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Memcon from 2/9/90
meeting w/USSR FM
Shevardnadze, Moscow,
USSR

United States Departn
Washington, D.C. 20520



[Redacted]

**MEMORANDUM OF CONVERSATION
(Second One-on-One)**

#8
RELEASED IN PART
B1, 1.5(B); 1.5(D)

Date: February 9, 1990
Time: 9:00am - 10:00 am
Place: Obsobuyak Guest House

PARTICIPANTS: The Secretary
Eduard Shevardnadze

Baker: I want to bring up something that is not on our agenda but I really feel it is important to bring to your attention. President Bush asked me to raise the question of anti-semitism with you. We feel very concerned about what we see beginning to emerge in the Soviet Union. We have seen some of the written material, in fact I brought some. Both President Bush and I know that you and Gorbachev don't condone such activity but I think it would be very important for you to publicly condemn that kind of activity and make it clear that it is not in anyway sanctioned by you. Obviously, with glasnost and greater freedom of speech, there is a greater ability for such hostile and intolerant sentiments to appear, but it seems to me that with glasnost comes a responsibility to contain intolerance and hatred. So I hope that you will do what you can to put an end to this, and I recognize that we have such a phenomenon in the United States as well. But when we do, we act quickly and we always condemn it publicly.

Shevardnadze:

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Baker: Would you like to discuss Germany right now?

Baker: We were very critical when Shamir made the statement about the need for a big strong Israel. We were critical of him both in public and in private. As I mentioned, I testified before the Senate that settlements in the territories were an obstacle to peace. The US does not support settlements. And we won't furnish any money to settle Jewish emigres in the territories. President Bush has spoken to Shamir about our very strongly-held views in opposition to settlements. Following our demarche to Shamir on his public statement, he's corrected or retracted his statement. What we're hearing now is a little more encouraging. Clearly, you know I've noted what you've said and we'll continue to do what we can, but we do draw distinction between emigration to Israel and settlement in the territories.

Shevardnadze: Well, let's go on and discuss the German question.

Baker: Would you like to begin, or would you like me to make some comments?

Shevardnadze: Why don't you go ahead and begin.

Baker: Clearly the process has moved faster than anyone has anticipated. The elections have been moved up to March 18. Shortly thereafter, I expect the two Germanies will enter into a treaty of unification that will cover the internal aspects of unification. That means some kind of merger or political apparatus, perhaps designating Berlin as a capital, steps towards economic unification, development of common currency, so in any event we believe that unification is inevitable. And I take it from your Brussels speech and from President Gorbachev's statement last week that you likewise expect that unification is inevitable. It's important, in our view that it proceed in stability and with due regard for the security and concerns of Germany's neighbors. One thing is for sure the US does not seek in any way a unilateral advantage from the situation. What's needed is a process or mechanism that can deal with the external aspects or elements of unification. And that process or mechanism must ensure that

unification proceeds in a stable fashion and with due regard of the concerns of others. We think consideration ought to be given to something like the two Germanies plus the four powers -- a two plus four mechanism, if you will. This will only come into play after the two Germanies have gotten together on the internal aspects of unification after the March 18 election. The use of the four power mechanism alone would be deeply resented by the German people or opposed by them. Indeed it would probably produce a resurgent nationalism in Germany. The use of the 35 would be too unwieldy. It would be unable to keep up with rapidly changing developments. I could see the use for the 35 as an umbrella organization to ratify the results of unification. I think that would be very appropriate.

On the question of neutrality that was surfaced by Modrow, we think that would be a mistake. I think that if you just look at the history you can see that would be a mistake. A neutral Germany would undoubtedly acquire its own independent nuclear capability. However, a Germany that is firmly anchored in a changed NATO, by that I mean a NATO that is far less of military organization, much more of a political one, would have no need for independent capability. There would, of course, have to be iron-clad guarantees that NATO's jurisdiction or forces would not move eastward. And this would have to be done in a manner that would satisfy Germany's neighbors to the east.

Two final points. We have been told by East and West Europeans alike, that -- and this is something by the way that Gorbachev has alluded to -- that the continued presence of US forces in Europe is a force for stability. We do not necessarily desire to keep troops in Europe. And it is clear to us that more pressures will build within the United States to bring our troops home unless the Allies continue to want them there. So if there is any indication that the Allies don't want them we will in no way keep our troops there. I've said that we would maintain our presence as long as our Allies desire it. They don't want it, our country is simply not going to be able to sustain a presence in Europe and we will immediately bring our troops home. The NATO alliance is a mechanism by which we maintain a presence in Germany and elsewhere. In my Berlin speech I made the point that NATO must evolve into much more of a political alliance. These are the principles ideas that I have on unification.

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We do believe that some political figures in Europe are perhaps moving too fast on unification and want to move forward too quickly. We are prepared to see it go forward, but we'd like to see it occur in a context in which there are certain designated phases, that way we can make sure unification is in fact stable. That's the reason that we would like to see unification take place in the CSCE process. But, while we think that that's an appropriate mechanism, we're not saying that it's the only one.

