## THE WHITE HOUSE

WASHINGTON

## SECRET

## MEMORANDUM OF CONVERSATION

SUBJECT:

Telephone conversation between the

President and Chancellor Schmidt of FRG

mostly on TNF (U)

PARTICIPANTS:

The President

Chancellor Helmut Schmidt

DATE, TIME

Tuesday, October 30, 1979

AND PLACE: 2:13 - 2:28 p.m.

After an exchange about the status of the energy program in Congress, the Chancellor said that he wanted to raise some matters related to the Alliance TNF decisions. He expressed satisfaction with the leadership role that the US Administration has been taking. The President said that the Chancellor needed to be congratulated for the good job he had done in bringing about a favorable attitude toward TNF in the Federal Republic. (S)

The Chancellor said that there is no problem in the West German government, and that he feels after talking to a number of Italians, that the Italians are solid on TNF. The problem is in Holland. In this connection, the Chancellor asked about the idea floated by David Aaron when he visited in Bonn, which is already unfortunately in the press: i.e., would the President now be willing to say publicly in the next fortnight that he is proposing a unilateral reduction of 1,000 warheads in Europe? This might be done when the NPG Ministers meet in The Hague next month and would have a beneficial influence on the Dutch political scene. (S)

The <u>President</u> said that he and his advisers agreed that we are willing to take this step, but that it would have more force and effect as a NATO decision and not simply as a unilateral step by the US. It should be part of a maximum effort to maintain the integrity of the TNF program, including the 572 warheads, which should not be lowered by the Dutch or others. He indicated that the US would be ready to consult soon about the tactics for achieving an Alliance consensus. (S)

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Schmidt noted that there would be ample opportunity to consult when the NPG Ministers meet in November. The President asked whether his plan for bringing about an Alliance consensus suited the Chancellor. The Chancellor said that it did, but that a unilateral announcement on the part of the American President would be OK too. From the Chancellor's point of view, the most important thing is that something be done publicly in advance of the December decisions in order to preempt moves that the Dutch have in mind. The President suggested that he could tell the Alliance Heads of State in advance, which would certainly leak. (S)

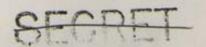
The <u>President</u> asked about the Dutch. The <u>Chancellor</u> said the warhead step would help a great deal not only with the Dutch but with the Alliance and worldwide. It would show that not only the East can take unilateral steps and would help the US position worldwide. (S)

The President suggested that he inform the other Allies about the unilateral step by a personal message. He would make clear that the TNF modernization standard (i.e., the 572 warheads) must not be lowered. The Chancellor said he would support this position and hoped that the NPG Ministers could discuss it next month. (S)

The Chancellor raised the Brezhnev letter, noting that in three weeks the Soviet Foreign Secretary would be visiting Bonn and that he would like to be in a position to answer the Brezhnev letter before then. The President asked whether the US should provide a copy of its answer to the FRG. The Chancellor suggested that the best way to consult quickly would be in Brussels. The President indicated that this would be fine and that Secretary Vance and Dr. Brzezinski would get the ball rolling. The Chancellor suggested that normal consultations among Permreps in Brussels would be a good way, as well as some bilateral consultations. The President noted that the tone and timing of the letter involved all Allies and that it would thus be appropriate to use the Brussels forum for consultations. (S)

The Chancellor said he understood that Dr. Brzezinski planned to visit Europe in November and said that he would be happy to see him for an hour or so in Bonn. The President thanked the Chancellor for this invitation and said that it would be natural if Zbig would stop by to see the Chancellor, and that Zbig would arrange a meeting. (S)

The <u>Chancellor</u> said he had been deeply impressed by Hua Guofeng during his recent visit to Bonn. He said that based on nine hours of conversations with Hua, he concluded that Hua has a



very balanced judgment, with an astonishing knowledge of the complexities of the world. It was important that Hua never said anything about the unavoidability of war, but rather made a good strategic argument about the risk to the Soviets of a two-front war. The <u>President</u> said he had not met Hua, who would be in Washington early next year, but noted that the Vice President, Secretary Vance, and Dr. Brzezinski had all been impressed by Hua. (S)

The <u>President</u> summarized the conversation by saying that we would consult in Brussels on the response to the Brezhnev letter. The President would get out a letter for all Heads of State describing the unilateral warhead reduction as well as urging that the TNF level of 572 warheads be maintained intact. (S)

The Chancellor asked about the prospects for SALT ratification. The President answered that the prospects were difficult. He noted that Senator Byrd had now come out publicly for the Treaty and is working actively with the other Senate members. The Chancellor asked when we expected to see a light at the end of the tunnel. The President answered that we expected Senate debate to begin about Thanksgiving. He said we are negotiating with Nunn and other Senators about our defense efforts, on the one hand, and with the McGovern wing, which wants to put restraints on our SALT III position, on the other hand. The negotiations are complex and we have a difficult prospect before us. (S)

The Chancellor asked whether the debate would be finished this year. The President answered that this was his hope, but the debate may go past Christmas; the Senate prefers an unlimited debate. In the meantime the Administration was trying to keep the doubtful from coming out against the Treaty and so far was successful in the Senate Foreign Relations Committee in preventing unwanted amendments and reservations. The President said that the Chancellor had been very helpful and that he would call on the Chancellor if help was needed in the future. The Chancellor wondered whether any further interventions on his part might be counterproductive. (S)

The Chancellor closed the conversation by noting that appropriate committees in the Bundestag have unanimously approved the decision that the Alliance will take on TNF modernization and arms control in December. (S)

