

IMPLEMENTATION OF THE HELSINKI ACCORDS

HEARING

BEFORE THE

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

GERMAN UNIFICATION AND THE CSCE PROCESS

APRIL 3, 1990

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**PUBLIC HEARING ON GERMAN UNIFICATION
AND THE CSCE PROCESS**

TUESDAY, APRIL 3, 1990

COMMISSION ON SECURITY AND COOPERATION IN EUROPE
Washington, DC

The Commission met, pursuant to notice, in Room 226, Dirksen Senate Office Building, Washington, DC, at 2 p.m., Senator Dennis DeConcini, Chairman, and Representative Steny H. Hoyer, Cochairman, presiding.

In attendance: Commissioner Senator Malcolm Wallop.

Also in attendance: Samuel G. Wise, staff director and Jane S. Fisher, deputy staff director.

OPENING STATEMENT OF CHAIRMAN DeCONCINI

Chairman DeCONCINI. The Commission on Security and Cooperation will come to order.

Mr. Dobbins, we welcome you here. I want to thank everyone for participating today. The Cochairman is on his way. He has some Floor duties to take care of, and Mr. Hoyer will be here later.

The subject of German unification is an emotional one for many of us, and at the same time an issue critical to the future of Europe and, indeed, Superpower relations. Our distinguished witnesses will help put the complicated elements of the fast-moving unification process into a better perspective.

The process of German unification will entail finding solutions to many of the problems the European Community will face as they work to integrate the East European nations into the common European home.

On another level, the unification process makes it necessary to devise a framework for the input of other nations. This is where I see a critical role for the CSCE process, which relies on the viewpoints of 35 nations each with a stake in the future of Germany and the new Europe that will emerge in the next few years.

As we enter what is clearly an unprecedented era of international relations and face issues such as German unification, it is imperative that U.S. policy not proceed haphazardly in response to specific events. Difficult as it may be to project the outcome of reforms sweeping the continent, our policies should be as consistent as possible and reflect the values and commitments outlined in the Helsinki Final Act.

Mr. Dobbins, we welcome you here. You are the Principal Deputy Assistant Secretary of State for European and Canadian Affairs. You've served with the State Department for 23 years. You

were Deputy of Mission at the U.S. Embassy in Bonn from 1985-89, and we are pleased to have you with us, and if you'd please proceed.

PANEL 1 CONSISTING OF MR. DOBBINS, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND CANADIAN AFFAIRS

STATEMENT BY MR. DOBBINS

Secretary DOBBINS. Thank you very much, Senator. I am very pleased to be here.

I have submitted testimony and I won't read it over. I might just say a few introductory words and then I'd be happy to answer questions wherever you'd like to take them.

The prospect of German reunification is an objective which we have consistently supported for four decades. The objective is a Germany unified in peace and freedom in a democratic European Community of nations, and we are very close to achieving that objective.

The conditions in which we do achieve that objective are going to be very important, not just for Germany but for all of the states in Europe, and, particularly, for the states in Central and Eastern Europe. It is extremely important that the democratic and economic experiments underway in Central and Eastern Europe go forward in the most benign possible environment if democracy is to take root, and, therefore, the circumstances in which German unification takes place are of great importance.

The process of German unification is a complex one which will involve, in some fashion, probably all of the countries of Europe, as well as the United States and Canada. I see it, essentially, as a set of concentric circles. At the core is the self-determination process which has taken place in East Germany as it has achieved democracy and expressed itself quite clearly on the subject of unification.

The next of these concentric circles will be the discussions which will take place between the Federal Republic of Germany and the German Democratic Republic, which will establish the process by which unification will be achieved.

The next of these concentric circles is what we've called the Two-Plus-Four process, that's the process which brings together the two German states with the four powers who have continuing rights and responsibilities for Berlin and Germany as a whole.

And then, you move beyond that to further broadening this circle, so that it involves Germany's neighbors, and, eventually, all of the countries that participate in the CSCE process, the 35 nations of Europe, the United States and Canada. And, it's important as this process goes forward that a process of accommodation gradually move out from the center and involve all of those countries in the sense that they feel that their interests are being addressed and that the end result of the process will be one which does not disadvantage them and which promotes the general interest in a stable, peaceful and democratic order in Europe.

The CSCE process, in a sense, is the broadest of those circles, the one that encompasses virtually all of the interested countries. It's already played a very important role in bringing about the process

of unification. It's done that by creating the expectations for human rights and for democracy, which once the Eastern Europeans were left free to express themselves very clearly came to the fore in terms of what those citizens, what those individuals wanted in the way of self-government, in the way of economic and political systems.

The emphasis in the Helsinki Final Act on the concepts of self-determination and peaceful change again created the intellectual context in which it was virtually impossible for anybody to deny the justice of a desire on the part of the Germans to achieve unification democratically and peacefully.

And, finally, this process, I think, will in the future play an important role, first of all, in providing a multilateral forum in which the countries of Central and Eastern Europe can pursue their legitimate concerns, including their legitimate security concerns, and, secondly, in providing a basis, a justification, a political rationale by which the Soviet Union itself can justify to its own citizens the changes that are underway in Europe, the withdrawal of Soviet forces from Central and Eastern Europe, as steps which do not damage their security but, on the contrary, contribute to a more stable and peaceful environment in Europe.

[The prepared statement of Deputy Assistant Secretary of State James F. Dobbins follows:]

PREPARED STATEMENT OF DEPUTY ASSISTANT SECRETARY OF STATE
 JAMES F. DOBBINS
 BEFORE THE HELSINKI COMMISSION
 (APRIL 3, 1990)

I AM DELIGHTED TO HAVE THIS OPPORTUNITY TO PARTICIPATE IN THE COMMISSION'S EXAMINATION OF THE ISSUES SURROUNDING GERMAN UNIFICATION AND THE RELEVANCE OF CSCE TO THIS ONGOING PROCESS. LET ME BEGIN BY REVIEWING WHAT HAS ALREADY TAKEN PLACE IN THE TWO-PLUS-FOUR PROCESS, THE ISSUE OF BORDERS, THE IMPLICATIONS FOR NATO, AND FINALLY A FEW WORDS ON HOW WE BELIEVE THE CSCE PROCESS CAN MAKE A POSITIVE CONTRIBUTION TO THE NEW EUROPE.