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unification will happen before we can achieve the next stage of disarmament. I am afraid that's the case, and I'm not sure of any way to avoid it.

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My basic feeling is that history will not forgive us if we do not effectively use the Four Power mechanism. May I add that I think there is one more reason that we need to consult at higher level and that is the question of a peace treaty. Why shouldn't we begin a serious discussion of this problem now? I raised one possibility, it was a possibility that was rejected by Germany, and that was a referendum, a European referendum on the question of unification. I wasn't trying to suggest that the issue or question of unification should be decided by a referendum, I was suggesting, however, that people in the continent do have a right to have some say about it. The question of unification will be decided by the German nation and the German people but they should know what is the opinion of others. I believe that's very important. You know it used to be that in the past the destiny of nations was decided by politics, not by the people. And in fact people of various countries have always had to pay for decisions of politicians. That's really why I was suggesting that there should be some kind of referendum. I mean if one just limits this to a parliamentary debate, it is not clear to me that this is resolving anything except at the level of politicians. But you know I am all for a discussion on this. So we could have the parliament speak up and be a supplement to what Gorbachev, Thatcher and Mitterand and others decide among themselves. But this is a suggestion that has been rejected. And as a result of that I have become enemy number one in Germany. Again, I'll just say that I favor unification but it must be in phases. We should not have to hurry on this question. I agree that there are all sorts of problems emerging, including economic ones. All these can be settled.

Why not begin in a gradual kind of process? Why not use a natural process of integration? One which can develop common economic features and a common currency. That's really what the Modrow plan is all about. The Modrow plan is very reasonable and emphasizes economic integration. To begin with it moves from there to a treaty community, from there to a federation and from there to a unified state. Frankly, I think it is very logical. That kind of approach would take good

account of the Soviet Union and also the large and small European states and the interest of all the states.

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Baker: I have one question on the Modrow plan. Does it call for a neutral and de-militarized Germany?

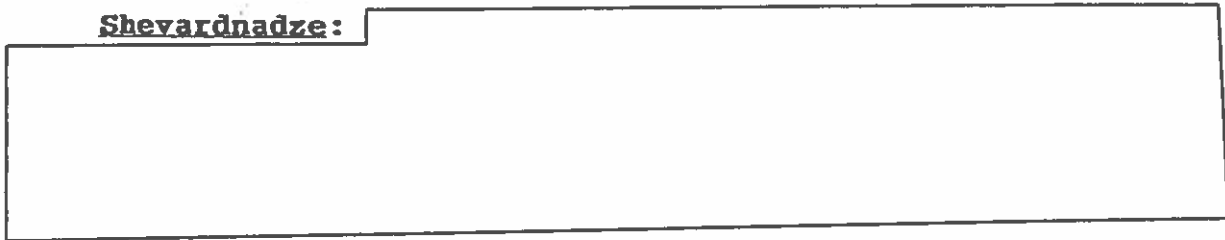
Baker: You know the West is opposed to de-militarization. There is a concern that even if you pull your troops back behind the Soviet border, you will still be a major land power and de-militarization could be a mistake. But let me say that I understand your concerns and what I said tries to address the concerns you talked about. We've tried to deal with your concerns at the same we deal with the concerns of others. Therefore, we have sought to come up with a pragmatic approach that really tries to manage the realities that we face. I believe that there is much less of a chance of a militaristic Germany, a nuclear Germany, an aggressive one under the kind of approach that I've outlined. It's an approach that would anchor Germany in the Western institutions. And I think in fact it would deal with your concerns more directly than simply calling for neutrality. I realize that might be hard for you to believe. In effect it suggests that the risk comes not from

the United States which for a long time you've seen as your enemy but instead it suggests that greater risk could come from a neutral Germany that becomes militaristic. It's precisely the danger of a neutral Germany becoming militaristic that should be of concern. We think Germany's continued presence in NATO with a US troop presence in Germany is the pathway to stability. That is one of the best ways I think to guarantee its security and stability. What I'm really suggesting is that one can use the two plus four mechanism to explore certain points that could guarantee the right kind of outcome. It might be an outcome that makes clear that there will be in de-militarized Eastern part of Germany. It might be an outcome that would guarantee that there would be no NATO forces in the Eastern part of Germany. In fact there could be an absolute ban on that. But in any case those are just some of the ideas that we have and as I said we believe that the two plus four mechanism is a very realistic way to look at some of the issues of Germany unification. The issues that have external implications and the issues that have external consequences.

Shevardnadze: Well, we believe that all options ought to be considered. After all the reality is that our action is late given the way events are moving.

Baker: I should emphasize that Germany has not told us that the two plus four is acceptable to them. We have talked to them about it and they have not objected to it but they have certainly made no commitment to it either.

Shevardnadze:



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We must go see Gorbachev now.



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