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SECRETARY OF STATE'S VISIT TO WASHINGTON: MEETING WITH BAKER

SUMMARY

1. ON 29 JANUARY THE SECRETARY OF STATE HAD A 20-MINUTE PRIVATE MEETING WITH BAKER, FOLLOWED BY LUNCH AT WHICH THERE WAS DISCUSSION OF GERMANY, EASTERN EUROPE (INCLUDING COCOM, EBRD, AND CSCE), EC/US, HONG KONG AND CITES, VIETNAMESE BOAT PEOPLE, MIDDLE EAST, SOUTHERN AFRICA, ARGENTINA. THIS TELEGRAM DEALS WITH GERMANY. OTHER SUBJECTS DEALT WITH IN MY SIX IFTS.

DETAIL

2. ON GERMAN REUNIFICATION, BAKER SAID HE WOULD TELL SHEVARDNADZE AT THEIR MEETING NOW ARRANGED FOR 8/9 FEBRUARY THAT THE FOUR POWER FORUM WAS NOT APPROPRIATE FOR TALKS ABOUT THE WHOLE OF GERMANY. BUT IT WAS IMPORTANT TO FIND A SUITABLE FRAMEWORK. THE GERMANS HOPED TO MANAGE REUNIFICATION BILATERALLY, BUT THIS WAS NOT ON. REUNIFICATION WAS AN ISSUE WHICH WOULD DETERMINE THE FUTURE OF NATO. HE HOPED THERE WOULD BE FURTHER DISCUSSION OF THIS AMONG POLITICAL DIRECTORS.

3. THE SECRETARY OF STATE GAVE AN ACCOUNT OF HIS IMPRESSIONS FOLLOWING HIS VISIT TO THE GDR. MODROW SEEMED TO BE A TIRED MAN WHOSE SIGHTS WERE FIXED ON GETTING TO THE ELECTIONS. THE SECRETARY OF STATE SAID THAT UNIFICATION WAS VIRTUALLY INEVITABLE, IT SHOULD NEVERTHELESS TAKE PLACE FOLLOWING FREE ELECTIONS IN THE GDR AND FRG, AND A PERIOD OF TRANSITION. HE AND BAKER ASSENTED TO BARTHOLOMEW'S (UNDER SECRETARY OF STATE) VIEW THAT THIS YEAR'S ELECTIONS IN GERMANY WOULD, IN EFFECT, CONSTITUTE A REFERENDUM ON REUNIFICATION. THE SECRETARY OF STATE SAID THAT THREE MAIN COMPLICATIONS NEEDED TO BE ADDRESSED:

(I) NATO: WOULD A UNITED GERMANY (OR THE WESTERN PART OF IT) REMAIN IN NATO? THIS WAS OF CRUCIAL IMPORTANCE FOR EUROPEAN SECURITY:

(II) EC ASPECTS:

(III) THE ATTITUDE OF THE SOVIET UNION AND THE NEED TO WORK OUT A FRAMEWORK TO MANAGE CHANGE. THE NEED FOR A FRAMEWORK SHOULD NOT

BE INTERPRETED AS EXERCISING A NEGATIVE INFLUENCE ON THE PROCESS.  
 4. BAKER AGREED THAT REUNIFICATION NEEDED TO BE CAREFULLY MANAGED. HIS BERLIN SPEECH HAD ARTICULATED CLEAR CONDITIONS (OR, RATHER, CIRCUMSTANCES) IN WHICH REUNIFICATION SHOULD TAKE PLACE. THE ONLY ONE WHICH THE FRG HAD SINCE PROBED WAS CONTINUED GERMAN MEMBERSHIP OF NATO. HE SAID GENSCHER DID NOT RULE OUT THAT A REUNIFIED GERMANY WOULD RETAIN NATO MEMBERSHIP, BUT HE COULD NOT IMAGINE THAT NATO TROOPS WOULD BE STATIONED ON GDR TERRITORY. BAKER WONDERED WHAT ASSURANCES NATO MIGHT GIVE IN THIS REGARD. IT WAS IMPORTANT FOR NATO NOT TO BE SEEN TO BE OBSTRUCTING REUNIFICATION WHICH HAD BEEN NATO POLICY FOR THE PAST FORTY YEARS.