TWO-PLUS-FOUR

U.S. SUPPORT FOR GERMAN UNIFICATION HAS BEEN ONE OF THE MOST CONSISTENT THEMES IN POST-WAR U.S. FOREIGN POLICY. EVERY PRESIDENT SINCE TRUMAN HAS STATED HIS SUPPORT FOR THIS GOAL. GERMAN UNIFICATION HAS ALSO BEEN A PRIME GOAL OF THE NATO ALLIANCE. FOR EXAMPLE, THE 1967 HARMEL REPORT ON THE FUTURE TASKS OF THE ALLIANCE IDENTIFIED GERMAN UNIFICATION AS AN ALLIANCE OBJECTIVE, THE KEY TO OBTAINING A "FINAL AND STABLE SETTLEMENT IN EUROPE." MORE RECENTLY, THAT ALLIANCE COMMITMENT WAS REAFFIRMED IN THE NATO SUMMIT DECLARATION OF 1989 WHICH STATES, "WE SEEK A STATE OF PEACE IN EUROPE IN WHICH THE

GERMAN PEOPLE REGAINS ITS UNITY." THROUGHOUT THESE YEARS WE HAVE PURSUED THE OBJECTIVE OF A GERMANY UNIFIED IN PEACE AND FREEDOM WITHIN A DEMOCRATIC EUROPEAN COMMUNITY. THIS IS EXACTLY WHAT WE ARE ACHIEVING.

AS THIS GOAL HAS COME WITHIN REACH OVER THE PAST SEVERAL MONTHS, WE HAVE BEEN GUIDED BY TWO PRINCIPLES: THAT UNIFICATION BE ACCOMPLISHED ON THE BASIS OF GERMAN SELF-DETERMINATION, AND THAT IT TAKE INTO ACCOUNT THE LEGITIMATE INTERESTS OF OTHER STATES. THIS MEANS THAT UNIFICATION MUST TAKE PLACE WITHIN A BROADER PROCESS OF CONSULTATION, ONE KEY COMPONENT OF WHICH MUST BE THE INVOLVEMENT OF THE FOUR POWERS WITH CONTINUING RIGHTS AND RESPONSIBILITIES FOR BERLIN AND GERMANY AS A WHOLE. WITH THE NEED FOR A BROADER CONSULTATIVE PROCESS IN VIEW, THE FOREIGN MINISTERS OF THE FEDERAL REPUBLIC AND THE GERMAN DEMOCRATIC REPUBLIC, AND OF THE US, UK, FRANCE AND THE SOVIET UNION AGREED IN FEBRUARY IN OTTAWA TO ESTABLISH WHAT HAS BEEN CALLED THE TWO-PLUS-FOUR FORUM.

THE INITIAL TWO-PLUS-FOUR MEETING IN BONN ON MARCH 14 WENT WELL. ALL PARTIES, INCLUDING THE SOVIETS, TOOK A CONSTRUCTIVE APPROACH. AS YOU KNOW, THAT MEETING WAS HELD AT THE "OFFICIAL" LEVEL AND WAS DEVOTED TO PROCEDURAL QUESTIONS. AGREEMENT WAS REACHED THAT POLAND WOULD BE INCLUDED WHEN QUESTIONS WHICH PARTICULARLY CONCERN ITS BORDERS ARE DISCUSSED. THERE WAS ALSO AN INITIAL EXCHANGE OF VIEWS ON AGENDA ITEMS.

SUBSTANTIVE DISCUSSIONS WERE PUT OFF UNTIL AFTER THE MARCH 18 GDR ELECTION AND THE FORMATION OF A NEW, LEGITIMATE, DEMOCRATIC GDR GOVERNMENT. WHILE THE GDR IS STILL IN THE PROCESS OF FASHIONING A GOVERNING COALITION, THIS IS MOVING ALONG. THE NEXT TWO-PLUS-FOUR TALKS AT THE OFFICIAL LEVEL MAY TAKE PLACE BY THE END OF APRIL. MEETINGS AT THE OFFICIAL LEVEL WILL PRECEDE A MEETING OF TWO-PLUS-FOUR MINISTERS.

OF ITSELF, AGREEMENT ON THE TWO-PLUS-FOUR MECHANISM REPRESENTED A POSITIVE STEP ON THE ROAD TO A SOLUTION TO THE GERMAN QUESTION WHICH WILL ENHANCE LONG-TERM EUROPEAN STABILITY AND SECURITY. TWO-PLUS-FOUR IS A FORUM FOR DISCUSSION OF THE ISSUES WHICH ARISE OUT OF THE SPECIAL POST-WAR RIGHTS AND RESPONSIBILITIES THE FOUR POWERS RETAINED FOR BERLIN AND GERMANY AS A WHOLE. THERE ARE ISSUES INVOLVED IN GERMAN UNIFICATION WHICH AFFECT THE LEGITIMATE INTERESTS OF GERMANY'S NEIGHBORS AND OTHER COUNTRIES IN EUROPE. WE ARE SENSITIVE TO THIS FACT AND WE BELIEVE OUR PARTNERS IN THE TWO-PLUS-FOUR PROCESS SHARE OUR VIEW. TWO-PLUS-FOUR WILL DO THE JOB THAT ONLY IT CAN DO -- FULFILLING THE RESERVED RIGHTS AND RESPONSIBILITIES OF THE FOUR POWERS AND IN SO DOING, ENDING THEM. BUT TWO-PLUS-FOUR WILL NOT TAKE DECISIONS FOR OR ABOUT OTHER NATIONS.

BORDERS

CONFIRMATION OF THE GERMAN-POLISH BORDER IS A GOOD EXAMPLE.

AS THE PRESIDENT HAS MADE CLEAR, THE U.S. FORMALLY RECOGNIZES THE CURRENT GERMAN-POLISH BORDER AND RESPECTS THE PROVISIONS OF THE HELSINKI FINAL ACT REGARDING THE INVOLABILITY OF CURRENT BORDERS IN EUROPE. IN RESPONSE, THE TWO-PLUS-FOUR PARTICIPANTS HAVE AGREED TO INVITE POLAND TO PARTICIPATE WHEN QUESTIONS WHICH PARTICULARLY CONCERN ITS BORDER ARE DISCUSSED. WE BELIEVE THAT ARRANGEMENT WILL PROVE SATISFACTORY. FURTHERING THIS PROCESS, CHANCELLOR KOHL HAS OUTLINED A PROCESS WHEREBY THE NEWLY ELECTED PARLIAMENT OF THE GDR AND THE BUNDESTAG WOULD ISSUE STATEMENTS RECOGNIZING THE BORDER AND A UNITED GERMANY WOULD CONCLUDE WITH POLAND A NEW TREATY TO REAFFIRM ITS RECOGNITION OF THE EXISTING BORDER. WE BELIEVE THE TWO GERMANY'S WILL MOVE QUICKLY TO BEGIN THIS PROCESS.

