

34319 25
~~SECRET~~

DEPARTMENT OF STATE
WASHINGTON

May 7, 1982

MEMORANDUM FOR: THE PRESIDENT

FROM : Lawrence S. Eagleburger, Acting Secretary

George Shultz Conversation with Helmut Schmidt. George Shultz called on an open line to convey some of the flavor of his conversation with Chancellor Schmidt today. Schmidt sends you his warmest regards and assures you that he is ready to cooperate with you on your objectives for the Summits, and to work with you personally for success at Versailles and at Bonn. Schmidt said that while the President of the United States is "one among equals" at the Summit, you must take the leadership role, and he will support you fully. On specific issues, Schmidt indicated that discussion of U.S. interest rates at Versailles is "inevitable," and will focus on the influence of large government deficits in holding interest rates at high levels. At Bonn, Schmidt said, he would "not object" to our Defense Charter on strengthening NATO's conventional defenses, but he would like to discuss some aspects of this with you personally.

Haig-Dobrynin Meeting. Secretary Haig called in Dobrynin today to inform him of your intention to begin START negotiations. He said we would be back in touch regarding the modalities, and also used the meeting to balance our current emphasis on START with our continuing concern over geopolitical issues on which we seek Soviet restraint -- Poland, Afghanistan, the Falkland Islands, and South Africa. The Secretary also informed Dobrynin of the great concern of the Administration and the American people over the sharp decline in Soviet Jewish emigration, stressing that improvement in emigration numbers and the situation of Soviet Jewry is critical to U.S.-Soviet relations.

Stoessel Conversation with West German Leaders. Walt Stoessel met with Chancellor Schmidt and Foreign Minister Genscher in Bonn yesterday on his way to Paris, where he will represent us at the OECD Ministerial next week. Schmidt indicated that the FRG would react positively to your forthcoming announcement of a specific time for the beginning of START negotiations, and strongly supported your interest in a personal meeting with Brezhnev even, he said, if major results might not be expected. On the Falklands, Schmidt made a strong pitch for including France and another Latin American country (Mexico) in the proposed Contact Group on the grounds that it would make it easier for the FRG to participate. Schmidt repeatedly expressed the conviction that inflation and adverse economic trends had caused a loss of confidence in the West and in Eastern Europe, and that this had important strategic significance.

DECLASSIFIED

~~SECRET~~

NLRR F05-096 #34319

RDS-3 5/7/02 (Eagleburger, Lawrence S.) BY CV NARA DATE 1/29/08

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

CAS 2/2/02

SECRET ATTACHMENT

May 8, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: Secretary Haig's Evening Report

W

Attached is Al Haig's Evening Report for Friday, May 7, 1982.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver