreement for Rambouillet as likely a hard sell for both the French and the Russians and, as a package, likely to be rejected by Milosevic. They see a consensus emerging on the need for ground forces in Kosovo should

a political agreement be reached, and want a review of problems in Albania in developing a regional strategy.

NATO Summit and ESDI

The FRG is on the same wavelength as the U.S. regarding the Washington NATO Summit. However, the Germans will call for assigning discussion of no first use to a NATO sub-group in order to provide Foreign Minister Fischer political cover from the left wing of his Greens Party. While preferring not to name names of candidate countries in Washington, the FRG sees naming all nine as probably unavoidable. The Germans strongly support NATO and stress the need to avoid any legal or constitutional barriers to German participation potentially caused by a redefinition of scope. The FRG wants to emphasize the UNSC and international law in defining mandates, but recognizes the need for a way to maintain freedom of NATO action.

Germany believes ESDI should concentrate on crisis management and peacekeeping and leave aside Article V issues. It hopes to use its EU and WEU presidencies to put ESDI on the right track and offer Paris an opportunity to re-examine its relationship with NATO.

G-8 Summit and International Financial Architecture

Germany hosts this year's G-8 Summit in Cologne on June 18-20. The Germans would like to return the Summit to more of an economic and social focus and reprise the Birmingham format of informal, in-depth discussion, by heads only, of a small number of topics. The Summit will focus on education in G-8 economies, non-proliferation (at U.S. urging), and a globalization theme that will emphasize the need for governments in both developed and developing countries to make globalization work for their citizens. G-7 heads also will discuss the international financial architecture on the eve of the Summit.

The fallout from the global economic crisis requires new thinking on how to help countries withstand and recover from financial crises. We need to work with Germany and other countries to focus on how to prevent future crises and how to build a more effective international architecture. Emerging markets must develop stronger legal infrastructure -- particularly enforceable bankruptcy laws, sound corporate governance and stronger judiciaries. International financial institutions need to be adapted to the needs of the global economy.

EU Issues

The European Union ranks as our largest economic partner, with two-way trade and investment totaling more than one trillion

dollars. We have relatively few trade disputes with the EU, but our bilateral trade problems tend to be contentious and large in value terms.

Our most pressing bilateral trade problem concerns EU implementation of World Trade Organization (WTO) findings that the EU banana import regime violates WTO rules. On January 29 the United States requested WTO approval of a list of EU items totaling over \$500 million on which we will raise tariffs if the issue is not resolved. The EU appealed the amount of the action, delaying action until after March 2. German intervention in Geneva -- to the annoyance of the European Commission -- prevented a much more damaging outcome in Geneva. A similar dispute is brewing over an EU ban on beef produced with growth-promoting hormones. The WTO in 1997 found that the ban was not based on scientific risk assessment and thus was not in conformity with WTO rules. A WTO arbitrator has ruled that the EU must implement the WTO's findings by May 1999.

Internally, the EU is in the midst of an institutional and budgetary reform called "Agenda 2000." Some of the most sacred of EU cows -- agricultural subsidies and funds for economic support to states like Ireland and Spain -- would be affected by this process. Discussions on Agenda 2000 and the budget are ongoing and will continue when EU leaders hold a two-day special Summit in Brussels on March 24-25. Failure to enact the Agenda 2000 reforms could delay the enlargement of the EU. Enlargement is in our strategic interest. It complements NATO enlargement and is probably the single most important force in ensuring the permanence of economic and democratic reform in Central Europe.

One of the aspirants for EU membership is Turkey, but progress on improving EU-Turkey relations since the 1997 Luxembourg Summit has been virtually non-existent of late. We recognize that Turkey must do its part and deliver on several fronts. The EU can help; we continue to hope the EU will unblock customs union funds for Turkey and officially designate Turkey as the EU's twelfth candidate. Improving EU-Turkey relations is important in its own right, but it is also an incentive for Turkey to re-engage in our efforts to find a Cyprus solution, without which EU enlargement may be at risk.

POINTS TO BE MADE
FOR MEETING AND LUNCH WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.82)
KBM 11/22/2019

Introduction

- I am delighted you were able to accept my invitation to visit Washington on such short notice.
- I have been very impressed with your efforts to establish your new government and the difficulties this entails. I can certainly sympathize with the problem of managing a new administration after your party has been out of power for years. I know that sometimes your own people can be more trouble than the opposition.
- We are looking to Germany to provide strong leadership in the lead-up to the April NATO Summit here and for the June EU and G-8 Summits in Germany.
- What are your administration's goals and priorities?
- I understand your Chief of Staff, Bodo Hombach, has just met with Sandy Berger and Under Secretary Stuart Eizenstat. I really appreciate your willingness to address Holocaust issues. I hope we can get closure. Keep working with Stu.
- Your government's move to Berlin must be a great challenge and headache.
- Our Mission in Germany is also facing this move. As you may know, the terrorist attacks against our embassies in Africa have forced us to accept additional security requirements. We have sought some security measures for our proposed new chancery in central Berlin but have had problems in our discussions with Berlin officials. I hope we can resolve this important issue.

Common Agenda

- Our two societies are facing many similar challenges - coping with the pressures of globalization, training our workers, making welfare programs more effective and efficient, fighting drugs and crime, coping with migration and social diversity. We have learned a good deal from German experiences with

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workforce development and environmental planning, for instance. Many of these issues are creating new bonds between our people; this can be the glue of a forward-looking relationship.

- It might be a good idea for us to use our time together in Germany in June to highlight this aspect of our partnership. I'd like to develop this idea further with you. Why don't we have some of our people get together to discuss this in more detail?

Russia

- EU and U.S. have worked together closely on Russia. As the EU agrees to formulate a Common Strategy toward Russia, we need to coordinate our efforts more closely. Our experts have identified infectious disease, coordination of food aid, cooperative threat reduction, banking and tax reform as important areas for joint action. We hope that we can move forward on this common agenda during your EU Presidency.
- We want to note in particular the importance of threat reduction in context of both G-8 and EU efforts.
- We are also reaching out with a message that it is in Russia's long-term interest to stay on the path toward reform. Secretary Albright just had an extremely useful round of talks in Moscow and Vice President Gore saw Primakov in Davos.
- As the Russians reassess their policies, we want to maximize the prospects for the Russians to opt for integration and reform, not for isolation and state control.
- We want to support Russians, but they have to have a sustainable budget and put together a workable program with the Fund or international support would be wasted -- again.
- Primakov's staff is still giving us and the Fund mixed messages. Primakov needs to put a single person in charge of IMF relations and get down to serious work on a program. Fund is showing flexibility.
- In the meantime, we continue to feel our joint approach of not declaring GOR in default at Paris club is appropriate. We also feel our food aid program (and the EU's) makes sense. Want to stay closely coordinated on Russian economy.

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- We are continuing our intense dialogue with the Russians on key issues such as Kosovo, Iraq, CFE, managing NATO-Russia cooperation.
- CFE is an important, immediate priority for the Alliance, especially in managing NATO-Russia relationship. But it will be critically important to get CFE substance right, especially as it affects NATO's future military flexibilities and the role of its new members.
- U.S. and Germany need to continue to work very closely together on CFE. Together, we must resist any effort by Russians to split us in hopes of working a better deal. Together, we must ensure that the CFE outcome does not discriminate against three Central European invitees or create barriers for further enlargement in the future.
- We will continue to concentrate our efforts to resolve key issues in coming months to make progress toward this goal.
- On Kosovo, we need to make sure that the Russians (continue) to play a constructive role at Rambouillet. Russian pressure on Milosevic could help bring a deal to closure. Need to ensure they participate in KFOR in a meaningful way.
- On Iraq, first step should be to obtain a baseline assessment of outstanding disarmament issues. As Secretary said to FM Ivanov in Moscow, need to find way to move forward in Security Council. Each country has strongly held views.
- Best mechanism for obtaining assessment is panel of three co-equals -- UNSCOM, IAEA and UN Under Secretary-General for Disarmament Dhanapala -- chaired by UNSC President.
- We also need to make sure that a difficult political climate does not lead to the erosion of Russia's hard-won civil liberties, including freedom of the press. Rising extremism and anti-Semitism are causes for concern. Know you are passing the same message to the Russians.

Kosovo

- We welcome the Contact Group and NATO efforts; need to maintain a unified approach. Hints of disagreement among us may feed the reluctance of some parties to attend.

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- Broad-based coalition of Kosovar Albanians is onboard; it is important that we support participation of such a delegation, thus working to sideline extremists.
- We also need to keep consulting closely on ongoing issues:
 - ◆ Keep KVM in place now; when to thin it out?
 - ◆ Need to keep in close touch in the NAC and CG as we review the degree of parties' compliance.
- We welcome French and German pledges to commit ground troops to implement a deal. (Provide latest USG thinking on possible commitment of U.S. troops.)
- Our efforts in Kosovo have required close coordination through multilateral organizations -- NATO, OSCE, UN, EU. We encourage active German leadership role as EU president and specifically on human rights issues through KVM Deputy Borschardt.
- As we approach the negotiations, it is critical that we manage to the extent possible these various threads -- i.e., EU report of Finnish forensic experts, leverage of a donors conference, and KVM activities on the ground.

NATO Summit and ESDI

- Our most important foreign policy priority for the next three months is to achieve our goals at the NATO Summit in April.
- We must work very closely on the Kosovo crisis now, otherwise the Summit risks becoming the Kosovo Summit rather than about preparing NATO for the 21st century.
- U.S.-German cooperation is key to advancing the Summit agenda and to keeping discussions in Brussels on track.
- Our two countries are quite close in terms of what we want to achieve. We need to iron out the remaining differences between us and focus on how we can work together to bring other countries on board.
- We support ESDI as a prominent Summit issue. However, we agree with others that it should not be reduced simply to hortatory language. Thus, before the Summit, we must complete implementation of Berlin decisions.

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- ESDI must include significantly increased European capabilities consistent and interoperable with NATO. We should keep each other closely informed of our discussions on ESDI. Transparency is critical.

NATO Nuclear Policy: No First Use

- We appreciate the candid discussion of nuclear policy on February 4 between DepSec Talbott and State Secretary Ischinger.
- I understand your position vis-a-vis the coalition on the nuclear question. However, NATO's nuclear policy is about right. Results of the January 28th NATO meeting, in which Canada raised the question of a debate on nuclear policy -- contrary to Allies' inclinations -- support that view.

--We appreciate Germany's restraint in not widening the discussion before the NATO Summit.

- Agree with PM Chretien that Allies should publicize the nuclear reductions NATO has already made.

--Raising public consciousness of our substantial, and often unilateral progress, is appropriate.

- We hope discussion of nuclear policy will continue to be done within our multilateral and bilateral consultations.

G-8 Summit and International Financial Architecture

- We are looking forward to the G-8 Summit in Cologne.
- We need to identify concrete initiatives to show our publics that we have a plan to help them face the challenges of globalization and to encourage their support for open markets and economic integration.
- We appreciate your willingness to include non-proliferation on our agenda.
- We need to continue to work together to ensure that the world continues to enjoy the benefits of free-flowing capital, while taking steps to mitigate the negative, "boom and bust" cycles that often result.

- We should create stronger incentives for emerging markets to adopt policies that will improve their ability to capture the benefits of globalization, and we should develop incentives in industrial countries for more disciplined investment and credit decisions.
- We need to look at ways that the existing International Finance Institutions can be improved to more effectively meet the needs of our globalized economy; this will be discussed in more detail by G-7 deputies at the Cologne Summit.

European Union

- We've developed a good working relationship with the EU under our New Transatlantic Agenda, but we still have some problems in our effort to create a more equal, effective, and operational partnership. Your Presidency is a good time to move us forward.
- We'd like to issue a Summit Statement - A "Bonn Declaration" - in June that commits us together to work more effectively in fast-breaking crises; manage such differences as bananas and beef earlier and better so they do not get out of hand; and expand the areas of U.S.-EU joint action. I hope we can give this effort a high profile.

Trade Issues

- We are moving dangerously close to a trade war over the World Trade Organization (WTO) case against the European Union's banana import regime.
- We have requested new WTO consultations with the Commission with a view to reaching a negotiated solution. We appreciate the German Presidency's positive role regarding this issue, and I hope you will encourage the Commission to enter into talks with a view to addressing our concerns.
- We also must work together now to prevent a similar dispute over the EU's implementation of the WTO's findings on beef hormones.

EU Enlargement

- Successful EU enlargement is important to the United States. It complements NATO enlargement and probably will be the

single most important force in ensuring the permanence of economic and democratic reform in Central Europe.

- How do you see the enlargement issue unfolding under the German Presidency?
- One way to expand our joint collaboration might be to ask EU accession states to join our U.S.-EU Transatlantic Agenda. This could help associate those countries now with many of our joint activities.

Turkey

- I appreciate the efforts you have made to put EU-Turkey relations on a better footing. We share EU concerns regarding the Turks on human rights, Aegean and Cyprus issues and are pressing them to improve.
- But improving EU-Turkey relations is critical. Turkey is too important not to. And it could be very helpful in getting the Turks to engage on Cyprus.

Bosnia

- We must remain firm in resisting Milosevic's attempts to undermine the pro-Dayton Dodik government in the RS. We cannot allow Milosevic to have victory on a second front while Ramboulliet negotiations are underway.
- We need strong political and financial support from you and EU to meet Madrid PIC goals: economic reform and privatization, refugees, and strengthening central institutions.
- We should endorse OHR concept for creation of State Border Service. Believe the EU, and especially Germany, should have the lead in creating the SBS.
- On Brcko, further delay invites trouble; we support Owen's plan to decide in February, though we will keep an eye on Kosovo.
- On Westendorp's successor, we want to work with you to find the right European for this crucial job. Please share your thoughts with Bob Gelbard.
- On refugee returns, we are working to enable minorities to return to pre-war homes. Until then, I urge you refrain from

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pressuring minority refugees to repatriate. Minorities who cannot return home settle instead in areas controlled by their ethnic group, solidifying ethnic division.

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DOMESTIC POLITICS: THE NEW GERMAN GOVERNMENT

In October, the coalition of Christian Democrats (CDU), Christian Socialists (CSU), and Free Democrats (FDP) led by Helmut Kohl was voted out of office after 16 years in power. The victory by Gerhard Schroeder's Social Democrats (SPD) and Joschka Fischer's Greens represents the first time in post-war history that a sitting German government was removed from office by a general election (all previous changes were the result of coalition politics).

The new government is focussed squarely on domestic problems. Lowering Germany's high unemployment rate is the top priority, while tax reform and plans to close nuclear power plants have also received considerable attention. In the economic sphere, Finance Minister (and SPD Chairman) Oskar Lafontaine, Schroeder's main rival in the party, is driving policy. Lafontaine generally has a more interventionist or "old left" view on most issues, while Schroeder occupies the middle ground.

Foreign policy played almost no role in October's elections. Schroeder has pledged continuity to you and the pivotal nature of close German-American relations will remain. This does not guarantee ready German support for U.S. initiatives, however, and there have been a few incidents of concern to the U.S., particularly Fischer's sudden call for a discussion of no-first-use at NATO before the Washington Summit and Germany's reluctance to request the extradition of PKK leader Abdullah Ocalan. These cases were exacerbated by the new government's inexperience in dealing with the U.S. and other allies. However, Germany has continued to support U.S. goals during crisis situations, including the Parliament's approval of German participation in the Kosovo extraction force, as well as favorable public statements following recent air strikes against Iraq. By publicly declaring readiness to use ground forces in Kosovo -- if necessary without a UN mandate -- Schroeder has rounded out a postwar consensus on Germany's ability and duty to deploy combat troops for NATO and other agreed multilateral undertakings.

The new government's coalition agreement called NATO "an indispensable instrument for the stability and security of Europe." It supported the Open Door, Partnership for Peace, and continued cooperation with Russia. Close ties to the U.S. (Germany's "most important non-European partner") will "remain an indispensable constant in German foreign policy." The parties also stressed the importance of the U.S. presence in Europe.

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Foreign Minister Fischer has been a supporter of NATO enlargement and NATO engagement in the Balkans; he has tempered the Green Party's traditional position favoring German withdrawal from NATO, a position not reflected in the coalition agreement. The agreement did, however, contain troubling language on other issues. It supported efforts to create nuclear-weapon-free zones and pledged to maintain what it terms the UN's "monopoly on the use of force."

Despite the rhetoric of the coalition agreement, the SPD has made few substantial concessions to the Greens. The new government is still finding its feet and has yet to consolidate its views on a number of issues. Nevertheless, most observers predict that Germany will pursue a more European based (vice trans-Atlantic) approach to foreign policy, especially during its EU presidency (January through June 1999). This development will coincide with the transfer of most federal German government institutions from Bonn to Berlin.

Schroeder remains popular, with 75 percent of those polled satisfied by his performance. Only 42 percent believe his government can solve the nation's problems. He appeals to a broader public sentiment that "human error" -- as Schroeder brushed off his government's first missteps -- is inevitable and that somehow the nation will solve its problems without long averted individual pain.

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GERMAN DOMESTIC ECONOMIC SITUATION

The Schroeder government has yet to take a clear and plausible lead on interrelated domestic and foreign economic issues. Complicated by a projected economic slowdown, domestic unemployment remains high and job creation low -- with no improvement in sight. A key Schroeder economic initiative, the government-business-labor "alliance for jobs," is making glacial progress and could be scuttled if metalworker demands for much higher wages result in a national strike. Old-left SPD Finance Minister -- and SPD Party chair -- Lafontaine has been trying to set an interventionist, demand-creation policy agenda both at home and in international financial/EU affairs.

Lafontaine has been almost universally criticized in the German press. Key German bankers believe Lafontaine has sent all the wrong signals to the business community and that his push for currency bands had not been well thought out. However, a key cabinet moderate, Chancellery Minister Bodo Hombach, believes Lafontaine is becoming more moderate as the experience of governing has an effect.

In other issues, Schroeder's government has shown the strains of sixteen years out of power and a totally inexperienced Greens partner. The Greens' insistence on terminating nuclear fuel reprocessing contracts drew broadsides from France and the UK, uproar from German utilities, and, finally, a very public retreat by Greens Environment Minister Trittin. On early domestic nuclear power plant closures, Schroeder first quashed Trittin, then had to disavow his Energy Minister, a former energy company executive who foresaw an ultimate return to nuclear power.

Schroeder and his team face many major decision points this spring. EU budget issues, CAP reform, and EU enlargement will dominate the special March EU summit under Germany's presidency. These issues will test the coalition's negotiating skills.

Despite the better than expected GDP growth of 2.8% for 1998, the economic outlook for the economy for 1999 has deteriorated over the past six months. The financial crisis in Russia and South America, as well as the continued difficulties in Asia, have contributed to this pessimism. Business discontent with the new government's early tax proposals and other policies has made businesses cautious as reflected in the

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seven-month slide of IFO's business sentiment index. Industrial production, new factory orders and exports all weakened in the fourth quarter of 1998 further adding to the decline in confidence. On the positive side, personal consumption and consumer confidence are strengthening and the downturn in the construction sector appears just about over. Although the overall unemployment rate will register modest declines in 1999, this is particularly due to a decline in the labor force. Job creation remains anemic and perhaps only about 60,000 net jobs will be created throughout Germany. Unemployment in eastern Germany will remain at or above 18%. Fiscal consolidation continues with the deficit/GDP ratio falling to 2.1% in 1998 from 2.7% in 1997.

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SCHROEDER VISIT: IRAN

I. OBJECTIVES

- Outline the USG's view of Iran under President Khatami and U.S. policy towards Iran.
- Express appreciation for German cooperation on counter-proliferation and counter-terrorism efforts.

II. KEY POINTS TO MAKE

- We have seen some positive trends in Iran in the past year but there is still fierce resistance from hardliners opposed to increased freedoms for Iranians and any opening to the West, particularly the U.S.
- Iran continues to support international terrorism and pursue weapons of mass destruction and their means of delivery -- activities that threaten our interests and those of our closest allies.
- We have made it clear to Iran's leaders that we would like to engage in a dialogue on these issues and any issues Iran would like to raise with us. So far, Iran has declined.
- We will continue to work to inhibit Iran's ability to pursue terror and WMD/missiles. We value the close cooperation we have with Germany on counterterrorism and counter-proliferation.
- Our economic policies will remain in place until we see changes in Iranian activities of concern. We will continue to oppose foreign investment in Iran's petroleum sector and pipeline development through Iran.
- I hope you will agree that Iran should not enjoy the full benefits of membership in the international community -- including economic benefits -- until its conduct conforms to accepted norms. I would urge you to refrain from providing any economic assistance to Iran, including granting Iran favorable treatment with respect to its debt obligations.

III. BACKGROUND

Germany shares our concerns about Iran's support for international terrorism and its attempts to acquire weapons of mass destruction, and cooperates fully with the U.S. and its

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European Union partners in stemming these objectionable Iranian policies. But Germany, like other EU member states, considers political and economic engagement to be the most effective means of influencing objectionable Iranian policies.

Two irritants to the German-Iranian relationship are a German court's 1997 verdict implicating Iran's leaders (pre-Khatami) in the murders of Iranian Kurdish dissidents in Berlin (the "Mykonos case"), and the 1998 death sentence imposed by an Iranian court against a German businessman alleged to have had illicit relations with an Iranian woman. Both governments, however, appear eager to get beyond these problems, which are having a negative impact on bilateral economic relations. Schroeder is likely to invite President Khatami to Bonn soon if the two governments can reach an agreement regarding the imprisoned German businessman. (Khatami already has plans to visit Paris and Rome in the spring, so there may be an element of intra-EU courtship of Iran at play.)

Iran, strapped for hard currency, needs Germany's agreement to reschedule its overdue debt obligations. Germany, citing the need to protect German commercial banks, a desire to coordinate its treatment of Iranian debt with other creditors, and to reduce the strain on the Iranian economy, is inclined to roll over Iran's debt obligations for at least one year. We informed the Germans that we oppose such assistance because it frees up capital for use in Iran's WMD and missile programs and sends the wrong political signal to Iran's leadership, i.e., that it can pursue normal economic relations with the West without changing policies that violate international norms.

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CHINA HUMAN RIGHTS

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.86)
KRM 11/22/2019

I. OBJECTIVE

- If raised, to communicate U.S. concern about the human rights situation in China.
- To ask how Germany and the EU plan to proceed at the United Nations Commission on Human Rights (UNCHR).

II. KEY POINTS TO MAKE

- We have communicated to the Chinese our concern over the recent crackdown, and the potential negative impact of such actions on bilateral relations.
- China's jailing of dissidents raises the issue of a China resolution. The U.S. is considering its position and will consult with Commission members and allies.
- How do Germany and other EU nations propose to address China human rights issues at UNCHR?

III. BACKGROUND

Since late 1998, Chinese authorities have cracked down on perceived threats to their authority and stability by detaining, trying, and sentencing dissidents, including pro-democracy activists and religious believers. In December, a joint U.S.-EU-Canada-Norway demarche in Beijing condemned the crackdown. In January, our human rights dialogue with China resumed. The Department's annual China human rights report will be issued on February 25, and the annual session of the UNCHR in Geneva on March 22-April 30 will in some way need to address the issue. The EU held its China human rights dialogue on February 8-9. The February 22 EU political director's meeting will almost certainly address China human rights issues.

We decided last year not to support a China resolution at UNCHR after the EU adopted a similar position, and after China committed to signing the International Covenant on Civil and Political Rights and released some dissidents regarding whom we had made special appeals. Reversing that decision this year would damage bilateral relations, but dissident arrests continue and there is considerable domestic support this year (including from moderates in Congress) in favor of a China resolution. The U.S. must decide in coming weeks whether to sponsor a China

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resolution or pursue alternatives, which include submitting a thematic resolution addressing China's human rights issues without identifying the PRC by name.

The Germans have indicated to some interlocutors that Germany and the EU will not support a China resolution absent a sharp deterioration of the situation in China. Other sources indicate that Germany actively opposes, and other nations are extremely unlikely to back, a resolution.

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HOLOCAUST-ERA ISSUES

I. OBJECTIVES

We want to encourage Germany to continue to play a positive role in international efforts to deal with Holocaust-era issues. A positive German role will provide justice to Holocaust survivors, forestall potential criticism of Germany from survivor groups, remove the threat of state and local sanctions against German companies, and prevent the development of tensions in our relations with Germany. Our immediate objective is to support Chancellor Schroeder's proposal to create a foundation that would compensate victims of forced labor, slave labor, and other victims of the Nazi regime.

II. KEY POINTS TO MAKE

- Your recent announcement to create a foundation to compensate former forced laborers and other Nazi victims was an historic step and an important moral gesture.
- To assure that Germany's private companies contribute to the proposed foundation, they need to be certain that they will get closure in the United States.
- To get closure, we need to find a way to take account of the class action lawsuits against German companies. That will be our biggest problem.
- One approach would be to conclude a multilateral agreement among governments on this matter. The agreement would declare that the best way to resolve all Holocaust-era and World War II claims against Germany is to direct them to the proposed Foundation.
- All parties to the agreement would then agree to file a *amicus curiae* in their courts stating that governments and other interested parties have agreed that German Foundation offers the best way to resolve such claims.
- It is critical that we include in this process a wide range of interested parties, including governments in Central and Eastern Europe and survivor organizations.

III. BACKGROUND

Since the 1950s, Germany has provided 100 billion D-Marks (\$60 billion at current exchange rates) to Holocaust victims. Unification in 1990 opened unresolved Holocaust-related issues for Germany. Class action attorneys in the United States, following their successful settlement of the lawsuit against Swiss banks, have been emboldened to pursue similar cases against German firms. Some 15 to 20 German corporations face class actions in U.S. courts for their actions during the Nazi era, as well as Ford and General Motors which had plants in Nazi Germany. These lawsuits seek compensation for forced labor, slave labor, trading in victim gold, confiscation of assets, etc. To resolve such claims, Chancellor Schroeder proposed last fall the creation of a foundation that would be funded by German companies and pay compensation to victims. However, for this approach to be successful, it is essential that the German foundation take account of the class action lawsuits.

SCHROEDER VISIT: UNSC EXPANSION

I. OBJECTIVES:

If Chancellor Schroeder raises the issue of UNSC expansion, the principal objective in this meeting would be to reassure him of continued U.S. support for a permanent seat for Germany on an expanded Council. In addition, our commitment to continued close cooperation with Germany (in New York and in capitals) as this issue develops should be highlighted.

II. KEY POINTS:

- We remain committed to securing a permanent seat for Germany on an expanded Security Council.
- Germany's current economic and political importance fully justifies such an expanded role.
- We will need to coordinate closely -- both at our Missions in New York and in capitals -- as the reform process continues.

III. BACKGROUND:

We have been working closely with Germany (as well as France, the U.K., and Japan) on a joint concept paper on UNSC expansion and reform. The Germans, while probably disappointed with the length of time necessary to reach final closure, are satisfied with the paper which recommends permanent seats for "two industrialized states" (understood to be Germany and Japan). There is some question whether UNSC expansion (and a permanent seat for Germany) will remain as high a priority for the new German government as it was for the previous one. We remain committed to a permanent seat for Germany (as well as Japan) and to cooperating closely with Germany as the reform process continues.

SCHROEDER VISIT: UN ARREARS

I. OBJECTIVES

- To outline where we stand on paying arrears to the UN and other international organizations.

II. KEY POINTS

- We are committed to paying our debts to the UN and other international organizations. I reaffirmed this in my "State of the Union" speech.
- I vetoed legislation last year on arrears because of unacceptable language related to family planning and because the conditions attached to the legislation were outdated.
- We will work with Congress to secure arrears and an achievable package of UN reforms. I included funding for arrears in my FY 2000 budget submission.
- In any package that is negotiated, my primary goal is to reduce the cap on the percentage paid by the U.S.--or any country--to 22% for the regular budgets of the UN, FAO, WHO, and ILO, and 25% for UN peacekeeping, and to strengthen the functioning of the UN system through sensible management improvements.
- We want to put this arrears issue behind us and focus on substantive issues of mutual interest to the U.S. and our friends.

III. BACKGROUND

Negotiations over the so-called Helms-Biden arrears package began about two years ago. It called for the payment of around \$1 billion in arrears owed to the UN and other international organizations, but only after certification of a long list of specific benchmarks dealing with UN reform and other issues. Many countries resented the number and unilateral nature of many of the benchmarks. In our approach to Congress this year, we need to develop a plan which not only satisfies Congress, but is also sellable to the UN membership.

CLIMATE CHANGE AND GERMANY

I. OBJECTIVES

- We need to make clear to the Germans that the best way to make progress on climate change is to elaborate the Kyoto Protocol's operational framework and to develop an approach to verification and compliance. Beyond this, Germany and the EU must work more actively to promote meaningful participation by key developing countries in the Kyoto framework.

II. KEY POINTS TO MAKE

- We are sincerely committed to making progress on the Buenos Aires Plan of Action over the coming year.
- To do so, we believe the idea of a "concrete ceiling" on Kyoto's flexibility mechanisms cannot work and will slow progress. Rather, we should focus our efforts on designing a system that is inclusive, effective, economically efficient, and environmentally sound.
- We must also work together to promote meaningful actions by key developing countries to address climate change and find ways to incorporate their efforts into the Kyoto Protocol.

III. BACKGROUND

We have significant policy differences with Germany and the European Union over their entrenched position in favor of a "concrete ceiling" on the use of the Kyoto flexibility mechanisms and their strong advocacy of mandatory harmonized policies and measures, including carbon taxes. At the last Conference of the Parties to the UN Framework Convention on Climate Change in Buenos Aires in November, the Parties set a timetable for completing the design of the flexible mechanisms. The EU, however, has made it clear that their proposal for a "concrete ceiling" on the use of the Kyoto mechanisms, postponed in Buenos Aires, will have to be addressed at some point. We strongly oppose this idea as such ceilings would undermine the effective operation of an emissions trading regime, limit incentives for developing country participation, and raise the cost of meeting our targets under the Kyoto Protocol.

The Germans are expected to encourage an EU consensus position on ceilings at the March meeting of the EU Environment Ministers. A strong EU endorsement of such limits in the negotiations is likely to impact negatively on technical discussions taking place in April. European industry groups and

interagency dynamics within EU countries, however, are shifting and may create pressure for a softer EU stance. We are working, through our Embassies' outreach programs, to share U.S. views with these groups.

Schroeder's recent decision to temper the Greens' proposal on the phase-out of nuclear power illustrates the complex factors Europe and Germany must weigh as they take action on energy and environment policies.

Real progress on Kyoto and the Buenos Aires Plan of Action ultimately requires U.S.-EU agreement. We believe our mutual interest in achieving the environmental objective is best served by concentrating on technical matters related to the mechanisms, compliance, and developing countries. On the developing country front, we will need EU assistance in maintaining pressure on, and providing incentives for, developing countries to participate more meaningfully in the global response to climate change, especially fellow OECD members, Mexico, Korea, and Turkey.

Case Number: 2015-0777-M

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memcon	re: Meeting with the President and Chancellor Gerhard Schroeder of Germany (13 pages)	02/11/1999	P1/b(1) K8H 4/3/2020
001b. memcon	re: Meeting with the President and Chancellor Gerhard Schroeder of Germany [incomplete copy] (12 pages)	02/11/1999	P1/b(1) K8H 4/3/2020

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KEYWORDS: GERMANY

MEMCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: MEMCON W/ SCHROEDER ON 11 FEB

ACTION: KERRICK APPROVED RECOM

DUE DATE: 07 APR 99 STATUS: C

STAFF OFFICER: BUTLER

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ACTION DATA SUMMARY REPORT

RECORD ID: 9902407

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CAO ASSIGNED ACTION REQUIRED

001 BERGER
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Rice	_____	_____	_____
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A = Action	I = Information	D = Dispatch	R = Retain	N = No Further Action

cc:

COMMENTS: *Mem con - Schroeder*
11 Feb 99

Exec Sec Office has diskette *Wg*

*Don't recommend you approve filing
for the record.*
[Signature]

National Security Council
The White House

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<i>S. Jacobs</i> Cosgroff	<u>1</u>	<u>8/4/28</u>	<u><i>[Signature]</i></u>
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Situation Room	<u>3</u>	<u>8/4/29</u>	<u>NIR</u>

Don't recommend you approve filing
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Exec Sec Office has diskette *[Signature]*

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2407

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

April 26, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN

FROM: LAWRENCE BUTLER

SUBJECT: Memorandum of Conversation of President's Meeting
with Chancellor Gerhard Schroeder of Germany

Attached at Tab A is the Memorandum of Conversation of the
President's meeting with Chancellor Gerhard Schroeder of Germany
on February 11, 1999.

RECOMMENDATION

That the attached Memorandum of Conversation of the meeting be
filed for the record.