IMPLICATIONS FOR NATO

WITH THE APPARENT DISINTEGRATION OF THE WARSAW PACT AND THE GOAL OF GERMAN UNIFICATION APPROACHING, SOME ARE ASKING WHAT THIS MEANS FOR THE FUTURE OF NATO. WE NEED NATO NOW FOR THE SAME REASONS NATO WAS CREATED. NATO REMAINS NECESSARY FOR EUROPEAN BALANCE. DESPITE REDUCTIONS, SOVIET MILITARY CAPABILITIES REMAIN BY FAR THE LARGEST IN EUROPE AND THOSE CAPABILITIES CAN ONLY BE BALANCED BY A TRANSATLANTIC DEFENSE. ON THE OTHER HAND, WE EXPECT THE POLITICAL WORK OF THE ALLIANCE TO INCREASE AS THE THREAT OF CONFLICT RECEDES. NATO IS FUNDAMENTALLY A POLITICAL ALLIANCE, SHARING RISKS AND RESPONSIBILITIES FOR THE DEFENSE OF COMMON VALUES AND

DEMOCRATIC INSTITUTIONS. MANY OF THE POSITIVE CHANGES WE ARE SEEING IN EASTERN EUROPE ARE NOT YET ANCHORED IN LAW AND PRACTICE. EUROPEAN STABILITY WILL CONTINUE TO BE BEST SERVED BY THE MAINTENANCE OF A MULTINATIONAL DEFENSE STRUCTURE, AND BY A GERMANY SOUNDLY GROUNDED IN WESTERN INSTITUTIONS -- IN PARTICULAR BY ITS FULL MEMBERSHIP IN NATO. NATO REMAINS THE KEY VENUE FOR AMERICAN ENGAGEMENT IN EUROPE. WITHOUT NATO, U.S. PUBLIC AND CONGRESSIONAL SUPPORT FOR THIS ENGAGEMENT WOULD BE DIFFICULT TO MAINTAIN.

INCREASINGLY, WE ARE ASKED, "WHAT IS THE THREAT?" THE ANSWER IS, WE FACE THREE THREATS WHICH ARE LIKELY TO REMAIN FOR THE FORESEEABLE FUTURE: UNCERTAINTY, INSTABILITY, AND FRAGMENTATION. THERE IS UNCERTAINTY BECAUSE THE SOVIET UNION REMAINS A NUCLEAR SUPERPOWER AND EUROPE'S SINGLE LARGEST MILITARY FORCE. AS SUCH, IT IS STILL CAPABLE OF ARBITRARY ACTION AND UNPREDICTABILITY. THERE IS INSTABILITY BECAUSE OF THE POWER VACUUM IN EASTERN EUROPE, REEMERGING ETHNIC AND NATIONAL RIVALRIES, AND THE THREAT OF BALKANIZATION. AND, THERE IS THE THREAT OF FRAGMENTATION, BECAUSE WITHOUT NATO THERE IS NO WAY AROUND COMPETING AND WASTEFUL NATIONAL DEFENSES, THE LACK OF AN AMERICAN COUNTERWEIGHT, AND THE RISK OF THE KIND OF SHIFTING ALLIANCES WHICH HAVE PROVEN SO DANGEROUS IN THE PAST.

FOR THESE REASONS WE BELIEVE STRONGLY:

-- THAT A UNITED GERMANY SHOULD REMAIN A FULL MEMBER OF **NATO**

-- THAT A UNITED GERMANY SHOULD REMAIN A FULL PARTICIPANT IN NATO'S INTEGRATED MILITARY STRUCTURE;

-- THAT ALL OF THE TERRITORY OF A UNITED GERMANY SHOULD BE COVERED BY NATO'S SECURITY GUARANTEE.

THE ROLE OF CSCE

THE CSCE PROCESS HAS ALREADY MADE A MAJOR CONTRIBUTION TO THE CHANGES UNDER WAY IN CENTRAL AND EASTERN EUROPE, INCLUDING IN PARTICULAR THE DEMOCRATIZATION OF THE GERMAN DEMOCRATIC REPUBLIC. THE ACHIEVEMENT OF UNIFICATION THROUGH A PROCESS OF PEACEFUL AND DEMOCRATIC CHANGE IS PERHAPS THE MOST DRAMATIC FULFILLMENT OF THE PRINCIPLES LAID DOWN IN THE HELSINKI FINAL ACT.

THE UNITED STATES IS DETERMINED TO HELP FIND THE RIGHT APPROACH TO ENRICHING CSCE AND ENLARGING THE CONTRIBUTION IT CAN MAKE. WE HAVE PROPOSALS IN ALL THREE "BASKETS" OF CSCE ACTIVITY. AT THE BONN INTERSESSIONAL MEETING, WE HAVE INTRODUCED A SET OF PRINCIPLES OF ECONOMIC COOPERATION AS A GUIDE TO MUTUALLY BENEFICIAL ECONOMIC AND COMMERCIAL RELATIONS AMONG CSCE NATIONS. IN THE UPCOMING COPENHAGEN INTERSESSIONAL ON THE "HUMAN DIMENSION," THE UNITED STATES HAS AN IMPORTANT ELECTIONS INITIATIVE DESIGNED TO CODIFY THE RIGHT TO CHOOSE ONE'S GOVERNMENT THROUGH FREE AND FAIR ELECTIONS AND TO RECORD

THE PROGRESS MADE BY EASTERN EUROPEAN NATIONS IN THE COURSE OF THIS IMPORTANT ELECTION YEAR. BY THE TIME OF THE SUMMIT, TOWARDS THE END OF 1990, WE WANT TO HAVE FOR SIGNATURE AN HISTORIC ACCORD ON LIMITING CONVENTIONAL FORCES IN EUROPE. THE SIGNATURE OF THE CFE TREATY WILL CAP A YEAR OF REMARKABLE PROGRESS IN EUROPE IN ALL THREE OF CSCE'S KEY AREAS: SECURITY, ECONOMY, AND THE HUMAN DIMENSION.

WE HAVE JOINED OUR ALLIES IN CALLING FOR A CSCE SUMMIT IN 1990 TO SIGN A CFE AGREEMENT, TO GIVE FURTHER IMPETUS TO THE WORK ON ALL THE BASKETS OF THE CSCE PROCESS, AND TO FURTHER ENHANCE THE PROSPECTS FOR THE 1992 REVIEW CONFERENCE. WE BELIEVE THAT A VIGOROUS AND STRENGTHENED CSCE PROCESS CAN MAKE AN IMPORTANT CONTRIBUTION TO AN INTERNATIONAL ENVIRONMENT IN WHICH THE DEMOCRATIC EXPERIMENTS UNDERWAY IN CENTRAL AND EASTERN EUROPE CAN PROSPER, IN WHICH A UNIFIED GERMANY CAN ENJOY COOPERATIVE RELATIONS WITH ITS NEIGHBORS TO BOTH EAST AND WEST, AND IN WHICH THE SOVIET UNION CAN REMOVE ITS MILITARY FORCES FROM CENTRAL AND EASTERN EUROPE AT NO DETRIMENT TO ITS SECURITY.

Chairman DeCONCINI. Mr. Dobbins, thank you! I will yield to my Cochairman for any opening remarks he may have, and then we will go directly to questions.

BRIEF REMARKS OF CO-CHAIRMAN HOYER

Cochairman HOYER. Thank you very much, Mr. Chairman. I have a prepared statement, and I would ask that it be included in full in the record.

I welcome Secretary Dobbins. What is happening in Central Europe is of a magnitude beyond any that we have seen since 1945. The challenges of which you have spoken, in terms of the unification of the two Germanies and the resultant concentric circle impact that you've referred to is one of great interest to this Commission, and will have a significant impact on the CSCE process.

I am one who believes that the CSCE process is going to increase in importance and that is, of course, certainly the view that the Europeans have, and, I think, it is a process that the United States and Canada, in particular, are going to have to be very energetic in pursuing to stay even, if you will, as this change occurs.

So, I welcome Secretary Dobbins. And, I look forward to asking some questions.

Thank you, Mr. Chairman.

[Prepared statement of Cochairman Steny H. Hoyer follows:]

HFI SINKI COMMISSION HEARING
 GERMAN UNIFICATION and the CSCE PROCESS
 April 3, 1990

Remarks by:

The Honorable STENY H. HOYER
 Co-Chairman: Commission on Security and Cooperation in Europe

I'D LIKE TO WELCOME EVERYONE TO THIS HELSINKI COMMISSION HEARING, AND ESPECIALLY TO THANK OUR DISTINGUISHED WITNESSES FOR PARTICIPATING IN THIS IMPORTANT EXAMINATION.

THE DIVISION OF GERMANY AND ITS CAPITOL, BERLIN, HAS BEEN THE MOST SALIENT FEATURE OF POST-WAR EUROPE AND A KEY, SOMETIMES DANGEROUS, POINT IN U.S. - SOVIET RELATIONS SINCE 1945. THIS POST-WAR ORDER HAS BEEN OVERTURNED IN RECENT MONTHS BY COURAGEOUS EAST GERMANS WHO DECIDED THAT THEY, TOO, DESERVED THE FREEDOM AND PROSPERITY THEIR BROTHERS ENJOYED IN THE WEST. ARMED ONLY WITH THE CONVICTION OF THE RIGHTNESS OF THEIR CAUSE, THEY REMOVED THEIR CORRUPT COMMUNIST RULERS FROM POWER AND RESTORED DEMOCRATIC RULE. THEN, BY THEIR VOTE ON MARCH 18, THE CITIZENS OF EAST GERMANY DECIDED THAT A UNIFIED GERMANY WAS NOT ONLY POSSIBLE, IT WAS A CERTAINTY.

A YEAR AGO NO ONE WOULD HAVE THOUGHT IT POSSIBLE THAT THESE HISTORIC EVENTS COULD OCCUR SO SOON. IT'S A LOT TO ABSORB, TO MAKE SENSE OF, AND THE PURPOSE OF TODAY'S HEARING IS TO TRY TO EXAMINE SOME OF THE MAJOR IMPLICATIONS OF GERMAN UNIFICATION FOR THE FUTURE CONTOURS OF EUROPE AND THE ROLE OF CSCE IN THIS NEW ORDER.

DEVELOPMENTS IN THE TWO GERMANIES WILL PLAY A MAJOR ROLE IN DETERMINING THE FUTURE OF EUROPE AND EAST-WEST RELATIONS. THE REOPENING OF THE POLISH-GERMAN BORDER QUESTION, AND THE INTENSITY OF EMOTIONS AROUSED BY IT, ATTEST TO THIS. THE BORDER ISSUE ALSO DEMONSTRATES THE NECESSITY FOR ALL INTERESTED PARTIES TO WORK TOGETHER TO AVOID MISUNDERSTANDING AND TO FIND AN ACCEPTABLE FRAMEWORK FOR RESOLVING DIFFERENCES WHEN THEY DO INDEED EXIST.

REGARDING THE POLISH BORDER, WE ARE PLEASED THAT CHANCELLOR KOHL HAS RESPONDED TO POLAND'S LEGITIMATE CONCERNS

AND WE AGREED WITH THE DECISION TO INCLUDE POLAND IN ON ANY "2 + 4" DISCUSSION OF THE BORDER ISSUE. THE UNITED STATES, OF COURSE, SUPPORTS THE PERMANENCE OF THE EXISTING ODER-NEISSE LINE AS THE BOUNDARY BETWEEN POLAND AND GERMANY.

THE FACT THAT THE "2 + 4" TALKS GOT UNDERWAY BEFORE THE MARCH 18 ELECTIONS IN EAST GERMANY IS ANOTHER INDICATION OF THE IMPORTANCE OF THE ISSUES AT STAKE IN GERMAN UNIFICATION. ON ONE LEVEL, THE TWO GERMANIES WILL WORK TOGETHER TO FIGURE OUT THE INTERNAL BLUEPRINTS FOR UNIFICATION. ON ANOTHER, IN THE PROCESS OF AGREEING ON GERMANY'S SECURITY ROLE IN THE EAST-WEST CONFIGURATION, THE GERMANIES, THE FOUR ALLIES AND OTHER STATES, WILL ESSENTIALLY HAVE TO DRAW UP BLUEPRINTS FOR A NEW EUROPE. AMONG THE ISSUES THEY WILL FACE ARE WHETHER GERMANY WILL BE NEUTRAL OR A MEMBER OF NATO, WHETHER ITS ARMED FORCES WILL BE LIMITED, AND WHETHER TO REDUCE OR REMOVE ALTOGETHER AMERICAN AND SOVIET TROOPS CURRENTLY STATIONED IN THE FRG AND GDR.

THESE ISSUES RAISE QUESTIONS ABOUT THE PURPOSE OF AND NEED FOR NATO IN A POST-COLD WAR ENVIRONMENT, ESPECIALLY AS THE WARSAW PACT APPEARS TO BE IN INCREASING DISARRAY. SOME IMPORTANT VOICES IN EUROPE AND THE UNITED STATES ARE ASKING WHETHER THE TWO SECURITY ALLIANCES REQUIRE ALTERATION OR PERHAPS REPLACEMENT BY A NEW ALL-EUROPEAN SECURITY SYSTEM. WEST GERMAN FOREIGN MINISTER HANS-DIETRICH GENSCHER, FOR EXAMPLE, HAS SUGGESTED FORMING PERMANENT ORGANIZATIONS WITHIN CSCE TO ADDRESS EUROPEAN SECURITY ISSUES. OTHERS BELIEVE THAT NATO WILL CONTINUE TO PLAY A CRUCIAL ROLE, ALTHOUGH PROBABLY MORE AS A POLITICAL THAN A MILITARY ALLIANCE.

GERMAN UNIFICATION ALSO HAS PROFOUND ECONOMIC IMPLICATIONS FOR THE GLOBAL ECONOMY. MANY WEST EUROPEANS WORRY THAT THE FRG'S FOCUS ON UNITY WILL DELAY THE GOAL OF ACHIEVING A SINGLE UNIFIED MARKET IN 1992. INVESTORS IN TOKYO, LONDON, AND WALL STREET ARE WORRIED ABOUT THE POSSIBLE INFLATIONARY IMPACT OF MONETARY UNIFICATION AND ITS EFFECT ON INTEREST RATES WORLDWIDE. OTHERS POINT TO THE NEW INVESTMENT OPPORTUNITIES UNIFICATION WILL OPEN UP FOR EVERYONE.

