

THE WHITE HOUSE
WASHINGTON

~~TOP SECRET/SENSITIVE~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Jimmy Carter
Secretary Edmund Muskie
Dr. Zbigniew Brzezinski
Chancellor Helmut Schmidt
Minister of Foreign Affairs
Hans-Dietrich Genscher
Ambassador Berndt Von Staden

SUBJECT: Summary of Conversation,
7:00-approximately 8:30 p.m.,
June 21, 1980

Susan
1 us file
J Zbigniew - It's
accurate enough -
Not to be dis-
tributed at all.
Later Genscher said
he appreciated my
handling of a
difficult situ-
ation - Helmut's
ok now - for a
while -
J

After an exchange of the usual pleasantries (though Schmidt and his associates were both grim and tense), the President asked Schmidt about his forthcoming trip to Moscow.

Schmidt replied that he will make a strong statement on Afghanistan, and he will discuss the Soviets' overwhelming superiority in "Euro-strategic" weaponry.

The President then asked for Schmidt's evaluation of Giscard's trip.

Schmidt replied that Giscard was very tough; that Giscard had the impression that Brezhnev leaned toward some flexibility; that Gromyko was tougher and that he called the shots; and that Brezhnev used sheets of paper all of the time.

The President said that we obtained a firm and highly inflexible response from Gromyko to Muskie's recent letter on which our European allies had been briefed beforehand.

(The above was followed by an exchange of opinions regarding the level of Soviet troops in Afghanistan, with note being taken of some recent increases.)

Schmidt expressed confidence that no East Germans are in Afghanistan, though they play the role of security advisors in South Yemen and Ethiopia.

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Review June 23, 2000

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Schmidt then said that he has come to discuss "that famous letter," which has now entered into German politics, having been leaked in Washington; and the results for him "are close to an insult." The President interjected that he disagrees with Schmidt's description of the contents and character of that letter.

Schmidt resumed by saying, "Let me be frank. We have never reneged on any of our pledges. You had the text of what I said. Neither Brown nor Stoessel objected. The consequences of the letter can only be negative and the leak has been very destructive. I have always delivered on the Olympics, on which I am now isolated; on TNF, I am the one who really sticks to it and who started it -- and will stick to it. I was the one who identified the problem. It is ridiculous to suggest that I am changing my mind. I didn't change it on this nor on the neutron bomb. I risked my political existence on TNF. I am insulted by suggestions that I do not keep my word."

The President said this charge was not made by him nor was it in the letter. Schmidt resumed that all this helps to undermine American-German relations -- even though it may even help him politically. But it doesn't serve our common cause if a reliable ally is abused. The opposition has been exploiting the letter. "I hope I can say there is no wedge between us on TNF or on talks with the Soviets. The letter helps neither of us." (He then reviews the December decision and its meaning and explains what he meant to say -- namely, that he was in effect asking for a unilateral Soviet abnegation.) Finally, he said he was now in doubt as to whether Carter really wanted to negotiate with the Soviets on arms control on this issue.

The President responded by saying that no one in his Administration believes that the FRG does not fulfill its commitments. However, the April story swept the world press. Schmidt told him at the time by telephone that the issue was causing consternation and the President suggested that Schmidt send a message of reassurance and clarification to our allies, because the statement had clouded the issue. Yet later, Schmidt said again that he stands by the April statement. The Belgians are exploiting this. The statement was ill-advised. It has been causing problems in Belgium and in Italy. My letter made it clear that erroneous press reports are causing confusion.

The U.S. does not want a "freeze" until 1983. This would mean Western acceptance of permanent imbalance (SS-20 already is in 8 sites with 162 launchers). If the Soviets did not engage in further construction of sites, we could not monitor deployment

and yet it would be difficult for us to go ahead with construction of our sites since the Belgians, Dutch and even the Italians might be affected.

"I think your statement creates confusion, but I have no doubt of your commitment."