Approve



Disapprove _____

Attachment

Tab A Memorandum of Conversation

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 4/26/10

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By ROS NARA, Date 11/15/2019
2015-6777-M

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.87)
KBM 11/12/2019

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with the President and Chancellor
Gerhard Schroeder of Germany (U)

PARTICIPANTS: The President
Madeleine Albright, Secretary of State
Samuel Berger, Assistant to the President
for National Security Affairs
Antony Blinken, Special Assistant to the
President and Senior Director for European
Affairs, NSC (Notetaker)
Gisela Marcuse, Interpreter

Chancellor Gerhard Schroeder
Michael Steiner, Diplomatic Advisor
Lena Hasslinger-Leis, Interpreter

DATE, TIME February 11, 1999, 12:50 - 1:25 p.m.
AND PLACE: Oval Office

The President: So tell me, how are you doing? How have the first few months in office been? (U)

Chancellor Schroeder: Well, we are having some difficulties at the moment. There is an interesting constellation. We have a so-called red/green coalition. The process of translating into reality what is feasible is not easy. Maybe the surprise has been that when it comes to foreign policy, things are going smoothly and we are working well together within the coalition. The real trouble is with domestic policy. As you know, we just lost a Federal State election in Hesse. The issue is immigration. I know that it is not popular but we want to change the law, to be more comparable with other countries, to move away from blood-based citizenship, to be more like the American system. That was an opening for the opposition and they played off of xenophobia. (U)

The President: You took the right position. But I know how difficult this is politically. You need to look at the longer

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies

Reason: 1.5(d)

Declassify On: 4/1/09

people where borders are getting more and more open, and of course, people want others to do work that they themselves are not willing to do. It is hard to say no when these people want to stay. I think maybe you just need to adopt a more gradual strategy. (S)

Chancellor Schroeder: Yes, we will have to change our approach. We will have to adjust our initiative. We need to show people that holding two passports is not a privilege. The general problem is that even our own supporters think we are just looking after foreigners and ignoring our own people, the difficult issues we face. One other point: to be truthful, I am not totally sad about this loss. It gives me an opportunity to say to my party and to the coalition, "well we would like to move forward on some things, but some things just can't be done now." (S)

The President: Economic and social insecurity are the underlying issues here. Will you have the support you need to pass an economic program in parliament to fight unemployment and promote jobs? (S)

Chancellor Schroeder: There is no problem there. We have the solid majority of the lower house. The issue of economic reform does not require the Bundesrat. (S)

The President: Tell me a little bit about your plans. (U)

Chancellor Schroeder: There are several things we want to change. First, we have an alliance for work and jobs. We have representatives of the state, unions and employers together working on developing a consensus for the problems that are faced in each sector. At the end of the process, we hope to develop a consensus that can be brought to parliament to be passed into law. Second, we have a problem with low paying jobs and social benefits. How do we get people into jobs and plus up wages to an appropriate level? Third, we have the issue of qualifications in the workforce. Tomorrow, we can employ 70,000 people in the information technology sector, there are that many vacancies. But the unemployed are unqualified for these jobs. Fourth, we are looking at combined state and corporate programs for vocational training and placement for young people just entering the labor market. We are already hitting our targets. But what we are trying to do is match vocational training with schools and in the work place to corporate needs. (S)

I think a lot of this comes down to the issues of qualifications, especially in the information technology area. It's the key to unlocking the stuck door in our labor markets. And of course, all of this takes time, you can't expect to solve the problems in one-half year. (C)

The President: Can your employers retrain your existing workforce or do they need new people? We have similar problems in the United States. Just look at the District of Columbia, the unemployment problem here and yet the surrounding areas have about 40,000 openings, again mostly in the high tech sector. We need to develop a training ladder. As people move up that opens up other places for those below them. (U)

Chancellor Schroeder: The large companies are already doing this with ongoing training. But many of the high tech job openings are in small and medium enterprises. These companies don't have the means to do ongoing training. So we need a combined State/corporate partnership. Two-thirds of German jobs are in small and medium size businesses, that is businesses that employ fewer than 500 people. (C)

The President: What percentage of the jobs are in manufacturing? (U)

Chancellor Schroeder: There are substantial regional variations. But between 50 and 75 percent of job placement is not in manufacturing. In urban areas two-thirds are non-manufacturing industries, so the problem is increasing. So-called "intelligent" jobs and services are replacing manufacturing. (U)

The President: As of four years ago, I believed Germany had a higher percentage of manufacturing employees than Japan. You have dealt with this by creating substantial government protection for workers but avoiding protectionism. As to the training system, I studied this as governor. I wonder whether it could be adapted more to technology-based industries so that you target training to the unemployed. On low wage jobs, this is a problem everywhere. We give special tax breaks to employers if they hire the unemployed and we let the unemployed keep certain benefits. We need to show them that they are better off at work than on public assistance. If we can get reasonable growth and make it more profitable to work than to be on the dole, then unemployment will go down. (C)

Chancellor Schroeder: We are trying to adapt the same system. So is Blair. Even the French, though they are still much more attached to the State. We have to subsidize wages up to a decent level. Either through negative tax incentives or benefits to employees. We need to go further, and focus on qualifications to move people out of low paying jobs and into better ones. We are still at the start of this process. Then of course, we also need people to assume responsibility. (U)

The President: Yes, we have to do that. That's what we have been doing here in America. (U)

Chancellor Schroeder: We are beginning to see that. We are looking at incentives and sanctions if they don't take jobs that are available. But we haven't developed this yet. It is still too bureaucratic and people are not responding. They prefer to be on the dole and have a black market job on the side. (U)

The President: Besides training, we need growth. This is something we need to talk about at the G8 in Cologne. Especially in the context of another WTO round on trade and reforming the International Financial Architecture. Without the U.S. and the EU leading a new round of global growth, we will have a real problem. France still has these huge structural barriers. If you lose your job, you get benefits for two years. The cost is incredible. They have had 3 percent growth for years, but the unemployment rate is still high. In the United States, unemployment goes down when we have growth at 2-1/2 percent or more. Of course, with the problems in Asia, the United States and Europe have to keep growth strong and promote it. This year, we have absorbed the largest trade deficit in history to help keep our friends going. Because we were in a position to do so; that was our contribution in a time of crisis. But we need a strategy for the future. All the programs in Japan and Europe need a chance to work in a more successful atmosphere. (U)

Chancellor Schroeder: For the United States, I have seen studies showing that unemployment starts to go down with growth as low as .7 to 1 percent. The difference really is structural. It is harder for us to resolve. In the United States, you have one cultural language. In Europe, we don't, so that makes it harder to. We are also thinking about the Euro zone in generating growth. There has to be a balance between budgetary policy and member states and financial policy by the European Central Bank and they need to solve structural questions in the labor markets. This requires going beyond national policies.

We have to work within Euro Zone and of course within the European Union. (U)

The President: Chancellor maybe we can continue this discussion over lunch. (U)

Chancellor Schroeder: Yes, I would like to do that very much. (U)

Informal Lunch with German Federal Chancellor Gerhard Schroeder

PARTICIPANTS: The President
 Madeleine Albright, Secretary of State
 Samuel Berger, Assistant to the President
 for National Security Affairs
 Lawrence Butler, Director for European
 Affairs, NSC staff (notetaker)
 Gisela Marcuse, Interpreter

 Chancellor Gerhard Schroeder
 Michael Steiner, Diplomatic Advisor
 Lena Hasslinger-Leis, Interpreter

DATE, TIME February 11, 1999, 1:26 - 2:40 p.m.
AND PLACE: West Wing, Oval Dining Room

The President: (continuing a conversation that started in a meeting in the Oval Office and carried on while walking to the Oval Dining Room) Gerhard, have you looked at the Dutch experience in part-time employment in connection with Germany?
(C)

Chancellor Schroeder: We have looked at the "Polder Model" that the Dutch adopted with success in 1982. They achieved substantial success via part-time employment, which helped buffer the social impact of economic changes -- no impact on pensions. Part-time employment is obviously a possible approach to increasing overall employment. Since part-time work is traditionally characterized as a "female" thing, disruptive to the biographies of a working resume, the Polder model gives an entitlement, allows participants to take a break and come back to work. (C)

The President: This is an issue we are working here. I understand the Dutch earn retirement credit from part-time work,

get health coverage, accrue vacation time -- on a pro rated basis. Seventy-five percent of workers in Holland choose to be employed on a part-time basis. They don't feel pressed by circumstances. I am concerned at the growth in the United States of people employed part-time who don't want to be. But I don't know if Holland's example, as small country, is applicable to the United States or Germany. (C)

Chancellor Schroeder: This depends on the conditionality --- the Dutch social security system, a capital-based one, does not depend on contributions. Then there are family structures -- the traditional Dutch family has one and a half wage earners; the half earner is not necessarily the woman, who may have a better wage than her partner. However, the average income is lower than in Germany -- this masks some of the costs. (C)

I have an international project at the government level going on. You are aware that twelve of 15 EU countries are under social democratic rule -- something different is going on in Europe. With Peter Mandelson still in charge, I asked Hombach, the Dutch and the Swedes, put a paper together on political benchmarking on threshold of the Millennium. But where to go on this third way thought -- will you join in? (C)

The President: I saw Tony Blair in Jordan, where we talked about working together. The same forces brought us all into office. (C)

Chancellor Schroeder: The costs are huge. (C)

The President: The trick is the right balance. How to create jobs without tearing up the fabric of society, expand trade, and put a human face on globalization. If the old options worked, we wouldn't be in office today. (C)

Chancellor Schroeder: I agree, no differences with your position. I intend to look at the rule of Social Democrats in Europe and here. We share the same situation; they trust in us to join organization to social justice. People expect growth, we were called to go into government. My fear is that if we don't cut unemployment noticeably, the cost will be more political change in Europe. I would like to hear from you -- it would be interesting to have you on board. (C)

I also wanted to talk with you about international debt relief -- the money we lent in places like Africa is gone. Do you agree? (C)

The President: I made the same points as you in my State of Union Address -- we are with you. We must help countries whose leaders are capable of doing something about it. Their debt service is so high, that we have no choice but to reschedule. We basically agree. (C)

It is interesting that twelve of the (EU) fifteen are in Social Democratic hands. We should keep our alliance on an honest, substantive endeavor. The headlines when the (UK) Tories came here were that they were working on elections with Republicans. I told Tony (Blair) that there is not only political advantage to be gained from a third way alliance, but economic advantage. The substance affects peoples' lives. We have to bend over backward to create an alliance for social progress, not merely a political alliance. (C)

Chancellor Schroeder: Essentially marrying poetry with facts. (C)

The President: The objective is to stay in power by making a difference. Maybe we should follow up with Blair at the G-8 summit, include Wim Kok. They could all come in and talk about this. But, we should arrange a meeting among our economic advisors to deal with social questions, real ideas. The emphasis is important. If you are asking Tony Blair and me how to create jobs, that's good. This is not about "remaking the world." (C)

Chancellor Schroeder: I am in complete agreement. A tripartite approach to sort out economic, social aspects of globalization. Jim Wolfensohn and his crowd need to help. (C)

The President: You are going to Russia next week? (C)

Chancellor Schroeder: Yes, for the Russia-EU summit. (C)

The President: That's an important trip. Primakov should get a sense of partnership with Germany, that when the chips are down, Germany and the United States will be there. Russia is in dire straits now. The health system has collapsed and life expectancy is dropping. They believe that the Fund is the problem. But that all began when Russia privatized its economy without laws to protect investors -- no security. It was as if they had poured flesh without a skeletal frame to hold it erect. (C)

Over the past three years they could have had investment in energy worth \$30-50 billion, provided the Duma had passed laws to protect new oil and gas wells. The Vice President told me that Primakov was in tears at Davos, crying that he had to have an IMF pledge. I don't want Russia to starve or the IMF to impose draconian conditions. But if they don't change anything, all the money would end up in Swiss bank accounts. (S)

Chancellor Schroeder: Or in Côte d'Azur villas. (S)

The President: Primakov, Russian nationalists, are paranoid. If they want Russia to get money, they must deliver. What do you think about debt? You have a lot of old Soviet debt -- could be symbolic to help. I have included in my budget funds for an expanded threat reduction initiative to fight proliferation, diminish the threat of weapons of mass destruction. I asked the Congress for increase by \$4.5 to \$5 billion over the next five years. This would help put scientists on payroll. (S)

Did you know that they had 40,000 scientists employed in nuclear, biological and chemical warfare projects? Eight thousand are employed now, we could expand that to 20,000 -- we could provide income for 20,000 scientists. They could work with international space station stuff, where the EU is a partner. I got a briefing on it; one problem is that the Russian space scientists haven't been paid in six months. I am reminded that rockets can carry space station parts, or missiles. (S)

We are also going to fund plutonium disposal, dismantling warheads, and other similar things. (S)

Mr. Berger: To a degree, Primakov thinks we are thrusting an alien society upon Russia and is not even taking the minimal steps to succeed in the global economy, including collecting taxes. (S)

The President: Primakov says that "the IMF wants to impose Reaganomics on us." He wants to be like Finland. (S)

Secretary Albright: But Finland collects taxes. (S)

The President: The Finns spend 50 percent on GNP on their society by collecting it. In Russia, they try tax at 50 percent, spend 25 percent, but only collect 10 percent. They have to increase collections. (S)

Secretary Albright: Half of the Russian economy is based on barter, the other half doesn't pay taxes. But Primakov has an answer to everything. (C)

The President: Guys have money there, but they don't pay. Federal taxes are 50 percent, the local city/state taxes are 30 percent. I know one American who still made money from his McDonalds restaurants, but the little restaurants cannot survive like that. He got out, and now consults with others on how to do business. But you cannot pay 50-60 percent more in taxes than your competitors. (C)

Chancellor Schroeder: Let me share my undiplomatic opinion. First, he who banks on Yeltsin is dumb. Second, I believe that Primakov is more than a transitional figure, he is a piece of stability for the medium term. With Yeltsin gone, he has a chance. (C)

Still, one can only trust Primakov from here to there. Once he drives the car into a wall, he thinks that we will pay -- for stability. I received Ivanov last week. We talked about Kosovo and other things. I trust him, but he's not an economist. He said, "look at the IMF program for Korea, \$50 billion; we are talking about \$5 billion. If you gave us the same amount as Korea, we wouldn't have any problems." (C)

You are right that we must add stability to Primakov. We are looking at having some old debts rescheduled, but we are not offering relief all together. You cannot just throw money at them. They have to get their act together, the national economy, EU and IMF backing. Money going to them crops up in the Cote d'Azur, Malaga and Florida. I was in Marbella at Christmas; the menus in the restaurants used to be printed in Spanish, English, French and German. Now they are in Russian, too. There is a reason for this. (C)

We need to say to them, "we'll support you, but only on construction, infrastructure," areas with transparency, not just throw in cash. (C)

The President: Generally, I am in strong agreement with you. Maybe I should have gotten more money in four or five years ago, when Russia was in better shape. Without structural changes, all the money will be gone overnight, forty-eight hours. It will mean increased deposits in Swiss banks. We need some specific investments, money that works it way through the

system. They must change the laws to keep money in circulation. I would be happy to see the IMF give \$50 billion, for Russia to make a big comeback. (C)

I share your feeling about Primakov. I kind of like him; he's strong, honest, sober, shows up to work everyday. He's pretty good. (C)

Chancellor Schroeder: I agree with you. (C)

Mr. Berger: Regarding Primakov, this is a three part problem. One, he is kidding himself. Two, he is kidding us. And, three, he is being misled. We have to look for the day when he goes into the wall; the more we can do now to penetrate the first and second part of the problem, the better. (C)

Secretary Albright: For Primakov to pass laws he needs the Duma, where there is nothing pro-western. He is panicked. He is a Marxist, and has no trust in the West, doesn't know what to do, how to have confidence. He says that we are trying to destroy him and Russia. The problem is in the laws that they pass. (C)

The President: I am thinking, with two years left in office, that our vision is that in ten years Russia will be strong, effective, stable, non-aggressive. However, we have to contend with the Duma's stupid focus on yesterday's issues. They are disinterested in the threat from organized crime -- combining biological warfare scientists, CW and BW stockpiles -- easy to sell to terrorists and narco-traffickers. The Russian mafia has offered the Colombian cartels to act as their investment bankers. These are stateless, rogue cartels. If Russia is not stable, the rest of the world will know misery. (C)

But, if we gave them \$30 billion, it would disappear and we would be finished there. We want Primakov to make it, it is in our interest. This is his only area of intellectual disability -- he should think about long-term reconstruction. Tell him what I said when you see him. (C)

Chancellor Schroeder: Your analogy is one hundred percent on target. Formerly, Russia was too much state-controlled. Now, there is no state left. The problem is that Primakov is holding onto an old-fashioned way of thinking. Even in the old times, the economy was weak, and the political structure strong. Russians perceived themselves as important. If the economy is weak in the longterm, and the political structure is also weak,

we have a problem with a Russia, with its huge geographical size, that perceives itself without a commensurate status -- they are very sensitive. (C)

If Russia isn't consulted daily, praised for its size and greatness, they will feel a loss of importance. Your strategy is correct, and I will tell him what you said about conditionality, slowly changing the situation, starting reform in banking, tax system, and some kind of "state-hood." (C)

Secretary Albright: This is the threat of a weak Russia. You should see the opposition leaders while you are in Moscow; appeal to highly chauvinistic persons on Russia's behalf. (C)

Mr. Steiner: We have committed mistakes on our side, too, which has hurt our credibility. We rushed in Russia, made money quickly; many have left with their profits. The West must work to restore its credibility there. (C)

The President: I am not sure everything I did over the last six years was right. We must help Russia revive its state.

I want to thank you for your commitment of forces for Kosovo. Rambouillet seems to be going well, though it is still early. If we achieve an agreement there, then we will commit NATO forces. It helped that the Russians came along with us in Bosnia. I hope that Milosevic and the Kosovars can make a deal and we can avoid NATO air strikes. (C)

We are having the NATO Summit in the spring, a time when we should celebrate our new members and keep the door open to others. We have difficulties with Chirac on UN authority, out of area mission without prior explicit UN authorization. We cannot allow our hands to be tied, in case something happens that we have to respond to. (C)

Regarding the European Security and Defense Identity (ESDI), we see it residing within NATO. Kosovo is a good example, where European military leaders agreed the United States would come in with four thousand troops, about 14 percent of the total force. The Europeans have the lead and there is a UK commander. This is a good thing. It is important not to set up an institutional structure that severs the partnership -- there are too many things that can go haywire at Europe's periphery. (C)

Germany is in position to make sure that the next fifty years of history are different from the last. The problems are on the

periphery. We never know if our next election produces an administration that is more isolationist; there is a tendency within politics here for that, where Presidents have to resist elements within Congress to be more isolationist. There should be a European defense unit, but an institutional partnership with us. I do not want aid and comfort given to the isolationists within my own country. (C)

Chancellor Schroeder: First, I want to state a fact that in Germany, in a very short time, we have had an utter change in foreign and security policy. The Conservatives were not ready to support intervention in Kosovo. Now we have committed troops to XFOR, in addition to the 500 that we have in Bosnia. There will be 4,000 soldiers in Kosovo. So, we will be there. We are in a difficult domestic situation, but we have proven to be reliable as an Ally. (C)

Second, we are on board for military action in Kosovo. This requires a parliamentary resolution, which we will get, but it is difficult without a UN Security Council Resolution. If Rambouillet goes well, and Slobodan Milosevic accepts ground troops, we would then try to get a UN blessing. (C)

I said, in Munich (at the Wehrkunde Conference), that we'll go in with a UN mandate. But, there may be special cases in the future, where a UN mandate is not at hand, areas where there are legitimate authorities vis-à-vis my constitution. (C)

Third, regarding enlargement, I agree explicitly that the door must remain open, continue the Madrid formula and not specify which countries are next in line. (C)

Mr. Steiner: Regarding a UN Security Council Resolution, if we get it, good, if not, we'll go anyway. (C)

The President: Mr. Milosevic, a good friend of Michael's, is a slippery fellow. We have had a couple of good days in Rambouillet. He will only accept a peace agreement with NATO if he thinks the alternative is air power. An agreement is the better option. He faces two choices: NATO on the ground or bombs in the air. (C)

The G-8 Summit is a great opportunity to move forward on international financial structures. This is a particular chance to keep the lid on the global economy. We can start sending good signals with the Finance Ministers' meeting on February 20, combined with our initiatives on debt.

Chancellor Schroeder: I agree. One subject is bank problems. We need to tidy that up. I have always said that a movement on international financial architecture must move hand-in-hand with the United States. We must make impressive steps. We have on hand the elements. The Finance Ministers on the 20th must come up with tangible ideas, "good food" for the Summit -- debt relief for the highly indebted poor countries (HIPC). We also need to talk about social and ecological development on a global scale. (S)

We have a problem, however, with the representation of the "Euro-zone" for the February 20 meeting. Secretary Rubin is opposed to making the table larger. However, if we are talking about Europe, we need to have the European Central Bank, a representative of the Euro-zone members and a one from the Commission. The Commission person would not have the right to talk or influence the discussion. We also need to give the possibility for a non-G-8 EU member that might hold the chair of the Euro-zone. Please help us with this. (S)

Mr. Steiner: This is the same model as when you meet at your level (Summit), where the Commission President joins. (S)

The President: I'll see what I can do. On environment, the next round of WTO negotiations must be more explicit about environmental standards. Second all export credit agencies should adopt environmental criteria in their decisions. We reached an impasse on climate change. We think it is vital to have joint projects with LDCs, where we and they can share the credit -- in a percentage to be agreed between the industrialized nations and the developing countries. We have an interest in this -- I tried for years to get the G-8 to agree to export credit agency environmental standards. You, Tony and I can agree that there are ways for the LDCs to grow, and still be green. (S)

Chancellor Schroeder: Ok. I agree with you. We should wrap it up in a paper. Thank you for the lunch and your time. (S)

The President: Thank you for coming on such short notice. Let me walk out with you. (U)

-- End of Conversation --

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1-28)
KRM 11/22/2019

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with the President and Chancellor
Gerhard Schroeder of Germany (u)

PARTICIPANTS: The President
Madeleine Albright, Secretary of State
Samuel Berger, Assistant to the President
for National Security Affairs
Antony Blinken, Special Assistant to the
President and Senior Director for European
Affairs, NSC (Notetaker)
Gisela Marcuse, Interpreter

Chancellor Gerhard Schroeder
Michael Steiner, Diplomatic Advisor
Lena Hasslinger-Leis, Interpreter

DATE, TIME February 11, 1999, 12:50 p.m. - 1:25 p.m.
AND PLACE: Oval Office

The President: So tell me, how are you doing? How have the
first few months in office been? (u)

Chancellor Schroeder: Well, we are having some difficulties at
the moment. There is an interesting constellation. We have a
so-called red/green coalition. The process of translating into
reality to what is feasible is not easy. Maybe the surprise has
been that when it comes to foreign policy, things are going
smoothly and we are working well together within the coalition.
The real trouble is with domestic policy. As you know, we just
lost a Federal State election in Hesse. The issue is
immigration. I know that it is not popular but we want to
change the law, to be more comparable with other countries, to
move away from blood-based citizenship, to be more like the
American system. That was an opening for the opposition and
they played off of xenophobia. (u) ✓

The President: You took the right position. But I know how
difficult this is politically. You need to look at the longer
term. It is impossible to stop the movement, the movement of

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Reason: 1.5(d)

Declassify On: 4/1/09

people where borders are getting more and more open, and of course, people want others to do work that they themselves are willing to do. It is hard to say no when these people want to stay. I think maybe you just need to adopt a more gradual strategy. (X)

Chancellor Schroeder: Yes, we will have to change our approach. We will have to adjust our initiative. We need to show people that holding two passports is not a privilege. The general problem is that even our own supporters think we are just looking after foreigners and ignoring our own people, the difficult issues we face. One other point: to be truthful, I am not totally sad about this loss. It gives me an opportunity to say to my party and to the coalition, 'well we would like to move forward on some things, but some things just can't be done now.' (X)

The President: Economic and social insecurity are the underlying issues here. Will you have the support you need to pass an economic program in parliament to fight unemployment and promote jobs? (X)

Chancellor Schroeder: There is no problem there. We have the solid majority of the lower house. The issue of economic reform does not require the Bundesrat. (X)

The President: Tell me a little bit about your plans. (U)

Chancellor Schroeder: There are several things we want to change. First, we have an alliance for work and jobs. We have representatives of the state, unions and employers together working on developing a consensus for the problems that are faced in each sector. At the end of the process, we hope to develop a consensus that can be brought to parliament to be passed into law. Second, we have a problem with low paying jobs and social benefits. How do we get people into jobs and plus up wages to an appropriate level? Third, we have the issue of qualifications in the workforce. Tomorrow, we can employ 70,000 people in the information technology sector, there are that many vacancies. But the unemployed are unqualified for these jobs. Fourth, we are looking at combined state and corporate programs for vocational training and placement for young people just entering the labor market. We are already hitting our targets. But what we are trying to do is match vocational trainings with schools and in the work place to corporate needs. (X)

I think a lot of this comes down to the issues of qualifications, especially in the information technology area. It's the key to unlocking the stuck door in our labor markets. And of course, all of this takes time, you can't expect to solve the problems in ¹/₂ year. (C)

The President: Can your employers retrain your existing workforce or do they need new people? We have similar problems in the United States. Just look at the District of Columbia, the unemployment problem here and yet the surrounding areas have about 40,000 openings, again mostly in the high tech sector. We need to develop a training ladder. As people move up that opens up other places for those below them. (U)

Chancellor Schroeder: The large companies are already doing this with ongoing training. But many of the high tech job openings are in small and medium enterprises. These companies don't have the means to do ongoing training. So we need a combined State/corporate partnership. Two-thirds of German jobs are in small and medium size businesses, that is businesses that employ fewer than 500 people. (C)

The President: What percentage of the jobs are in manufacturing? (U)

Chancellor Schroeder: There are substantial regional variations. But between 50 and 75 percent of jobs' placement ~~is~~ are not in manufacturing. In urban areas two-thirds are non-manufacturing industries, so the problem is increasing. So-called "intelligent" jobs and services are replacing manufacturing. (U)

The President: As of four years ago, I believed Germany had a higher percentage of manufacturing employees than Japan. You have dealt with this by creating substantial government protection for workers but avoiding protectionism. As to the training system, I studied this as governor. I wonder whether it could be adapted more to technology-based industries so that you target training to the unemployed. On low wage jobs, this is a problem everywhere. We give special tax breaks to employers if they hire the unemployed and we let the unemployed keep certain benefits. We need to show them that they are better off at work than on public assistance. If we can get reasonable growth and make it more profitable to work than to be on the dole, then unemployment will go down. (C) ✓

Chancellor Schroeder: We are trying to adapt the same system. So is Blair. Even the French, though they are still much more attached to the State. We have to subsidize wages up to a decent level. Either through negative tax incentives or benefits to employees. We need to go further, and focus on qualifications to move people out of low paying jobs and into better ones. We are still at the start of this process. Then of course, we also need people to assume responsibility. (U)

The President: Yes, we have to do that. That's what we have been doing here in America. (U)

Chancellor Schroeder: We are beginning to see that. We are looking at incentives and sanctions if they don't take jobs that are available. But we haven't developed this yet. It is still too bureaucratic and people are not responding. They prefer to be on the dole and have a black market job on the side. (U)

The President: Besides training, we need growth. This is something we need to talk about at the G8 in Cologne. Especially in the context of another WTO round on trade and reforming the International Financial Architecture. Without the U.S. and the EU leading a new round of global growth, we will have a real problem. France still has these huge structural barriers. If you lose your job, you get benefits for two years. The cost is incredible. They have had 3% growth for years, but the unemployment rate is still high. In the United States, unemployment goes down when we have growth at 2-1/2 percent or more. Of course, with the problems in Asia, the United States and Europe have to keep growth strong and promote it. This year, we have absorbed the largest trade deficit in history to help keep our friends going. Because we were in a position to do so; that was our contribution in a time of crisis. But we need a strategy for the future. All the programs in Japan and Europe need a chance to work in a more successful atmosphere. (U)

percent

Chancellor Schroeder: For the United States, I have seen studies showing that unemployment starts to go down with growth as low as .7 to 1 percent. The difference really is structural. It is harder for us to resolve. In the United States, you have one cultural language. In Europe, we don't, so that makes it harder to. We are also thinking about the Euro zone in generating growth. There has to be a balance between budgetary policy and member states and financial policy by the European Central Bank and they need to solve structural questions in the labor markets. This requires going beyond national policies.

We have to work within Euro Zone and of course within the European Union. (U)

The President: Chancellor maybe we can continue this discussion over lunch. (U)

Chancellor Schroeder: Yes, I would like to do that very much. (U)

Informal Lunch with German Federal Chancellor Gerhard Schroeder

PARTICIPANTS: The President
 Madeleine Albright, Secretary of State
 Samuel Berger, Assistant to the President
 for National Security Affairs
 Lawrence Butler, Director for European
 Affairs, NSC staff (notetaker)
 Gisela Marcuse, Interpreter

 Chancellor Gerhard Schroeder
 Michael Steiner, Diplomatic Advisor
 Lena Hasslinger-Leis, Interpreter

DATE, TIME February 11, 1999, 1:26 p.m. - 2:40 p.m.
AND PLACE: West Wing, Oval Dining Room

The President: (continuing a conversation that started in a meeting in the Oval Office and carried on while walking to the Oval Dining Room) Gerhard, have you looked at the Dutch experience in part-time employment in connection with Germany?
(C)

Chancellor Schroeder: We have looked at the "Polder Model" that the Dutch adopted with success in 1982. They achieved substantial success via part-time employment, which helped buffer the social impact of economic changes -- no impact on pensions. Part-time employment is obviously a possible approach to increasing overall employment. Since part-time work is traditionally characterized as a "female" thing, disruptive to the biographies of a working resume, the Polder model gives an entitlement, allows participants to take a break and come back to work. (C)

The President: This is an issue we are working here. I understand the Dutch earn retirement credit from part-time work,

The President: I made the same points as you in my State of Union Address -- we are with you. We must help countries whose leaders are capable of doing something about it. Their debt service is so high, that we have no choice but to reschedule. We basically agree. (C)

It is interesting that twelve of the (EU) ¹⁵ fifteen are in Social Democratic hands. We should keep our alliance on an honest, substantive endeavor. The headlines when the (UK) Tories came here were that they were working on elections with Republicans. I told Tony (Blair) that there is not only political advantage to be gained from a third way alliance, but economic advantage. The substance affects peoples' lives. We have to bend over backward to create an alliance for social progress, not merely a political alliance. (C)

Chancellor Schroeder: Essentially marrying poetry with facts. (C)

The President: The objective is to stay in power by making a difference. Maybe we should follow up with Blair at the G-8 summit, include Wim Kok. They could all come in and talk about this. But, we should arrange a meeting among our economic advisors to deal with social questions, real ideas. The emphasis is important. If you are asking Tony Blair and me how to create jobs, that's good. This is not about "remaking the world." (C)

Chancellor Schroeder: I am in complete agreement. A tripartite approach to sort out economic, social aspects of globalization. Jim Wolfensohn and his crowd need to help. (C)

The President: You are going to Russia next week? (C)

Chancellor Schroeder: Yes, for the Russia-EU summit. (C)

The President: That's an important trip. Primakov should get a sense of partnership with Germany, that when the chips are down, Germany and the United States will be there. Russia is in dire straits now. The health system has collapsed and life expectancy is dropping. They believe that the Fund is the problem. But that all began when Russia privatized its economy without laws to protect investors -- no security. It was as if they had poured flesh without a skeletal frame to hold it in erect. (C)

Over the past three years they could have had investment in energy worth \$30-50 billion, provided the Duma had passed laws to protect new oil and gas wells. The Vice President told me that Primakov was in tears at Davos, crying that he had to have an IMF pledge. I don't want Russia to starve or the IMF to impose draconian conditions. But if they don't change anything, all the money would end up in Swiss bank accounts. (C)

Chancellor Schroeder: Or in Côte d'Azur villas. (C)

The President: Primakov, Russian nationalists, are paranoid. If they want Russia to get money, they must deliver. What do you think about debt? You have a lot of old Soviet debt -- could be symbolic to help. I have included in my budget funds for an expanded threat reduction initiative to fight proliferation, diminish the threat of weapons of mass destruction. I asked the Congress for increase by \$4.5 to \$5 billion over the next five years. This would help put scientists on payroll. (C)

Did you know that they had 40,000 scientists are employed in nuclear, biological and chemical warfare projects? Eight thousand are employed now, we could expand that to 20,000 -- we could provide income for 20,000 scientists. They could work with international space station stuff, where the EU is a partner. I got a briefing on it; one problem is that the Russian space scientists haven't been paid in six months. I am reminded that rockets can carry space station parts, or missiles. (C)

We are also going to fund plutonium disposal, dismantling warheads, and other similar things. (C)

Mr. Berger: To a degree, Primakov thinks we are thrusting an alien society upon Russia and is not even taking the minimal steps to succeed in the global economy, including collecting taxes. (C)

The President: Primakov says that "the IMF wants to impose Reaganomics on us." He wants to be like Finland. (C)

Secretary Albright: But Finland collects taxes. (C)

The President: The Finns spend 50 percent on GNP on their society by collecting it. In Russia, they try tax at 50 percent, spend 25 percent, but only collect 10 percent. They have to increase collections. (C)

Secretary Albright: Half of the Russian economy is based on barter, the other half doesn't pay taxes. But Primakov has an answer to everything. (C)

The President: Guys have money there, but they don't pay. Federal taxes are 50 percent, the local city/state taxes are 30 percent. I know one American who still made money from his McDonalds restaurants, but the little restaurants cannot survive like that. He got out, and now consults with others on how to do business. But you cannot pay 50-60 percent more in taxes than your competitors. (C)

Chancellor Schroeder: Let me share my undiplomatic opinion. First, he who banks on Yeltsin is dumb. Second, I believe that Primakov is more than a transitional figure, he is a piece of stability for the medium term. With Yeltsin gone, he has a chance. (C)

Still, one can only trust Primakov from here to there. Once he drives the car into a wall, he thinks that we will pay -- for stability. I received Ivanov last week. We talked about Kosovo and other things. I trust him, but he's not an economist. He said, "look at the IMF program for Korea, \$50 billion; we are talking about \$5 billion. If you gave us the same amount as Korea, we wouldn't have any problems." (C)

You are right that we must add stability to Primakov. We are looking at having some old debts rescheduled, but we are not offering relief all together. You cannot just throw money at them. They have to get their act together, the national economy, EU and IMF backing. Money going to them crops up in the Cote d'Azur, Malaga and Florida. I was in Marbella at Christmas; the menus in the restaurants used to be printed in Spanish, English, French and German. Now they are in Russian, too. There is a reason for this. (C)

We need to say to them, "we'll support you, but only on construction, infrastructure," areas with transparency, not just throw in cash. (C)

The President: Generally, I am in strong agreement with you. Maybe I should have gotten more money in four ^{or} five years ago again, when Russia was in better shape. Without structural changes, all the money will be gone overnight, forty-eight hours. It will mean increased deposits in Swiss banks. We need some specific investments, money that works its way through the

system. They must change the laws to keep money in circulation. I would be happy to see the IMF give \$50 billion, for Russia to make a big comeback. (C)

I share your feeling about Primakov. I kind of like him; he's strong, honest, sober, shows up to work everyday. He's pretty good. (C)

Chancellor Schroeder: I agree with you. (C)

Mr. Berger: Regarding Primakov, this is a three part problem. One, he is kidding himself. Two, he is kidding us. And, three, he is being misled. We have to look for the day when he goes into the wall; the more we can do now to penetrate the first and second part of the problem, the better. (C)

Secretary Albright: For Primakov to pass laws he needs the Duma, where there is nothing pro-western. He is panicked. He is a Marxist, and has no trust in the West, doesn't know what to do, how to have confidence. He says that we are trying to destroy him and Russia. The problem is in the laws that they pass. (C)

The President: I am thinking, with two years left in office, that our vision is that in ten years Russia will be strong, effective, stable, non-aggressive. However, we have to contend with the Duma's stupid focus on yesterday's issues. They are disinterested in the threat from organized crime -- combining biological warfare scientists, CW and BW stockpiles -- easy to sell to terrorists and narco-traffickers. The Russian mafia has offered the Colombian cartels to act as their investment bankers. These are stateless, rogue cartels. If Russia is not stable, the rest of the world will know misery. (C)

But, if we gave them \$30 billion, it would disappear and we would be finished there. We want Primakov to make it, it is in our interest. This is his only area of intellectual disability -- he should think about long-term reconstruction. Tell him what I said when you see him. (C)

Chancellor Schroeder: Your analogy is one hundred percent on target. Formerly, Russia was too much state-controlled. Now, there is no state left. The problem is that Primakov is holding onto an old-fashioned way of thinking. Even in the old times, the economy was weak, and the political structure strong. Russians perceived themselves as important. If the economy is weak in the long term, and the political structure is also weak,

we have a problem with a Russian, with its huge geographical size, that perceives itself without a commensurate status -- they are very sensitive. (C)

If Russia isn't consulted daily, praised for its size and greatness, they will feel a loss of importance. Your strategy is correct, and I will tell him what you said about conditionality, slowly changing the situation, starting reform in banking, tax system, and some kind of "state-hood." (C)

Secretary Albright: This is the threat of a weak Russia. You should see the opposition leaders while you are in Moscow; appeal to highly chauvinistic persons on Russia's behalf. (C)

Mr. Steiner: We have committed mistakes on our side, too, which has hurt our credibility. We rushed in Russia, made money quickly; many have left with their profits. The West must work to restore its credibility there. (C)

The President: I am not sure everything I did over the last six years was right. We must help Russia revive its state.

