

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Mikhail Gorbachev of the FSU (U)

PARTICIPANTS: The President
President Mikhail Gorbachev
Interpreter: Dimitri Zarechnak
Notetaker: Nicholas Burns, NSC Staff

DATE, TIME: December 13, 1991, 3:37 - 4:11pm
AND PLACE: The Oval Office

The President: Mikhail, this is George Bush. Can you hear me?
(U)

President Gorbachev: Good day, George. Or good evening since it is evening here. (U)

The President: I've been thinking of you. I had a call from Boris Yeltsin today. And I asked Jim Baker to ask Shevardnadze if we should talk. I wanted to get an update from your side. I just wanted to pass along the message that we are not trying to influence events there in any way. I am thinking of you professionally and personally. I wondered what you could say to shed light on what is for us a confusing situation. (S)

President Gorbachev: The situation has become difficult and complicated. This was unexpected for me. Perhaps it was not unexpected for others, but it was for me. (S)

On November 25 we agreed on a draft union treaty. We signed a State Council resolution -- Yeltsin and me and others. There were eight republics, except for Ukraine. We sent the draft to the Supreme Soviets of the republics for ratification. We published it for general discussion among the people and sent it to the USSR Supreme Soviet. Yeltsin participated at all stages in cooperating with me. Then he changed course radically by turning up in Minsk. For two days, I had no contact from him. The situation had changed. He made no attempt to contact me and so this was an unexpected change for me. (S)

I had tried to get the treaty process going. I have to say that I had information on the readiness of the Supreme Soviets of the republics to approve the union treaty. A positive outcome was being prepared by the Russian parliament, but all of a sudden

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Yeltsin made a change. In politics anything can happen especially when one deals with such politicians. And they say now that the process is at a dead end but I don't understand what they are talking about because everyone had agreed except for Ukraine. (S)

Okay, so Ukraine wanted to become independent. But it had indicated it could be part of the economic and defense treaty -- that is what Kravchuk indicated to me and what he is indicating now by his actions. So what is different? Ukraine could have been part of some of the union treaties. (S)

The process is pointed in a different direction now. So what do I think of this? We are politicians. We deal with realities and have to act accordingly. The new process is continuing and has begun to justify some of my fears. And so things are not going forward smoothly. The Ukrainian Supreme Soviet has limited the rights on citizenship. On foreign policy, they are talking only about consultation, not coordination. There are also illegal aspects--there is an effort to destroy the all-union parliament with negative and illegal measures. (S)

I have taken the following position. The situation in general is very difficult. Since the process is going on, it should proceed within the framework of the constitution. I will abide by the decisions of the republics. The Minsk statement was published in an impromptu fashion and there are many things that are not clear. The country was a whole and now could break into pieces. I want the other republics to participate in the process; otherwise it would be against the constitution. I want the concept of the commonwealth to acquire more meaning. So far my former colleagues have a dim idea of the commonwealth. Their experts are asking mine for help. My most serious comments are how will the commonwealth function and act? (S)

Many questions are unclear, including whether the commonwealth will be a subject of international law. For us and for the U.S. this raises questions about their statement. Who will take up the obligations of the USSR on START, on CFE and on other treaties? Who will take up the obligations of the USSR on thousands of economic treaties? If the commonwealth is not a subject of international law, what will become of the Security Council seat? All this looks like the work of amateurs. I am working on the process, trying to get this out of a primitive situation. (S)

They have refused my role. I understand this situation, even if I don't share the approach. Yesterday I gave a quick and negative statement. Today there was a positive result with the Russian and Byelorussian Supreme Soviets. Their deputies will be reinstated in the all-union Supreme Soviet. Otherwise it would be an unconstitutional act. This morning, I talked to Boris Yeltsin and Leonid Kravchuk about the armed forces and what Kravchuk's unconsidered actions have led to. Yeltsin confirmed he will do nothing to undermine the unity of the armed forces. Kravchuk promised he would not violate agreements and would

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remain in accord with the defense agreement. His actions were not thought through and I sent two Generals to see him. The situation in general, George, on the armed forces and strategic weapons is under control. There is no danger here. (S)

Right now I am using my role as President and as a politician to get the process moving to a constructive and legal basis. We need fast decisions in this country now. How do I see my role in the future? If the commonwealth is an amorphous organization with no mechanism for foreign policy and defense and economic interaction, then I do not see any role for myself. Now as I see the situation -- and I think the commonwealth was a mistake -- we must have greater coordination among the republics; otherwise we will not get out of the situation, the mudslide that we are in.

(S)

I speak with Boris Yeltsin regularly. I spoke with him two to three times today. We discuss specific political issues and I express my thoughts to him. I will meet with the Asian republics in the next few days. This is the situation here. I am doing what I can to move the process forward in a constructive vein. The situation is very tense. Society can bear no more difficulties. (S)

How do I see the role of the U.S. and the West? In the political realm, we need to stimulate the process of making the commonwealth come alive with real institutions. There must be some kind of state council, a parliament, economic organization to agree on economic policy, a unified military command. Otherwise, there will be a negative effect on our domestic and foreign policy. (S)

In economics, I would like to count on your direct attention to the following. We have two real dangers. First, I do not want to scare you about the situation but we need your immediate help to normalize the situation. Second, the transition to the market and to freeing prices will be very difficult and could produce a severe social reaction. You must understand our situation now, George. Only two percent of our products are bought and sold at the market. To think that the market can regulate everything tomorrow is an illusion. (S)

So I am suggesting to the republics that they take steps to stimulate producers, farmers, traders and even state enterprises. Before making the transition to free prices, we must take steps to protect the poorest part of our population. A threat exists in the productive sector because a disruption in economic ties will lead to a decline in production in January and February. There might not be a sufficient amount of goods despite the freeing of prices. We need financial aid for more goods and aid to convert the ruble and open the country to foreign capital. If we apply this set of political and economic measures gradually, we might avert a negative reaction in the transition to free prices. These are briefly the steps we need to take and we can discuss them in more detail when Jim Baker is here. (S)

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The President: I appreciate your full explanation. Jim Baker is prepared to discuss these issues in detail. I know it is an extraordinarily difficult situation. Do not hesitate to call me if you need to. I recognize the state of flux and transition. (S)

President Gorbachev: George, I think Jim Baker's Princeton speech should not have been made, especially the point that the USSR had ceased to exist. We must all be more careful during these times. The main thing is to avoid confrontation. (S)

The President: Let me be clear that I want to avoid confrontation. I don't want to interfere. I accept your criticism. I do not think Jim said it quite that way -- he said only "the USSR as we have known it" would be very different. That is a constructive suggestion that I will pass to him. (S)

President Gorbachev: I think we had a friendly conversation, at least I hope so. (U)

The President: Absolutely. (U)

President Gorbachev: There is journalism and there is politics and we know the difference. (U)

The President: Thank you very, very much. My best to Raisa during the holidays ahead. I will be in close touch with Jim on the trip. I invite you to call me at any time day or night. (U)

President Gorbachev: Thank you, George. Please give my and Raisa Maximovna's best to you and Barbara. If necessary, I will call you. The main thing is to keep the situation from getting worse in order to maintain the things we did together for Europe and the world. (U)

-- End of Conversation --

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