ALL OF THESE ISSUES OFFER CHALLENGES AND OPPORTUNITIES TO THE UNITED STATES AND ITS ALLIES. OUR GOVERNMENT MUST FORMULATE ITS POLICIES ON THESE FUNDAMENTAL CONCERNS THAT ARE AT THE HEART OF AMERICAN SECURITY AND ECONOMIC INTERESTS. AS WE ENTER THE LAST DECADE OF THE 20TH CENTURY, WE MUST DECIDE HOW BEST TO RESPOND TO REVOLUTIONARY CHANGE IN OUR WORLD.

Chairman DeCONCINI. Does the Senator from Wyoming have any opening statement?

BRIEF COMMENT BY SENATOR MALCOLM WALLOP FROM WYOMING

Senator WALLOP. Mr. Chairman, no, I don't, and I look forward to their statements.

My guess is that the principal role of the Two-plus-Four process is to satisfy ourselves and not to really have much of an effect on it, because I think German reunification is a German fact and a German act. While we might hope we had some say in it, I don't know what we would do if they were to say, well, you can take your say and you can have it but we will do what we like. I don't think we are prepared to mend the wall.

But, I appreciate your statement very much, that they ought to remain in NATO, and that the strength of Europe and the stability of that whole region depends upon a U.S. presence and a NATO presence there.

Thank you, Mr. Dobbins.

Chairman DeCONCINI. Secretary, when do you think that unification may occur?

Secretary DOBBINS. I think the current expectation is something like 1 year to 18 months, is a guess. It really is going to evolve from a process of negotiation between one government that exists and another one that doesn't yet exist.

I think as they go into that negotiation, undoubtedly, complexities will arise that they haven't yet fully recognized. I think you are already seeing that as they try to fashion the economic and monetary union which will be a short-term, but very significant step toward unification.

Helmut Kohl recently said that he expects that the December elections in the Federal Republic will be West German elections, which would mean that Germany hadn't been reunified as of that date. And then, I think I am quoting him correctly in saying that he thought that there would be all German elections, I think he said in the second half of '91, which would mean by then you had achieved reunification. So, somewhere in between those two dates is where at least he seems to expect the process by which the GDR ceases to exist as a geritical international actor will have taken place.

Of course, unification will take place in an incremental fashion. Economic and monetary union will be a major step, probably unparalleled any to major states, and even after geritical unification there will probably be a process of several years during which the legal structures and economic structures of the two sides are harmonized, so it may be 5 years or more before you have a full harmonization and a full unity in the sense of a single state with a single body of law.

Chairman DeCONCINI. Mr. Dobbins, let me ask you this—What is the issue of reparations owed to various countries? Is it an issue, number one? What does it amount to, and what is the amount owed to the United States?

Secretary DOBBINS. Well, I am reluctant to try to give you a definitive answer on that, because I don't have all of the answers.

I think that there's a distinction, first of all, between reparations and claims. Reparations would be, as I understand it, essentially, war damage. Claims would be expropriated property, that sort of issue.

The reparations, you have reparations for World War I and World War II. World War I reparations would be reparations which were agreed to in the Treaty of Versailles and then not fully paid. Reparations for World War II would be the same thing, but they were never adjudicated or agreed to, so their exact dimension isn't known.

I think that for the four powers, some or all of these reparations were settled by expropriations, by the use of overseas assets that Germany had at the conclusion of World War II. Other countries, I think, still have outstanding reparations which they haven't settled, and which they may wish to raise.

Chairman DeCONCINI. Who knows that?

Secretary DOBBINS. I don't think—well, I mean, I think—

Chairman DeCONCINI. Do you have that available?

Secretary DOBBINS [continuing]. the Legal Advisor's Office is, obviously, now reviewing these kinds of—the State Department's Legal Advisor is now reviewing these kinds of issues, opening the history books, and looking at the detail.

But, in terms of putting dollar figures on it, I don't think that's ever been done. In other words, the countries who would have reparations, for the most part, have not, themselves, come forward. Some of them have. I think Yugoslavia, for instance, named a figure recently, I read in the newspaper. So, a few have, but others have not.

This could be an issue if countries wish to pursue it.

Chairman DeCONCINI. Where do they pursue it?

Secretary DOBBINS. They would pursue it, I would assume, in negotiations with a unified Germany, and the unified Germany would have to take a position on whether or not it was prepared to enter those negotiations.

As I say, there is a distinction between reparations and claims. There are also outstanding claims which are of a different character.

Chairman DeCONCINI. And, do you anticipate this becoming an issue as the reunification process moves ahead. Like you said, Czechoslovakia, I think Poland has raised the issue. I wonder, are we talking about a problem here, or is it unrealistic to think it's going to be a pressing issue?

Secretary DOBBINS. Again, I have to give you a preliminary answer. My preliminary answer would be that it may become an issue between Germany and certain states following unification.

Chairman DeCONCINI. After it is all finished?

Secretary DOBBINS. After Germany is unified, then the issue of whether it is prepared to pay reparations to certain states may become an issue.

Chairman DeCONCINI. What's the significance of the statements of Prime Minister Kohl regarding the Polish borders, and what ap-

pears to have changed from his original position? Do we know what the West German position is regarding the Polish borders?

Secretary DOBBINS. The West German position, and, for that matter, the East German position, but the West German position on the Polish borders is, and borders in general is, that German reunification will be accomplished within the current territory of the Federal Republic, the German Democratic Republic and Berlin, nothing more, nothing less, that Kohl has proposed that as soon as the GDR has formed a government, the parliaments of both the GDR and the FRG should pass resolutions in which they express their commitment to the current border and their renouncing all claims, territorial claims against Poland, that that should be followed by a treaty negotiated between a unified Germany and Poland and signed between a unified Germany and Poland, which would finalize and contractualize that same position.

Chairman DECONCINI. Now, is that in accord with what Mr. Mazowiecki and the Polish Government have indicated they want, to be a participant in the Two-Plus-Four?

Secretary DOBBINS. That question, I think, has been resolved. At the first meeting of the Two-Plus-Four, which was held at the level of senior officials several weeks ago, it was agreed that Poland would be invited to participate when the issue of its borders was discussed, and the Germans were a full participant in that decision and fully concurred in it.

So, I think in that respect the German position and the Polish position is identical.

Chairman DECONCINI. So, if the two separate German Governments pass resolutions and, ultimately, reunify—then enter into a treaty with Poland satisfying the Polish Government. Is that what the Polish Government wants?

Secretary DOBBINS. I think it should fully satisfy the Polish desire. I think there is, at the moment, they would prefer to actually begin the negotiation of that treaty before there was a single German interlocutor, that is, to negotiate it with the two German states, and then sign it with the single German state.

The Federal Republic at the moment's intention seems to be to begin the negotiations once there's a single German interlocutor for those negotiations. That seems to be, as far as I can determine, the only difference between the two sides, is this procedural difference.

Chairman DECONCINI. Turning to another question of NATO vis-a-vis the Warsaw Pact and security structures, what is the current status of a unified Germany becoming part of NATO? I know that Mr. Kohl has called for this publicly, but what is the position of East Germany, and what do you think will happen once unification comes about?

Secretary DOBBINS. Well, East Germany doesn't have a government yet. The previous government expressed a preference for neutrality, but that wasn't surprising, that was the former Communist regime.

My expectation is that while, for reasons of unfamiliarity with NATO as much as anything else, that the East German Government is not going to advocate it as strongly as the West German Government. My expectation is that a government that reflects the

kind of majorities which the party—the CDU and Christian Democrats and parties allied with it received is going to be, in principle, willing to go along with the dominant view in the Federal Republic of Germany, which is that NATO should remain—that Germany should remain a full member of the NATO Alliance.

Chairman DECONCINI. The Soviet Union has taken a position against that, is that correct?

Secretary DOBBINS. The Soviet position, I think it's fair to say, is against that, although the Soviets clearly have not themselves decided what their bottom line is or what their really preferred alternative is. They seem to acknowledge that neutrality in the traditional sense is probably not a very good idea either for a state as powerful and as centrally located as Germany.

They talked in rather vague terms about a new European security order, without really being able to define it. I think it continues to be our view that Germany's continued membership in NATO is a stabilizing factor throughout Europe. I think Germany's neighbors to the East, as well as the West, recognize that and are increasingly willing to express that openly, and it is argued that it is actually also supportive of Soviet security, and that the Soviets themselves can over time be brought to recognize that.

Chairman DECONCINI. If the decision ultimately is to stay associated with NATO, what options do the Soviets really have if they object, what can they do?

Secretary DOBBINS. Well, I think that the Soviets have—
Chairman DECONCINI. They have troops there, so I guess—
Secretary DOBBINS [continuing]. they have troops there, and they have continuing legal rights.

Chairman DECONCINI. Yes.
Secretary DOBBINS. The objective of the Two-Plus-Four process is to—in our view, is to end those rights, that is, to terminate the—

Chairman DECONCINI. All those rights of—
Secretary DOBBINS [continuing]. terminate all of the rights deriving from the Second World War, to turn those over to a sovereign democratic, responsible Germany.

Of course, that Germany has already limited its sovereignty in terms of its membership in the European Community, and NATO, and the United Nations, and all of its other treaties and international obligations, like all states do, and it's clearly willing to continue to enter into further obligations, which on a reciprocal and balanced basis would provide other countries the assurances they seek regarding security, regarding other arrangements.

But, in our view, those kinds of assurances and limitations should not grow out of the Second World War, they should grow out, rather, of a voluntary balanced and reciprocal agreements between Germany, its neighbors and other states.

But, to go back to your question, sorry, I was wandering, the Soviet Union has rights which it could refuse to give up, in theory, and it has troops which it could refuse to remove.

I think as a practical matter, both of those options are of limited utility. The Soviet Union doesn't want to make an enemy of Germany, anymore than anyone else does if it can avoid it. It doesn't want to be perceived as the obstacle to what clearly the 80 million Germans feel should occur, which is, peaceful reunification.

And, the troops themselves, if they stay there after unification, after you have a Western market-oriented environment in which they are existing, their existence itself may become more difficult, both to fund and also politically to sustain.

Chairman DECONCINI. Under reunification, do you foresee a total withdrawal of United States and all foreign troops?

Secretary DOBBINS. No. I think our view is that it's important to maintain, not just for Germany, but for Europe, a multi-national defense structure, that a return to a reliance on national defense structures, even within a broad collective security environment, would, over time, begin to increase suspicion, maneuvering the sort of old geopolitical game among countries, which would, in turn, begin to undermine the political and economic structures, like the European Community for instance, which require a basis of trust, of confidence, in order to continue their process of integration and unification.

Therefore, we want to preserve a multi-national defense structure, and we believe that an American commitment to that structure is an essential element of a glue that holds us together, and we believe that other countries should continue to participate in this structure as well.

Chairman DECONCINI. Does the emergence of German nationalism come into this as well?

Secretary DOBBINS. I mean, I think that there—that nationalism isn't necessarily a pejorative concept. It depends on whether that nationalism is abused or not.

I think the emergence of a healthy German nationalism, a pride in what Germany has accomplished in the Post War Era, a pride in the East and the democratization which they've achieved, a pride in the West, in the stable, prosperous society they've created, which has become a magnet for all of Eastern Europe, I think that kind of nationalism is perfectly healthy and should be encouraged.

I don't see that this is necessarily inconsistent with Germany's continuing to participate in a multi-national defense structure.

Chairman DECONCINI. Thank you.

Mr. Hoyer?

Cochairman HOYER. Thank you, Mr. Chairman.

What kind of coordination, if any, are we having with the Soviet Union in discussions, as it relates to unification?

Secretary DOBBINS. We, of course, have had regular bilateral discussions with them across the range of issues, and Germany occurs in those discussions as an issue.

The bilateral discussions we've had with the Soviet Union were instrumental in creating this Two-Plus-Four forum. I think it's generally recognized that Secretary Baker's visit to Moscow, which immediately preceded the visit of Chancellor Kohl to Moscow, which, in turn, both led to the announcement of a willingness to participate in the Two-Plus-Four type of process by both the Soviets and the Germans, and the statement by Gorbachev that he wasn't going to stand in the way of unification, I think it's seen that this was a very constructive interaction of diplomacy, and that one helps prepare the way for the other.

I think we are all, at the moment, waiting for the East Germans to form a government, before we can really engage the process

much further, that in our view the process should begin with self-determination, should proceed to discussions between the two Germans on how to achieve unification, and then the other countries should comment and have their influence at that stage.

And so, we're waiting for the necessary beginning of discussions between the two Germans.

Cochairman HOYER. Let me ask you, Mr. Secretary, about some of the troop questions that will obviously be impacted by this reunification.

As I understand, what we've agreed to do is to limit troops to 195,000 in the Central Zone on the premise that those troops, however, would be invitees of the host countries, with an additional 30,000 troops outside the Central Zone.

Our premise, is that the Soviet troops are not invitees and are prepared to withdraw all their troops.

If a unified Germany suggested all of our troops be withdrawn, is it our position that that would be an acceptable alternative?

Secretary DOBBINS. Well, I don't think I would accept the hypothesis. I don't think it's likely. Clearly, we are not going to station troops in any country that's rejected them, least of all in a democratic ally like the Federal Republic of Germany, but I think there's a clear perception in Germany that the American commitment and the existence of a multi-national defense structure is a stabilizing, reassuring element that creates a context in which reunification is more acceptable to Germany's neighbors, and, indeed, to the Germans themselves. It gives them an assurance of security and a familiar context for approaching security issues.

I think it is our expectation that while there may well be some Soviet troop presence in East Germany after unification, that it will be transitional, and that they will eventually leave. They haven't committed themselves to do so as yet, but we would expect events to move in that direction.

Cochairman HOYER. I mentioned it in my statement, and you also mentioned in your statement, the role of the CSCE. You also mentioned the proposal that I articulated on behalf of the United States in Paris last year, of free elections.

Secretary DOBBINS. Right.