I want to thank you for your commitment of forces for Kosovo. Rambouillet seems to be going well, though it is still early. If we achieve an agreement there, then we will commit NATO forces. It helped that the Russians came along with us in Bosnia. I hope that Milosevic and the Kosovars can make a deal and we can avoid NATO air strikes. (C)

We are having the NATO Summit in the spring, a time when we should celebrate our new members and keep the door open to others. We have difficulties with Chirac on UN authority, out-of-area mission without prior explicit UN authorization. We cannot allow our hands to be tied, in case something happens that we have to respond to. (C)

Regarding the European Security and Defense Identity (ESDI), we see it residing within NATO. Kosovo is a good example, where European military leaders agreed the United States would come in with four thousand troops, about 14 percent of the total force. The Europeans have the lead and there is a UK commander. This is a good thing. It is important not to set up an institutional structure that severs the partnership -- there are too many things that can go haywire at Europe's periphery. (C)

Germany is in position to make sure that the next fifty years of history are different from the last. The problems are on the

periphery. We never know if our next election produces an administration that is more isolationist; there is a tendency within politics here for that, where Presidents have to resist elements within Congress to be more isolationist. There should be a European defense unit, but an institutional partnership with us. I do not want aid and comfort given to the isolationists within my own country. (C)

Chancellor Schroeder: First, I want to state a fact that in Germany, in a very short time, we have had an utter change in foreign and security policy. The Conservatives were not ready to support intervention in Kosovo. Now we have committed troops to XFOR, in addition to the 500 that we have in Bosnia. There will be 4,000 soldiers in Kosovo. So, we will be there. We are in a difficult domestic situation, but we have proven to be reliable as an Ally. (C)

Second, we are on board for military action in Kosovo. This requires a parliamentary resolution, which we will get, but it is difficult without a UN Security Council Resolution. If Rambouillet goes well, and Slobodan Milosevic accepts ground troops, we would then try to get a UN blessing. (C)

I said, in Munich (at the Wehrkunde Conference), that we'll go in with a UN mandate. But, there may be special cases in the future, where a UN mandate is not at hand, areas where there are legitimate authorities vis-à-vis my constitution. (C)

Third, regarding enlargement, I agree explicitly that the door must remain open, continue the Madrid formula and not specify which countries are next in line. (C)

Mr. Steiner: Regarding a UN Security Council Resolution, if we get it, good, if not, we'll go anyway. (C)

The President: Mr. Milosevic, a good friend of Michael's, is a slippery fellow. We have had a couple of good days in Rambouillet. He will only accept a peace agreement with NATO if he thinks the alternative is air power. An agreement is the better option. He faces two choices: NATO on the ground or bombs in the air. (C)

The G-8 Summit is a great opportunity to move forward on international financial structures. This is a particular chance to keep the lid on the global economy. We can start sending good signals with the Finance Ministers' meeting on February 20, combined with our initiatives on debt. ✓

Chancellor Schroeder: I agree. One subject is bank problems. We need to tidy that up. I have always said that a movement on international financial architecture must move hand-in-hand with the United States. We must make impressive steps. We have on hand the elements. The Finance Ministers on the 20th must come up with tangible ideas, "good food" for the Summit -- debt relief for the highly indebted poor countries (HIPC). We also need to talk about social and ecological development on a global scale. (C)

We have a problem, however, with the representation of the "Euro-zone" for the February 20 meeting. Secretary Rubin is opposed to making the table larger. However, if we are talking about Europe, we need to have the European Central Bank, a representative of the Euro-zone members and a one from the Commission. The Commission person would not have the right to talk or influence the discussion. We also need to give the possibility for a non-G-8 EU member that might hold the chair of the Euro-zone. Please help us with this. (C)

Mr. Steiner: This is the same model as when you meet at your level (Summit), where the Commission President joins. (C)

The President: I'll see what I can do. On environment, the next round of WTO negotiations must be more explicit about environmental standards. Second we all export credit agencies should adopt environmental criteria in their decisions. We reached an impasse on climate change. We think it is vital to have joint projects with LDCs, where we and they can share the credit -- in a percentage to be agreed between the industrialized nations and the developing countries. We have an interest in this -- I tried for years to get the G-8 to agree to export credit agency environmental standards. You, Tony and I can agree that there are ways for the LDCs to grow, and still be green. (C) ✓

Chancellor Schroeder: Ok. I agree with you. We should wrap it up in a paper. Thank you for the lunch and your time. (C)

The President: Thank you for coming on such short notice. Let me walk out with you. (U)

-- End of Conversation --

Case Number: 2015-0777-M

MIR MARKER

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Original OA/ID Number: 2724				
Document ID: 9902893				
Row: 46	Section: 4	Shelf: 4	Position: 1	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001a. talking points~~	~~re: Points to be Made for Call to Chancellor Schroeder (2 pages)~~	~~04/14/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001b. talking points~~	~~re: Points to be Made for Call to Chancellor Schroeder (2 pages)~~	~~04/14/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001c. memo~~	~~From Samuel Berger re: Telephone Call to German Chancellor Schroeder (2 pages)~~	~~04/17/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001d. memo~~	~~From Samuel Berger re: Telephone Call to German Chancellor Schroeder [incomplete copy] (1 page)~~	~~04/17/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~001e. talking points~~	~~re: Points to be Made for Call to Chancellor Schroeder (2 pages)~~	~~04/14/1999~~	~~P1/b(1) KBH 4/3/2020~~

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Clinton Presidential Records
NSC Records Management
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RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

TO: BERGER

FROM: BUTLER
BLINKEN

DOC DATE: 17 APR 99
SOURCE REF:

KEYWORDS: GERMANY

TELCALL

PERSONS: SCHROEDER, GERHARD

SUBJECT: TALKING POINTS FOR TELCALL W/ CHANCELLOR SCHROEDER

ACTION: NOTED BY PRESIDENT

DUE DATE: 23 APR 99 STATUS: C

STAFF OFFICER: BUTLER

LOGREF:

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

FOR INFO

BLINKEN

BUTLER

NSC CHRON

SCHULTE

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSCLG

CLOSED BY: NSTSM

DOC 1 OF 1

~~SECRET~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-11

~~SECRET~~

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICERCAO ASSIGNED ACTION REQUIRED001 BERGER
001Z 99050313 FWD TO PRESIDENT FOR INFORMATION
X 99050313 NOTED BY PRESIDENT~~SECRET~~

National Security Council
The White House

PROOFED BY: _____ LOG # 2893
 URGENT NOT PROOFED: _____ SYSTEM RRS NSC INT ARS
 BYPASSED WW DESK: _____ DOCLOG 6 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
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Rice	<u>1</u>	<u>4/17</u>	
Davies			
Kerrick			
Steinberg	<u>2</u>		
Berger	<u>3</u>		
Situation Room			
West Wing Desk	<u>2</u>	<u>4/20</u>	<u>Ⓢ</u>
Records Mgt.	<u>3</u>		<u>N/R</u>

A = Action I = Information D = Dispatch R = Retain N = No Further Action

cc:

COMMENTS:

Call to Schroeder

99 APR 17 04 167

Exec Sec Office has diskette yes

*Points only went
to POTUS 20 Apr. file
for the record.*

Ⓢ

4-20-99

National Security Council
The White House

PROOFED BY: _____ LOG # 2893

URGENT NOT PROOFED: _____ SYSTEM FRS NSC INT ARS

BYPASSED WW DESK: _____ DOCLOG 6 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
Cosgriff			
Rice	<u>1</u>	<u>4/17</u>	
Davies			
Kerrick			
Steinberg	<u>2</u>		
Berger	<u>3</u>		
Situation Room			
West Wing Desk	<u>2</u>	<u>[Signature]</u>	<u>[Signature]</u>
Records Mgt.	<u>3</u>		<u>N/R</u>

A = Action I = Ii

urther Action

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COMMENTS:

Points only went
to POTUS 20 Apr. ~~file~~
file for the record.

6

4-20-99

Exec Sec Office h:

100 APR 17 1999

POINTS TO BE MADE FOR CALL TO
CHANCELLOR SCHROEDER

- Congratulations on your election as SPD party chairman. Know there was difficult debate on Kosovo. '99 APR 20 AM 11:39
- Good luck Monday with inaugural Bundestag session in Berlin.

Diplomatic Strategy

- Madeleine agreed with Ivanov on whole range of principles for a political settlement, except nature of international presence. We cannot allow either Belgrade or Moscow to water down this requirement.
- Force need not have a big NATO label, but must be organized by NATO and be NATO at the core. Without effective force, Serb paramilitaries will remain and the refugees will keep out.

NATO Targeting

- We've known our strategy will take time to succeed. Milosevic might be limiting time available by creating prospect of starvation among 700,000 displaced in Kosovo.
- Need to step up NATO air campaign. We've committed 80 additional aircraft, preparing another 300. We're deploying helicopter gunships and rocket launchers in Albania and are looking at additional areas to deploy rocket launchers.
- Added capability wasted if SACEUR not allowed to strike full range of targets. Time to move to full range of targeting foreseen in Phase III, including national-level targets and Belgrade's propaganda machine.
- It would probably be difficult to get a formal NATO decision on Phase III. That's Chirac's view. Rather, give Javier and Clark full authority to strike a wider range, without day-to-day micromanagement.

DECLASSIFIED
PER E.O. 13526

2015-0777-17 (1.89)
KSH 11/22/2019

~~SECRET~~

Reason: 1.5(d)

Declassify on: 4/14/09

Economic Pressure

- Need your help on tightening economic pressure. We're taking additional steps here: banning Yugo ships from U.S. ports and tightening restrictions export or re-export of U.S. goods.
- Important to tighten implementation of EU sanctions: seek a *complete* ban on trade financing of both government and private projects, and the freezing of *all* funds and assets of the FRY leadership. You can help as EU president.
- We are also proposing that NATO naval forces begin to search ships bound for Yugoslavia to ensure that they are not carrying arms or other war supplies such as fuel. Hope that you will support us, and that we could announce at the Summit.

NATO Summit

- At Summit we'll want to demonstrate unity and determination, as our Foreign Ministers did earlier this week, also show that we're stepping up pressure on Milosevic.
- Understand Chirac concerned about being away for three days. Would be helpful if you talked to Jacques, persuade him critical he stay for duration. We reworked agenda so that every day has a heavy Kosovo focus -- his presence is vital to discussions. We've eliminated virtually all of the celebratory aspects. An early departure might be seen as allied disunity.
- We could also aim to announce the NATO maritime inspection regime at the Summit. Understand that concept is being questioned by France and Italy in NATO; hope that you can help with French.
- Finally, it would be good if our statement indicated the intention of all allies to tighten economic sanctions on Yugoslavia. Our Foreign Ministers' meeting with front-line states can be used for the same purpose.

4-19-99

2893

~~SECRET~~

POINTS TO BE MADE FOR CALL TO
CHANCELLOR SCHROEDER

99 APR 18 PM 2:58

- Congratulations on your election as SPD party chairman. Know there was difficult debate on Kosovo.
- Good luck Monday with inaugural Bundestag session in Berlin.

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- We've known our strategy will take time to succeed. Milosevic might be limiting time available by creating prospect of starvation among 700,000 displaced in Kosovo.
- Need to step up NATO air campaign. We've committed 80 additional aircraft, preparing another 300. We're deploying helicopter gunships and rocket launchers in Albania and are looking at additional areas to deploy rocket launchers.
- Added capability wasted if SACEUR not allowed to strike full range of targets. Time to move to full range of targeting foreseen in Phase III, including national-level targets and Belgrade's propaganda machine.
- It would probably be difficult to get a formal NATO decision on Phase III. That's Chirac's view. Rather, give Javier and Clark full authority to strike a wider range, without day-to-day micromanagement.

DECLASSIFIED
PER E.O. 13526

2015-0777-M (1.90)
KBM 11/22/2019

~~SECRET~~

Reason: 1.5(d)

Declassify on: 4/14/09

301569

Economic Pressure

- Need your help on tightening economic pressure. We're taking additional steps here: banning Yugo ships from U.S. ports and tightening restrictions export or re-export of U.S. goods.
- Important to tighten implementation of EU sanctions: seek a *complete* ban on trade financing of both government and private projects, and the freezing of *all* funds and assets of the FRY leadership. You can help as EU president.
- We are also proposing that NATO naval forces begin to search ships bound for Yugoslavia to ensure that they are not carrying arms or other war supplies such as fuel. Hope that you will support us, and that we could announce at the Summit.

NATO Summit

- At Summit we'll want to demonstrate unity and determination, as our Foreign Ministers did earlier this week, also show that we're stepping up pressure on Milosevic.
- Understand Chirac concerned about being away for three days. Would be helpful if you talked to Jacques, persuade him critical he stay for duration. We reworked agenda so that every day has a heavy Kosovo focus -- his presence is vital to discussions. We've eliminated virtually all of the celebratory aspects. An early departure might be seen as allied disunity.
- We could also aim to announce the NATO maritime inspection regime at the Summit. Understand that concept is being questioned by France and Italy in NATO; hope that you can help with French.
- Finally, it would be good if our statement indicated the intention of all allies to tighten economic sanctions on Yugoslavia. Our Foreign Ministers' meeting with front-line states can be used for the same purpose.

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

2893

April 17, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN *AB*

FROM: LAWRENCE E. BUTLER *LB*

SUBJECT: Contingency Memo for Schroeder Phone Call

Your memo to the President is at Tab I.

Concurrence by: Greg Schulte *GS*

RECOMMENDATION

That you sign the memo at Tab I.

Attachment

Tab I Memorandum to the President for a Schroeder Phone Call

Tab A Points to Make

~~SECRET~~

Reason: 1.5(b)(d)

Declassify On: 4/17/09

DECLASSIFIED

E.O. 13526

White House Guidelines, May 16, 2017

By PD5 NARA, Date 11/19/2019

2015-0777-11

THE WHITE HOUSE

WASHINGTON

TELEPHONE CALL TO GERMAN CHANCELLOR SCHROEDER

DATE: TBD

LOCATION: TBD

TIME: TBD

FROM: SAMUEL BERGER

DECLASSIFIED
PER E.O. 13526
2015-0777-17 (1.91)
KRM 11/22/2019

I. PURPOSE

Discuss shoring up Allies on widening the range of targets and the NATO Summit.

Ask for help to buck up Chirac for the NATO Summit.

II. BACKGROUND

Schroeder is preparing for Monday's historic inaugural sitting of the Bundestag in the renovated Reichstag building, signaling the start of months of migration to Berlin. He would be appreciative if you mentioned this in your call.

Schroeder is convinced that a key to maintaining public backing is to constantly take the initiative -- if the public senses stagnation or believes there is no end in sight to (ineffective) air strikes, their support could wane. Hence Foreign Minister Fischer's Kosovo plan, his call for the U.N. to be more involved, his public efforts to woo the Russians on board, and his proposal that the EU administer any peace settlement. Fischer, in an interview Saturday, rejected any suggestion that NATO should send in ground troops before a peace had been achieved. Opinion polls show a majority of the German public support the air attack on Yugoslavia and the participation of the German air force, the first combat action Germans have taken part in since World War Two. But public opinion is solidly against sending ground troops into action and against German soldiers taking part.

~~SECRET~~

Reason: 1.5 (b)

Declassify On: 4/17/09

The Germans took their UAV drones temporarily out of action late in the week having lost three of them. Saturday, they returned them to action having ruled out a pervasive technical problem.

You might want to let Schroeder know that Chirac is planning to leave on Saturday afternoon, and the danger that this might be seen as allied disunity.

Attachments

Tab A Points to be Made for Chancellor Schroeder

The Germans took their UAV drones temporarily out of action late in the week having lost three of them. Saturday, they returned them to action having ruled out a pervasive technical problem.

You might want to let Schroeder know that Chirac ~~instructed his NATO rep to inform Allies he will leave Washington Friday night, apparently piqued that his proposal to shorten the Summit and focus it entirely on Kosovo was rejected. Chirac says he is concerned about being away from Paris for four days during this "critical time."~~ Schroeder could help persuade Chirac to stay for the duration to be present for critical Kosovo discussions and to avoid sending a terrible signal to the Russians and Milosevic of Allied disunity; you should tell Schroeder that we have eliminated or toned down the celebratory aspects of the summit to focus on the task at hand.

Attachments

Tab A Points to be Made for Chancellor Schroeder

11. *plan to leave on Sat afternoon, and the
danger that this might be seen as allied disunity;
you must ~~not~~ to
~~state~~*

*is planning to leave on Saturday afternoon, and the
danger that this might be seen as allied disunity.*

DECLASSIFIED
PER E.O. 13526
2015-0771-M (1.92)
KBM 11/22/2019

POINTS TO BE MADE FOR CALL TO
CHANCELLOR SCHROEDER

- Congratulations on your election as SPD party chairman. Know there was difficult debate on Kosovo.
- Good luck Monday with inaugural Bundestag session in Berlin.

Diplomatic Strategy

- ~~Main problem now is Russia.~~ Madeleine agreed with Ivanov on whole range of principles for a political settlement, except nature of international presence. We cannot allow either Belgrade or Moscow to water down this requirement. *But I agree to*
the
point
on
and
- Force need not have a big NATO label, but must be organized by NATO and be NATO at the core. Without effective force, Serb paramilitaries will remain and the refugees will keep out.

NATO Targeting

- We've known our strategy will take time to succeed. Milosevic might be limiting time available by creating prospect of starvation among 700,000 displaced in Kosovo.
- Need to step up NATO air campaign. We've committed 80 additional aircraft, preparing another 300. We're deploying helicopter gunships and rocket launchers in Albania and are looking at additional areas to deploy rocket launchers.
- Added capability wasted if SACEUR not allowed to strike full range of targets. Time to move to full range of targeting foreseen in Phase III, including national-level targets and Belgrade's propaganda machine.
- It would probably be difficult *and very* to get a formal NATO decision on Phase III. Rather, give Javier and Clark full authority to strike a wider range, without day-to-day micromanagement.

Economic Pressure

- Need your help on tightening economic pressure. We're taking additional steps here: banning Yugo ships from U.S. ports and tightening restrictions export or re-export of U.S. goods. *Put's choice via*

~~SECRET~~

Reason: 1.5(d)

Declassify on: 4/14/09

DECLASSIFIED
PER E.O. 13526

2015-0717-M (1.93)
KBH 11/12/2019

- Important to tighten implementation of EU sanctions: seek a complete ban on trade financing of both government and private projects, and the freezing of all funds and assets of the FRY leadership. You can help as EU president.
- We are also proposing that NATO naval forces begin to search ships bound for Yugoslavia to ensure that they are not carrying arms or other war supplies such as fuel. Hope that you will support us, and that we could announce at the Summit.

NATO Summit

- At Summit we'll want to demonstrate unity and determination, as our Foreign Ministers did earlier this week, also show that we're stepping up pressure on Milosevic.
- Understand Chirac concerned about being away for three days. Would be helpful if you talked to Jacques, persuade him critical he stay for duration. We reworked agenda so that every day has a heavy Kosovo focus -- his presence is vital to discussions. We've eliminated virtually all of the celebratory aspects. An early departure ~~would send terrible message of allied disunity.~~ *might be seen as*
- We could also aim to announce the NATO maritime inspection regime at the Summit. Understand that concept is being questioned by France and Italy in NATO; hope that you can help with French.
- Finally, it would be good if our statement indicated the intention of all allies to tighten economic sanctions on Yugoslavia. Our Foreign Ministers' meeting with front-line states can be used for the same purpose.

SE 7
Case Number: 2014-0558-M; 2015-0777-M

MR MARKER

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Original OA/ID Number: 2725				
Document ID: 9903100				
Row: 46	Section: 4	Shelf: 4	Position: 2	Stack: v

Case Number: 2015-0777-M

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Original OA/ID Number: 2729				
Document ID: 9903620				
Row: 46	Section: 4	Shelf: 5	Position: 3	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. telcon	re: Telcon with German Chancellor Schroeder (3 pages)	04/20/1999	P1/6(1) KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2729

FOLDER TITLE:

9903620

2015-0777-M

rs1399

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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 concerning wells [(b)(9) of the FOIA]

TO: BERGER

FROM: BLINKEN

DOC DATE: 12 MAY 99
SOURCE REF:

KEYWORDS: GERMANY

TELCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: TELCON W/ SCHROEDER ON 20 APR

ACTION: KERRICK APPROVED RECOM

DUE DATE: 15 MAY 99 STATUS: C

STAFF OFFICER: BLINKEN

LOGREF:

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

FOR INFO

BLINKEN
FICKLIN
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSNHM

CLOSED BY: NSDMK

DOC 1 OF 1

~~SECRET~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-71

~~SECRET~~

RECORD ID: 9903620

ACTION DATA SUMMARY REPORT

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
001

Z 99051218 FOR DECISION
X 99051314 KERRICK APPROVED RECOM

~~SECRET~~

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 3620
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG 712 A/O _____

TMD

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	<u>1</u>	<u>5/12</u> <i>JD</i>	
POWELL			
RICE			
DAVIES		<i>(circled)</i>	
KERRICK	<u>2</u>		
STEINBERG			
BERGER			
SITUATION ROOM			
WEST WING DESK	<u>3</u>	<u>TK 5/13</u>	<u>N</u>
RECORDS MGMT.	<u>4</u>	<u>5/13 DMK</u>	<u>TV/R</u>

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

79 MAY 12 AM 5:00

COMMENTS:

*Don recommend
you approve.*

EXEC SEC OFFICE HAS DISKETTE

yes

JD

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 3620
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG 12 A/O _____

TMD

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	<u>1</u>	<u>5/12 JD</u>	
POWELL			
RICE			
DAVIES			
KERRICK	<u>2</u>	<u>(circled D)</u>	
STEINBERG			
BERGER			
SITUATION ROOM			
WEST WING DESK	<u>3</u>	<u>TK 5/13</u>	<u>N</u>
RECORDS MGMT.	<u>4</u>	<u>5/13 DMK</u>	<u>N/R</u>

A = ACTION I = INFORMATION

*Don recommend
you approve.*

FURTHER ACTION

CC:

*99 MAY 12 AM 5/13

COMMENTS:

JD

EXEC SEC OFFICE HAS DISKETTE

yes

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.94)
KSM 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Schroeder

Interpreter: Gisela Marcuse
Notetakers: Bonnie Glick, Michael T. Manning,
Roger Merletti, Robin Rickard, Jim Smith and
Sean Tarver

DATE, TIME: April 20, 1999, 12:20 - 12:29 p.m. EDT
AND PLACE: Oval Office

The President: Hello? (U)

Chancellor Schroeder: Bill, hello. (U)

The President: Hello, Gerhard. I just called to check in with you on Kosovo. There was great publicity here yesterday on your inaugural Bundestag session. (U)

Chancellor Schroeder: The Reichstag. (U)

The President: Yes, it was wonderful. (U)

Chancellor Schroeder: It was surprisingly peaceful. (U)

The President: I wanted to check in with you on Kosovo. I had a good talk yesterday with Yeltsin, and Madeleine Albright talked with Ivanov. I think the Russians are trying to come to a point where they can agree with us on a diplomatic strategy. I am feeling pretty good about that, and we'll just have to watch the situation over the next few days. (S)

Chancellor Schroeder: Naturally, I read part of what was said. Part of it was reported, and I think what Yeltsin said for the first time was encouraging, but we must make clear at the Summit

~~SECRET~~

Reason: 1.5(a,b,d)
Declassify On: 5/12/09

that we are standing behind our position. The Germans have no problem. (S)

The President: I completely agree with that. In that connection, I think it's important that we keep the air campaign going, and I think we have to hit more and more targets that will have an impact. It appears to me that we are beginning to have an impact. We need to step up the air campaign and tighten economic pressures. We're banning Yugoslavian ships from our ports and tightening restrictions on the export or re-import of goods, and I think it's important to tighten EU sanctions. I hope there will be a ban on financing, public and private projects, and the freezing of funds of the leadership. (S)

Chancellor Schroeder: I totally agree, because it will be impossible to explain to our soldiers why we are still trading with Yugoslavia while they are risking their lives. (S)

The President: I think it is important that, when we meet later at the Summit, we must show unity and determination. If we show we are stepping up pressure on Milosevic, I think we can be quite effective. The only negative I know about the Summit is that Chirac tells me he will leave Saturday afternoon. He said he has a big political problem in Paris. I don't know what to make of that, but I have redone the schedule every day to have a heavy focus on Kosovo while he is here. I think it's important for him to be there. If you talk to him, you might encourage him to stay. (S)

Chancellor Schroeder: Well, concerning that, I agree that it is important that we show we are united within NATO and will do everything within our power to make sure that occurs. I think it's important that, as far as the Summit is concerned, that it become apparent to everyone that NATO is united. On your second concern, I am sorry I cannot do anything to move him to stay, but I think it's important to talk about Kosovo while he is there. I hope we will be able to talk about Kosovo early. (S)

The President: I agree with that. We'll definitely do that. (S)

Chancellor Schroeder: Precisely. If we put the Kosovo debate on the agenda at the earliest point, and looking at the latest schedule, I see that it is scheduled for Friday morning at nine o'clock, then everyone will be there. (S)

The President: Yes. We will discuss it on Thursday but on Friday too, and it is the main order of business on Saturday. (C)

Chancellor Schroeder: You mean Friday morning and Saturday? (C)

The President: That is correct, and then Sunday we have a meeting of all the frontline states. I think it will be good, and Chirac will have two opportunities to talk about it. (C)

Chancellor Schroeder: Okay. I do look forward to seeing you despite all the problems and will do our best to make sure the Summit ends up a success. (C)

The President: I think it's a good thing that we are meeting. I'll see you then. (C)

Chancellor Schroeder: Yes. (U)

The President: I'll see you then. Bye. (U)

-- End of Conversation --

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3620

May 12, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM:

ANTONY BLINKEN

(AB)

SUBJECT:

Memorandum of Telephone Conversation with German
Chancellor Schroeder on April 20, 1999

Attached at Tab A is the Memorandum of Telephone Conversation
between the President and Chancellor Schroeder that took place
on April 20, 1999.

RECOMMENDATION

That the attached Memorandum of Telephone Conversation be filed
for the record.