(The President then reviewed current U.S. defense spending and the U.S. willingness to make tangible sacrifices.)

Other issues: the Soviets must realize that their invasion of Afghanistan precludes business as usual. We appreciate the German support on this issue.

Schmidt then said that he still did not understand the letter nor its purpose.

The President explained that the letter was designed to acknowledge that errors in misinterpretation of Schmidt's views were creating problems and that the U.S. would not agree not to deploy for three years. That would give the Soviets a stamp of approval for gross inequality. (This led to some exchange of why the U.S. accepted the protocol on SALT II, and the President explained the various SALT II trade-offs.)

Schmidt recalled his previous views on the strategic issues and reiterated that he was the first to draw attention to the matter. Germany is not the 51st state but has interests of its own and its own special responsibilities. (Schmidt elaborated on the theme.) Moreover, the U.S. is holding up the rescheduling of Turkish debts and the same is true of Pakistan.

The President explained that the U.S. is ready to reschedule debts that are overdue but not ones that are yet to be overdue, maybe as long as three years from now.

Schmidt reiterated that Germany is doing what it can and the U.S. is not.

(There was an exchange of what the U.S. is prepared to do on Pakistan and the U.S. position was explained.)

Brzezinski added that the Europeans ought to take into account the large-scale efforts, which are costly, which the U.S. is undertaking to create a regional security framework for the West Asian region.

Schmidt said there is also the need to deal with the Palestinian problem and he said that Vance had agreed to an amendment to

UN 242. (The U.S. side questioned this, but Schmidt reiterated it categorically.) Christopher and Brzezinski also misled us on the Olympics.

Brzezinski said that we don't invite German legislators to read to them indictments on German policies. Yet the Chancellor recently met with Senator Biden and delivered of himself an indictment not only on U.S. policy but on some key U.S. personalities. Schmidt responded that one should be prepared to be criticized and that "I can fight." Brzezinski responded that the fight can be reciprocal and that there are those on the U.S. side who know how to do that too.

(The President, with the wave of his hand, indicated that he thought it would be better to cool the situation.)

The President stated that he thinks we now understand each other better.

The Chancellor responded that he wishes to stop Soviet deployments and that he would like to make them more verifiable in light of the President's explanation that a halt to Soviet construction wouldn't make verification more difficult. 7

Muskie explained that we all must be careful not to dissolve Western political support for TNF and that we needed to develop a broader range of options in dealing with the longer-term SALT III issue. (There was then a discussion of the Belgian political situation and the likely impact on the Belgians of the Schmidt mission to Moscow.)

The President said that the U.S. side will comply with SALT II provisions as long as the Soviets do, in keeping with the Geneva Convention. It might be useful for the Chancellor to ask the Soviets if they would be willing to start negotiating SALT III prior to U.S. ratification of SALT II.

Schmidt recapitulated that the target for Moscow was to influence those who matter there. There will be no wedge between the U.S. and FRG, but he also intends to continue economic cooperation with the Soviet Union within the OECD and COCOM framework.

The President said we must make certain that the Soviets know that they must withdraw all their troops from Afghanistan and that we will not recognize or deal with Babrak.

Brzezinski explained more fully the President's proposal for neutralization of Afghanistan, including some international security arrangements involving Islamic forces so that pro-Soviet

elements are not slaughtered upon the withdrawal of the Soviet troops.

The Chancellor inquired if China would be prepared to join in a guarantee of a non-aligned Afghanistan and the President responded "probably."

The meeting concluded with a discussion of what both principals will say to the press, agreeing that they will stress consensus on the Afghanistan issue and complete agreement on the TNF issue.

(The atmosphere toward the end became quite congenial and relaxed, especially after the more intense clashes in the middle of the conversation. Schmidt was quite agitated at times and occasionally raised his voice. The President was very calm but firm throughout and the Chancellor became less aggressive after the clash over Senator Biden's report.)