5. THE SECRETARY OF STATE SAID THERE MIGHT BE WAYS ROUND THE PROBLEM OF STATIONING TROOPS IN GERMANY, EG BY LOOKING AT EARLIER PROPOSALS. HE SAID HE BELIEVED THE GERMANS DID NOT WANT TO BE PINNED DOWN AT THE MOMENT.

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MIPT: SECRETARY OF STATE'S VISIT TO WASHINGTON: MEETING WITH  
BAKER: EASTERN EUROPE (CSCE, COCOM, EBRD, CFE)

## CSCE SUMMIT

1. THE SECRETARY OF STATE EXPLAINED THAT THE DUBLIN DECISION ON CSCE HAD BEEN TAKEN AT AN UNSTRUCTURED INFORMAL DINNER. HE WAS CONTINUING TO EMPHASISE THE NEED FOR CAREFUL PREPARATION FOR SUCH A SUMMIT. HE NOTED THAT THE US HAD NOT RULED OUT A ROLE FOR CSCE. BAKER SAID THE US THOUGHT MORE COULD BE MADE OF THE ECONOMIC AND HUMAN RIGHTS BASKETS OF CSCE. THE US WERE PREPARED TO ATTEND A 1990 CSCE SUMMIT, PROVIDED THIS WAS CLEARLY REGARDED AS PREPARATION FOR 1992. HE WOULD ALSO BE TELLING SHEVARDNADZE THAT HE WANTED THE 1990 MEETING TO TAKE UP THE US PROPOSAL ON FREE ELECTIONS. HE HOPED WE COULD WORK TOGETHER AT COPENHAGEN TO PROMOTE THIS.

## COCOM

2. BAKER RAISED COCOM. THE SECRETARY OF STATE EXPLAINED THAT IN OUR VIEW IT WOULD BE DIFFICULT TO MAKE A POLICY OF DIFFERENTIATION OPERATE EFFECTIVELY. BAKER SAID IT WAS NOT IMPOSSIBLE: IT WORKED WITH CHINA. HE CONFIRMED THAT THE US WERE NOT THINKING OF ANY ELABORATE ADDITIONAL MONITORING SYSTEM: THEY WOULD DRAW ON THE VERIFICATION MACHINERY ALREADY IN USE, EG GUARANTEES ABOUT END-USER ARRANGEMENTS: ON-SITE EQUIPMENT: THIRD COUNTRY EXPORTS.

## EBRD

3. BAKER SAID THE US WOULD PREFER THE SOVIET UNION TO BE AN OBSERVER BUT, IF PRESSED, THEY WOULD BE WILLING TO ACCEPT THE SOVIET UNION AS A NON-BORROWING MEMBER ON CONDITION THAT AN 85 PER CENT VOTE WAS REQUIRED TO ALLOW A MEMBER TO CHANGE STATUS: THE LOANS WERE MADE ONLY IN CONNECTION WITH PROGRESS TOWARDS FREE MARKETS AND DEMOCRACY: AND THAT THE LOANS WERE ONLY TO PRIVATE SECTOR PROJECTS. THE SECRETARY OF STATE SAID THAT THERE WERE NO

DIFFERENCES IN PRINCIPLE BETWEEN US: WE HOPED THAT THE BANK'S CRITERIA WOULD BE SUCH AS TO EXCLUDE THE SOVIET UNION FROM BORROWING. THERE WOULD UNDOUBTEDLY BE DIFFICULTIES IN DRAFTING SUCH CRITERIA.

CFE

4. BAKER REFERRED TO THE LATEST US PROPOSALS THE SECRETARY OF STATE SAID HE UNDERSTOOD THESE WERE CLOSE TO OUR THINKING BUT IT MIGHT NOT BE POSSIBLE TO MOVE TO AGREEMENT AS QUICKLY AS THE US WOULD LIKE.

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