Approve

(R)

Disapprove _____

Attachment

Tab A Telcon with Chancellor Schroeder

~~SECRET~~

Reason: 1.5(a,b,d)

Declassify On: 5/12/09

DECLASSIFIED

E.O. 13526

White House Guidelines, May 16, 2017

By RDS NARA, Date 11/19/2019

2015-0777-11

Case Number: 2015-0777-M

MR MARKER

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Original OA/ID Number: 2729				
Document ID: 9903676				
Row: 46	Section: 4	Shelf: 5	Position: 3	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001. memcon~~	~~re: Meeting with Chancellor Schroeder of Germany (16 pages)~~	~~05/06/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~002a. memcon~~	~~re: Meeting with Chancellor Schroeder of Germany [incomplete copy] (2 pages)~~	~~05/06/1999~~	~~P1/b(1) KBH 4/3/2020~~
~~002b. memcon~~	~~re: Meeting with Chancellor Schroeder of Germany [incomplete copy] (13 pages)~~	~~05/06/1999~~	~~P1/b(1) KBH 4/3/2020~~

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2729

FOLDER TITLE:

9903676

2015-0777-M

rs1400

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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]
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- 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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9903676
RECEIVED: 13 MAY 99 09

TO: KENNEY, K

FROM: DAVIES

DOC DATE: 20 MAY 99
SOURCE REF:

KEYWORDS: GERMANY

MEMCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: MEMCON W/ GERMAN CHANCELLOR SCHROEDER ON 6 MAY 99

ACTION: RICE SGD MEMO

DUE DATE: 19 MAY 99 STATUS: C

STAFF OFFICER: BLINKEN

LOGREF:

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

FOR INFO

BLINKEN
EXECSEC
FICKLIN
NSC CHRON

COMMENTS: _____

DISPATCHED BY

SP

DATE

5/21

BY HAND

W/ATTCH

OPENED BY: NSVJD

CLOSED BY: NSGP

DOC 2 OF 2

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By *RDS* NARA, Date *11/19/2019*
2015-0777-n

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9903676

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
001
002

Z 99051916 FOR DECISION
X 99052108 KERRICK APPROVED RECOM
X 99052108 RICE SGD MEMO

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 990520 KENNEY, K

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**NATIONAL SECURITY COUNCIL
THE WHITE HOUSE**

PROOFED BY: _____ LOG # 3674
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG ENK A/O _____

JSB

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	<u>1</u>	<u>JSB 5/19/99</u>	_____
RICE	<u>3</u>	<u>DT/20</u>	_____
DAVIES	<u>2</u>	<u>(R)</u>	_____
KERRICK	_____	_____	_____
STEINBERG	<u>cent</u>	_____	_____
BERGER	<u>cent</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>4</u>	<u>ENK 5/20</u>	<u>D</u>
RECORDS MGMT.	<u>5</u>	_____	<u>N</u>
_____	_____	_____	_____
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

*Memoranda - 6 may
Chancellor Schroeder*

EXEC SEC OFFICE HAS DISKETTE

yes

**NATIONAL SECURITY COUNCIL
THE WHITE HOUSE**

PROOFED BY: _____ LOG # 3674
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG FWK A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	<u>1</u>	<u>JS 5/19/99</u>	_____
RICE	<u>3</u>	<u>RTW</u>	_____
DAVIES	<u>2</u>	<u>(R)</u>	_____
KERRICK	_____	_____	_____
STEINBERG	<u>copy</u>	_____	_____
BERGER	<u>cen</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>4</u>	<u>FWK 5/20</u>	<u>D</u>
RECORDS MGMT.	<u>5</u>	_____	<u>N</u>
_____	_____	_____	_____
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS: Memo - 6 May
Chancellor Schroeder

EXEC SEC OFFICE HAS DISKETTE yes

~~CONFIDENTIAL~~

3676

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

May 20, 1999

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation with German Chancellor
Schroeder (U)

The attached Memorandum of Conversation between the President and Chancellor Schroeder is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our embassy in Germany for the Ambassador and/or Deputy Chief of Mission only. (+)


Glyn T. Davies
Executive Secretary

Attachment
Tab A Memorandum of Conversation

~~CONFIDENTIAL~~

Classified by: Glyn T. Davies
Reason: 1.5(a,b,d)
Declassify On: 5/19/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-M

THE WHITE HOUSE
WASHINGTONDECLASSIFIED
PER E.O. 13526
2015-0777-m (1.95)
KBM 11/22/2019

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Chancellor Schroeder of Germany
(U)

PARTICIPANTS: The President
Samuel Berger, Assistant to the President
for National Security Affairs
Antony Blinken, Special Assistant to the
President and Senior Director for European
Affairs, NSC Staff, Notetaker

Gerhard Schroeder, Chancellor
Michael Steiner, Diplomatic Adviser to the
Chancellor
Hans Blomeyer, Deputy Diplomatic Adviser to
the Chancellor

DATE, TIME May 6, 1999
AND PLACE: Chancery in Bonn, Germany

The President: Gerhard, I am very glad that we had a chance to see the refugees together earlier today. (U)

Chancellor Schroeder: Yes, so am I. It was very moving. I found it very interesting to see the internal social context. There was a mixture of very humble people and also academics and upper class people. They seem to be mixing very well together. By the way, I just had a phone call with the Macedonian Prime Minister. He told me that the border is not entirely closed. He hopes very much that European countries will take more refugees so that they can keep the border open. He also raised the problem of financing for Macedonia. We have allocated 100 million Euros, but the money has not been released yet. The Macedonians fear that they will end up picking up the bill after all. We have to ensure that we are in control of the bureaucracy and that the money flows in. And if the Macedonians have to face this problem alone, then we will have the refugees treated much worse than we want. So I hope that we can make

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Reason: 1.5(a,b,d)

Declassify On: 5/19/09

clear coming out of this talk that we will set an example for how we can help. We've talked here in Germany about taking more than the 10,000 we've already taken in. I know that you have talked about 20,000. Other Europeans must live up to their commitments and do more. Otherwise, the Macedonians will close the border, and we will have an explosive situation. (C)

The President: I agree it's very important to get the money flowing quickly. I hope and expect our Congress will approve a supplemental bill that will provide humanitarian and emergency assistance, and also more long-term aid. If it passes, we should be able to move the money quickly to Macedonia and Albania. And also we may be able to go above the 20,000 refugees we committed to take. But I agree with you that it is key that we get other Europeans to take more. I believe the Turks could take many more people in. It is a big country and they have been terrifically supportive on Kosovo. But we need to find a way to get more people to Turkey -- a passage -- with transit bridge capabilities in Macedonia and/or in Albania to keep them in transit and move them through. In essence, we would like all the refugees in Macedonia to be on their way somewhere else. Otherwise, if too many people stay, the KLA could act up, we could have a very destabilizing political situation as well. Gerhard, how soon can you release the European money? (C)

Chancellor Schroeder: Well, the whole financial framework that we have is 250 million Euros. But the Macedonian Prime Minister said to me today that even the money that already, according to our books, has officially been sent has not been received. So there seems to be a problem with the transfer of funds. We will work on seeing that it does not stay stuck. There is another problem and that is the budget. There are some Paris Club efforts on debt relief but the results are less than the Macedonians expect. I am convinced we must look into that, too. At the very least, we should be able to suspend the debts owed by Albania and Macedonia. (C)

The President: I would support the most liberal debt relief possible for both. Even before this crisis, they were, of course, among the poorest countries in Europe. So we should do everything we can to help. Now, this has budgetary implications for us depending on the way we do it, but we have to do something. It would also send a strong signal to other countries, and to the world that we will be responsible and help. We'll have our people get in touch with yours to think this through. (C)

Chancellor Schroeder: Yes, I agree. And just to sum up, it seems to me there are three points that we need to speak about when we see the press. First, more direct support for Macedonia and Albania. Second, debt relief. And third, taking more refugees in. If we can be outspoken on these points, I think that will help. (C)

The President: I agree with you. In addition, I think we should say that we met with the refugees. We can make it clear that they appreciate very much being taken in, but that at the end of the day, they want to go home. That will make it easier for the British and the French to take more people in. I was impressed hearing from so many of them, that they don't want to stay in the West, they want to be able to go back to their homes. Privately, I suggest that both of us call President Demirel or Prime Minister Ecevit, if he is confirmed as the new Prime Minister, and say to them we will help you if you can take in lots more refugees. We need to work on building a transit bridge to Turkey. Then if we were able to tell Macedonia that our goal is to have people in transit, to move them through to another destination, Macedonia will treat them better. I think Tony Blair is in favor of doing more with the refugees since he has been in Macedonia. He said that the UK will take more. (C)

Chancellor Schroeder: Yes, I hear the British will now take 3,000. (C)

Mr. Berger: It is interesting that because the refugees do want to go home, that has made it more difficult to get some of them to the United States. They are afraid that they are going too far away and so that makes it less likely that they will be able to return home. (C)

The President: I think we should also clearly reaffirm our commitment to help the whole area, especially in terms of economic integration, both within the region itself and within Europe as a whole. (C)

Chancellor Schroeder: On May 27, we'll be having a conference here in Germany on that very subject. We've invited senior officials from all of our countries. It will be an expert's conference near Bonn. The idea is brainstorming among experts about stability in Southeastern Europe. They would prepare a plan or statement that the Foreign Ministers could sign four or five weeks later. What we want to do set out a practical process. I agree it has to include an integration approach and

a strong economic plan. We also must have a clear political prospective. We should set out a vision of Europe that is in reach for all of these countries. For example, we should pursue cooperative agreements with the European Union. It is important to start these negotiations now. We need to give them a clear, more tangible prospect for moving toward Europe. (C)

The President: I think that is a wonderful idea. Let me add a couple of thoughts. First, I think we need to offer as much short-term political support as possible. In the run up to this meeting, you could invite all of the leaders from the region to meet with you as the leader of the European Union. You could ask them the same questions you will ask the experts to get their views and to get them to buy in. That is not bad for you, and it would be very good for them. These are good people who are struggling very hard and we need to support them. Second, when we know the amount of money that people will be able to contribute, we should look at what the World Bank can do quickly. It has less red tape than the IMF for infrastructure projects. For example, if a German highway contractor that built your autobahns could hire people in the countries themselves, that would create business for you and employment for them. It is critical in countries like Bulgaria, Romania, Macedonia and Albania that they see examples of local people getting work. This can have a real impact on the mindset of people. Especially in Romania and Macedonia, we don't want to lose the leadership that we have. They are going in the right direction so we need these short-term steps. At the same time we need a long-term vision. I think there are some interesting lessons we could learn from the Marshall Plan. If each country already has an individual agreement with the EU, you might consider if you could sweeten it by also creating a regional agreement with the EU. Of course, to get in, there should be conditions just as there were in the Marshall Plan, for example, guaranteeing the rights of minorities, peaceful relations with neighbors and so forth. The Marshall Plan committed its participants to strengthen liberty and to cooperate with their neighbors. Indeed, many of the benefits of the Marshall Plan were non-economic in nature. I believe these countries need to independently relate to Europe, but also to each other in a different way. We will do everything we can to help, but of course, Europe must play the lead role. If we can get people to think of their region in a positive instead of a negative way, that will make a big difference. In particular, we need them to understand the benefits that they can get from relating better to each other. This can really change the daily mindset. (C)

Chancellor Schroeder: Yes, I fully agree with you, and I think that what you describe was starting to work in Bosnia. (C)

Mr. Steiner: Yes, this is right, but, of course, the problem is Milosevic. He is incompatible with any kind of regional approach. We need new leadership. Or you have to work around that. (C)

Mr. Berger: It is also very important that we learn from Bosnia. We did not do the civilian part well. In part it was organizational problem. We need to act in a way that is not duplicative, bureaucratic -- structure is key. Also, another way to integrate them is to think of this as a regional system. Highways, electric grids, transportation, all of these things can pull countries together. (C)

The President: As to Serbia, I would condition participation in this regional system on their having a genuine democracy, on non-aggression, on respect for minorities. Of course, these are all conditions that they cannot meet right now. Second, if you let Bulgaria and Romania take part, then there is no question of the re-creation of the greater Yugoslavia. In terms of Croatia, there are several problems that have to be dealt with. First, it doesn't want to be part of Yugoslavia again. Second, given its geography, it sees itself as moving to the West faster than others, and so may not want to be tied to the region. Third, there is, of course, some chance the War Crimes Tribunal will charge Tudjman. In the early days of Bosnia, after Tudjman saw Milosevic literally getting away with murder, he decided that he could do the same thing, too. There was an unholy alliance. It took us about two years starting in 1994 to switch Tudjman from an alliance with Milosevic to an alliance with the Bosnians. That served us very well, of course. The confederation took away a second front in the war, the Bosnian army got stronger fighting with the Croats, they gained ground, and then with NATO we bombed. So anyway, we have some problems with Croatia, but I think we can figure out a way to make this work. (C)

Mr. Steiner: The bottom line is that we need new leaders. In Serbia, I think we need to increase our support for opposition leaders. The Chancellor will see Djindjic here next week. To make this regional approach work, we have to find alternatives to Tudjman and Milosevic. (C)

Chancellor Schroeder: Yes, and, of course, we must also include Djukanovic from Montenegro. (C)

Mr. Berger: Well, I hope that when Djukanovic comes to visit you, he will be able to go home again. (S)

Mr. Steiner: We would not publicize the meeting, it would be a secret. (S)

The President: We also have to deal with the question of how much we are willing to do to protect Djukanovic. If Milosevic moves against him and he wants NATO air power to strike certain things, I believe we should do it. He is democratic leader and we should help. Now I don't think Milosevic will move against him. He just wants to keep him off balance. (S)

Mr. Steiner: Yes, I agree with that. It actually would not make sense for him to move against Djukanovic. (S)

The President: It would run the risk of having troops more massed and so make them easier for us to hit. At the same time, it would require him to divide his forces and so make him weaker in Kosovo. (S)

Chancellor Schroeder: Bill, let's talk a little bit more about your long-term perspective for where we are going on Kosovo and what the solutions can be. I agree we must show no restraint and no reservations about continuing the air strikes. But I am also convinced that we need to pursue these political efforts like the G-8 conference. We would like to have strong Russian support for a UN Security Resolution in line with Chapter 7. But I would like to know for the United States, what is the result that should emerge from Kosovo? I'm not just talking about the ideal outcome -- in other words Russian support for United Nations Security Council Resolution, an international NATO force -- but if that doesn't happen, then what? What can we do and what can we not do? (S)

The President: Let me start with the ideal situation and then come back to the options. I think there are three parts to this ideal outcome. First, in terms of Kosovo itself, we know what we want, if our conditions are satisfied -- the Serbs are out, the Kosovars are back in, there is a multinational force with NATO at its core -- that is what we need and we can't add new conditions, like no more Milosevic. And of course, I would also like to see Russia and other Christian orthodox countries like the Greeks and the Ukrainians take part in the international security force. Second, I think that it is critical that we get to the end with our NATO alliance intact. In the 50 years of its existence, other than Bosnia, NATO has never had to do

anything like this. For most of its existence, it was a nuclear shield over Germany and the rest of Europe to preserve the peace. Now, despite all the problems we had, I am convinced this has worked rather well. It has been remarkable that we have had 19 countries moving in the same direction, considering that everyone has their own particular constraints here in Germany, the Greeks and so on. It has worked very well. That is one of the reasons why I am much more cautious than Tony Blair in terms of talking about ground troops -- even though I think that is a good way to keep Milosevic off balance -- because it is vitally important to keep the Alliance intact and not to create divisive debates. Finally, the third point in the ideal outcome is that we end this crisis with Russia more fully engaged with us than in the beginning. I would like to see them working with us as they have done in Bosnia. I would like to see a decrease in the anti-West, anti-American profile in Russia and an increase in support for moderates. It has been very difficult every since the economic collapse, and the rise of the radicals in the Dumas and then, of course, bombing has made it worse. And I know, it is especially hard for Germany given the tremendous debt that Russia owes to you. (C)

So anyway, those are the three elements I think of a positive outcome. But now, what if it does not work out as we want. Well, we have to look at several possible scenarios. We can continue bombing through the summer. But we have to prepare for the winter. And I mean that in two ways. First, we would need to prepare to introduce ground troops if we determine that the risks are acceptable -- the risks to Alliance solidarity, to our relationship with Russia and, of course, to the troops themselves. The second option, if we do not go to ground troops, is that we must decide now to come up with the money and the plan so that the refugees can be in camps in Albania, Macedonia and in other countries and survive the winter. I actually think it will be over by then, that we will not have to look at these other alternatives. But it is critical that we prepare for the worse case. (C)

Also, I agree that it is important to do what we did in the G-8 today. We are in a better position to work with Russia than we were before. At the same time, what the G-8 does, does not bind NATO. I hope that Russia will move more and more toward our position. (C)

The big problem I see is that we will have to make some very hard decisions for October within the next four to five weeks

from now. If this is not resolved in the next month, we have some very tough choices to make. (C)

Chancellor Schroeder: Yes, certainly one option is to make decisions by the end of May or sometime in June on the question of ground troops. Now there should be no illusions that this will be difficult for us, even impossible for us, but let's leave that aside. Second, on the question of winter, where would it be spent for the refugees, in Albania, in Macedonia, or in Kosovo itself? If there is a political solution within the next few weeks, could we get the refugees setup for winter inside Kosovo? There are lots of problems to sort out, the military side, the civilian side in terms of who does what. At this point, we need to see all of the alternatives, all of the options, all of the problems; we cannot rule anything out. (C)

The President: I would love it if the real problem were how to take care of the Kosovar-Albanians in Kosovo for the winter. Of course, it would be very difficult because so many homes have been destroyed. It would take a year of international effort. But as you said, there are real problems with ground troops -- not only the risk to the soldiers themselves, but the risk to Alliance unity and to preserving our relationship with Russia. The journalists always write about this issue as if there is only one question: do you have backbone to send in the troops? They totally ignore these other critical elements, the Alliance and the Russians. (C)

Of course, the huge problem to the scenario I outlined is what about the people still in Kosovo in the winter? It could be an opportunity here. The Russians and the Chinese might support some kind of UN force to help them, but the truth is we don't know. (C)

Mr. Berger: If the flood of refugees outside of Kosovo gets stronger, that is both good news and bad news. It is bad news, of course, because the refugee situation would be even worse, but it is good news in that it would be easier to help them outside of Kosovo. (C)

The President: We will be in a real bind if those inside of Kosovo freeze and starve to death. Milosevic may well keep 50,000 or so inside Kosovo and then let them starve to make us look as weak as possible. If we fail to plan for this and then people starve and freeze that is one thing that would break support for what we are doing for people in our own countries. (C)

Mr. Berger: I think this is all the more reason that we need to move on the maritime interdiction regime and resolve any of our remaining targeting problems. The leaders agreed to this at the NATO Summit, but we really need to put this into practice. (C)

The President: You know, on the question of this maritime interdiction, the Russian issue is a red herring. They are really not sending in oil by boat. At the same time, the Serbs need the water route for any substantial supplies of fuel and if we can cut it off, they won't get through the winter. (C)

Mr. Steiner: I thought that there was virtually no oil coming in through the water. (C)

The President: No, there is some coming in. And we need a detailed analysis of where, in fact, it's coming from. I feel very strongly about this. This might be a way also to bring Croatia in. A lot of the oil is coming by rail from Slovenia to the Croatian coast. Then small boats -- independent operators -- pick up the oil and move it down the coast. The Croats could let us put in some of our own small boats, like the Coast Guard, and there wouldn't be the threat of conflict since most of the boats that they would go after are not flagged. I am convinced that if we can cut off fuel, that would create a huge pressure for Serbia to settle because it can't risk a winter without fuel. And, of course, it's crazy to risk the lives of our pilots to take their fuel supplies and refineries only to let oil in by another way. (C)

Mr. Steiner: The Chancellor has been making exactly this point publicly. (C)

The President: I think we need to work together with Blair on this. I know that there are still people who have international law problems. But I am convinced that we can work around it. (C)

Mr. Steiner: The real problem is Russia. (C)

The President: Yeltsin tells me he is not sending anything, and doesn't want a problem. What they are doing, they are doing by truck, and there is not enough there to be a problem. (C)

Chancellor Schroeder: What about the Hungarians? (C)

Mr. Berger: In fact, as you probably know, they stopped a Russian convoy, held it for two days until they could verify the contents. The Russians were very upset about that. (C)

Mr. Steiner: You said that your big concern was the winter, how we stop people from starving and freezing. But that problem is a long way away. The problem of Alliance unity will be upon us well before that. We need a strategy to deal with that period. I can't see pursuing the air campaign until the winter and retaining support. This would be very, very difficult. (C)

The President: I believe that Milosevic will make a proposal close to our basic conditions before then. The American press is vastly understating the cost to him of the air campaign. I never thought that the air campaign would physically move Serbian troops out of Kosovo. I did think, and I continue to think, it will impose such a high price on Milosevic that he will move them himself. (C)

Chancellor Schroeder: How do you assess Milosevic's own situation, people around him? Do you think he is still getting information so that he understands the price he is paying, or does it not register? (C)

The President: It is interesting, when Chernomyrdin was in Washington, he said that Milosevic wants to know whether if there is an agreement whether his personal safety can be guaranteed. (C)

Chancellor Schroeder: Of course, I can imagine he would be concerned by that. (C)

The President: You should keep that in the back of your mind. I don't know if Milosevic meant his concern was that he would be killed by his own people, if he does a deal or if he is concerned about the War Crimes Tribunal indictment. (C)

Mr. Berger: Another scenario that's equally plausible is that Milosevic may be in a mental bunker but as to the people around him, especially the military and the economic upper class, the costs are getting higher and higher. Already, we know that the middle level in the military is disaffected, and he has been replacing the upper echelon, and we've been concentrating on his economic cronies and other key individuals. They may decide that this has gone on too long and take steps to end it. (C)

The President: It is difficult to know what he knows from one week to the next. I had thought that he was very isolated. But the release of the POWs and the release of Rugova, I think means two things. First, he is thinking, not just hiding. He wants to act. He is hurting. He is looking for a way out. Second, at the same time, he's still trying to split the Alliance to get a bombing pause. Now Milosevic showed in Bosnia that he used Serb nationalism to get power, but when the costs became too high, he cut it loose. And he was sitting with us in Paris and talked about how crazy the Serb nationalists were. He cut them off when the price became too high. Now, of course, Kosovo is different because he created it. And so he will pay an even higher price before he cuts it off. But anyway, I am encouraged by the release of the POWs and Rugova. Even if it were troubling because it was a distraction, it does show that he maybe looking for a way out. (C)

Mr. Berger: It is also interesting that he is carefully watching what goes on in our countries, watching very closely. He took a real interest, for example, in our recent House vote. That is why our public posture, the public posture of all of the allies, is key. We must convince him that we are prepared to outlast him. (C)

Chancellor Schroeder: I fully agree with that. (C)

Mr. Steiner: It is true that he abandoned the Serbs in Krajina, and then in Bosnia. But we do have to remember that Kosovo is different, it is something else, the parallel is not exact. (C)

The President: Yes, I know it is different and that the price he is willing to pay will be higher. And I don't know if he believes that if he makes any agreement, he loses. My fear is that he may see this as a lose-lose situation. That is what troubles me. (C)

Chancellor Schroeder: Over the long-term, it is important that Kosovo be stabilized. Once they start opening the mass graves and it becomes obvious what happened, it is hard to see the KLA and the Serbs living together in the same state. Now, we can't be saying this because there is clearly a difference between autonomy and independence. But we shouldn't fool ourselves either about the long-term difficulty. (C)

The President: Yes, we heard the same reaction from the refugees that we saw today. (C)

Mr. Berger: Of course, independence is less than optimal from another perspective too, which is that we have real questions about the economic or political viability of Kosovo. (C)

The President: The real problem is that it would scare the Russians and Chinese to death. (C)

Mr. Steiner: There is one other point we should emphasize and that is in Krajina, Tudjman took it back. In Bosnia, the Croats and Bosnians, together with NATO, took it back. Only then did Milosevic give up, he did not give back. Of course, in the long-term, he was the loser, because he lost Bosnia, he lost Croatia. (C)

The President: So the question is, how will he lose this one? Let me ask this: if we have to take it away and we can't use ground forces, won't we have to arm the KLA? If so, we lose control, they want to reunite with Albania, which Albania does not want. (C)

Mr. Berger: We are doing 700 planes and 625 sorties every night. If we get four weeks of good weather, combined with unrelenting punishment, I think we can succeed. But if he has not moved by then. (C)

Mr. Steiner: I don't think the result will be black or white. We cannot do it only with air power, nor can we do a full ground attack. What I think we can do is weakening him so much that he just needs [Steiner makes pushing gesture with hand]. (C)

The President: I agree with you, but the problem is that our military people will still say that we need a two or three month buildup, 200,000 troops on the ground. What we have done is the reverse of the sequence in Bosnia. There, we first had the Croats on the ground with the Bosnians armed by us. Then NATO came in with airstrikes to force Dayton, to push it over the top. Here, NATO airstrikes were at the start, these are conditions we cannot change. If we decide that having put our stake in early, we will never send in ground troops, the Kosovars will say at least give us the weapons to finish the job. If we say no to that, we will look terrible. We looked terrible in Bosnia for a long time. The UN was "killing" countless Bosnians because we wouldn't arm the Bosnians, in public view. We need to think about this. If there are no ground troops because of risks to the troops, to the Alliance or to Russia, what then? It is an impossible position. Public opinion will say by 3 to 1 that we should arm them and let them

defend themselves. We will have at least made it a fair fight. But then, of course, all bets would be off. We will never get the refugees back in. We will be facing a greater Albania. (C)

I still think that the plan we are pursuing is the best. Our critics say we didn't think this through like Bosnia. But there we had 250,000 dead. I still think that with all the problems, we are in much better shape today for having acted as we have. (C)

Chancellor Schroeder: One final question. What about the Ahtisaari mission? When will that be public? (C)

Mr. Berger: Chernomyrdin said two interesting things. First he said that Milosevic wants to surrender but not to NATO, the United States or to Russia. We need Kofi to accept the surrender. Second, the other interesting thing is that he described Milosevic's position on withdrawals as going to the October levels, he said that there could be a military presence but with NATO only in Albania and Macedonia, and finally he said that we had to stop bombing and then negotiations with Kofi would begin. The President explained why this would not work. Chernomyrdin is smart, he understands what the problems are. So we put down an alternative. He wanted an American negotiator to go with him to Belgrade. We said no, there is nothing to negotiate, and NATO's position is clear. Problem with Kofi is that he splits the difference. (C)

The President: We like him very much, but it is true that he would negotiate away several of our conditions. (C)

Mr. Berger: But we thought who would the Russians respect who would also be good for NATO? We recommended Ahtisaari. Chernomyrdin jumped at that. We think he is strong and tough. Kofi was cool at first to the idea because it is not his. I know Madeleine talked to Fischer about this and he was positive. So if we can have the head of the European Union and the United States ask Kofi to bless Ahtisaari to go with Chernomyrdin, that would be good. Chernomyrdin said that he would play the heavy. Then, Milosevic can make concessions to the United Nations. Admittedly, this is an optimistic scenario, but it is worth playing out. (C)

The President: No matter who Kofi picks, with the other two guys nothing good can come out. They will want to take different positions than NATO and Chernomyrdin. (C)

Mr. Berger: Chernomyrdin doesn't feel strong enough given the Russian politics. Strobe Talbott spoke to Ahtisaari. He said that as long as it's not a long-term job, he is on board. (C)

Mr. Steiner: When would you make this public? (C)

Mr. Berger: Kofi still needs to say yes. I think the next step is that Madeleine will ask Fischer to call Kofi. (C)

Mr. Steiner: Actually, Fischer said that Kofi has already said yes. (C)

Mr. Berger: Good, you know more than we do. (C)

The President: I think this has a chance to work. We shouldn't be too concerned about the appearance. (C)

Mr. Steiner: Well, I think the timing is key. (C)

Mr. Berger: It may require more than one mission. Chernomyrdin is anxious to go back with the United Nations. We need someone with a UN hat and NATO heart. (C)

The President: There are two other little things I want to raise with you, Gerhard. First, what do you think will happen with the Greens and Fischer? (C)

Chancellor Schroeder: Just yesterday, I had a talk with senior members of the Greens Party. I told them to do whatever they want, but absolutely not to reduce the scope for action of the government or of Fischer. If they remove their public support, the coalition will be finished. From what I heard, I think they will toe the line. (C)

The President: That is good. (C)

Chancellor Schroeder: Tomorrow, we will increase deployment of troops to Albania to help with the humanitarian effort. But our problem is this requires approval by our parliament, even though it is for a humanitarian purpose. Because they would have to be equipped to defend themselves, and so this can be considered a hostile situation which requires parliamentary approval. (C)

The President: I understand. Now the other matter that I wanted to raise is you're going to China next week. I hope that with Prime Minister Zhu and President Jiang you will reassure

them that we believe Kosovo is an unusual situation, that we are not trying to set a precedent. (C)

Chancellor Schroeder: They have a lot of angst. (C)

The President: Yes, I understand that, but you need to explain that this is like Bosnia. We have to stop it. We want to work with Russia, with them. We have to reassure them. And we also have to reassure them on the larger question that Europe and the United States want a partnership with China, that we are not trying to isolate them. (C)

Chancellor Schroeder: Yes, I think that is right but, of course, explaining to the Chinese the possibilities of coming together more has a price, and that is the more we talk about that and about explaining Kosovo, the less I will be able to talk publicly about human rights. I hope you agree. (C)

The President: Yes, I think you are right. I agree this time. We certainly made the case to them and in public about human rights a lot over the past year. (C)

On the WTO, we had a good agreement with them except for one thing. In the United States, we cannot sell WTO with China unless they agree to still be subject to our anti-dumping laws for non-market economies. They agreed, but for only five years. That is a huge issue for us because even though our economy is strong, Japan, Russia, Brazil and Korea nearly put our steel industry out of business. We are still looking at massive layoffs even with 4 percent unemployment because of dumping. We even have the steel industry threatening to leave my party without a quota system. So we now have to move political support for the WTO and in spite of the espionage stories in the United States. This problem would be a lot worse if China tries to make a better deal with Europe than it has with the United States and then back track on the deal that they made with us. Our best position is to get them in this year and to do that, we need to have the EU not accept anything less than we got. (C)

Mr. Berger: If they fall back off of the deal they made, it will be difficult for us to accept accession to the WTO, and they need consensus to get in. (C)

The President: Zhu and Jiang must know that we want them in this year. We are not trying to isolate them. Sometimes the Chinese make a little thing big and a big thing little. We need to get them to focus on the big picture of getting into the WTO.

I know that the EU likes the deal that they offered us. If we can all stick with that and fix the sunset on dumping, I think we can succeed. (S)

Chancellor Schroeder: Bill, thank you very much. I know that you are running late. I think we now have to go out and say a few things to the press. (U)

The President: Yes, let's do it. (U)

-- End of Conversation --

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3676

May 19, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM:

ANTONY BLINKEN

SUBJECT:

Memorandum of Conversation with German Chancellor Schroeder

Attached at Tab A is the Memorandum of Conversation between the President and German Chancellor Schroeder on May 6, 1999.

RECOMMENDATION

That you authorize Glyn Davies to transmit the Memorandum of Conversation at Tab A to State.

Approve ☒

Disapprove ☐

That the attached Memorandum of Conversation of the meeting be filed for the record.

Approve ☒

Disapprove ☐

Attachments

Tab I Memorandum to State

Tab A Memcon with Chancellor Schroeder

~~CONFIDENTIAL~~

Reason: 1.5(a,b,d)

Declassify On: 5/19/09

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E.O. 13526

White House Guidelines, May 16, 2017

By RDJ NARA, Date 11/19/2019

2015-0777-M

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9903676
DATE 20 MAY 99

SUBJECT: MEMCON W/ GERMAN CHANCELLOR SCHROEDER ON 6 MAY 99
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

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DATE

TIME

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MS. KRISTIE A. KENNEY
ROOM 7224, MAIN STATE
2201 C STREET, N.W.
WASHINGTON, D.C. 20520
DEPARTMENT OF STATE

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PAGE 01 OF 01 PAGES

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NSC/RMO PROFILE

RECORD ID: 9903676
RECEIVED: 13 MAY 99 09

TO: KENNEY, K

FROM: DAVIES

DOC DATE: 20 MAY 99
SOURCE REF:

KEYWORDS: GERMANY

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PERSONS: SCHROEDER, GERHARD

SUBJECT: MEMCON W/ GERMAN CHANCELLOR SCHROEDER ON 6 MAY 99

ACTION: ORIGINAL EDITS RETURNED TO NSC/RMO DUE DATE: 19 MAY 99 STATUS: C

STAFF OFFICER: BLINKEN

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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

BLINKEN

EXECSEC

~~FRICKLIN~~

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DOC 2 OF 2

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2015-0777-17

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ACTION DATA SUMMARY REPORT

RECORD ID: 9903676

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
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Z 99051916 FOR DECISION
X 99052108 KERRICK APPROVED RECOM
Z 99052108 RICE SGD MEMO
X 99091613 ORIGINAL EDITS RETURNED TO NSC/RMO

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 990520 KENNEY, K

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THE WHITE HOUSE**

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NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

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COMMENTS:

EXEC SEC OFFICE HAS DISKETTE _____

Bartlett, L. June

From: Bartlett, L. June
Sent: Thursday, May 20, 1999 8:14 PM
To: Maxfield, Nancy H.
Cc: @CROSS - Cross Hatches; Blinken, Antony J.
Subject: Schroeder Memcon, #3676 [UNCLASSIFIED]

3676

Thanks for the correction on the name. Memcon approved without the time.

June

—Original Message—

From: Maxfield, Nancy H.
Sent: Thursday, May 20, 1999 5:01 PM
To: Bartlett, L. June
Subject: name in question [UNCLASSIFIED]
Importance: High

It is DJUKANOVIC. Still don't have a time.

3676

prospective. We should set out a vision of Europe that is in reach for all of these countries. For example, we should pursue cooperative agreements with the European Union. It is important to start these negotiations now. We need to give them a clear, more tangible prospect for moving toward Europe.

The President: I think that is a wonderful ideal. Let me add a couple of thoughts. First, I think we need to offer as much short-term political support as possible. In the run up to this meeting, you could invite all of the leaders from the region to meet with you as the leader of the European Union. You could ask them the same questions you will ask the experts to get their views and to get them to buy in. That is not bad for you, and it would be very good for them. These are good people who are struggling very hard and we need to support them. Second, when we know the amount of money that people will be able to contribute, we should look at what the World Bank can do quickly. It has less red tape than the IMF for infrastructure projects. For example, if a German highway contractor that built your autobahns could hire people in the countries themselves, that would create business for you and employment for them. It is critical in countries like Bulgaria, Romania, Macedonia and Albania that they see examples of local people getting work. This can have a real impact on the mindset of people. Especially in Romania and Macedonia, we don't want to lose the leadership that we have. They are going in the right direction so we need these short-term steps. At the same time we need a long-term vision. I think there are some interesting lessons we could learn from the Marshall Plan. If each country already has an individual agreement with the EU, you might consider if you could sweeten it by also creating a regional agreement with the EU. Of course, to get in, there should be conditions just as there were in the Marshall Plan, for example, guaranteeing the rights of minorities, peaceful relations with neighbors and so forth. The Marshall Plan committed its participants to strengthen liberty and to cooperate with their neighbors. Indeed, many of the benefits of the Marshall Plan were non-economic in nature. I believe these countries need to independently relate to Europe, but also to each other in a different way. We will do everything we can to help, but of course, Europe must play the lead role. If we can get people to think of their region in a positive instead of a negative way, that will make a big difference. In particular, we need them to understand the benefits that they can get from relating better to each other. This can really change the daily mindset.