Cochairman HOYER. What further steps do you see, both in the context of unification, and also in the broader context, of further formalizing that suggestion first made in Paris and now to be discussed, hopefully, again in Copenhagen?

Secretary DOBBINS. Well, I think that we would like to see two steps in institutionalizing the process of free elections. One would be to achieve a fairly rigorous and generally acceptable definition of what is a free election, which requires a plurality of parties, regularly scheduled elections, all of the general definitions that we would want to apply.

And, the second is to have a system for admitting election observers, that is, a commitment by all of the states to permit election observers, and some means by which they are accredited and given appropriate access. And, our hopes would be that this could be discussed in the Copenhagen human rights meeting, and an agreement made on those two points.

Cochairman HOYER. Thank you.

I yield to Senator Wallop.

Chairman DECONCINI. Senator Wallop?

Senator WALLOP. Mr. Chairman, thank you.

Mr. Dobbins, I'd like to explore a little bit more, if you would—and it may not be possible, if that is the case please just say so—but I'd like to explore a little bit about the Two-Plus-Four process. What might our relationship with the Soviets be there?

For example, is there any talk between us of imposing a treaty?

Secretary DOBBINS. No, absolutely not, and I don't think anybody—I don't think anybody has the illusion that we are—we, or the four as a whole, are in a position to impose an agreement on Germany.

I think there is a recognition, including on the part of the Soviet Union, that it's 45 years since the Second World War, and that this is not a peace conference in the normal sense of the word, that it's quite a different process.

I think the Soviet Union has objectives in that process and they may not entirely be consistent with our own, but nobody is talking about imposing anything on Germany. And, in fact, the very name, Two-Plus-Four, really denotes the fact, and the fact that's occurring in Germany, that the Germans were the host for the first and probably for successive sessions, is that this is not the victors inviting the vanquished to listen to the terms, but quite a different process.

Senator WALLOP. I guess I pick up some talk of issues that causes me concern, one of which is legal rights. I heard Mr. Walgrave talk about legal rights last December, and said that we had them by virtue of the fact that we'd won the war, and I was curious to know how we intended to exert them and what they might be.

Secretary DOBBINS. Well, I think quite contrary to intending to exert them, we intend to formally transfer them, to devolve them on a unified and sovereign Germany, but to do so in a manner that's agreeable to all, if we can, to all of the four powers, and through a negotiated process with the two, and then the one Germany.

So, it's a way of, essentially, ending certain after effects of the war, that is, these rights. I mean, we do have not only legal but practical responsibilities in Berlin, for instance, at the moment, which we will have to turn over to a German Government.

Senator WALLOP. That would be more in fact than paying some sensible—or acceding some sensible credibility to their rights, rather than asserting our own.

Secretary DOBBINS. The process really is not a process of asserting our rights, but rather, recognizing that we achieved—the United States and the Western powers continued to exercise their rights, for instance, in Berlin, essentially, in trust until a democratic unified Germany could be achieved.

And so, once we've defined that we've achieved that, then we can take the next step, which is to turn over responsibility.

Senator WALLOP. One of the things that concerns me about the four, and I understand how we got to be four, but there's been quite a difference between three of us and one of us that made up that four. Is reparations part of this concept?

Secretary DOBBINS. No. I think—

Senator WALLOP. And, if so, will the Soviets be asserting rights to reparations?

Secretary DOBBINS [continuing]. none of the four powers has raised reparations, including the Soviet Union. I think the Soviet Union, I don't know whether the Soviets would admit this, but the Soviet Union, I think, essentially, took its reparations in kind in the immediate aftermath of the war. That is, they uprooted whole factories.

Senator WALLOP. I think some Lithuanians would say the same, but the Soviets are asserting rights to reparations from Lithuania for her declaration of independence.

Secretary DOBBINS. They haven't used that argument as yet in approaching the German issue.

Senator WALLOP. Well, I guess my hope would be that we would steer away from trying to lend some kind of legitimacy to a Soviet claim of equivalence as these goals that the allies have had since the end of World War II come to be realized.

I think that we could have had a reunified Germany any time we wanted to, so long as it was allied with the Soviet Union.

Secretary DOBBINS. I am not sure the West Germans would have—

Senator WALLOP. They would not have, no, but—

Secretary DOBBINS [continuing]. been prepared to reunify on that basis.

Senator WALLOP [continuing]. they always dangled that out as an offer.

Secretary DOBBINS. Sure.

Senator WALLOP. That was the thing which Adenauer resisted so strenuously, and which most of the left wing of Europe tried so hard to do. It would have been more stable, they said, to have a neutral Germany. That was an option that West Germany has had, and I would just hope that we maintain some tie with the history of why there was the separation and how we got to the point now where it's being realized on terms that the allies have sought from the beginning.

Secretary DOBBINS. Absolutely.

Senator WALLOP. Thank you, Mr. Chairman.

Chairman DECONCINI. Mr. Secretary, thank you very much for your statement this afternoon and for answering some of the questions that are changing very fast. You could probably come here every week and give us an update if you had the time and we had the time. But, it's most helpful to have you here, and we appreciate your cooperation with the Commission.

Secretary DOBBINS. Thank you very much, Mr. Chairman. I am at your disposal.

Chairman DECONCINI. Thank you so much.

Our next panel will begin with Mr. Wolfgang Pordzik. He is the Director of the Washington Research Office of the Konrad Adenauer Foundation, a Germany-based think-tank affiliated with the Christian Democratic movement and Prime Minister Kohl. He has wide experience in arms control and other European security issues.

Next will be Mr. Dieter Dettke, the Director of Washington and New York offices of the Friedrich Ebert Foundation, a German-

based think-tank associated with the Social Democratic Party. Mr. Dettke has written widely on security issues, East-West relations and U.S. foreign policy.

Gentlemen, would you please join us, and if you would like to start, Mr. Pordzik, please?

PANEL 2 CONSISTING OF MR. WOLFGANG PORDZIK, DIRECTOR OF THE WASHINGTON RESEARCH OFFICE OF THE KONRAD ADENAUER FOUNDATION, A GERMANY-BASED THINK-TANK AFFILIATED WITH THE CHRISTIAN DEMOCRATIC MOVEMENT AND PRIME MINISTER KOHL; MR. DIETER DETTKE, DIRECTOR OF WASHINGTON AND NEW YORK OFFICES OF THE FRIEDRICH EBERT FOUNDATION, A GERMAN-BASED THINK-TANK ASSOCIATED WITH THE SOCIAL DEMOCRATIC PARTY

STATEMENT OF MR. WOLFGANG PORDZIK

Mr. PORDZIK. Thank you, Mr. Chairman. I certainly appreciate the opportunity to share with you some thoughts concerning the ongoing efforts towards German unification.

I did submit a summarizing testimony which I will not read at this point.

I would only like to emphasize a few points, partly in response to what has been said earlier.

I can assure you that all political leaders in the Federal Republic of Germany, and the vast majority of the West German population, particularly, the younger generation, is acutely aware that German unification and the process leading to German unification cannot be viewed as an internal family affair.

