MEMORANDUM OF CONVERSATION

SUBJECT: Summary of President's telephone conversation with Helmut Schmidt, Chancellor of the FRG, December 28, 1979, 12:01 - 12:09 p.m. (C)

After an exchange of holiday greetings, the President told the Chancellor that he hoped Schmidt was looking forward to a great year, political and otherwise. Thanking the President, Schmidt said that he knew the President was still greatly concerned about our people in Tehran. The President noted that Secretary Vance would be taking our resolution to the Security Council tomorrow. (C)

Indicating that the principal purpose of this call was to discuss Afghanistan, the President said we regarded the Soviet intervention there as an extremely grave development, second only to what the Soviets had done in Czechoslovakia. They had changed a buffer state into a puppet or satellite state under Soviet control. This would have profound strategic consequences for the stability of the entire region. (C)

The President said we had received a message from Schmidt's people earlier in the day and Vance and Genscher had also spoken together. We knew how concerned the FRG was over this matter. The President said he was going to send a strong personal message to Brezhnev, a message in the strongest possible terms. We thought it was important that the Soviets not complete this action in Afghanistan with impunity. Although we could not dislodge them from Afghanistan, we could encourage the Non-Aligned and Moslem countries to speak out and condemn Soviet action in Afghanistan. (C)

The President continued that he would not let the Soviet action interfere with SALT, but, equally, we would not let our concerns about SALT dissuade us from strong condemnation of the Soviets. Schmidt replied that he thought that approach was appropriate. (C)

The President noted that we were prepared to carry this all the way to the United Nations, but given our own efforts in New York concerning the hostages, we were not the proper ones
to take the initiative in the UN on Afghanistan. Concerning Iran, we hoped to get a Security Council vote on our resolution before the end of the year when the composition of the Council changed. (C)

The President then said he thought we ought to have a special meeting of the North Atlantic Council on Afghanistan. He was prepared to send Warren Christopher, our Deputy Secretary of State, to Europe this weekend to discuss common statements or action we might want to carry out in response to the Soviet intervention. Schmidt replied that he thought this was quite appropriate. Noting that he had talked to Mrs. Thatcher after first trying to reach the Chancellor, the President said she agreed completely about the seriousness of the Soviet matter and the need for a North Atlantic Council meeting. (C)

Schmidt then said he would like to make a formal suggestion regarding the Council. Since Afghanistan was outside the North Atlantic Treaty area, it might be necessary to give the Council meeting a headline that would not lead others to shy away from participation. Given the events in Belgium, Holland and Denmark a few weeks ago, it might be worthwhile to give the session a little different headline. The President asked what sort of headline, and Schmidt stressed that for him, calling a meeting explicitly on Afghanistan was okay; he said that other capitals in Europe might prefer something like "discussion of the global situation." Schmidt then repeated that the idea of this meeting was fine with him, and he would so inform Genscher. The President said Vance would be calling Genscher in a few hours to work out the details, and he would be getting in touch with Giscard d'Estaing next. The President said that he thought it was necessary to move expeditiously on Afghanistan outside the UN since the Security Council was so involved with Iran. Thus, the idea of a North Atlantic Council meeting. (C)

The President closed the conversation by saying how sorry he was to interrupt Schmidt's vacation on Majorca, and the Chancellor stressed that he had welcomed the call. (C)