Mr. Berger: Well, I hope that when Jovanovic comes to visit you, he will be able to go home again. (C)

Mr. Steiner: We would not publicize the meeting, it would be a secret. (C)

The President: We also have to deal with the question of how much we are willing to do to protect Jovanovic. If Milosevic moves against him and he wants NATO air power to strike certain things, I believe we should do it. He is democratic leader and we should help. Now I don't think Milosevic will move against him. He just wants to keep him off balance. (C)

Mr. Steiner: Yes, I agree with that. It actually would not make sense for him to move against Jovanovic. (C)

The President: It would run the risk of having troops more massed and so make them easier for us to hit. At the same time, it would require him to divide his forces and so make him weaker in Kosovo. (C)

Chancellor Schroeder: Bill, let's talk a little bit more about your long-term perspective for where we are going on Kosovo and what the solutions can be. I agree we must show no restraint and no reservations about continuing the air strikes. But I am also convinced that we need to pursue these political efforts like the G-8 conference. We would like to have strong Russian support for a UN Security Resolution in line with Chapter 7. But I would like to know for the United States, what is the result that should emerge from Kosovo? I'm not just talking about the ideal outcome -- in other words Russian support for United Nations Security Council Resolution, an international NATO force -- but if that doesn't happen, then what? What can we do and what can we not do? (C)

The President: Let me start with the ideal situation and then come back to the options. I think there are three parts to this ideal outcome. First, in terms of Kosovo itself, we know what we want, if our conditions are satisfied -- the Serbs are out, the Kosovars are back in, there is a multinational force with NATO at its core -- that is what we need and we can't add new conditions, like no more Milosevic. And of course, I would also like to see Russia and other Christian orthodox countries like the Greeks and the Ukrainians take part in the international security force. Second, I think that it is critical that we get to the end with our NATO alliance intact. In the 50 years of its existence, other than Bosnia, NATO has never had to do

*Some papers
Spelling
Djukanovic*

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PER E.O. 13526
2015-0777-M (1.97)
KBM 11/22/2019

THE WHITE HOUSE
WASHINGTON

*Capitalize
"Alliance"
throw out
Mexico
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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Chancellor Schroeder of Germany
(U)

PARTICIPANTS: The President
Samuel Berger, Assistant to the President
for National Security Affairs
Antony Blinken, Special Assistant to the
President and Senior Director for European
Affairs, NSC Staff, Notetaker

Gerhard Schroeder, Chancellor
Michael Steiner, Diplomatic Adviser to the
Chancellor
Hans Blomeyer, Deputy Diplomatic Adviser to
the Chancellor

DATE, TIME May 6, 1999,
AND PLACE: Chancery in Bonn, Germany

The President: Gerhard, I am very glad that we had a chance to see the refugees together earlier today. (U)

Chancellor Schroeder: Yes, so am I. It was very moving. I found it very interesting to see the internal social context. There was a mixture of very humble people and also academics and upper class people. They seem to be mixing very well together. By the way, I just had a phone call with the Macedonian Prime Minister. He told me that the border is not entirely closed. He hopes very much that European countries will take more refugees so that they can keep the border open. He also raised the problem of financing for Macedonia. We have allocated \$100 million Euros, but the money has not been released yet. The Macedonians fear that they will end up picking up the bill after all. We have to ensure that we are in control of the bureaucracy and that the money flows in. And if the Macedonians have to face this problem alone, then we will have the refugees treated much worse than we want. So I hope that we can make clear coming out of this talk that we will set an example for

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Reason: 1.5(a,b,d)
Declassify On: 5/19/09

how we can help. We've talked here in Germany about taking more than the 10,000 we've already taken in. I know that you have talked about 20,000. Other Europeans must live up to their commitments and do more. Otherwise, the Macedonians will close the border, and we will have an explosive situation. (C)

The President: I agree it's very important to get the money flowing quickly. I hope and expect our Congress will approve a supplemental bill that will provide humanitarian and emergency assistance, and also more long-term aid. If it passes, we should be able to move the money quickly to Macedonia and Albania. And also we may be able to go above the 20,000 refugees we committed to take. But I agree with you that it is key that we get other Europeans to take more. I believe the Turks could take many more people in. It is a big country and they have been terrifically supportive on Kosovo. But we need to find a way to get more people to Turkey -- a passage -- with transit bridge capabilities in Macedonia and/or in Albania to keep them in transit and move them through. In essence, we would like all the refugees in Macedonia to be on their way somewhere else. Otherwise, if too many people stay, the KLA could act up, we could have a very destabilizing political situation as well. Gerhard, how soon can you release the European money? (C)

Chancellor Schroeder: Well, the whole financial framework that we have is 250 million Euros. But the Macedonian Prime Minister said to me today that even the money that already, according to our books, has officially been sent has not been received. So there seems to be a problem with the transfer of funds. We will work on seeing that it does not stay stuck. There is another problem and that is the budget. There are some Paris Club efforts on debt relief but the results are less than the Macedonians expect. I am convinced we must look into that, too. At the very least, we should be able to suspend the debts owed by Albania and Macedonia. (C)

The President: I would support the most liberal debt relief possible for both. Even before this crisis, they were, of course, among the poorest countries in Europe. So we should do everything we can to help. Now, this has budgetary implications for us depending on the way we do it, but we have to do something. It would also send a strong signal to other countries, and to the world that we will be responsible and help. We'll have our people get in touch with yours to think this through. (C)

Chancellor Schroeder: Yes, I agree. And just to sum up, it seems to me there are three points that we need to speak about when we see the press. First, more direct support for Macedonia and Albania. Second, debt relief. And third, taking more refugees in. If we can ~~together~~ be outspoken on these points, I think that will help. (C) ~~and~~

The President: I agree with you. In addition, I think we should say that we met with the refugees. We can make it clear that they appreciate very much being taken in, but that at the end of the day, they want to go home. That will make it easier for the British and the French to take more people in. I was impressed hearing from so many of them, that they don't want to stay in the West, they want to be able to go back to their homes. Privately, I suggest that both of us call President Demirel or Prime Minister Ecevit, if he is confirmed as the new Prime Minister, and say to them we will help you if you can take in lots more refugees. We need to work on building a transit bridge to Turkey. ~~And then~~ if we were able to tell Macedonia that our goal is to have people in transit, to move them through to another destination, ~~then~~ Macedonia will treat them better. I think Tony Blair is in favor of doing more with the refugees since he has been in Macedonia. He said that the UK will take more. (C)

Chancellor Schroeder: Yes, I hear the British will now take 3,000. (C)

Mr. Berger: It is interesting that because the refugees do want to go home, that has made it more difficult to get some of them to the United States. They are afraid that they are going too far away and so that makes it less likely that they will be able to return home. (C)

The President: I think we should also clearly reaffirm our commitment to help the whole area, especially in terms of economic integration, both within the region itself and within Europe as a whole. (C)

Chancellor Schroeder: On May 27, we'll be having a conference here in Germany on that very subject. We've invited senior officials from all of our countries. It will be an expert's conference near Bonn. The idea is brainstorming among experts about stability in Southeastern Europe. They would prepare a plan or statement that the Foreign Ministers could sign four or five weeks later. What we want to do is set out a practical process. I agree it has to include an integration approach and

a strong economic plan. We also must have a clear political prospective. We should set out a vision of Europe that is in reach for all of these countries. For example, we should pursue cooperative agreements with the European Union. It is important to start these negotiations now. We need to give them a clear, more tangible prospect for moving toward Europe. (C)

The President: I think that is a wonderful ideal. Let me add a couple of thoughts. First, I think we need to offer as much short-term political support as possible. In the run up to this meeting, you could invite all of the leaders from the region to meet with you as the leader of the European Union. You could ask them the same questions you will ask the experts to get their views and to get ^{them to} their buy in. That is not bad for you, — and it would be very good for them. These are good people who are struggling very hard and we need to support them. Second, when we know the amount of money that people will be able to contribute, we should look at what the World Bank can do quickly. It has less red tape than the IMF for infrastructure projects. For example, if a German highway contractor that built your autobahns could hire people in the countries themselves, that would create business for you and employment for them. It is critical in countries like Bulgaria, Romania, Macedonia and Albania that they see examples of local people getting work. This can have a real impact on the mindset of people. Especially in Romania and Macedonia, we don't want to lose the leadership that we have. They are going in the right direction. ^{so} So we need these short-term steps, ^{at} and at the same time, we need a long-term vision. ^{And} I think there are some interesting lessons we could learn from the Marshall Plan. If each country already has an individual agreement with the EU, you might consider if you could sweeten it by also creating a regional agreement with the EU. Of course, to get in, there should be conditions just as there were in the Marshall Plan, for example, guaranteeing the rights of minorities, peaceful relations with neighbors and so forth. The Marshall Plan committed its participants to strengthen liberty, ^{and} to cooperate with their neighbors. Indeed, many of the benefits of the Marshall Plan were non-economic in nature. I believe these countries need to independently relate to Europe, but also to each other in a different way. We will do everything we can to help, but of course, Europe must play the lead role. If we can get people to think of their region in a positive instead of a negative way, that will make a big difference. In particular, we need them to understand the benefits that they can get from relating better to each other. This can really change the daily mind set. (C)

Chancellor Schroeder: Yes, I fully agree with you, and I think that what you describe was starting to work in Bosnia. (C)

Mr. Steiner: Yes, this is right, but, of course, the problem is Milosevic. He is incompatible with any kind of regional approach. We need new leadership. Or you have to work around that. (C)

Mr. Berger: It is also very important that we learn from Bosnia. We did not do the civilian part well. In part, it was organizational problem. We need to act in a way that is not duplicative, bureaucratic -- structure is key. Also, another way to integrate them is to think of this as a regional system. Highways, electric grids, transportation, all of these things can pull countries together. (C)

The President: As to Serbia, I would condition participation in this regional system on their having a genuine democracy, on non-aggression, on respect for minorities. Of course, these are all conditions that they cannot meet right now. Second, if you let Bulgaria and Romania take part, then there is no question of the recreation of the greater Yugoslavia. In terms of Croatia, there are several problems that have to be dealt with. First, it doesn't want to be part of Yugoslavia again. Second, given its geography, it sees itself as moving to the West faster than others, and so may not want to be tied to the region. Third, there is, of course, some chance the War Crimes Tribunal will charge Tudjman. In the early days of Bosnia, after Tudjman saw Milosevic literally getting away with murder, he decided that he could do the same thing, too. There was an unholy alliance. It took us about two years, starting in 1994 to switch Tudjman from an alliance with Milosevic to an alliance with the Bosnians. That served us very well, of course. The confederation took away a second front in the war, the Bosnian army got stronger, fighting with the Croats, they gained ground, and then with NATO we bombed. So anyway, we have some problems with Croatia, but I think we can figure out a way to make this work. (C)

Mr. Steiner: The bottom line is that we need new leaders. In Serbia, I think we need to increase our support for opposition leaders. The Chancellor will see Djindjic here next week. To make this regional approach work, we have to find alternatives to Tudjman and Milosevic. (C)

Chancellor Schroeder: Yes, and, of course, we must also include Jovanovic from Montenegro. (C)

Jovanovic

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Mr. Berger: Well, I hope that when Juvanovic comes to visit you, he will be able to go home again. (C)

Mr. Steiner: We would not publicize the meeting, it would be a secret. (C)

The President: We also have to deal with the question of how much we are willing to do to protect Juvanovic. If Milosevic moves against him and he wants NATO air power to strike certain things, I believe we should do it. He is democratic leader and we should help. Now I don't think Milosevic will move against him. He just wants to keep him off balance. (C)

Mr. Steiner: Yes, I agree with that. It actually would not make sense for him to move against Juvanovic. (C)

The President: It would run the risk of having troops more massed and so make them easier for us to hit. At the same time, it would require him to divide his forces and so make him weaker in Kosovo. (C)

Chancellor Schroeder: Bill, lets talk a little bit more about your long-term perspective for where we are going on Kosovo and what the solutions can be. I agree we must show no restraint and no reservations about continuing the air strikes. But I am also convinced that we need to pursue these political efforts like the G8 conference. We would like to have strong Russian support for a UN Security Resolution in line with Chapter 7. But I would like to know for the United States, what is the result that should emerge from Kosovo? I'm not just talking about the ideal outcome -- in other words Russian support for United Nations Security Council Resolution, an international NATO force -- but if that doesn't happen, then what? What can we do and what can we not do? (C)

The President: Let me start with the ideal situation and then come back to the options. I think there are three parts to this ideal outcome. First, in terms of Kosovo itself, we know what we want, if our conditions are satisfied -- the Serbs are out, the Kosovars are back in, there is a multinational force with NATO at its core -- that is what we need and we can't add new conditions, like no more Milosevic. And of course, I would also like to see Russia and other Christian orthodox countries like the Greeks and the Ukrainians take part in the international security force. Second, I think that it is critical that we get to the end with our NATO alliance intact. In the 50 years of

its existence, other than Bosnia, NATO has never had to do anything like this. For most of its existence, it was a nuclear shield over Germany and the rest of Europe to preserve the peace. Now, despite all the problems we had, I am convinced this has worked rather well. It has been remarkable that we have had 19 countries moving in the same direction, considering that everyone has their own particular constraints here in Germany, the Greeks and so on. It has worked very well. That is one of the reasons why I am much more cautious than Tony Blair in terms of talking about ground troops -- even though I think that is a good way to keep Milosevic off balance -- because it is vitally important to keep the alliance intact and not to create divisive debates. Finally, the third point in the ideal outcome is that we end this crisis with Russia more fully engaged with us than in the beginning. I would like to see them working with us as they have done in Bosnia. I would like to see a decrease in the anti-West, anti-American profile in Russia and an increase in support for moderates. It has been very difficult every since the economic collapse, and the rise of the radicals in the Dumas and then, of course, bombing has made it worse. And I know, it is especially hard for Germany given the tremendous debt that Russia owes to you. (C)

So anyway, those are the three elements I think of a positive outcome. But now, what if it does not work out as we want. Well, we have to look at several possible scenarios. We can continue bombing through the summer. But we have to prepare for the winter. And I mean that in two ways. First, we would need to prepare to introduce ground troops if we determine that the risks are acceptable -- the risks to alliance solidarity, to our relationship with Russia and, of course, to the troops themselves. The second option, if we do not go to ground troops, is that we must decide now to come up with the money and the plan so that the refugees can be in camps in Albania, Macedonia and in other countries and survive the winter. I actually think it will be over by then, that we will not have to look at these other alternatives. But it is critical that we prepare for the worse case. (C)

Also, I agree that it is important to do what we did in the G-8 today. We are in a better position to work with Russia than we were before. At the same time, what the G-8 does, does not bind NATO. I hope that Russia will move more and more toward our position. (C)

The big problem I see is that we will have to make some very hard decisions for October within the next four to five weeks

from now. If this is not resolved in the next month, we have some very tough choices to make. (C)

Chancellor Schroeder: Yes, certainly one option is to make decisions by the end of May or sometime in June on the question of ground troops. Now there should be no illusions that this will be difficult for us, even impossible for us, but let's leave that aside. Second, on the question of winter, where would it be spent for the refugees, in Albania, in Macedonia, or in Kosovo itself? If there is a political solution within the next few weeks, could we get the refugees setup for winter inside Kosovo? There are lots of problems to sort out, the military side, the civilian side in terms of who does what. At this point, we need to see all of the alternatives, all of the options, all of the problems; we cannot rule anything out. (C)

The President: I would love it if the real problem was how to take care of the Kosovar-Albanians in Kosovo for the winter. Of course, it would be very difficult because so many homes have been destroyed. It would take a year of international effort. But as you said, there are real problems with ground troops -- not only the risk to the soldiers themselves, but the risk to alliance unity and to preserving our relationship with Russia. The journalists always write about this issue as if there is only one question: do you have backbone to send in the troops? They totally ignore these other critical elements, the alliance and the Russians. (C)

Of course, the huge problem to the scenario I outlined is what about the people still in Kosovo in the winter? It could be an opportunity here. The Russians and the Chinese might support some kind of UN force to help them, but the truth is we don't know. (C)

Mr. Berger: If the flood of refugees outside of Kosovo gets stronger, that is both good news and bad news. It is bad news, of course, because the refugee situation would be even worse, but it is good news in that it would be easier to help them outside of Kosovo. (C)

The President: We will be in a real bind if those inside of Kosovo freeze and starve to death. Milosevic may well keep 50,000 or so inside Kosovo and then let them starve to make us look as weak as possible. If we fail to plan for this and then people starve and freeze that is one thing that would break support for what we are doing for people in our own countries. (C)

Mr. Berger: I think this is all the more reason that we need to move on the maritime interdiction regime and resolve any of our remaining targeting problems. The leaders agreed to this at the NATO Summit, but we really need to put this into practice. (C)

The President: You know, on the question of this maritime interdiction, the Russian issue is a red herring. They are really not sending in oil by boat. At the same time, the Serbs need the water route for any substantial supplies of fuel and if we can cut it off, they won't get through the winter. (C)

Mr. Steiner: I thought that there was virtually no oil coming in through the water. (C)

The President: No, there is some coming in. And we need a detailed analysis of where, in fact, it's coming from. I feel very strongly about this. This might be a way also to bring Croatia in. A lot of the oil is coming by rail from Slovenia to the Croatian coast. Then small boats -- independent operators -- pick up the oil and move it down the coast. The Croats could let us put in some of our own small boats, like the Coast Guard, and there wouldn't be the threat of conflict since most of the boats that they would go after are not flagged. I am convinced that if we can cut off fuel, that would create a huge pressure for Serbia to settle because it can't risk a winter without fuel. And, of course, it's crazy to risk the lives of our pilots to take their fuel supplies and refineries only to let oil in by another way. (C)

Mr. Steiner: The Chancellor has been making exactly this point publicly. (C)

The President: I think we need to work together and with Blair on this. I know that there are still people who have international law problems. But I am convinced that we can work around it. (C)

Mr. Steiner: The real problem is Russia. (C)

The President: Yeltsin tells me he is not sending anything, and doesn't want a problem. What they are doing, they are doing by truck, and there is not enough there to be a problem. (C)

Chancellor Schroeder: What about the Hungarians? (C)

Mr. Berger: In fact, as you probably know, they stopped a Russian convoy, held it for two days until they could verify the contents. The Russians were very upset about that. (C)

Mr. Steiner: You said that your big concern was the winter, how we stop people from starving and freezing. But that problem is a long way away. The problem of Alliance unity will be upon us well before that. We need a strategy to deal with that period. I can't see pursuing the air campaign until the winter and retaining support. This would be very, very difficult. (C)

The President: I believe that Milosevic will make a proposal close to our basic conditions before then. The American press is vastly understating the cost to him of the air campaign. I never thought that the air campaign would physically move Serbian troops out of Kosovo. I did think, and I continue to think, it will impose such a high price on Milosevic that he will move them himself. (C)

Chancellor Schroeder: How do you assess Milosevic's own situation, people around him? Do you think he is still getting information so that he understands the price he is paying, or does it not register? (C)

The President: It is interesting, when Chernomyrdin was in Washington, he said that Milosevic wants to know whether if there is an agreement whether his personal safety can be guaranteed. (C)

Chancellor Schroeder: Of course, I can imagine he would be concerned by that. (C)

The President: You should keep that in the back of your mind. I don't know if Milosevic meant his concern was that he would be killed by his own people, if he does a deal or if he is concerned about the War Crimes Tribunal indictment. (C)

Mr. Berger: Another scenario that's equally plausible is that Milosevic may be in a mental bunker but as to the people around him, especially the military and the economic upper class, the costs are getting higher and higher. Already, we know that the middle level in the military is disaffected, and he has been replacing the upper echelon, and we've been concentrating on his economic cronies and other key individuals. They may decide that this has gone on too long and take steps to end it. (C)

The President: It is difficult to know what he knows from one week to the next. I had thought that he was very isolated. But the release of the POWs and the release of Rugova, I think means two things. First, he is thinking, not just hiding. He wants to act. He is hurting. He is looking for a way out. Second, at the same time, he's still trying to split the Alliance to get a bombing pause. Now Milosevic showed in Bosnia that he used Serb nationalism to get power, but when the costs became too high, he cut it loose. And he was sitting with us in Paris and talked about how crazy the Serb nationalists were. He cut them off when the price became too high. Now, of course, Kosovo is different because he created it. And so he will pay an even higher price before he cuts it off. But anyway, I am encouraged by the release of the POWs and Rugova. Even if it were troubling because it was a distraction, it does show that he maybe looking for a way out. (S)

Mr. Berger: It is also interesting that he is carefully watching what goes on in our countries, watching very closely. He took a real interest, for example, in our recent House vote. That is why our public posture, the public posture of all of the allies, is key. We must convince him that we are prepared to outlast him. (S)

Chancellor Schroeder: I fully agree with that. (S)

Mr. Steiner: It is true that he abandoned the Serbs in Krajina, and then in Bosnia. But we do have to remember that Kosovo is different, it is something else, the parallel is not exact. (S)

The President: Yes, I know it is different and that the price he is willing to pay will be higher. And I don't know if he believes that if he makes any agreement, he loses. My fear is that he may see this as lose-lose situation. That is what troubles me. (S)

Chancellor Schroeder: Over the long-term, it is important that Kosovo be stabilized. Once they start opening the mass graves and it becomes obvious what happened, it is hard to see the KLA and the Serbs living together in the same state. Now, we can't be saying this because there is clearly a difference between autonomy and independence. But we shouldn't fool ourselves either about the long-term difficulty. (S)

The President: Yes, we heard the same reaction from the refugees that we saw today. (S)

Mr. Berger: Of course, independence is less than optimal from another perspective too, which is that we have real questions about the economic or political viability of Kosovo. (C)

The President: The real problem is that it would scare the Russians and Chinese to death. (C)

Mr. Steiner: There is one other point we should emphasize and that is in Krajina, Tudjman took it back. In Bosnia, the Croats and Bosnians, together with NATO, took it back. Only then did Milosevic give up, he did not give back. Of course, in the long-term, he was the loser, because he lost Bosnia, he lost Croatia. (C)

The President: So the question is, how will he lose this one? Let me ask this: if we have to take it away and we can't use ground forces, won't we have to arm the KLA? If so, we lose control, they want to reunite with Albania, which Albania does not want. (C)

Mr. Berger: We are doing 700 planes and 625 sorties every night. If we get four weeks of good weather, combined with unrelenting punishment, I think we can succeed. But if he has not moved by then... (C)

Mr. Steiner: I don't think the result will be black or white. We cannot do it only with air power, nor can we do a full ground attack. What I think we can do is weakening him so much that he just needs [Steiner makes pushing gesture with hand]. (C)

The President: I agree with you, but the problem is that our military people will still say that we need a two or three month buildup, 200,000 troops on the ground. What we have done is the reverse of the sequence in Bosnia. There, we first had the Croats on the ground with the Bosnians armed by us. Then NATO came in with airstrikes to force Dayton, to push it over the top. Here, NATO airstrikes were at the start, these are conditions we cannot change. If we decide that having put our stake in early, we will never send in ground troops, the Kosovars will say at least give us the weapons to finish the job. If we say no to that, we will look terrible. We looked terrible in Bosnia for a long time. The UN was "killing" countless Bosnians because we wouldn't arm the Bosnians, in public view. We need to think about this. If there are no ground troops because of risks to the troops, to the alliance or to Russia, what then? It is an impossible position. Public opinion will say by 3 to 1 that we should arm them and let them

defend themselves. We will have at least made it a fair fight. But then, of course, all bets would be off. We will never get the refugees back in. We will be facing a greater Albania. (C)

I still think that the plan we are pursuing is the best. Our critics say we didn't think this through like Bosnia. But there we had 250,000 dead. I still think that with all the problems, we are in much better shape today for having acted as we have.

(C)

final

Chancellor Schroeder: One final question. What about the Ahtisaari mission? When will that be public? (C)

Mr. Berger: Chernomyrdin said two interesting things. First he said that Milosevic wants to surrender but not to NATO, the United States or to Russia. We need Kofi to accept the surrender. Second, the other interesting thing is that he described Milosevic's position on withdrawals as going to the October levels, he said that there could be a military presence but with NATO only in Albania and Macedonia, and finally he said that we had to stop bombing and then negotiations with Kofi would begin. The President explained why this would not work. Chernomyrdin is smart, he understands what the problems are. So we put down an alternative. He wanted an American negotiator to go with him to Belgrade. We said no, there is nothing to negotiate, and NATO's position is clear. Problem with Kofi is that he splits the difference. (C)

The President: We like him very much, but it is true that he would negotiate away several of our conditions. (C)

Mr. Berger: But we thought who would the Russians respect who would also be good for NATO? We recommended Ahtisaari. Chernomyrdin jumped at that. We think he is strong and tough. Kofi was cool at first to the idea because it is not his. I know Madeleine talked to Fischer about this and he was positive. So if we can have the head of the European Union and the United States ask Kofi to bless Ahtisaari to go with Chernomyrdin, that would be good. Chernomyrdin said that he would play the heavy. Then, Milosevic can make concessions to the United Nations. Admittedly, this is an optimistic scenario, but it is worth playing out. (C)

Fischer

The President: No matter who Kofi picks, with the other two guys nothing good can come out. They will want to take different positions than NATO and Chernomyrdin. (C)

Mr. Berger: Chernomyrdin doesn't feel strong enough given the Russian politics. Strobe Talbott spoke to Ahtisaari. He said that as long as it's not a long-term job, he is on board. (C)

Mr. Steiner: When would you make this public? (C)

Mr. Berger: Kofi still needs to say yes. I think the next step is that Madeleine will ask Fischer to call Kofi. (C)

Mr. Steiner: Actually, Fischer said that Kofi has already said yes. (C)

Mr. Berger: Good, you know more than we do. (C)

The President: I think this has a chance to work. We shouldn't be too concerned about the appearance. (C)

Mr. Steiner: Well, I think the timing is key. (C)

Mr. Berger: It may require more than one mission. Chernomyrdin is anxious to go back with the United Nations. We need someone with a UN hat and NATO heart. (C)

The President: There are two other little things I want to raise with you, Gerhard. First, what do you think will happen with the Greens and Fischer? (C)

Chancellor Schroeder: Just yesterday, I had a talk with senior members of the Greens Party. I told them to do whatever they want, but absolutely not to reduce the scope for action of the government or of Fischer. If they remove their public support, the coalition will be finished. From what I heard, I think they will toe the line. (C)

The President: That is good. (C)

Chancellor Schroeder: Tomorrow, we will increase deployment of troops to Albania to help with the humanitarian effort. But our problem is this requires approval by our parliament, even though it is for a humanitarian purpose. Because they would have to be equipped to defend themselves, and so this can be considered a hostile situation which requires parliamentary approval. (C)

The President: I understand. Now the other matter that I wanted to raise is you're going to China next week. I hope that with Prime Minister Zhu and President Jiang you will reassure.

them that we believe Kosovo is an unusual situation, that we are not trying to set a precedent. (C)

Chancellor Schroeder: They have a lot of angst. (C)

The President: Yes, I understand that, but you need to explain that this is like Bosnia. We have to stop it. We want to work with Russia, with them. We have to reassure them. And we also have to reassure them on the larger question that Europe and the United States want a partnership with China, that we are not trying to isolate them. (C)

Chancellor Schroeder: Yes, I think that is right but, of course, explaining to the Chinese the possibilities of coming together more has a price, and that is the more we talk about that and about explaining Kosovo, the less I will be able to talk publicly about human rights. I hope you agree. (C)

The President: Yes, I think you are right. I agree this time. We certainly made the case to them and in public about human rights a lot over the past year. (C)

On the WTO, we had a good agreement with them except for one thing. In the United States, we cannot sell WTO with China unless they agree to still be subject to our anti-dumping laws for non-market economies. They agreed, but for only five years. That is a huge issue for us because even though our economy is strong, Japan, Russia, Brazil and Korea nearly put our steel industry out of business. We are still looking at massive layoffs even with 4 percent unemployment because of dumping. We even have the steel industry threatening to leave my party without a quota system. So we now have to move political support for the WTO and in spite of the espionage stories in the United States. This problem would be a lot worse if China tries to make a better deal with Europe than it has with the United States and then back track on the deal that they made with us. Our best position is to get them in this year and to do that, we need to have the EU not accept anything less than we got. (C)

Mr. Berger: If they fall back off of the deal they made, it will be difficult for us to accept accession to the WTO, and they need consensus to get in. (C)

The President: Zhu and Jiang must know that we want them in this year. We are not trying to isolate them. Sometimes the Chinese make a little thing big and a big thing little. We need to get them to focus on the big picture of getting into the WTO.

I know that the EU likes the deal that they offered us. If we can all stick with that and fix the sunset on dumping, I think we can succeed. (C)

Chancellor Schroeder: Bill, thank you very much. I know that you are running late. I think we now have to go out and say a few things to the press. (U)

The President: Yes, let's do it. (U)

-- End of Conversation --

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2732				
Document ID: 9904066				
Row: 46	Section: 4	Shelf: 6	Position: 3	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. telcon	re: Telcon with German Chancellor Schroeder (4 pages)	05/24/1999	P1/b(1) KSH 4/3/2020
001b. telcon	re: Telcon with German Chancellor Schroeder [incomplete copy] (2 pages)	05/24/1999	P1/b(1) KSH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2732

FOLDER TITLE:

9904066

2015-0777-M

rs1401

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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 concerning wells [(b)(9) of the FOIA]

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NSC/RMO PROFILE

RECORD ID: 9904066
RECEIVED: 26 MAY 99 14

TO: BERGER

FROM: BUTLER
BLINKEN

DOC DATE: 26 MAY 99
SOURCE REF:

KEYWORDS: GERMANY

TELCON

PERSONS:

SUBJECT: POTUS TELCON W/ GERMAN CHANCELLOR SCHROEDER

ACTION: KERRICK APPROVED RECOM

DUE DATE: 29 MAY 99 STATUS: C

STAFF OFFICER: BUTLER

LOGREF:

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

FOR INFO

BLINKEN
BUTLER
FICKLIN
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSNHM

CLOSED BY: NSTSM

DOC 1 OF 1

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DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDs NARA, Date 11/19/2019
2015-0777-M

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ACTION DATA SUMMARY REPORT

RECORD ID: 9904066

DOC ACTION OFFICER

001 BERGER
001

CAO ASSIGNED ACTION REQUIRED

Z 99052713 FOR DECISION
X 99052818 KERRICK APPROVED RECOM

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NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 40666
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG ELU/A/O

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
RICE	<u>1/3</u>	<u>RS/27</u>	<u>27/27</u>
DAVIES	_____	<u>(C)</u>	_____
KERRICK	<u>2</u>	_____	_____
STEINBERG	<u>copy</u>	_____	_____
BERGER	<u>copy</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>4</u>	<u>CMV 5/27</u>	<u>27/27</u>
RECORDS MGMT.	<u>5</u>	<u>TS 5/28</u>	<u>N</u>
_____	_____	_____	_____
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A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC: _____

COMMENTS:

Memo Schroeder
24 May

EXEC SEC OFFICE HAS DISKETTE

yes

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 40666
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG EWK/ATO

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
RICE	<u>1/3</u>	<u>RB/27</u>	<u>RB/27</u>
DAVIES	_____	<u>(1)</u>	_____
KERRICK	<u>2</u>	_____	_____
STEINBERG	<u>copy</u>	_____	_____
BERGER	<u>copy</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>4</u>	<u>GW 5/27</u>	<u>N</u>
RECORDS MGMT.	<u>5</u>	<u>RB 5/28</u>	<u>N</u>
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A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

Memcon Schroeder
241 may

EXEC SEC OFFICE HAS DISKETTE

yes

CONFIDENTIAL

4066

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

May 26, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN

FROM: LAWRENCE BUTLER

SUBJECT: Memorandum of Telephone Conversation with German
Chancellor Schroeder on May 24, 1999

Attached at Tab A is the Memorandum of Telephone Conversation
between the President and Chancellor Schroeder that took place
on May 24, 1999.

RECOMMENDATION

That the attached Memorandum of Telephone Conversation be filed
for the record.

Approve

P

Disapprove _____

Attachment

Tab A Telcon with Chancellor Schroeder

CONFIDENTIAL

Reason: 1.5(d)

Declassify On: 5/26/09

DECLASSIFIED

E.O. 13526

White House Guidelines, May 16, 2017

By RDS NARA, Date 11/19/2019

2015-0777-M

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526

2015-0717-m (1.98)
RBH 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Schroeder

Interpreter: Gisela Marcuse
Notetakers: Liz Rogers, Tom Crowell,
Roger Merletti, James Smith and
Lawrence Butler

DATE, TIME May 24, 1999, 12:18 - 12:30 p.m. EDT
AND PLACE: Oval Office

The President: How are you? (U)

Chancellor Schroeder: Thank you, I am fine. (U)

The President: I just wanted to call and check in with you. I think in the last week we have had some encouraging news in Serbia, with demonstrations and desertions and some indications that Milosevic is looking for a way to meet the conditions NATO has laid out -- without appearing to meet them. We are getting closer and I think it is important to sustain the air campaign, as you have said. (C)

Chancellor Schroeder: I see things exactly the way you do, and there is no reason to change NATO's strategy, because it is beginning to show some effect. (C)

The President: I think there are two problems. One is the NATO commanders say they need to update the KFOR plan and generate some additional forces above the original plan, so we can move quickly into Kosovo when Milosevic accepts the conditions. And I understand for you this means you have to go back to the Bundestag for approval, and I hate that, but I understand they have to continue to update that plan. (C)

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify on: 5/25/09

Chancellor Schroeder: Yes, that is the way it is. (✓)

The President: Beyond that is the question whether there are any circumstances in which we would deploy a force without Belgrade's consent. Obviously, that is a much tougher issue. (✓)

Chancellor Schroeder: That is exactly correct. And we Germans could not participate as we'd get no permission from either the coalition or the opposition for ground combat troops. As Kohl told you, the Bundestag would not agree to combat troops for anyone. If this particular decision were to be made, Germany would not be able to participate. (✓)

The President: Yes, I understand that. Let me tell you what I think about this. There are several reasons why we should avoid this if at all possible. First, because it would be impossible to maintain total Allied unity. Second, because it would put real strains on relations with the Russians at a time when we are trying to make them better by involving the Russians in all this. (✓)

Chancellor Schroeder: That is exactly my analysis, as well. These are the two problems we face, unity within NATO and relations with Russia, which are too important to risk. (✓)

The President: There is a third issue which should be considered. We pledged at the NATO Summit that Europe and the United States would help to rebuild all of southeast Europe and integrate them into the institutions of the West. It costs a whole lot more to invade than to send in a peacekeeping force. I'm afraid the money for executing an invasion would make it even more difficult to get the money after the conflict is over to rebuild. (✓)

Chancellor Schroeder: Yes. (✓)

The President: Having said that, the only place where I differ from you is that I have explicitly said I didn't want to take any option off the table, because there may come a time when the price of defeat for NATO is greater than the price for a ground campaign. I think we need to talk about our commitment to intensify the air campaign and diplomacy and have our people quietly working on what it would take to go in when this thing

is resolved. I think if we can have less public discussion about what we're not doing and more about what we are doing, that would be better since it avoids what Milosevic is trying to do, which is to divide us. (X)

Chancellor Schroeder: Well, I think that is exactly the right approach. There is this one problem: when I talked about ground forces, I had to do it because there was an ongoing discussion in Britain, which was proceeding to spread to Germany. It sounded as if Great Britain really wanted to realize the ground forces option. Whenever someone talks about ground forces, I am forced to say no publicly, and to reject it. I fully agree with you, discussion of this should not be done in public. We should avoid that and instead focus on the strategy, which is to keep up air strikes and diplomacy, and of course the military planners will be planning, because that is their business, to provide us with options which we need to make decisions, but public discussion serves no purpose. Every open discussion about ground troops forces me to reiterate that Germany cannot commit ground forces. Even though I don't want to keep repeating it, I have no choice whenever somebody brings it up. (X)

The President: Yes. (X)

Chancellor Schroeder: You know my political situation is one in which the conservatives criticize me for being too pro-NATO, telling me to distance myself. I don't want that intensified. I want to keep with this strategy and have it be successful as I'm sure it will be. (X)

The President: I had a very difficult discussion last week with the British about this. I think they understand the political situation in a lot of other countries is very different and these discussions have to be held in private. (X)

Chancellor Schroeder: I told the same to Tony Blair and I think he understands. (X)

The President: Yes, I think it is better now. There is only one other thing, we have also got planning going on to prepare all these camps for the winter and if, God forbid, we don't prevail in the short run. We can't let anything happen to these people. We have to be ready for winter, if it happens. (X)

Chancellor Schroeder: That is going to be a very important task, and one for which we need to get funding and in which Germany will participate fully. (C)

The President: Okay. Thank you, Gerhard. (U)

Chancellor Schroeder: Thank you for calling, good-bye. (U)

-- End of Conversation --

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.99)
KBM 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

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Reason: 1.5(d)

Declassify on: 5/25/09

reprint page

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Case Number: 2015-0777-M

MIR MARKER

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Original OA/ID Number: 2732				
Document ID: 9904161				
Row: 46	Section: 4	Shelf: 6	Position: 3	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	From Samuel Berger re: Telephone Conversation with Chancellor Schroeder (2 pages)	05/29/1999	P1/b(1) KBH 4/3/2020
001b. talking points	re: Points to be Made for Telephone Conversation with Chancellor Schroeder (2 pages)	05/29/1999	P1/b(1) KBH 4/3/2020
002a. memo	From Berger re: Telephone Conversation with Chancellor Schroeder (2 pages)	05/29/1999	P1/b(1) KBH 4/3/2020
002b. talking points	re: Points to be Made for Telephone Conversation with Chancellor Schroeder [incomplete copy] (1 page)	05/29/1999	P1/b(1) KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2732

FOLDER TITLE:

9904161

2015-0777-M

rs1402

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9904161
RECEIVED: 29 MAY 99 10

TO: PRESIDENT

FROM: BERGER

DOC DATE: 29 MAY 99
SOURCE REF:

KEYWORDS: GERMANY
TELCALL

KOSOVO

PERSONS: SCHROEDER, GERHARD

SUBJECT: TALKING POINTS FOR POTUS TELCALL W/ CHANCELLOR SCHROEDER

ACTION: ORIGINALS RETURNED TO NSC/RMO

DUE DATE: 04 JUN 99 STATUS: C

STAFF OFFICER: SCHULTE

LOGREF:

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

FOR INFO
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSEMK

CLOSED BY: NSTSM

DOC 2 OF 2

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9904161

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER	Z 99052914 FWD TO PRESIDENT FOR INFORMATION
002	X 99052914 KERRICK SGD MEMO
002 PRESIDENT	Z 99052914 FOR INFORMATION
002	Z 99091317 OBE PER WWD
002	X 99123007 ORIGINALS RETURNED TO NSC/RMO

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 990529	VICE PRESIDENT
002 990529	WH CHIEF OF STAFF

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 4161
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG R A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE	_____	_____	_____
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
SARGEANT	_____	_____	_____
BRADTKE	_____	_____	_____
RUDMAN	_____	_____	_____
STEINBERG	_____	_____	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>1</u>	<u>R 12/30</u>	<u>N</u>
RECORDS MGMT.	<u>2</u>	_____	<u>OPN</u>
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

99 DEC 30 AM 7:10

COMMENTS:

EXEC SEC OFFICE HAS DISKETTE

Date: 12-29-99

To: RM
✓ NSC # 4161

From: Staff Secretary

 The original of this document was forwarded to the President but has not been returned to the Staff Secretary. We are forwarding the file copy for your records until such time as the original is returned.

✓ A copy of this document was faxed to the President while on travel but has not been returned to the Staff Secretary. We are forwarding the original for your records until such time as the President's copy is returned.

✓ We have closed out the Introspect archive file.

TIME OF TRANSMISSION:

TIME OF RECEIPT

WHITE HOUSE SITUATION ROOM

'99 MAY 29 PM 12:31

PRECEDENCE: X IMMEDIATE RELEASER:
 PRIORITY
 ROUTINE DTG:

MESSAGE NO: CLASSIFICATION: Confidential PAGES: 5
 (Including Cover)
 FROM: David Goodfriend 202/ 456-2702 GF/WW
 (NAME) (PHONE NUMBER) (ROOM NO.)
 MESSAGE DESCRIPTION: Recommended Telephone Call to Chancellor
Schroeder

<u>TO (AGENCY)</u>	<u>DELIVER TO</u>	<u>DEPT/ROOM NO.</u>	<u>PHONE NUMBER</u>
	TO: Kirk Hanlin for the President		
	(please give Kirk 2 copies)		
	cc: Maria Echaveste		
	cc: Capt. Elliott Powell, NSC		

REMARKS:

UNCLASSIFIED UPON REMOVAL
 OF CLASSIFIED ATTACHMENTS
 Initials: RDS Date: 11/19/2019
 2015-0777-M

THE WHITE HOUSE

WASHINGTON

May 29, 1999

99 MAY 29 PM 12:08

TELEPHONE CONVERSATION WITH
CHANCELLOR SCHROEDER

DATE: MAY 29, 1999

LOCATION: TBD

TIME: TBD

FROM: SAMUEL BERGER

*Sam Kerrick
for*DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.00)

KEN 11/22/2019

I. PURPOSE

To discuss Chancellor Schroeder's upcoming meeting with Russian envoy Chernomyrdin and Finnish President Ahtisaari.

II. BACKGROUND

Schroeder will meeting with Ahtisaari and Chernomyrdin on Sunday in Berlin. This meeting was arranged in lieu of a proposed (and far more dangerous) meeting between Chernomyrdin and all the EU foreign ministers. Schroeder will be wearing both his G-8 and EU hats.

The meeting is an opportunity for Schroeder to get a first-hand brief from Chernomyrdin, but also a chance to reinforce to Chernomyrdin NATO's basic conditions. The great danger is that Chernomyrdin will point to Milosevic's acceptance of the G-8 principles and then argue to Schroeder, as chairman of the G-8, that now is the time to pause the bombing to create the right climate for completing the deal.

The main purpose of your call is to make sure that Schroeder stays with the NATO conditions -- particularly where NATO is more robust than the G-8 principles: **all Serb forces out** and an international security presence with **NATO at its core**. There can be no pause until the Serbs agree to the conditions and begin a verifiable withdrawal.

Schroeder has indicated that he desperately wants an agreement before the G-8 summit in Cologne on June 18. You need to make clear to him that the summit is an opportunity but not a deadline; if we make it a deadline in our minds,

~~CONFIDENTIAL~~

Reason: 1.5 (a) (d)

Declassify On: May 29, 2009

~~CONFIDENTIAL~~

306229

we take the pressure off Milosevic and put it on ourselves. This would be tragic mistake at the very time when Milosevic is really feeling the heat.

Following the meeting in Berlin, Ahtisaari, Chernomyrdin and Strobe are scheduled to meet in Helsinki on Tuesday. If there is agreement between Ahtisaari and Chernomyrdin on a game plan, they will go Belgrade together on Wednesday; if not Ahtisaari may be prepared to go by himself to push for NATO's conditions. There is a risk that Chernomyrdin will try to get Schroeder to agree in advance for Chernomyrdin to attend the EU summit in Cologne on Thursday. You should strongly discourage Schroeder on this; the situation is too unpredictable, and it would create a great danger for him to meet with EU leaders without the U.S. present -- after all, it is NATO which is on the line.

III. PARTICIPANTS

The President
Chancellor Schroeder

IV. PRESS PLAN

N/A

V. SEQUENCE

N/A

Attachment

Tab A Points to Be Made

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
CHANCELLOR SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (201)
KSH 11/22/2019

- Wanted to talk to you about the diplomatic track on Kosovo.
- Understand that you will be meeting with Ahtisaari and Chernomyrdin tomorrow.
- This is a very important period, important that we stay in close touch.
- Milosevic's statement, that he accepts the G-8 principles, could be a sign of movement, but it's not sufficient; as you know, the G-8 principles are very vague and don't contain important NATO conditions, including all Serb forces out and NATO at the core of the international security force.
- We've had some debrief from Chernomyrdin's staff on his meetings yesterday in Belgrade, understand that you have too. Doesn't really clarify how much of our conditions Milosevic is prepared to accept.
- Need to keep the diplomatic track moving forward, but important not to water down our conditions which are vital to getting the refugees back and for the long-term stability in the region. We've invested too much to end our effort prematurely.
- I'm convinced that Milosevic is really feeling the pressure now -- the war crimes indictment plus our increasingly successful bombing efforts are bearing fruit. We shouldn't put ourselves under artificial deadlines -- it would be great if we could get an agreement before the G-8 summit, but don't want the appearance of a deadline to put the pressure on us and take it off him.
- Chernomyrdin is almost certain to ask for a bombing pause in return for Milosevic's acceptance of the G-8 principles. It's critical to make clear to him that we won't pause until Milosevic accepts NATO's full conditions and begins to withdraw his forces. Ahtisaari has backed us completely on this point; he'll be looking to you for reassurance that we mean what we say.

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Reason: 1.5 (a), (d)

Declassify On: May 29, 2009

- Chernomyrdin may also ask to meet with EU heads during the EU summit on Thursday; I don't think it's a good idea to agree to that in advance of his next meeting in Belgrade; the situation is too unpredictable.
- Hope we can talk again after you've met with Chernomyrdin and Ahtisaari.

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9904161
RECEIVED: 29 MAY 99 10

TO: PRESIDENT

FROM: BERGER

DOC DATE: 29 MAY 99
SOURCE REF:

KEYWORDS: GERMANY
TELCALL

KOSOVO

PERSONS: SCHROEDER, GERHARD

SUBJECT: TALKING POINTS FOR POTUS TELCALL W/ CHANCELLOR SCHROEDER

ACTION: OBE PER WWD

DUE DATE: 04 JUN 99 STATUS: C

STAFF OFFICER: SCHULTE

LOGREF:

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

FOR INFO
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSEMK

CLOSED BY: NSTSM

DOC 2 OF 2

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DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-M

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ACTION DATA SUMMARY REPORT

RECORD ID: 9904161

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
002
002 PRESIDENT
002

Z 99052914 FWD TO PRESIDENT FOR INFORMATION
X 99052914 KERRICK SGD MEMO
Z 99052914 FOR INFORMATION
X 99091317 OBE PER WWD

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 990529
002 990529

VICE PRESIDENT
WH CHIEF OF STAFF

~~CONFIDENTIAL~~

**NATIONAL SECURITY COUNCIL
THE WHITE HOUSE**

PROOFED BY: _____ LOG # 4161

URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS

BYPASSED WW DESK: _____ DOCLOG _____ A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
RICE	_____	_____	_____
DAVIES	<u>4</u>	_____	_____
KERRICK	_____	_____	_____
STEINBERG	<u>1</u>	<u>(D) PR 5/29</u>	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>2</u>	<u>(D) 5/29</u>	<u>PR</u>
RECORDS MGMT.	_____	_____	_____
_____	_____	_____	_____
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A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

Case to Schroeder
5/29

EXEC SEC OFFICE HAS DISKETTE yes

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 4161
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG _____ A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
RICE	_____	_____	_____
DAVIES	<u>7</u>	_____	_____
KERRICK	_____	_____	_____
STEINBERG	<u>1</u>	<u>(D) PR 5/29</u>	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>2</u>	<u>(D) 5/29</u>	<u>PR</u>
RECORDS MGMT.	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS: Call to Schooner
5/29

EXEC SEC OFFICE HAS DISKETTE yes

~~CONFIDENTIAL~~

4161

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

May 29, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM: GREG SCHULTE

SUBJECT: POTUS Telephone Call with Chancellor Schroeder -
May 29, 1999

Attached at Tab I is the memorandum for the POTUS telephone call with Chancellor Schroeder.

RECOMMENDATION

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

Attachments

Tab I Memorandum for the President
Tab A Points to Be Made

~~CONFIDENTIAL~~

Reason: 1.5 (a), (d)

Declassify On: May 29, 2009

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By ROS NARA, Date 11/19/2019
2015-0777-M

THE WHITE HOUSE
WASHINGTON

TELEPHONE CONVERSATION WITH
CHANCELLOR SCHROEDER
DATE: MAY 29, 1999
LOCATION: TBD
TIME: TBD

DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.02)

KBM 11/22/2019

FROM: SAMUEL BERGER

I. PURPOSE

To discuss Chancellor Schroeder's upcoming meeting with Russian envoy Chernomyrdin and Finnish President Ahtisaari.

II. BACKGROUND

Schroeder will meeting with Ahtisaari and Chernomyrdin on Sunday in Berlin. This meeting was arranged in lieu of a proposed (and far more dangerous) meeting between Chernomyrdin and all the EU foreign ministers. Schroeder will be wearing both his G-8 and EU hats.

reinforce
to Cherno

re-pin to Chynel

The meeting is an opportunity to get a first-hand brief from Chernomyrdin, but also a chance to remind him of NATO's basic conditions. The great danger is that Chernomyrdin will point to Milosevic's acceptance of the G-8 principles and then argue to Schroeder, as chairman of the G-8, that now is the time to pause the bombing.

§ for
Schul
for
Schweda

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to cut h
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capitly
to deal

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to
create
the
right
climate
for
completing
the
deal

~~CONFIDENTIAL~~

Reason: 1.5 (a) (d)

Declassify On: May 29, 2009

This would be tragic mistake at the very time when Milosevic is really feeling the heat.

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III. PARTICIPANTS

The President
Chancellor Schroeder

attend

IV. PRESS PLAN

N/A

attend

V. SEQUENCE

N/A

Attachment

Tab A Points to Be Made

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
CHANCELLOR SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M(203)
KBM 11/22/2019

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~~CONFIDENTIAL~~

Reason: 1.5 (a), (d)

Declassify On: May 29, 2009

Case Number: 2015-0777-M

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2735				
Document ID: 9904580				
Row: 46	Section: 4	Shelf: 7	Position: 3	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001: memo	~~Madeleine Albright to POTUS re: U.S.-EU Summit: Your June 21 Meeting with German Chancellor Gerhard Schroeder... (3 pages)~~	06/14/1999	P1/B(1) KBM 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2735

FOLDER TITLE:

9904580

2015-0777-M

rs1403

RESTRICTION CODES

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

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

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

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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NSC/RMO PROFILE

RECORD ID: 9904580
RECEIVED: 15 JUN 99 09

TO: PRESIDENT

FROM: ALBRIGHT, M

DOC DATE: 14 JUN 99
SOURCE REF: 9911204

KEYWORDS: EUROPE
CM

PRESIDENTIAL TRAVEL
EUROPE WEST

PERSONS: SCHROEDER, GERHARD

SANTER, JACQUES

SUBJECT: US-EU SUMMIT PRES 21 JUN MTG W/ GERMAN CHANCELLOR SCHROEDER & ACTING
EUROPEAN COMMISSION PRES SANTER

ACTION: INCORPORATED IN BRIEFING BOOK

DUE DATE: 21 JUN 99 STATUS: C

STAFF OFFICER: BUTLER

LOGREF: 9903525 9903713

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

FOR INFO

COMMENTS: _____

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OPENED BY: NSGP

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DOC 1 OF 1

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E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9904580

DOC ACTION OFFICER

001 BUTLER
001

CAO ASSIGNED ACTION REQUIRED

Z 99061509 PREPARE MEMO FOR BERGER
X 99061517 INCORPORATED IN BRIEFING BOOK

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9904580
RECEIVED: 15 JUN 99 09

TO: PRESIDENT

FROM: ALBRIGHT, M

DOC DATE: 14 JUN 99
SOURCE REF: 9911204

KEYWORDS: EUROPE
CM

PRESIDENTIAL TRAVEL
EUROPE WEST

PERSONS: SCHROEDER, GERHARD

SANTER, JACQUES

SUBJECT: US-EU SUMMIT PRES 21 JUN MTG W/ GERMAN CHANCELLOR SCHROEDER & ACTING
EUROPEAN COMMISSION PRES SANTER

ACTION: PREPARE MEMO FOR BERGER

DUE DATE: 21 JUN 99 STATUS: S

STAFF OFFICER: BUTLER

LOGREF: 9903525 9903713

FILES: PA

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION
BUTLER

FOR CONCURRENCE

FOR INFO
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For the
Record
6-15-99
June
Bartlett*

COMMENTS: _____

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OPENED BY: NSGP

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DOC 1 OF 1

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E.O. 13526
White House Guidelines, May 16, 2017
By RD NARA, Date 11/19/2019
2015-0777-M

THE SECRETARY OF STATE
WASHINGTON

4580

June 14, 1999

~~CONFIDENTIAL~~
DECL: 6/21/09DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.04)

KBM 11/11/2019

MEMORANDUM TO THE PRESIDENT

FROM: Madeleine K. Albright *MLK*

SUBJECT: U.S.-EU Summit: Your June 21 Meeting with
German Chancellor Gerhard Schroeder and Acting
European Commission President Jacques Santer

The June 21 Summit is set to wrap-up a productive period in transatlantic terms. We understand the Germans are quietly inviting incoming Commission President Prodi to attend. If the "Bonn Declaration" on future U.S.-EU relations and our "early warning" paper are adopted, we will have made good conceptual and practical progress in adapting and strengthening the relationship. During the German Presidency, we have worked well with the EU on Kosovo and Southeast Europe, and advanced programmatic cooperation in Ukraine, Russia and Central Europe. Over the last six months, we have made progress on trade disputes on the EU's banana regime and its efforts to impose unilateral restrictions on noise dampening equipment ("hushkits") for aircraft. Our "people-to-people" contacts have developed further with the establishment of a dialogue between environmental NGOs and consolidation of the consumer, legislators' and labor dialogues.

In the global arena, we have begun new cooperative initiatives to combat the spread of child pornography on the Internet and to curb the drug trade in Nigeria. We are expanding our successful joint program against the trafficking of women and children to include Bulgaria and Hungary. The U.S. and the EU have cooperated on disaster relief and reconstruction in Central America in response to Hurricane Mitch.

~~CONFIDENTIAL~~

Classified By: Madeleine Albright, Secretary of State
Reason: 1.5 (B) and (D)

~~CONFIDENTIAL~~

- 2 -

Nonetheless, we have significant differences, including over how to approach Cuba, Iran, Libya and other problem states. Our ability to meet Kyoto targets is undermined by continued EU opposition to the fullest use of market-based flexibility mechanisms. Progress on counter-terrorism cooperation has been difficult. The EU has been slow to make good on its funding commitments in Bosnia. And we continue to compete fiercely for key positions in international and regional organizations, despite the difficulties the EU has had in identifying competent individuals for key positions in Kosovo and Bosnia.

The most serious tensions are on trade. A dispute over hormone-treated beef leads the current list, but a very serious fight is brewing on EU approvals of genetically modified agricultural products. In addition, USTR could file a WTO case on subsidies to Airbus as early as mid-July. These issues, if not managed properly, could derail cooperation on a broad range of essential issues. The Summit is likely to establish "early warning mechanisms" to identify and deal with emerging disputes. Nonetheless, your message should emphasize that, for this process to be effective, warnings are not enough. We need a commitment to solutions. Regulatory issues will be an increasingly large problem. Our economies and societies have never interacted as closely as they do today. Because of this, whatever we or our European partners consider to be "domestic" health, safety, product or environmental standards immediately raises questions as to their transatlantic compatibility. We need to address our differences in a constructive, non-polemical way.

It is essential that we emerge from the Summit with a firm commitment to resolve such issues so they do not wreck our overall relations. This means an agreement to instruct each side's foreign policy, trade, and domestic political advisors to focus more intently on the transatlantic political and economic ramifications of what have been considered technical or regulatory issues and to seek solutions that keep the overall relationship on track. Genetically modified agricultural products should be a top priority in this regard.

We want three key themes to emerge from the Summit:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

First, the U.S. and EU are committed to manage their disputes more effectively and to build a strong, concrete partnership for the 21st century, as outlined in the "Bonn Declaration" on the future U.S.-EU relationship and in a more action-oriented Senior Level Group (SLG) Report that sets out substantive near-term goals for the upcoming Finnish Presidency.

Second, we want to highlight is how we are committed to resolve trade disputes more quickly and effectively and continue to reduce transatlantic economic barriers. This includes our agreement under the Transatlantic Economic Partnership (TEP) to expand mutual recognition of standards in several key sectors; to cooperate in support of trade liberalization at the next WTO round; and to agree on early warning principles and mechanisms to identify and prevent potential disputes, trade and otherwise.

Third, we should reaffirm our joint effort to address the problems of Eastern and Southeastern Europe, underscored by the possible signing of the Stability Pact on June 20. We should use the U.S.-EU relationship to advance the Pact's goals, with a clear commitment for U.S. and EU experts to work together intensely to develop concrete actions and programs to fill in the Pact's framework, and to reach agreement on holding donor conferences for both Kosovo and the broader region. The Summit should also advance next steps on Kosovo, particularly on a post-conflict interim administration and on an agreed approach to keeping sanctions tied to FRY behavior.

We also want to issue a joint Summit Declaration on Ukraine to underline our commitment to work with Kiev for sustained reform and to ensure free and fair elections in the fall. Finally, we intend to reach agreement on practical areas that will focus U.S.-EU cooperation on areas where Russia needs assistance (for example, nuclear safety, health, and the environment).

~~CONFIDENTIAL~~

Case Number: 2015-0777-M

MIR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2740				
Document ID: 9905471				
Row: 46	Section: 4	Shelf: 9	Position: 2	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	From Samuel Berger and Gene Sperling re: Telephone Call with German Chancellor Schroeder (1 page)	07/22/1999	P1/b(1) KBH 4/3/2020
001b. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder (2 pages)	07/22/1999	P1/b(1) KBH 4/3/2020
001c. email	Mona Sutphen to EXECSEC re: FW: POUTS Call to Schroeder (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020
001d. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder [incomplete copy] (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020
001e. memo	From Berger re: Telephone Call with German Chancellor Schroeder (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020
001f. memo	From Berger re: Telephone Call with German Chancellor Schroeder (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020
001g. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder (2 pages)	07/20/1999	P1/b(1) KBH 4/3/2020
001h. memo	From Berger re: Telephone Call with German Chancellor Schroeder (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020
001i. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder (2 pages)	07/20/1999	P1/b(1) KBH 4/3/2020
001j. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder (2 pages)	07/20/1999	P1/b(1) KBH 4/3/2020
001k. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder [incomplete copy] (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2740

FOLDER TITLE:

9905471

2015-0777-M

rs1404

RESTRICTION CODES

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

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- 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 concerning wells [(b)(9) of the FOIA]

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

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
0011. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Gerhard Schroeder (2 pages)	07/20/1999	P1/b(1) KBH 4/3/2020
001m. memo	From Berger re: Telephone Call with German Chancellor Schroeder (1 page)	07/20/1999	P1/b(1) KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2740

FOLDER TITLE:

9905471

2015-0777-M

rs1404

RESTRICTION CODES

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9905471
RECEIVED: 19 JUL 99 17

TO: PRESIDENT

FROM: BERGER
SPERLING, G

DOC DATE: 22 JUL 99
SOURCE REF:

KEYWORDS: GERMANY

TELCALL

PERSONS:

SUBJECT: TELCALL W/ GERMAN CHANCELLOR SCHROEDER

ACTION: NOTED BY PRESIDENT

DUE DATE: 22 JUL 99 STATUS: C

STAFF OFFICER: BREMNER

LOGREF:

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

FOR INFO

BLINKEN
BREMNER
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSNHM

CLOSED BY: NSTTS

DOC 2 OF 2

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-11

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9905471

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
001 SPERLING, G
002 PRESIDENT
002

Z 99072016 FWD TO PRESIDENT FOR INFORMATION
Z 99072119 FOR SIGNATURE
Z 99072208 FOR INFORMATION
X 99100812 NOTED BY PRESIDENT

~~CONFIDENTIAL~~

**NATIONAL SECURITY COUNCIL
THE WHITE HOUSE**

7/21

PROOFED BY: _____ LOG # 5471
 URGENT NOT PROOFED: ☒ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG D A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
SARGEANT	<u>1</u>	<u>7/20/20</u>	<u>[Signature]</u>
DAVIES	_____	_____	_____
KERRICK	<u>2</u>	<u>(C) 7/20</u>	_____
STEINBERG	_____	_____	_____
BERGER	<u>3</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>4</u>	<u>7/21 DK</u>	<u>DGS</u>
RECORDS MGMT.	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

198 JUL 20 PM 4:08

EXEC SEC OFFICE HAS DISKETTE _____

NATIONAL SECURITY COUNCIL
THE WHITE HOUSE

7/21

PROOFED BY: _____

LOG # 5471

URGENT NOT PROOFED: ☒

SYSTEM PRS INT ARS

BYPASSED WW DESK: _____

DOCLOG D A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
SARGEANT	<u>1</u>	<u>12/20/20</u>	<u>[Signature]</u>
DAVIES	_____	_____	_____
KERRICK	<u>2</u>	<u>(2) 7/20</u>	_____
STEINBERG	_____	_____	_____
BERGER	<u>3</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>4</u>	<u>7/21 DK</u>	<u>DGS</u>
RECORDS MGMT.	_____	_____	_____
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_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

199 JUL 20 4:00

EXEC SEC OFFICE HAS DISKETTE _____

~~CONFIDENTIAL~~

THE PRESIDENT HAS SEEN

7-22-99

5471

THE WHITE HOUSE

WASHINGTON

July 22, 1999

99 JUL 22 AM 8:36

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: TBD

LOCATION: TBD

TIME: TBD

FROM: SAMUEL BERGER *Q*
GENE SPERLING *585*

DECLASSIFIED
PER E.O. 13526

2015-0777-M (205)

KBM 11/12/2019

I. PURPOSE

Encourage Schroeder to nominate Defense Minister Scharping as successor to NATO Secretary General Javier Solana.

II. BACKGROUND

Madeleine, Bill, and I think the time is right for you to ascertain German Chancellor Schroeder's willingness to offer German Defense Minister Rudolf Scharping for the position of NATO Secretary General. Javier Solana will vacate this position when he moves to the EU in October. Our Allies have not endorsed existing candidates or made other nominations on the assumption that Schroeder will nominate Scharping. The German Permrep at NATO reports that Schroeder will likely let Scharping move to NATO if countries, including the United States, indicate their interest in having him there. We suggest that you make the call on July 21 or 22, **not so much to push Schroeder into offering up Scharping, but rather to find out if he intends to do so.** A decision from Schroeder will also move the process forward and stop the press from guessing about who will succeed Solana.

Press speculation is having an impact on both the likelihood some candidates will be made available, and whether consensus can be reached smoothly. In fact the German press has been writing that we are pressuring Schroeder to send Scharping to NATO. Their statement is probably the result of leaks from anti-Scharping elements within the SPD who see the popular defense minister as a potential challenger to Schroeder, and would like to get him out of town.

Attachment

Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify On: 7/20/09

'99 JUL 23 AM8:35

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.06)
KBM 11/22/2019

Solana Succession

- Want to talk to you about an important decision we must make in weeks ahead: choosing successor to Javier Solana as NATO Secretary General.
- There are some strong potential candidates, including the Danish Defense Minister Haekkerup and Paddy Ashdown from Great Britain, but one that seems to stand out is your Defense Minister, Rudolf Scharping. We're prepared to support him if he is in the running.
- We would also understand if you felt you needed to keep him in your administration at this critical time in Germany's defense restructuring process, but we all have stake in strongest possible NATO Secretary General at this critical time.
- In our common interest to choose a successor to Solana relatively soon, so as to avoid continued press speculation and to allow a period of transition. I believe there would be an allied consensus around Scharping.

IF SCHROEDER INDICATES SCHARPING IS NOT AVAILABLE:

- Danish Defense Minister Haekkerup would also make an excellent nominee. We hope you will make it clear to the Danes that you can support Haekkerup.
- Alternatively, Tony Blair said he would be willing to identify a candidate. Am prepared to call Blair to talk if you feel consensus would be easier to reach on Paddy Ashdown or George Robertson.

Kosovo/Sarajevo Summit

- Look forward to seeing you in Sarajevo on June 30. Idea of a Stability Pact Summit is coming to fruition.
- Hope to avoid a long series of set speeches. After the introductions, regional countries should present the views of the region to which we can respond. We should aim for a discussion.

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify on: 7/20/09

- Need a common line on reconstruction: humanitarian assistance will proceed, but construction will not, as long as Milosevic is in power. He will use any hint we're changing our posture to claim victory.
- The most meaningful gesture we can make now is to provide unilateral trade access into our markets. The best way to do this would be for the United States and the EU to grant together unilateral trade preferences to countries in the region other than Serbia, as well as Kosovo and Montenegro.
- I am prepared to work with Congress to provide access on terms comparable to our Caribbean Basin Initiative. I understand the EU is considering similar initiatives for individual countries, but it would be more powerful if the EU extended preferences (such as in the Lome Convention of the Autonomous Regimes) to the region as a whole (except Serbia).
- I think it's important we announce this in Sarajevo. I know it will be politically difficult for us to offer meaningful trade concessions to Southeast Europe, but after all we have been through we must make the commitment to try. Need your leadership to get this commitment from EU, in principle, before Sarajevo.

~~CONFIDENTIAL~~

TIME OF TRANSMISSION

TIME OF RECEIPT

WHITE HOUSE
SITUATION ROOM

PRECEDENCE: IMMEDIATE
PRIORITY
ROUTINE

RELEASER: RA

DTG: 221247Z 5/75

MESSAGE NO.: 5A286 CLASSIFICATION: CONFIDENTIAL TOTAL: 4
(PAGES INCLUDING COVER)

FROM: WHSK
(NAME) (PHONE NUMBER) (ROOM NO.)

MESSAGE DESCRIPTION: CALL WITH CHANCELLOR SCHROEDER

<u>TO (AGENCY)</u>	<u>DELIVER TO</u>	<u>DEPT/ROOM NO.</u>	<u>PHONE NUMBE</u>
<u>AF-1</u>	<u>Maria Rodman</u>		

REMARKS:

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS

Initials: RDS Date: 11/19/2019
2015-0777-01

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

5471

July 20, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER *A*

THROUGH: ANTONY BLINKEN *AJB*

FROM: SUE BREMNER *SB*

SUBJECT: Presidential Telephone Call with German
Chancellor Schroeder

Attached at Tab I is your memorandum to the President forwarding talking points for a telephone call with Chancellor Schroeder.

RECOMMENDATION

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

Concurrence: Schulte *JS*

Attachments

Tab I Memorandum to the President
Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify On: 7/20/09

DECLASSIFIED

E.O. 13526

White House Guidelines, May 16, 2017

By ROS NARA, Date 11/19/2019

2015-0777-M

Bartlett, L. June (EXSEC)

From: Sutphen, Mona K. (NSA)
Sent: Tuesday, July 20, 1999 6:37 PM
To: @EXECSEC - Executive Secretary
Subject: FW: Re. POTUS Call to Schroeder [CONFIDENTIAL]

DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.07)
K8H 11/22/2019

will you make sure the call package reflects this info in the background/points? thanks. m

-----Original Message-----

From: Blinken, Antony J. (EUR)
Sent: Tuesday, July 20, 1999 6:33 PM
To: @EUROPE - European Affairs; @NSA - Natl Security Advisor
Subject: Re. POTUS Call to Schroeder [CONFIDENTIAL]

Sandy --

We've sent a call package forward but following a conversation today with Sandy Vershbow and a cable from USNATO, there's a point I think is worth emphasis, should you pre-brief POTUS before the call:

The objective should not/not be to arm twist Schroeder into offering up Scharping but rather to find out whether or not he intends to do so. The "will he/won't he" stalemate is preventing others (i.e. the Brits) from putting equally strong candidates forward (certainly Ashdown, possibly even Robertson.) At the same time, the French have indicated quite clearly that they would not/not oppose Haekkerup (this from their PermRep to Vershbow and from Vedrine to a source.) Vershbow concurs in this approach. [Of course, if Principals concluded at the ABC that Scharping is our one and only, we stand down...]

~~Also, you should know that the German press has been writing that we are pressuring Schroeder to send Scharping to NATO, probably the result of leaks from anti-Scharping elements within the SPD who see the popular defense minister as a potential challenger to Schroeder and would like to get him out of town.~~

Their statement is

Bartlett, L. June (EXSEC)

From: Sutphen, Mona K. (NSA)
Sent: Wednesday, July 21, 1999 7:00 PM
To: @EXECSEC - Executive Secretary
Cc: @INTECON - Economic Affairs; @KOSOVO
Subject: Sarajevo Summit trade points ~~(CONFIDENTIAL)~~

5471

as cleared by SRB and for inclusion as the last 3 TPs in 5471. SRB has also edited that package and it's ready for pick-up. thanks for the speedy work.



summit trade
points.doc

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-M

5471

- We are preparing a trade package to show our commitment. It will only be effective if the EU makes a similar effort.
- I think we should agree to grant as soon as possible unilateral trade concessions to countries in the region other than Serbia, as well as Kosovo and Montenegro, and announce this in Sarajevo.
- I know it will be politically difficult to offer meaningful trade concessions to Southeast Europe, but after all we have been through we must make the commitment to try. Need your leadership to get this commitment from EU, in principle, before Sarajevo.

THE WHITE HOUSE
WASHINGTON

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: TBD
LOCATION: TBD
TIME: TBD

FROM: SAMUEL BERGER

DECLASSIFIED
PER E.O. 13526
2015-0717-M (2.09)
KBH 11/22/2019

I. PURPOSE

Encourage Schroeder to put forward Defense Minister Scharping as successor to NATO Secretary General Javier Solana.

