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THE WHITE HOUSE

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Eduard Shevardnadze, Chairman of the State Council of Georgia (U)

PARTICIPANTS: The President  
James A. Baker III, Secretary of State  
Brent Scowcroft, Assistant to the President for National Security Affairs  
Robert Zoellick, Under Secretary of State for Economic and Agricultural Affairs  
Thomas Niles, Assistant Secretary of State for European and Canadian Affairs  
David C. Gompert, Senior Director for European and Russian Affairs, NSC Staff, Notetaker  
Interpreter

Eduard Shevardnadze, Chairman of the State Council of Georgia  
Aleksandr Chikvaidze, Minister of Foreign Affairs  
Sergei Tarasenko, Assistant to the Chairman  
Interpreter

DATE, TIME July 9, 1992, 8:05 - 8:25am  
AND PLACE: Guest House, Helsinki

The President: I am very pleased to see you. I know you are confronting great difficulties. We've been through a lot together including the 55 speeches we are hearing together here in Helsinki but at least everybody is keeping it short. Castro came to Rio and everyone expected a two hour speech but give the man credit he finished in the allotted seven minutes. (U)

Chairman Shevardnadze: But we know he can talk for six hours. (U)

The President: Well I am just delighted to see you. Obviously we want you to succeed. We respect you for taking on this challenge. I would like to hear from you about how it is going. (U)

Chairman Shevardnadze: Thank you. Everyone comes to the U.S. President with requests. We have decided not to ask for anything. You have been generous with your support and assistance, you played a decisive role for our country. If it had not been for your recognition policy, there would be no democracy today in Georgia. Jim's visit has historic significance and we welcomed him with a big crowd. (ϕ)

Secretary Baker: I have to tell you a story about that. You know we have great confidence in Eduard. He said let's go greet the crowd so we plunged in. At that point, my friend the Foreign Minister said, this is extraordinarily dangerous. Our confidence in Eduard was put to a test. (U)

Chairman Shevardnadze: Of great importance to my country was membership in the IMF. Your word on that was decisive. We also got help on medicines -- insulin and hospital equipment without which our situation would have been impossible. (ϕ)

The President: Are things under control now? (ϕ)

Chairman Shevardnadze: Yes. Your Embassy is staffed and working well. We have cooperation working in specific areas. I hope that we can be of use to you as well. Let me give you a run-down on our situation. Slowly, we are making democracy and stabilization irreversible. Consolidation is taking place. In October we will have elections. They should go well. So we are finding solutions. There is one conflict (Ossetia) but it is not too great. We are building good relations with Russia and Ukraine. Our relations with Turkey are not bad. Our relations with Iran are within allowable limits so I am more optimistic now about our future. But we still have some problems. Georgia is small but in an interesting geo-political location. It is on the border between Islam and Christianity, between North and South. Maybe we can play an interesting role in avoiding this large conflict. I am also now engaged in Black Sea cooperation, where Turkey is playing a constructive role. (ϕ)

The President: We, of course, have good relations with Turkey and Prime Minister Demirel. (ϕ)

Chairman Shevardnadze: The most dangerous and explosive area is the Caucasus. We have to think about security structures. We will support regional organizations. I can foresee the involvement of Turkey, the Caucasus states, and Russia. Turkey is taking the lead and should be supported. Some forces in Turkey want to take a different (less cooperative) tact. I would like to talk to the U.S. about our region, either with Jim or perhaps in a working group. (ϕ)

The President: This type of cooperation is in our own interest. We are worried about these conflicts that are breaking out. We have a high regard for the Turks and know we can work with Demirel. He is reasonable. Tell me more about Iran. (ϕ)

Chairman Shevardnadze: Our Prime Minister had a promising first meeting with the Iranians. Rafsanjani hinted that they want to regularize political and economic relations with the European countries. Iran is interested in moving its goods through Georgia and the Black Sea to Europe. Its' options are the Black Sea, the Caspian, and the Gulf. We should work with Iran. They have promised Georgia oil and gas. I am concerned that the Caucasus will be fought over among Turkey, Iran and Russia. (ϕ)

The President: I am pleased to hear that you are getting along with Russia. We have told Yeltsin of our high regard for you. And they say they are positive toward Georgia. (ϕ)

We know about your problems with regard to grain. I admire you for not making a request and I am embarrassed to say that I don't have an immediate answer but I wanted you to know that we are sensitive to your problem. Jim will ask the Saudis if they can do something. I am not sure what we can do because of our law on dispensing food aid under PL. 480. We will try as hard as we can. I cannot promise anything but we feel your need in our hearts. (ϕ)

Secretary Baker: Have you heard from the Saudis? (ϕ)

Chairman Shevardnadze: We will need the credits or we will die. The Georgian economy was part and parcel of the Soviet economy which has fragmented and collapsed. I know about your problems. I know you can not make large moves at this time. Maybe the Saudis or the Kuwaitis can help. Maybe the IMF can help. It depends on whether we can be given the status of a developing country. (ϕ)

The President: What is of the utmost urgency? (ϕ)

Chairman Shevardnadze: We are experiencing hunger. The Turks have helped us. We have ten days of food supplies left. (ϕ)

The President: We will try our best. This has nothing to do with our election. The problem is that we evidentially have nothing left under the normal program. (ϕ)

Chairman Shevardnadze: Mr. President, what you've said about this is better than receiving the grain itself. (ϕ)

Secretary Baker: What is your view on South Ossetia? (ϕ)

Chairman Shevardnadze: Things are better. I met with Yeltsin and am trying to settle the problem with him. Russian extremists were causing a problem. Yeltsin made a basic decision so there is less fighting now. There is still some shooting but negotiations have begun. (ϕ)

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The President: We had a good meeting in Munich with Yeltsin. He was very serious about what needs to be done. Given your key and constructive role, I wanted you to know that. (Ø)

Chairman Shevardnadze: You have to support Yeltsin. The reactionaries in Russia -- the so-called "Red-Browns" -- are the biggest threat to all of us. (Ø)

-- End of Conversation --

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