II. BACKGROUND

In a meeting ^{on} July 19, Secretaries Albright and Cohen and I decided it made sense for the President to ascertain German Chancellor Schroeder's willingness to offer German Defense Minister Rudolf Scharping for the position of NATO Secretary General, ~~to be vacated when~~ ^{will vacate the position when} Javier Solana moves to the EU in October. ^{or} Allies have not endorsed existing candidates or ~~put others forward~~ ^{made other nominations} on the assumption ~~Schroeder is prepared to field~~ ^{will nominate} Scharping. The German Permrep at NATO has told us Schroeder will likely let Scharping move ~~over~~ to NATO if nations including the United States indicate their interest in having him there. You should make the call in the next several days, **not so much to push for Scharping**, but rather to move the process forward and to stop the press from guessing about who will succeed Solana. Press speculation is itself having an impact on both the likelihood some candidates will be made available, and whether consensus can be reached smoothly.

We recommend that you take the opportunity ^{during the} ~~of the~~ call on ~~Solana's successor~~ to make a few additional remarks on the Sarajevo Stability Pact Conference, which both you and Schroeder will attend July 30.

Attachment
Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(b,d)
Declassify On: 7/20/09

THE WHITE HOUSE

WASHINGTON

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: TBD
LOCATION: TBD
TIME: TBD

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.10)
KBH 11/22/2019

FROM: SAMUEL BERGER

I. PURPOSE

Encourage Schroeder to nominate Defense Minister Scharping as successor to NATO Secretary General Javier Solana.

II. BACKGROUND

Madeleine, Bill, and I think the time is right for you to ascertain German Chancellor Schroeder's willingness to offer German Defense Minister Rudolf Scharping for the position of NATO Secretary General. Javier Solana will vacate this position when he moves to the EU in October. Our Allies have not endorsed existing candidates or made other nominations on the assumption that Schroeder will nominate Scharping. The German Permrep at NATO reports that Schroeder will likely let Scharping move to NATO if countries, including the United States, indicate their interest in having him there. We suggest that you make the call July 21 or 22, **not so much to push for Scharping, but rather to move the process forward and to stop the press from guessing about who will succeed Solana.** Press speculation is having an impact on both the likelihood some candidates will be made available, and whether consensus can be reached smoothly.

Attachment

Tab A Points to be Made

CONFIDENTIAL

Reason: 1.5(b,d)

Declassify On: 7/20/09

Schroeder is offering up

find out if he intends to do so. all balls

*In fact, the **

*Good call
a decision from
Schroeder will also*

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526

2015-0717-M (1.11)
KRM 11/22/2019

Solana Succession

- Want to talk to you about critical decision we must make in weeks ahead: choosing successor to Javier Solana as NATO Secretary General.
- There are some strong ^{potential candidates} ~~names in mind~~, but one that stands out is your Defense Minister, Rudolf Scharping. We're prepared to support him if you put his name into the running.
- We would also understand if you felt you needed to keep him in your administration at this critical time in Germany's defense restructuring process.
- In our common interest to choose a successor to Solana ~~relatively soon~~, so as to avoid continued press speculation and to allow a period of transition. I believe there would be an allied consensus around Scharping.

IF SCHROEDER INDICATES SCHARPING IS NOT AVAILABLE:

- ^{main} Danish Defense Minister Haekkerup would also make an excellent ~~candidate~~. Since you feel you cannot afford to give up Scharping, we hope you will make ^{it} clear to Danes that you can support Haekkerup. ^{the}
- Alternatively, Tony Blair said he would be willing to identify a candidate, but has held back to see if Scharping ~~was~~ ^{is} in the race. Am prepared to call Blair to talk about this possibility, if Scharping is really not a possibility and you feel consensus would be easier to reach around a candidate such as Paddy Ashdown or George Robertson.

Sarajevo Stability Pact Summit

- Look forward to seeing you in Sarajevo on June 30. Our idea of a Stability Pact Summit is coming to fruition.
- Need to use Summit to promote a vision of region founded on cooperation and democracy ⁽¹⁾ rather than nationalism and ethnic conflict. Also encourage SEE countries to cooperate

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify on: 7/20/09

regionally and to develop a shared strategy for stability, growth and integration with rest of Europe.

- ~~Will be~~ ^{It} important that EU countries give countries of southeast Europe the prospect of additional trade and investment and a perspective on EU accession.
- Hope to avoid a long series of set speeches. After ~~the~~ introductions, regional countries should present the views of the region, to which we can respond. We should aim for a discussion.
- Milosevic will be one leader not present. We should use Summit to demonstrate Serbia's isolation under Milosevic, while holding out prospect of rapid integration if he ~~goes~~ ^{leaves} office.
- Need a common line on reconstruction: Humanitarian assistance will proceed, but reconstruction will not, as long as Milosevic is in power. Milosevic will use any hint that we're changing our posture to claim victory at home.

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0717-M (2.12)
KBM 11/22/2019

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: TBD
LOCATION: TBD
TIME: TBD

FROM: SAMUEL R. BERGER *RB*I. PURPOSE

Encourage Schroeder to nominate Defense Minister Scharping as successor to NATO Secretary General Javier Solana.

II. BACKGROUND

Madeleine, Bill, and I think the time is right for you to ascertain German Chancellor Schroeder's willingness to offer German Defense Minister Rudolf Scharping for the position of NATO Secretary General. Javier Solana will vacate this position when he moves to the EU in October. Our Allies have not endorsed existing candidates or made other nominations on the assumption that Schroeder will nominate Scharping. The German Permrep at NATO reports that Schroeder will likely let Scharping move to NATO if countries, including the United States, indicate their interest in having him there. We suggest that you make the call on July 21 or 22, **not so much to push Schroeder into offering up Scharping, but rather to find out if he intends to do so.** A decision from Schroeder will also move the process forward and stop the press from guessing about who will succeed Solana.

Press speculation is having an impact on both the likelihood some candidates will be made available, and whether consensus can be reached smoothly. In fact the German press has been writing that we are pressuring Schroeder to send Scharping to NATO. Their statement is probably the result of leaks from anti-Scharping elements within the SPD who see the popular defense minister as a potential challenger to Schroeder, and would like to get him out of town.

Attachment

Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify On: 7/20/09

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.13)
KBH 11/22/2019

Solana Succession

- Want to talk to you about an important decision we must make in weeks ahead: choosing successor to Javier Solana as NATO Secretary General.
- There are some strong potential candidates, including the Danish Defense Minister Haekkerup and Paddy Ashdown from Great Britain, but one that seems to stand out is your Defense Minister, Rudolf Scharping. We're prepared to support him if you put him in the running. *He is*
- We would also understand if you felt you needed to keep him in your administration at this critical time in Germany's defense restructuring process. *but we all have stake in strongest possible NATO SYG at this critical time.*
- In our common interest to choose a successor to Solana relatively soon, so as to avoid continued press speculation and to allow a period of transition. I believe there would be an allied consensus around Scharping.

IF SCHROEDER INDICATES SCHARPING IS NOT AVAILABLE:

- Danish Defense Minister Haekkerup would also make an excellent nominee. We hope you will make it clear to the Danes that you can support Haekkerup.
- Alternatively, Tony Blair said he would be willing to identify a candidate. Am prepared to call Blair to talk if you feel consensus would be easier to reach on Paddy Ashdown or George Robertson.

KOSOVO/SARAJEVO SUMMIT

- Look forward to seeing you in Sarajevo on June 30. ~~an~~ Idea of a Stability Pact Summit is coming to fruition.
- Hope to avoid a long series of set speeches. After the introductions, regional countries should present the views of the region to which we can respond. We should aim for a discussion.
- Need a common line on reconstruction: Humanitarian assistance will proceed, but reconstruction will not, as long as Milosevic is in power. Milosevic will use any hint that we're changing our posture to claim victory at home.

CONFIDENTIAL

Reason: 1.5(b,d)

Declassify on: 7/20/09

- Need a common line on reconstruction: Humanitarian assistance will proceed, but reconstruction will not, as long as Milosevic is in power. Milosevic will use any hint that we're changing our posture to claim victory at home.
- The most meaningful gesture we can make in the near term is to provide unilateral trade access into our markets. The best way to accomplish this would be for the United States and the EU to agree together to grant, as soon as possible, unilateral trade preferences ^{to countries in the region, other than Serbia, as well as Kosovo and Montenegro but excluding Serbia.} ~~to the region, as a whole, including Kosovo and Montenegro but excluding Serbia.~~ ^{Montenegro, and announce this in Sarajevo}
- [I am prepared to work with Congress to provide access on terms comparable to our Caribbean Basin Initiative. However, I can only succeed in this effort if the EU makes a similar effort.]
- [I understand the EU is considering similar initiatives for individual countries. It would be much more powerful if the EU could extend to the region as a whole (except Serbia) preferences such as in the Lome Convention or the Autonomous Regimes offered to Bosnia and Croatia.]
- I understand that offering meaningful trade concessions to Southeast Europe will be politically difficult for you, as it will be for us. But we must make the commitment to try.

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.14)
KBM 11/22/2019

Solana Succession

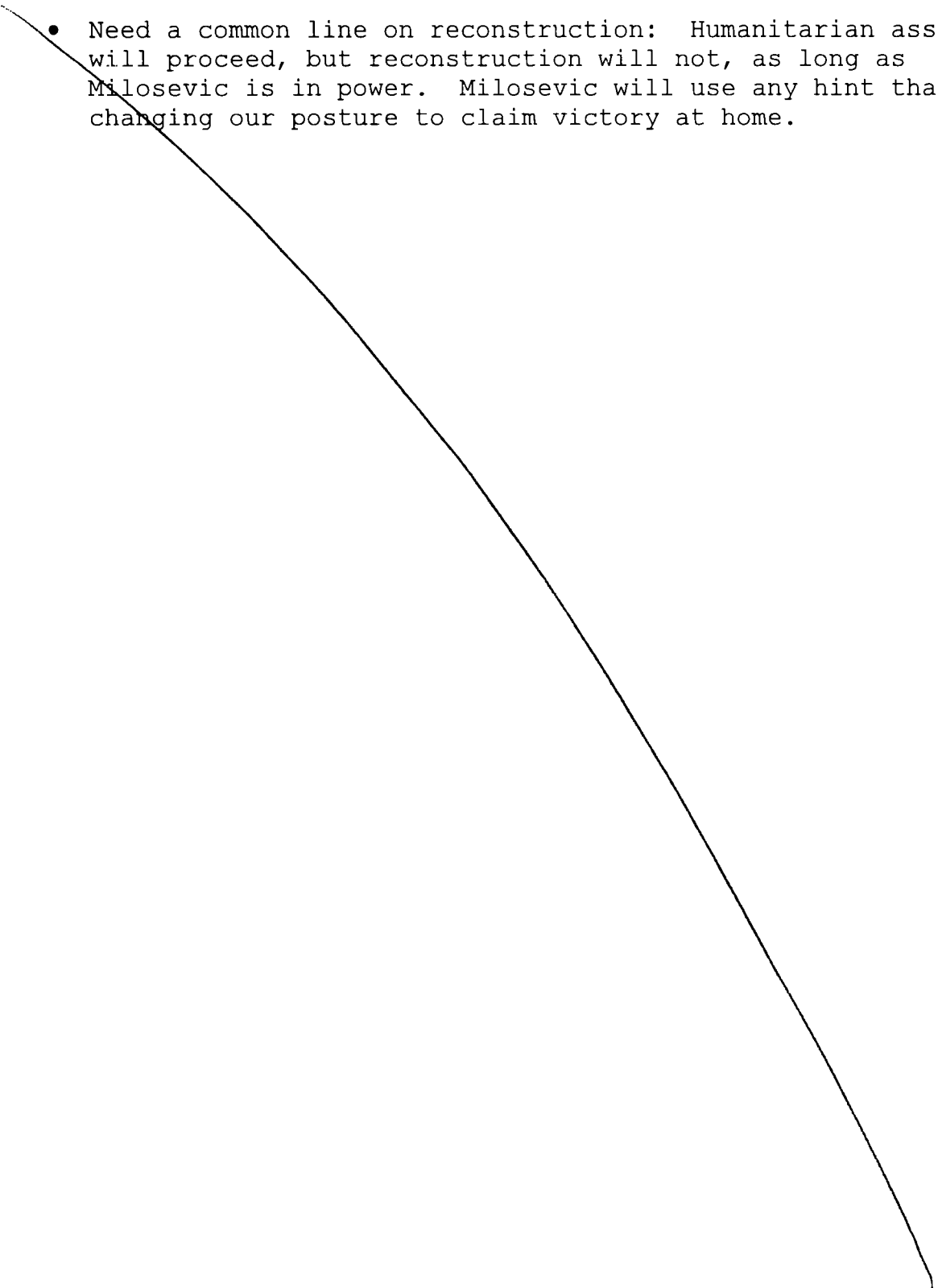
- Want to talk to you about an important decision we must make in weeks ahead: choosing successor to Javier Solana as NATO Secretary General.
- There are some strong potential candidates, including the Danish Defense Minister Haekkerup and Paddy Ashdown from Great Britain, but one that seems to stand out is your Defense Minister, Rudolf Scharping. We're prepared to support him if you put him in the running.
- We would also understand if you felt you needed to keep him in your administration at this critical time in Germany's defense restructuring process.
- In our common interest to choose a successor to Solana relatively soon, so as to avoid continued press speculation and to allow a period of transition. I believe there would be an allied consensus around Scharping.

IF SCHROEDER INDICATES SCHARPING IS NOT AVAILABLE:

- Danish Defense Minister Haekkerup would also make an excellent nominee. ~~Since you feel you cannot afford to give up Scharping,~~ ^W We hope you will make it clear to the Danes that you can support Haekkerup.
- Alternatively, Tony Blair said he would be willing to identify a candidate, ~~but has held back to see if Scharping is in the race.~~ Am prepared to call Blair to talk ~~about this possibility~~ if you feel consensus would be easier to reach ~~around a candidate such as~~ Paddy Ashdown or George Robertson.
- Look forward to seeing you in Sarajevo on June 30. Our idea of a Stability Pact Summit is coming to fruition.
- Hope to avoid a long series of set speeches. After the introductions, regional countries should present the views of the region to which we can respond. We should aim for a discussion.

~~CONFIDENTIAL~~

Reason: 1.5(b,d)
Declassify on: 7/20/09

- Need a common line on reconstruction: Humanitarian assistance will proceed, but reconstruction will not, as long as Milosevic is in power. Milosevic will use any hint that we're changing our posture to claim victory at home.
- 

~~■ We are preparing a package which would show our commitment, but would only be effective if the EU makes a similar effort.~~

- The most meaningful gesture we can make in the near term is to provide unilateral trade access into our markets. The best way to accomplish this would be for the US and EU to agree together to grant, as soon as possible, unilateral trade concessions to countries in preferences to the region other than Serbia, as a whole, including Kosovo and Montenegro but excluding Serbia.
- I am prepared to work with Congress to provide access on terms comparable to our Caribbean Basin Initiative. However, I can only succeed in this effort if the EU makes a similar effort.
- I understand the EU is considering similar initiatives for individual countries. It would be much more powerful if the EU could extend to the region as a whole (except Serbia) preferences such as in the Lome Convention or the Autonomous Regimes offered to Bosnia and Croatia.
- I understand that offering meaningful trade concessions to Southeast Europe will be politically difficult for you, as it will be for us. But we must make the commitment to try.

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.15)
K8H 11/22/2019

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.16)

KRM 11/22/2019

Solana Succession

- Want to talk to you about ^{an important} ~~critical~~ decision we must make in weeks ahead: choosing successor to Javier Solana as NATO Secretary General.
- There are some strong potential candidates, but one that ^{including the Danish Defense Minister Haekkerup and Paddy Ashdown from Blair's} stands out is your Defense Minister, Rudolf Scharping. We're prepared to support him if you put ^{him} ~~his name into~~ the running. ^{seem to suit}
- We would also understand if you felt you needed to keep him in your administration at this critical time in Germany's defense restructuring process.
- In our common interest to choose a successor to Solana relatively soon, so as to avoid continued press speculation and to allow a period of transition. I believe there would be an allied consensus around Scharping.

IF SCHROEDER INDICATES SCHARPING IS NOT AVAILABLE:

- Danish Defense Minister Haekkerup would also make an excellent nominee. Since you feel you cannot afford to give up Scharping, we hope you will make it clear to the Danes that you can support Haekkerup.
- Alternatively, Tony Blair said he would be willing to identify a candidate, but has held back to see if Scharping is in the race. Am prepared to call Blair to talk about this possibility, ^{if} ~~if Scharping is really not a possibility~~ and you feel consensus would be easier to reach around a candidate such as Paddy Ashdown or George Robertson.

~~Sarajevo Stability Pact Summit~~

- Look forward to seeing you in Sarajevo on June 30. Our idea of a Stability Pact Summit is coming to fruition.
- ~~Need to use Summit to promote a vision of region founded on cooperation and democracy, rather than nationalism and ethnic conflict. Also encourage SEE countries to cooperate~~

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify on: 7/20/09

regionally and to develop a shared strategy for stability, growth, and integration with rest of Europe.

- Important that EU countries give countries of southeast Europe the prospect of additional trade and investment and a perspective on EU accession.

- Hope to avoid a long series of set speeches. After the introductions, regional countries should present the views of the region to which we can respond. We should aim for a discussion.

- Milosevic will be one leader not present. We should use Summit to demonstrate Serbia's isolation under Milosevic, while holding out prospect of rapid integration if he leaves office.

- Need a common line on reconstruction: Humanitarian assistance will proceed, but reconstruction will not, as long as Milosevic is in power. Milosevic will use any hint that we're changing our posture to claim victory at home.

THE WHITE HOUSE

WASHINGTON

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: TBD
LOCATION: TBD
TIME: TBD

DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.17)
KSH 11/22/2019

FROM: SAMUEL BERGER

I. PURPOSE

Encourage Schroeder to ^{nominate} put forward Defense Minister
Scharping as successor to NATO Secretary General Javier
Solana. ~~He is not the best candidate~~

II. BACKGROUND

~~In a meeting on July 18, Secretaries Albright and Cohen and~~
~~I decided it makes sense for the President to ascertain~~
German Chancellor Schroeder's willingness to offer German
Defense Minister Rudolf Scharping for the position of NATO
Secretary General. Javier Solana will vacate this position
when he moves to the EU in October. Our Allies have not
endorsed existing candidates or ^{made} other nominations on
the assumption Schroeder will nominate Scharping. The
German Permrep at NATO ^{has told us} Schroeder will likely
let Scharping move to NATO if nations, including the United
States indicate their interest in having him there. ~~You will suggest~~
~~should make the call in the next several days~~ not so much
to push for Scharping, but rather to move the process
forward and to stop the press from guessing about who will
succeed Solana. Press speculation is itself having an
impact on both the likelihood some candidates will be made
available, and whether consensus can be reached smoothly.

We recommend that you take the opportunity during the call
to make a few additional remarks on the Sarajevo Stability
Fact Conference, which both you and Schroeder will attend
July 30.

Attachment

Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(b,d)

Declassify On: 7/20/09

Countries,

Case Number: 2015-0777-M

MIR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2743				
Document ID: 9905729				
Row: 46	Section: 4	Shelf: 10	Position: 2	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001a. telcon~~	~~re: Telcon with German Chancellor Schroeder (3 pages)~~	~~07/22/1999~~	~~P1/b(1) KBH~~ 4/3/2020
~~001b. telcon~~	~~re: Telcon with German Chancellor Schroeder [incomplete copy] (2 pages)~~	~~07/22/1999~~	~~P1/b(1) KBH~~ 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2743

FOLDER TITLE:

9905729

2015-0777-M

rs1405

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9905729
RECEIVED: 28 JUL 99 09

TO: KENNEY, K

FROM: BRADTKE

DOC DATE: 29 JUL 99
SOURCE REF:

KEYWORDS: GERMANY

TELCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: MEMO OF TELCON W/ BRITISH CHANCELLOR GERHARD SCHROEDER 22 Jul

ACTION: JACOBSON SGD MEMO

DUE DATE: 31 JUL 99 STATUS: C

STAFF OFFICER: BRADEN

LOGREF:

FILES: PA

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

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COMMENTS: _____

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DATE

7/29

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DOC 2 OF 2

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E.O. 13526
White House Guidelines, May 16, 2017
By *RDS* NARA, Date *11/19/2019*
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9905729

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
001
002

Z 99072819 FOR DECISION
X 99072909 KERRICK APPROVED RECOM
X 99072909 JACOBSON SGD MEMO

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 990729 KENNEY, K

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NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 5729
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG 12 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
<u>573</u> GIRE			
JACOBSON	<u>3</u>	<u>D 7/28</u>	
POWELL	<u>1</u>	<u>8 7/27</u>	
SARGEANT	<u>A</u>		
BRADTKE			
KERRICK	<u>2</u>	<u>BR D</u>	
STEINBERG	<u>copy</u>		
BERGER			
SITUATION ROOM			
WEST WING DESK	<u>4</u>	<u>TE 7/29</u>	<u>D (Diskette)</u>
RECORDS MGMT.			

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

Telcan Schroeder
 22 July

EXEC SEC OFFICE HAS DISKETTE yes

Log # _____

ADDITIONAL COMMENTS

Fm EP To DK Date 7/27

Routine. Recommend you
take for Sandy.

Fm _____ To _____ Date _____

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 5729
 URGENT NOT PROOFED: _____ SYSTEM ~~PRS~~ INT ARS
 BYPASSED WW DESK: _____ DOCLOG 13 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
<u>573</u> GIRE			
JACOBSON	<u>3</u>	<u>D 7/20</u>	
POWELL	<u>1</u>	<u>SP 7/27</u>	
SARGEANT	<u>A</u>		
BRADTKE			
KERRICK	<u>2</u>	<u>BE (D)</u>	
STEINBERG	<u>copy</u>		
BERGER			
SITUATION ROOM			
WEST WING DESK	<u>4</u>	<u>TC 7/29</u>	<u>D (Diskette)</u>
RECORDS MGMT.			

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

COMMENTS:

Telcan Schroeder
 22 July

EXEC SEC OFFICE HAS DISKETTE yes

Log # _____

ADDITIONAL COMMENTS

Fm EP To DK Date 7/27

Routine. Recommend you
take for sandy.

Fm _____ To _____ Date _____

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504
July 29, 1999

5729

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Telephone Conversation with British
Chancellor Gerhard Schroeder (U)

The attached Memorandum of Telephone Conversation between the President and Chancellor Schroeder is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our Embassy in Bonn for the Ambassador and/or Deputy Chief of Mission (DCM) only. (C)


Robert A. Bradtke
Executive Secretary

Attachment
Tab A Telcon with Chancellor Schroeder

~~CONFIDENTIAL~~

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 7/28/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RD/NARA, Date 11/19/2019
2015-0777-M

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.18)
KBH 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Schroeder

Interpreter: Harry Obst
Notetakers: Frank Jarosinski, Robin
Rickard and Roger Merletti

DATE, TIME July 22, 1999, 9:46 - 9:59 a.m. EDT
AND PLACE: Air Force One

The President: Hello, Gerhard. (U)

Chancellor Schroeder: Hello, Bill. Good to hear you. (U)

The President: It is nice to hear your voice. Thank you for taking my call. I wanted to talk to you about two things. First, choosing a successor to Javier Solana at NATO. There are some strong candidates, including Danish Defense Minister Haekkerup, but if Scharping is in the running we are in a position to support him. We think he is a good man. We need to get someone good at NATO. It is in our common interest to get a successor soon. I believe there would be Allied consensus around Scharping, but if he is not available we need to consider someone else. (S)

Chancellor Schroeder: Well, I understand. I have to say, frankly, that I have a great need for Scharping in my government right now. Having heard that you are willing to support him, I will sit down and talk with him again. We have some difficult situations to address, like restructuring our armed forces and that, of course, makes him very valuable to me. In light of your call, I will talk to him again. I will call in one week after I talk to him again and tell you what our decision is.

(S)

~~CONFIDENTIAL~~

Classified by: Robert Bradtke
Reason: 1.5(d)
Declassify On: 7/27/09

The President: Great. I also wanted to talk with you about our Sarajevo meeting on July 30. The Stability Pact is coming to fruition. I hope we can avoid a long series of set speeches. We should aim for real discussion with a common line on reconstruction. Humanitarian reconstruction will not go to Serbia as long as Milosevic is in power. I think the best thing to do is for the United States and the EU to grant unilateral trade preferences to countries in the region. I would include Kosovo and Montenegro. I will work with our Congress to provide access on terms comparable to our Caribbean Basin Initiative in the next few weeks. It seems to me it will be much more powerful if the EU as a whole could extend a similar effort. I understand the EU is thinking of similar things to extend to other countries except Serbia. (Ø)

Chancellor Schroeder: I fully accept your ideas on this and agree with them. In our public statements, we have made clear that Serbia cannot be included in those two initiatives, only Serbia without Milosevic. I also fully agree with you that we should have this meeting without a series of long speeches. We need to talk directly to each other. That will open the markets. But a joint declaration must also give strong support to the coordinator of that effort in that we have already named a candidate. One more thing I wanted to mention is that the Russian Prime Minister is coming to visit and we want him to feel welcome. (Ø)

The President: I agree with that. I think we can work together and take the lead that we not have a meeting where we give verbal assurances and not take immediate action. (Ø)

Chancellor Schroeder: I agree with you on that, too. That is exactly what we are wishing for. The current declaration agreed upon is a little thin in its wording. It needs to be strengthened. That is something my Security Advisor and your Security Advisor should talk about and have worked out. (Ø)

The President: All right. We will do that. Let me say one final thing. If you decide that Scharping is not available for the NATO post, I would like to know whom you prefer. The Danish Defense Minister is good if you think so, or Tony Blair may have someone. The main thing is that I want to be with you on this. (Ø)

Chancellor Schroeder: I agree again. And first of all, you will know before we go to Sarajevo whether Scharping will be available or not. Probably we should sit down on the margins of

the Sarajevo summit and try to find a common position there.
And, if we need to, bring Tony Blair into that conversation.
(Ø)

The President: Good. I will see you then in Sarajevo. (U)

Chancellor Schroeder: I am looking forward to seeing you in Sarajevo, and thank you for this call. (U)

The President: Thank you, Gerhard. Goodbye. (U)

Chancellor Schroeder: Thank you. Goodbye. (U)

-- End of Conversation --

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

5729

July 28, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER 

THROUGH: ANTONY BLINKEN 

FROM: SUE BREMNER 

SUBJECT: Memorandum of Telephone Conversation with
Chancellor Schroeder, July 22, 1999

Attached at Tab A is the Memorandum of Telephone Conversation between the President and German Chancellor Schroeder that took place July 22, 1999.

RECOMMENDATION

That you authorize Robert Bradtke to transmit the Memorandum of Telephone Conversation at Tab A to State.

Approve  Disapprove _____

That the attached Memorandum of Telephone Conversation be filed for the record.

Approve  Disapprove _____

Attachments

Tab I Memorandum to State

Tab A Telcon with Chancellor Schroeder

~~CONFIDENTIAL~~

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 7/28/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDG NARA, Date 11/19/2019
2015-0777-11

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5729

*NSC
Letterhead*

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

German

SUBJECT: Memorandum of Telephone Conversation with ~~British~~
Chancellor Gerhard Schroeder (U)

The attached Memorandum of Telephone Conversation between the President and Chancellor Schroeder is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our Embassy in ~~Berlin~~ for the Ambassador and/or Deputy Chief of Mission (DCM) only. ~~(C)~~

Bonn

Robert A. Bradtke
Executive Secretary

Attachment

Tab A Telcon with Chancellor Schroeder

CONFIDENTIAL

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 7/28/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-11

~~CONFIDENTIAL~~

5729

*NSC
Attached*

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

German

SUBJECT: Memorandum of Telephone Conversation with ~~British~~
Chancellor Gerhard Schroeder (U)

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BONN

Robert A. Bradtke
Executive Secretary

Attachment

Tab A Telcon with Chancellor Schroeder

~~CONFIDENTIAL~~

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 7/28/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDSNARA, Date 11/15/2019
2015-0777-M

CONFIDENTIAL

2

DECLASSIFIED
PER E.O. 13526
2015-0777-M (1.19)
KRM 11/22/2019

5729

The President: Great. I also wanted to talk with you about our Sarajevo meeting on July 30. The Stability Pact is coming to fruition. I hope we can avoid a long series of set speeches. We should aim for real discussion with a common line on reconstruction. Humanitarian reconstruction will not go to Serbia as long as Milosevic is in power. I think the best thing to do is for the United States and the EU to grant unilateral trade preferences to countries in the region. I would include Kosovo and Montenegro. I will work with our Congress to provide access on terms comparable to our Caribbean Basin Initiative in the next few weeks. It seems to me it will be much more powerful if the EU as a whole could extend a similar effort. I understand the EU is thinking of similar things to extend to other countries except Serbia. (C)

Chancellor Schroeder: I fully accept your ideas on this and agree with them. In our public statements, we have made clear that Serbia cannot be included in those two initiatives, only Serbia without Milosevic. I also fully agree with you that we should have this meeting without a series of long speeches. We need to talk directly to each other. That will open the markets. But a joint declaration must also give strong support to the coordinator of that effort in that we have already named a candidate. ~~I fully agree we should not have long speeches.~~ One more thing I wanted to mention is that the Russian Prime Minister is coming to visit and we want him to feel welcome. (C)

The President: I agree with that. I think we can work together and take the lead that we not have a meeting where we give verbal assurances and not take immediate action. (C)

Chancellor Schroeder: I agree with you on that, too. That is exactly what we are wishing for. The current declaration agreed upon is a little thin in its wording. It needs to be strengthened. That is something my Security Advisor and your Security Advisor should talk about and have worked out. (C)

The President: All right. We will do that. Let me say one final thing. If you decide that Scharping is not available for the NATO post, I would like to know whom you prefer. The Danish Defense Minister is good if you think so, or Tony Blair may have someone. The main thing is that I want to be with you on this. (C)

Chancellor Schroeder: I agree again. And first of all, you will know before we go to Sarajevo whether Scharping will be

CONFIDENTIAL

5729

available or not. Probably we should sit down on the margins of the Sarajevo summit and try to find a common position there. And, if we need to, bring Tony Blair into that conversation.
(C)

The President: Good. I will see you then in Sarajevo. (U)

Chancellor Schroeder: I am looking forward to seeing you in Sarajevo, and thank you for this call. (U)

The President: Thank you, Gerhard. Goodbye. (U)

Chancellor Schroeder: Thank you. Goodbye. (U)

-- End of Conversation --

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9905729
DATE 29 JUL 99

SUBJECT: MEMO OF TELCON W/ BRITISH CHANCELLOR GERHARD SCHROEDER
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

MS. KRISTIE A. KENNEY
ROOM 7224, MAIN STATE
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DEPARTMENT OF STATE

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UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS

Initials: ROS Date: 11/19/2019
2015-0777-M

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC RECORDS MGNT. ROOM 379 OEOB
PAGE 01 OF 01 PAGES

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2748				
Document ID: 9906607				
Row: 46	Section: 5	Shelf: 1	Position: 1	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	From Samuel Berger re: Telephone Call with German Chancellor Schroeder (2 pages)	09/08/1999	P1/b(1) KBH 4/3/2020
001b. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Schroeder (1 page)	09/08/1999	P1/b(1) KBH 4/3/2020
001c. memo	From Samuel Berger re: Telephone Call with German Chancellor Schroeder [incomplete copy] (1 page)	09/08/1999	P1/b(1) KBH 4/3/2020
001d. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Schroeder [incomplete copy] (1 page)	09/08/1999	P1/b(1) KBH 4/3/2020
001e. memo	From Samuel Berger re: Telephone Call with German Chancellor Schroeder (2 pages)	09/08/1999	P1/b(1) KBH 4/3/2020
001f. talking points	re: Points to be Made for Telephone Conversation with German Chancellor Schroeder [incomplete copy] (1 page)	09/08/1999	P1/b(1) KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2748

FOLDER TITLE:

9906607

2015-0777-M

rs1406

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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]
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- 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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9906607
RECEIVED: 08 SEP 99 13

TO: PRESIDENT

FROM: BERGER

DOC DATE: 09 SEP 99
SOURCE REF:

KEYWORDS: GERMANY

TELCALL

PERSONS: SCHROEDER, GERHARD

SUBJECT: TALKING POINTS FOR POTUS TELCALL TO SCHROEDER

ACTION: NOTED BY PRESIDENT

DUE DATE: 14 SEP 99 STATUS: C

STAFF OFFICER: KASS

LOGREF:

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

FOR INFO

BLINKEN

KASS

NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTTS

CLOSED BY: NSTSM

DOC 2 OF 2

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DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RDS/NARA, Date 11/19/2019
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9906607

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
002 PRESIDENT
002

Z 99090820 FWD TO PRESIDENT FOR INFORMATION
Z 99090911 FOR INFORMATION
X 99091316 NOTED BY PRESIDENT

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 990909
002 990909

VICE PRESIDENT
WH CHIEF OF STAFF

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE PRESIDENT HAS SEEN

9-9-99

THE WHITE HOUSE

WASHINGTON

September 9, 1999

99 SEP 9 AM 9:45

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: SEPTEMBER 9, 1999

LOCATION: TBD

TIME: TBD

FROM: SAMUEL BERGER

DECLASSIFIED
PER E.O. 13526

2015-0777-m (1.20)
K8H 11/24/2019

I. PURPOSE

You may wish to use your call to express personal sympathy and support for Chancellor Schroeder, whose Social Democratic Party (SPD) lost heavily in regional elections last Sunday, and to discuss with the Chancellor events in East Timor. If time permits, you can raise Balkan issues.

II. BACKGROUND

The SPD lost control of the government and parliament in Saarland, a traditionally Social Democratic stronghold in western Germany, to the Christian Democrats (CDU). In eastern Brandenburg, SPD leaders have been forced to consider a coalition with the CDU or the former Communists. Even more unsettling was the showing of the neo-Nazis, who surpassed the five percent electoral threshold and will now be represented in the Brandenburg parliament.

The SPD had already lost control of the upper house of the national parliament earlier this year, when it was upset in Hesse. Its prospects look bleak in upcoming contests in Thuringen (September 12), Saxony (September 19) and Berlin (October 10). As a result, Schroeder will have a tough time pushing his economic program through the upper house.

Nevertheless, there may be a silver lining for Schroeder from last Sunday's debacle. The defeats might help him consolidate his leadership of, and program for, the Social Democrats. In Saarland, the SPD election standard-bearer

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify on: 9/8/09

~~CONFIDENTIAL~~

was an ally of former Party leader Oskar Lafontaine; his defeat was viewed as a rebuff for "Old Left" policies. Moreover, the Chancellor reiterated his strong commitment to his "New Center" approach and to much-needed austerity measures, which he calculates will begin to pay political dividends in the medium term -- provided the Bundesrat does not block them.

East Timor

Bonn may have some influence over Indonesian President Habibie, who spent twenty years studying and working as an engineer in Germany. But the political situation in Jakarta, and Habibie's ability to respond to events, is highly uncertain. Habibie's opposition is blaming him both for allowing a vote in East Timor and then failing to handle the consequences. We are concerned the military may no longer be fully responsive to civilian authority. We are continuing to work with the U.N. and friends and allies to develop a strategy for convincing Jakarta to accept an international intervention force. This includes identifying levers we may have to influence decisions, among them international assistance flows.

Attachment

Tab A Points to be Made

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.21)
KBH 11/22/2019

Regional Elections

- Know you had a tough weekend politically in Saarland and Brandenburg.
- Calling to say: keep the faith. I am convinced you're on the right track with your economic program. Making these tough changes is wrenching, but it is the right thing to do.
- Confident your "New Center" approach is the right one for Germany, and that you will rebound from this setback when people see results.

East Timor

- Deeply concerned Indonesian military no longer responsive to civilian authority; has failed entirely to restore order.
- Political situation in Jakarta fluid and opaque to outsiders.
- Critical issue: convince Indonesia to invite international force to restore order, resume transition process.
- We're working at UN and elsewhere to develop a strategy to accomplish this goal. Closely consulting Australia, which would have the lead in a peacekeeping force.
- Hope you can influence Habibie to do right thing, given his close ties to Germany. Recognize may be beyond his control.

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify on: 9/8/09

~~CONFIDENTIAL~~

6607

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20504

September 8, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN AJB

FROM: NICHOLAS KASS NK

SUBJECT: Presidential Telephone Call to German Chancellor
Schroeder

Attached at Tab I is your memorandum to the President forwarding talking points for his telephone call with German Chancellor Schroeder.

Concurrences by: Eric Schwartz and Ravic Huso

RECOMMENDATION

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

Attachments

Tab I Memorandum to the President

Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: 9/8/09

DECLASSIFIED

E.O. 13526

White House Guidelines, May 16, 2017

By RDS NARA, Date 11/19/2019

2015-0777-11

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The Balkans

If time permits, you will want to reiterate to Schroeder the core points you made to Tony Blair; i.e., (1) press for concrete EU follow-through on the Stability Pact, (2) maintain our tough line on Serbian sanctions, (3) affirm support for early municipal elections in Kosovo, and (4) ask that Germany urge the Montenegrins to go slow in their drive for independence.

Attachment

Tab A Points to be Made

DECLASSIFIED
PER E.O. 13526
2015-0717-07 (1.22)
KBA 11/22/2019

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.13)
KBN 11/22/2019

Regional Elections

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- Calling to say: keep the faith. I am convinced you're on the right track with your economic program. Making these tough changes is wrenching, but it is the right thing to do.
- Confident your "New Center" approach is the right one for Germany, and that you will rebound from this setback when people see results.

East Timor

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- We're working at UN and elsewhere to develop a strategy to accomplish this goal. Closely consulting Australia, which would have the lead in a peacekeeping force.
- Hope you can influence Habibie to do right thing, given his close ties to Germany. Recognize may be beyond his control.

The Balkans

- Important we turn Stability Pact into concrete initiatives. Hope you can take lead on this with EU colleagues.
- Easing up on Serbia sanctions would send wrong signal. Hope you will help hold the line. Also need to urge Montenegro to slow down on move toward independence.
- Hope we can move forward with early elections in Kosovo.

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify on: 9/8/09

~~CONFIDENTIAL~~

66160

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526

2015-0777-M (2.24)
KBM 11/22/2019

TELEPHONE CALL WITH
GERMAN CHANCELLOR SCHROEDER

DATE: SEPTEMBER 9, 1999

LOCATION: TBD

TIME: TBD

FROM: SAMUEL BERGER

I. PURPOSE

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The SPD lost control of the government and parliament in Saarland, a traditionally Social Democratic stronghold in western Germany, to the Christian Democrats (CDU). In eastern Brandenburg, SPD leaders have been forced to consider a coalition with the CDU or the former Communists. Even more unsettling was the showing of the neo-Nazis, who surpassed the five percent electoral threshold and will now be represented in the Brandenburg parliament.

The SPD had already lost control of the upper house of the national parliament earlier this year, when it was upset in Hesse. Its prospects look bleak in upcoming contests in Thuringen (September 12), Saxony (September 19) and Berlin (October 10). As a result, Schroeder will have a tough time pushing his economic program through the upper house.

Nevertheless, there may be a silver lining for Schroeder from last Sunday's debacle. The defeats might help him consolidate his leadership of and program for the Social Democrats. In Saarland, the SPD election standard-bearer was an ally of former Party leader Oskar Lafontaine; his

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify on: 9/8/09

defeat was viewed as a rebuff for "Old Left" policies. Moreover, the Chancellor reiterated his strong commitment to his "New Center" approach and to much-needed austerity measures, which he calculates will begin to pay political dividends in the medium term -- provided the Bundesrat does not block them.

East Timor

Bonn may have some influence over Indonesian President Habibie, who spent twenty years studying and working as an engineer in Germany. But the political situation in Jakarta, and Habibie's ability to respond to events, is highly uncertain. Habibie's opposition is blaming him both for allowing a vote in East Timor and then failing to handle the consequences. We are concerned the military may no longer be fully responsive to civilian authority. We are continuing to work with the U.N. and friends and allies to develop a strategy for convincing Jakarta to accept an international intervention force. This includes identifying levers we may have to influence decisions, among them international assistance flows.

The Balkans

If time permits, you will want to reiterate to Schroeder the core points you made to Tony Blair; i.e., (1) press for concrete EU follow-through on the Stability Pact, (2) maintain our tough line on Serbian sanctions, (3) affirm support for early municipal elections in Kosovo, and (4) ask that Germany urge the Montenegrins to go slow in their drive for independence.

Attachment

Tab A Points to be Made

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0717-m (2.25)
KBH 11/22/2019

Regional Elections

- Know you had a tough weekend politically in Saarland and Brandenburg.
- Calling to say: ^{5/2}Keep the faith. I am convinced you're on the right track with your economic program. Making these tough changes is wrenching, but it is the right thing to do.
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- Hope we can move forward with early elections in Kosovo.

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Reason: 1.5(d)

Declassify on: 9/8/09

MR MARKER

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Original OA/ID Number: 2749				
Document ID: 9906728				
Row: 46	Section: 5	Shelf: 1	Position: 2	Stack: V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001. teleon~~	~~re: Teleon with German Chancellor Schroeder (3 pages)~~	~~09/09/1999~~	~~P1/b(1)~~ KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2749

FOLDER TITLE:

9906728

2015-0777-M

rs1407

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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NSC/RMO PROFILE

RECORD ID: 9906728
RECEIVED: 10 SEP 99 19

TO: BERGER

FROM: KASS

DOC DATE: 13 SEP 99
SOURCE REF:

KEYWORDS: GERMANY

MEMCON

PERSONS: SCHROEDER, GERHARD

SUBJECT: TELCON WITH CHANCELLOR SCHROEDER ON 9 SEP 99

ACTION: RUDMAN APPROVED RECOM

DUE DATE: 14 SEP 99 STATUS: C

STAFF OFFICER: KASS

LOGREF:

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

FOR INFO

FICKLIN

KASS

NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSNHM

CLOSED BY: NSGP

DOC 1 OF 1

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DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By RD5 NARA, Date 11/19/2019
2015-0777-M

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 9906728

DOC ACTION OFFICER

001 BERGER
001

CAO ASSIGNED ACTION REQUIRED

Z 99091411 FOR SIGNATURE & DECISION
X 99091711 RUDMAN APPROVED RECOM

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NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

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LOG # 60728

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BYPASSED WW DESK: _____

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	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE	_____	_____	_____
JACOBSON	_____	_____	_____
POWELL	<u>1</u>	<u>BP 9/15</u>	<u>no edits</u>
SARGEANT	_____	_____	_____
BRADTKE	<u>2</u>	<u>ML 9/16</u>	_____
RUDMAN	_____	_____	_____
STEINBERG	_____	_____	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>3</u>	<u>9/16 DK</u>	<u>File</u>
RECORDS MGMT.	<u>4</u>	_____	<u>N</u>
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

'99 SEP 14 am 10:22

CC:

COMMENTS: TELECON w/ Chancellor Scheer
Sep 9, 1999

EXEC SEC OFFICE HAS DISKETTE yes

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____

LOG # 6728

URGENT NOT PROOFED: _____

SYSTEM PRS INT ARS

BYPASSED WW DESK: _____

DOCLOG TC A/O _____

DDW

SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE	_____	_____
JACOBSON	_____	_____
POWELL	<u>1</u>	<u>BP 9/15</u> <u>no edits</u>
SARGEANT	_____	_____
BRADTKE	<u>2</u>	<u>MM 9/16</u>
RUDMAN	_____	_____
STEINBERG	_____	_____
BERGER	_____	_____
SITUATION ROOM	_____	_____
WEST WING DESK	<u>3</u>	<u>9/16 DK</u> <u>File</u>
RECORDS MGMT.	<u>4</u>	<u>N</u>
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A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

'99 SEP 14 am 10:22

CC:

COMMENTS: tel con w/ Chancellor Scheer
Sep 9, 1999

EXEC SEC OFFICE HAS DISKETTE yes

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.26)
KBM 11/22/2019

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with German Chancellor Schroeder (U)

PARTICIPANTS: The President
Chancellor Schroeder

Interpreter: Gisela Marcuse
Notetakers: Joel Schrader, Sean Tarve, Amy
Swarm, Elizabeth Rogers, Roger Merletti and
Nicholas Kass

DATE, TIME September 9, 1999, 10:16 - 10:23 a.m. EDT
AND PLACE: Oval Office

The President: Hello, Gerhard. (U)

Chancellor Schroeder: Hello, Bill (U)

The President: I just called to say I've been thinking about
you. I know you had a tough weekend with the elections. (U)

Chancellor Schroeder: Unfortunately. (U)

The President: I went through the same thing with the
congressional elections in 1994. (U)

Chancellor Schroeder: I will fight. (U)

The President: That's what you have to do. You know when
you're in the middle of a process, and before the benefits are
apparent, and you are trying to do something, you are
vulnerable. (U)

Chancellor Schroeder: I know that and would like to thank you
for those kind words. (U)

~~CONFIDENTIAL~~

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 9/10/09

The President: Well, I just wanted to encourage you. You are doing the right thing. I've been there -- I had this terrible experience in '94. I felt like I had just died. (U)

Chancellor Schroeder: I know, Bill. (U)

The President: And then we were able to show the results and, in the next elections, we were picking up seats. (U)

Chancellor Schroeder: We have to act in the same way. (U)

The President: I just felt so bad for you, and just wanted to encourage you. (U)

Chancellor Schroeder: Thank you. (U)

The President: I know you had a talk with Habibie yesterday.
(C)

Chancellor Schroeder: Yes. (U)

The President: They just aren't going to ask the U.N. in I guess. But, unless there is some kind of order over there, the United States may have to impose some economic sanctions or something. We can't stand by and let the whole country be destroyed and all those people driven out of East Timor. (C)

Chancellor Schroeder: I agree with you totally and, if you have a moment, I would like to tell you what we have done so far. I have spoken to Habibie on the telephone and requested him to make sure the military will protect the people in East Timor. The problem seems to be that Habibie doesn't have sufficient power to get the military to act as a protecting force. I further asked him to agree to the deployment of U.N. peacekeepers; however, he refused, at least at this point in time. I have today spoken to Helmut Kohl, who is friendly with President Habibie, and he agreed to help us. He placed a phone call to Habibie. The phone call has not yet taken place, but it will take place and Mr. Kohl will help. He does have friendly relations with Habibie and will use them. (C)

The President: That's good. I don't know what else we can do except keep working. There may be some more order there today, but I am determined to keep pushing on it. But, I don't think we can get any forces in there without Habibie permitting it.

(C)

Chancellor Schroeder: I agree totally, but perhaps it is possible to exert some economic pressure and make it clear to the military that they risk standing there in total isolation unless they are willing to come to some deal. (C)

The President: Let's just stay after it and, if you have ideas, please let me know. (C)

Chancellor Schroeder: We will do this with pleasure. We will try to use our influence and use the German opposition to bring various things to bear on Habibie. We will do our best and, if there is anything I can do at any time to support you and your policies, I will do so with pleasure. (C)

The President: Thank you. Are you still going to the Third Way Conference in Italy. (U)

Chancellor Schroeder: Yes, I will be there. (U)

The President: I will see you there. (U)

Chancellor Schroeder: Thank you for calling. (U)

The President: Goodbye Gerhard. (U)

-- End of Conversation --

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

6728

September 16, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: PHILIP GORDON, ACTING

FROM: NICHOLAS KASS

SUBJECT: Memorandum of Telephone Conversation with
Chancellor Schroeder, September 9, 1999

*On Original
per phone conv
WES.*

Attached at Tab A is the Memorandum of Telephone Conversation between the President and German Chancellor Schroeder that took place September 9, 1999.

RECOMMENDATION

That the attached Memorandum of Telephone Conversation be filed for the record.

Approve *nr* Disapprove _____

Attachments

Tab A Telcon with Chancellor Schroeder

~~CONFIDENTIAL~~

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 9/13/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By ROS NARA, Date 11/19/2019
2015-0777-M

CONFIDENTIAL

6728

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

September 13, 1999

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: PHILIP GORDON, ACTING *PG*

FROM: NICHOLAS KASS *NK*

SUBJECT: Memorandum of Telephone Conversation with
Chancellor Schroeder, September 9, 1999

Attached at Tab A is the Memorandum of Telephone Conversation between the President and German Chancellor Schroeder that took place September 9, 1999.

RECOMMENDATION

That you authorize Robert Bradtke to transmit the Memorandum of Telephone Conversation at Tab A to State.

Approve _____ Disapprove _____

That the attached Memorandum of Telephone Conversation be filed for the record.

Approve _____ Disapprove _____

Attachments

Tab I Memorandum to State

Tab A Telcon with Chancellor Schroeder

CONFIDENTIAL

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 9/13/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By *RDS* NARA, Date *11/19/2019*
2015-0777-M

~~CONFIDENTIAL~~

6728

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

MEMORANDUM FOR MS. KRISTIE A. KENNEY
Executive Secretary
Department of State

SUBJECT: Memorandum of Telephone Conversation with German
Chancellor Gerhard Schroeder (U)

The attached Memorandum of Telephone Conversation between the President and Chancellor Schroeder is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our Embassy in Berlin for the Ambassador and/or Deputy Chief of Mission (DCM) only. (C)

Robert A. Bradtke
Executive Secretary

Attachment
Tab A Telcon with Chancellor Schroeder

~~CONFIDENTIAL~~

Classified by: Robert A. Bradtke
Reason: 1.5(d)
Declassify On: 9/10/09

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By 204 NARA, Date 11/19/2019
2015-0777-M

Gray, Wendy E. (NSA)

10728

From: Gray, Wendy E. (NSA)
Sent: Wednesday, September 15, 1999 7:06 PM
To: Gordon, Philip H. (EUR)
Cc: @EUROPE - European Affairs; @CROSS - Cross Hatches
Subject: Package 6728 - Sept 9 TELCON with Chancellor Schroeder ~~CONFIDENTIAL~~

Hi Phill

The following is from Mara:

Phil -- This call seems a little personal to disseminate so widely. Do we need to transmit to State or can we just file for the record? Mara

Thanks!

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E.O. 13526
White House Guidelines, May 16, 2017
By RDS NARA, Date 11/19/2019
2015-0777-M

MR MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Original OA/ID Number: 2753				
Document ID: 9907316				
Row: 46	Section: 5	Shelf: 2	Position: 3	Stack: v

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
~~001a. memoe~~	~~From Samuel Berger re: Telephone Call with German Chancellor Gerhard Schroeder (3 pages)~~	~~10/04/1999~~	~~P1/b(1)~~ KBH 4/3/2020
~~001b. talking points~~	~~re: Points to be Made for Telephone Conversation with German Chancellor Schroeder (2 pages)~~	~~10/04/1999~~	~~P1/b(1)~~ KBH 4/3/2020
~~001c. memo~~	~~From Berger re: Telephone Call with German Chancellor Gerhard Schroeder (3 pages)~~	~~10/04/1999~~	~~P1/b(1)~~ KBH 4/3/2020
~~001d. talking points~~	~~re: Points to be Made for Telephone Conversation with German Chancellor Schroeder [incomplete copy] (1 page)~~	~~10/04/1999~~	~~P1/b(1)~~ KBH 4/3/2020

COLLECTION:

Clinton Presidential Records
NSC Records Management
([Schroeder and Mem*...])
OA/Box Number: 2753

FOLDER TITLE:

9907316

2015-0777-M

rs1408

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 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. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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 concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9907316
RECEIVED: 04 OCT 99 09

TO: PRESIDENT

FROM: BERGER

DOC DATE: 04 OCT 99
SOURCE REF:

KEYWORDS: GERMANY

TELCALL

PERSONS:

SUBJECT: TALKING POINTS FOR TELCALL TO SCHROEDER 4 OCT

ACTION: NOTED BY PRESIDENT

DUE DATE: 09 OCT 99 STATUS: C

STAFF OFFICER: BLINKEN

LOGREF:

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

FOR INFO

BLINKEN
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGP

CLOSED BY: NSDMK

DOC 2 OF 2

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By RDS NARA, Date 11/19/2019
2015-0777-M

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ACTION DATA SUMMARY REPORT

RECORD ID: 9907316

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
002 PRESIDENT
002

Z 99100412 FWD TO PRESIDENT FOR INFORMATION
Z 99100415 FOR INFORMATION
X 99101915 NOTED BY PRESIDENT

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 991004
002 991004

VICE PRESIDENT
WH CHIEF OF STAFF

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

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	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE	_____	_____	_____
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
SARGEANT	1	8/19/19	OBC
BRADTKE	_____	_____	_____
RUDMAN	_____	_____	_____
STEINBERG	_____	_____	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	2	EW 10/1/19	N
RECORDS MGMT.	3	DK 10/1/19	N
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC: Returned by Staff
 COMMENTS: Secretary's Office 10/1/19

EXEC SEC OFFICE HAS DISKETTE _____

NATIONAL SECURITY COUNCIL
THE WHITE HOUSE

10/4

PROOFED BY: ✓ D LOG # 7316
URGENT NOT PROOFED: ✓ D SYSTEM ERS INT ARS
BYPASSED WW DESK: _____ DOCLOG: 8 A/O _____

53
GIRE

SEQUENCE TO	INITIAL/DATE	DISPOSITION
JACOBSON		
POWELL		
SARGEANT		
BRADTKE	<u>1</u>	<u>W 10/4</u>
RUDMAN	<u>2</u> <i>c. [signature]</i>	
STEINBERG	<u>3</u>	<u>edit [signature]</u>
BERGER	<u>4</u>	
SITUATION ROOM		
WEST WING DESK		
RECORDS MGMT.		

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

99 OCT 4 AM 11:59

COMMENTS:

Phone Call - Chancellor Schroeder

EXEC SEC OFFICE HAS DISKETTE yes

**NATIONAL SECURITY COUNCIL
THE WHITE HOUSE**

PROOFED BY: _____ LOG # _____
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG _____ A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE	_____	_____	_____
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
SARGEANT	1	8/10/19	OBE
BRADTKE	_____	_____	_____
RUDMAN	_____	_____	_____
STEINBERG	_____	_____	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	2	EW 10/1/19	✓ N
RECORDS MGMT.	3	DK 10/1/19	N
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC: *Returned by Staff*
 COMMENTS: *Secretary's Office 10/15-*

EXEC SEC OFFICE HAS DISKETTE _____

**NATIONAL SECURITY COUNCIL
THE WHITE HOUSE**

10/4

PROOFED BY: _____ LOG # 7316
 URGENT NOT PROOFED: ✓ D SYSTEM PBS INT ARS
 BYPASSED WW DESK: _____ DOCLOG 8 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
<u>58</u> GIRE	_____	_____	_____
JACOBSON	_____	_____	_____
POWELL	_____	_____	_____
SARGEANT	_____	_____	_____
BRADTKE	<u>1</u>	<u>W 10/4</u>	_____
RUDMAN	<u>2</u> <u>c. [signature]</u>	_____	_____
STEINBERG	<u>3</u>	_____	<u>edit [signature]</u>
BERGER	<u>4</u>	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	_____	_____	_____
RECORDS MGMT.	_____	_____	_____
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A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

99 OCT 4 AM 11:59

COMMENTS:

Phone Call - Chancellor Schroeder

EXEC SEC OFFICE HAS DISKETTE W

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

7316
THE PRESIDENT HAS SEEN
10-4-99

THE WHITE HOUSE
WASHINGTON

October 4, 1999

TELEPHONE CALL WITH
GERMAN CHANCELLOR GERHARD SCHROEDER
DATE: October 4, 1999
LOCATION: Oval Office
TIME: TBD

DECLASSIFIED
PER E.O. 13526
2015-0717-M (2.27)
KBT 11/22/2019

99 OCT 4 PM 3:11

FROM: SAMUEL BERGER 

I. PURPOSE

Address issues surrounding Germany's imminent financial offer for forced and slave labor compensation and all other claims against German companies for the Nazi era.

II. BACKGROUND

Chancellor Schroeder sought this call to seek your support for the financial settlement Germany will propose this week to compensate slave laborers (primarily Jews housed in concentration camps or ghettos) and forced laborers (primarily non-Jews from Central Europe who were compensated and lived in labor camps) who worked for German companies during the Nazi era. You should reassure him that we will work closely with Germany to achieve legal closure and urge him to make a more generous offer than the one we anticipate.

Since your recent correspondence with Schroeder, two developments have changed the dynamics of the negotiations:

- In two of the 30 cases against German companies, judges dismissed the lawsuits, stating that the claims are not justiciable and should be addressed on a government-to-government basis. Although both State and Justice lawyers have serious concerns regarding these opinions, at this point, we have decided not to intervene.
- Schroeder has accepted a suggestion in your letter that the German Government combine the industry and government foundations into one public foundation into

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: October 4, 2009

~~CONFIDENTIAL~~

which the GOG and companies will pay. This approach is administratively easier and solves many conceptual problems.

Legal Closure

The German companies have insisted that a prerequisite for establishing the foundation is obtaining legal peace from lawsuits in U.S. courts for acts arising out of the Nazi era. You should tell Schroeder that we are prepared to take unprecedented steps to help them achieve this. The Justice Department has agreed to file a statement of interest in any pending or future cases against German companies covered by the foundation. We would state that the foundation should be regarded as the exclusive remedy for all claims covered by the foundation. In addition, if asked by a court, we would state that dismissal of claims is consistent with our policy interests.

Compensation

Stu Eizenstat told the Germans in August that the GOG and companies should provide a combined contribution of 10 billion D-Marks (\$5.5 billion). This is the de minimis amount we need to argue publicly and in court that the German offer is a fair settlement. [Plaintiffs have sought \$30 billion, an amount Stu termed excessive and unrealistic]. This amount is also critical because the Germans have insisted that the settlement cover all injuries from World War II related to German companies: not only forced/slave labor, but bank cases involving the aryanization of property, insurance cases and medical experimentation.

We expect that the Germans will propose 6 billion D-Marks (\$3.2 billion.) German industry would provide 4 billion D-marks and the German Government would provide only 2 billion. German companies are disappointed that their government will fail to match fully their offer. The low German offer is based on Schroeder's budget constraint; on the assumption that the companies have no legal liability; and on the calculus that Poland and the Czech Republic will not wish to create a public dispute with Germany. We anticipate a negative public reaction and that class action lawyers will be unwilling to settle for this amount. Moreover, there is a prospect that the judges erred and the lower court rulings will be reversed on appeal.

We recommend that you praise the Chancellor for his historic leadership and argue for an opening German offer closer to 10 billion D-Marks, with a willingness to go up to this level, if necessary. We believe that an eventual settlement will not be possible if it is much below 10 billion D-Marks. In addition, you should stress to **Schroeder** the need to bring this matter to closure as soon as possible. The average age of the potential beneficiaries is 75 years old; we should make every effort to ensure that they receive compensation during their lifetimes.

III. PARTICIPANTS

The President
Chancellor Schroder

Attachment
Tab A Points to be Made

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

7316

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
GERMAN CHANCELLOR SCHROEDER

DECLASSIFIED
PER E.O. 13526
2015-0777-M (2.28)
KBH 11/22/2019

- Greatly appreciate your leadership on this critical matter. You are making a historic and powerful statement on behalf of Germany as it enters the new millennium.
- Also appreciate your agreement to our suggestion for a combined foundation to cover both public sector and private sector laborers. Will make it easier to find a solution.

Legal Closure

- We are prepared to take unprecedented steps to provide German companies with legal peace they seek.
- First, United States is prepared to file a statement of interest in any pending or future case against German companies in U.S. courts arising out of the Nazi era which would be covered by the foundation.
- This is particularly significant as it appears the proposed foundation will be comprehensive and cover all such claims.
- Our Statement of Interest would say, among other things, that this foundation should be regarded as the exclusive remedy for all Nazi-era claims against German companies that are covered by the foundation.
- Second, if asked by a court, we would state that dismissal of these cases is in the policy interests of the United States.
- Third, I will support a bilateral agreement with Germany in which, among other things, the United States commits itself to file such a statement.

Compensation

- While the United States is prepared to take such unprecedented steps, there has to be a credible amount of money allocated to the foundation. This is best way to ensure that the foundation is viewed as an acceptable alternative to the court process.

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: October 4, 2009

~~CONFIDENTIAL~~

- Deputy Secretary Eizenstat has told Count Lambsdorff that it will take a combined government/industry contribution of 10 billion D-Marks to settle this matter. I hope your opening offer this week in Washington will come close to this amount, and that ultimately you will go up to this level, if necessary.
- I recognize you face serious budget constraints that limit the amount of your government's contribution. But I'm convinced it will be difficult to get final agreement on an amount less than 10 billion D-Marks.
- Also important to recognize that German companies want a settlement for all injuries arising from their conduct in World War II -- not just slave and forced labor, but banking, aryanization of property, insurance, medical experimentation.
- If negotiations break down, I fear a negative public reaction in the United States, with threats of state and local sanctions against German companies and negative reactions among Germany's neighbors in Central and Eastern Europe. There are reports plaintiffs' attorneys want to launch a public relations campaign against German companies, although Deputy Secretary Eizenstat has warned them against this approach.
- We should not let this matter continue to drag on. Average age of potential beneficiaries is 75 years old. With the significant progress that we have made in recent weeks, I believe such a solution is in sight.

(**IF ASKED** to agree to a more sweeping approach on legal closure and extinguish the lawsuits by Executive Order).

- We need to review your suggestion with our lawyers, but we believe we have satisfied the concerns of the German companies by the extraordinary lengths we are prepared to go to help them achieve legal peace. Count Lambsdorff should talk to Eizenstat about this.

~~CONFIDENTIAL~~

7316

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

October 4, 1999

ACTION

MEMORANDUM FOR SAMUEL BERGER

FROM: ANTONY BLINKEN

AJB

SUBJECT: Presidential Telephone Call to German Chancellor
Gerhard Schroeder

Attached at Tab I is your memorandum to the President forwarding briefing material and talking points for his telephone call with German Chancellor Schroeder.

RECOMMENDATION

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

Attachments

Tab I Memorandum to the President
Tab A Points to be Made

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: October 4, 2009

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By ROS NARA, Date 11/19/2019
2015-0377-11

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526

2015-0777-m (2.29)

KBH 11/22/2019

TELEPHONE CALL WITH
GERMAN CHANCELLOR GERHARD SCHROEDER

DATE: October 4, 1999

LOCATION: Oval Office

TIME: TBD

FROM: SAMUEL BERGER

I. PURPOSE

Address issues surrounding Germany's imminent financial offer for forced and slave labor compensation and all other claims against German companies for the Nazi era.

II. BACKGROUND

Chancellor Schroeder sought this call to seek your support for the financial settlement Germany will propose this week to compensate slave laborers (primarily Jews housed in concentration camps or ghettos) and forced laborers (primarily non-Jews from Central Europe who were compensated and lived in labor camps) who worked for German companies during the Nazi era. You should reassure him that we will work closely with Germany to achieve legal closure and urge him to make a more generous offer than the one we anticipate.

Since your recent correspondence with Schroeder, two developments have changed the dynamics of the negotiations:

- In two of the 30 cases against German companies, judges dismissed the lawsuits, stating that the claims are not justifiable and should be addressed on a government-to-government basis. Although both State and Justice lawyers have serious concerns regarding these opinions, at this point, we have decided not to intervene.
- Schroeder has accepted a suggestion in your letter that the German Government combine the industry and government foundations into one public foundation into

~~CONFIDENTIAL~~

Reason: 1.5(d)

Declassify On: October 4, 2009

justifiable?
justifiable

which the GOG and companies will pay. This approach is administratively easier and solves many conceptual problems.

Legal Closure

The German companies have insisted that a prerequisite for establishing the foundation is obtaining legal peace from lawsuits in U.S. courts for acts arising out of the Nazi era. You should tell Schroeder that we are prepared to take unprecedented steps to help them achieve this. The Justice Department has agreed to file a statement of interest in any pending or future cases against German companies covered by the foundation. We would state that the foundation should be regarded as the exclusive remedy for all claims covered by the foundation. In addition, if asked by a court, we would state that dismissal of claims is consistent with our policy interests.

Compensation

Stu Eizenstat told the Germans in August that the GOG and companies should provide a combined contribution of 10 billion DM (\$5.5 billion). This is the de minimis amount we need to argue publicly and in court that the German offer is a fair settlement. [Plaintiffs have sought \$30 billion, an amount Stu termed excessive and unrealistic]. This amount is also critical because the Germans have insisted that the settlement cover all injuries from World War II related to German companies: not only forced/slave labor, but bank cases involving the aryanization of property, insurance cases and medical experimentation.

We expect that the Germans will propose 6 billion DM (\$3.2 billion.) German industry would provide 4 billion D-marks and the German Government would provide only 2 billion. German companies are disappointed that their government will fail to match fully their offer. The low German offer is based on Schroeder's budget constraint; on the assumption that the companies have no legal liability; and on the calculus that Poland and the Czech Republic will not wish to create a public dispute with Germany. We anticipate a negative public reaction and that class action lawyers will be unwilling to settle for this amount. Moreover, there is a prospect that the judges erred and the lower court rulings will be reversed on appeal.

13/6 for
Consistency
change
all DM
"40
D-Marks"
June

We recommend that you praise the Chancellor for his historic leadership and argue for an opening German offer closer to 10 billion D-Marks, with a willingness to go up to this level, if necessary. We believe that an eventual settlement will not be possible if it is much below 10 billion D-Marks. In addition, you should stress to **Schroeder the need to bring this matter to closure as soon as possible.** The average age of the potential beneficiaries is 75 years old; we should make every effort to ensure that they receive compensation during their lifetimes.

11

III. PARTICIPANTS

The President
Chancellor Schroder

Attachment
Tab A Points to be Made

7316

- Deputy Secretary Eizenstat has told Count Lambsdorff that it will take a combined government/industry contribution of 10 billion DM to settle this matter. I hope your opening offer this week in Washington will come close to this amount, and that ultimately you will go up to this level, if necessary.
- I recognize you face serious budget constraints that limit the amount of your government's contribution. But I'm convinced it will be difficult to get final agreement on an amount less than 10 billion DM.
- Also important to recognize that German companies want a settlement for all injuries arising from their conduct in World War II -- not just slave and forced labor, but banking, aryanization of property, insurance, medical experimentation.
- If negotiations break down, I fear a negative public reaction in the United States, with threats of state and local sanctions against German companies and negative reactions among Germany's neighbors in Central and Eastern Europe. There are reports plaintiffs' attorneys want to launch a public relations campaign against German companies, although Deputy Secretary Eizenstat has warned them against this approach.
- We should not let this matter continue to drag on. Average age of potential beneficiaries is ~~almost 70~~ 75 years old. With the significant progress that we have made in recent weeks, I believe such a solution is in sight.

(IF ASKED to agree to a more sweeping approach on legal closure and extinguish the lawsuits by Executive Order).

- We need to review your suggestion with our lawyers, but we believe we have satisfied the concerns of the German companies by the extraordinary lengths we are prepared to go to help them achieve legal peace. Count Lambsdorff should talk to Eizenstat about this.

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PER E.O. 13526

2013-0777-M(1.30)
K2H 11/22/2019

See 2
Case Number: 2014-0472-M; 2015-0777-M

MR MARKER

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Original OA/ID Number: 2753				
Document ID: 9907387				
Row: 46	Section: 5	Shelf: 2	Position: 3	Stack: v