The historic Holocaust anxieties, sensitivities are very much on the West German mind, particularly, I repeat, among the younger generation, and also among the older generations.

It has been discussed to what extent East Germany has digested the German past. We don't really know. The only documentation was the election result of March 18, and all analysts agree that if right wing groupings had the opportunity to run their candidates in East Germany, they would have probably received the same result as they have received in West Germany, that is to say, a marginal percentage of up to 5 percent. That's all we know at this point.

I think it is very important to involve the East Germans as widely as it possibly can be done. The purpose of education, the stabilization of a democratic political culture in East Germany cannot be left to the West Germans alone, and I think it would be a very wise investment to try to involve as many East Germans into American-German activities as possible, not just East Germans, certainly, also Hungarians and representatives from Czechoslovakia and Poland.

I would like to note at this point that international party relationships could play a crucial role, and we would like to see a large engagement of both American parties, vis-a-vis those emerging democratic structures in East Germany, but beyond that, in Eastern Europe as a whole.

The pace of the process towards unification has been determined only by the people in East Germany. Until very recently, more

than 2,000 East Germans moved to the Federal Republic every single day. Altogether, more than 500,000 Germans have moved to the West during 1989 and until March 18 of this year. This burden has caused the Federal Republic to reach the limits of its resources, particularly, in the housing sector, and has threatened to unravel the basic structure of the East German society in certain rural East German areas, for instance, medical services are already endangered.

The West German Government, and, quite frequently, this has been overlooked by many political commentators and observers, would have preferred a more gradual, a slower step-by-step process towards unification.

Chancellor Helmut Kohl himself, in November 28 last year, in his 10-point plan, envisioned a slow moving process via a community of treaties between the Federal Republic of Germany and East Germany over the course of several years. The East Germans did not accept that time frame. The East Germans did not have left any confidence in their own government, in their own political structure. And, on March 18, that's, I think, the message of the election results, they, by a vast majority, voted to unify as quickly as possible between West Germany and East Germany.

It also has become very clear that the mechanism for unification also is evident. It will be done in accordance with Article 23 of the West German Basic Law, the West German Constitution, and not according to Article 146 as the left in West Germany, the Social Democrats and the SBD in East Germany would have preferred.

It is important to note that there will be no constitutional assembly, that East Germany will join the Basic Law of the West German Constitution with all its provisions. That's the meaning of the message of the election results of March 18.

The future security architecture in Europe has to be based on both NATO and the CSCE process. It would be dangerous to look at NATO and the CSCE in alternative terms, a combination of both seems to be wise for the foreseeable future.

The CSCE process does deserve more structure and careful thinking, whether that process could be transformed into a legally binding treaty.

Yet, CSCE cannot substitute for NATO, it can only be supplementary. Incidentally, NATO, in addition to providing for military deterrent, has always been profoundly political in nature. That is why there is no similarity between the two alliances.

Germany's membership in NATO will remain non-negotiable. Chancellor Helmut Kohl has reemphasized his commitment time and again. The East German election result, with its vote of confidence for Helmut Kohl, also has to be viewed in light of his irrevocable support for NATO.

Let me conclude with a final comment, also because it was touched upon earlier in regard to the Polish border question. I think it's crystal clear that nobody in the Federal Republic of Germany will ever change the current border between Poland and East Germany.

The issue has always been whether the Federal Republic of Germany could legally commit itself to that guarantee. As it was pointed out earlier, very recently the West German Parliament,

again, voted in order to confirm the inviability of that very border, and I would simply note that within the center right coalition, within the CDU/CSU/FDP-coalition, nobody voted against that resolution, only five members abstained.

I would like to point out that 6 months ago this vote probably would have been somewhat different. I think this needs to be said in order to give appropriate credit to Chancellor Kohl's role, who was not insensitive to concerns abroad, but he also felt that for the future it should be guaranteed that not within Germany—people, politicians, other representatives, would blame him later for having given up some "rights."

As I have said before, this resolution of the Bonn Parliament was voted upon 2 weeks ago, and I am confident that as soon as the East Germans get their act together, in other words, have formed their government, we will have a similar resolution voted upon with a vast majority by the East Germans.

Thank you very much.

[The prepared statement of Wolfgang Pordzik follows:]



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**Konrad
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Stiftung**

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Aspects of the Process towards German Unification

- 1.) The political landscape in Central Europe has undergone fundamental changes over the last year. For the two German states these breathtaking changes have provided the opportunity for unification. German unification has to be integrated into the overcoming of the division of Europe and the East-West conflict as a whole. Traditional nationalism will not be revived because, increasingly, Germany's political authority will be absorbed by and transferred into the process of European integration. As the famous German writer Thomas Mann put it already more than 30 years ago: "We don't want a German Europe. We strive for a European Germany."
- 2.) German unification cannot be simply viewed as an internal family affair. Concerns and anxieties on the part of Germany's neighbors and friends have to be recognized and dealt with in a straightforward manner. As Chancellor Kohl put it during his most recent visit to the European Community (EC) in Brussels: "We don't want a Fourth Reich. We don't want to steamroll anybody. We don't want to behave like the famous elephant in the china store."
- 3.) The process of German unification was made possible by the support and steadfastness of the members of the Western alliance, among them, first and foremost, the United States. The German people recognize with gratitude the crucial role of the American leadership and policies towards that objective. German unification will not undo the territorial consequences of World War II, it will only overcome the results of the Cold War between East and West after the Second World War.

World War II led to changed borders between Germany and Poland. Nobody will ever change these borders. It is in this context that Art. 23 of the West German Constitution should be abolished after the accomplished accession of the five East German states to the Basic Law.

- 4.) The pace of the process towards unification has been determined by the people in East Germany. Until very recently, more than 2000 East Germans moved to the Federal Republic every single day. Altogether more than 500.000 Germans have moved to the West during the last year and until this year's elections of March 18. This burden has caused the Federal Republic to reach the limits of its resources (in particular housing); but even more importantly - it is threatening the basic structure of the East German society.

The West German government would have preferred a more gradual process towards unification. In his 10-point-plan of November 28, 1989, Chancellor Helmut Kohl envisioned a treaty community between the Federal Republic and East Germany and a step-by-step process towards a federation over the course of several years. The East Germans have overridden that time frame in a double sense: by leaving their country and by voting for a quick unification on March 18.

- 5.) The election results of March 18 in the GDR have made it clear that East Germans want a constitutional system that will protect civic freedoms, a system based on free democratic principles, social responsibility and the rule of law, and that they desire the speedy establishment of a social market economy.

For the East Germans, these were the first free elections for a central parliament in 58 years. It was a great triumph for democracy that 93 % of the registered voters participated in the election. In view of the recent election result, there is no reason to be concerned about right-wing extremist groupings in East Germany. If the right-wing groupings had been allowed to present their candidates, they would have achieved the same election result as they did in the Federal Republic.

- 6.) The exact time table for the process towards unification is difficult to determine. The intra-German process (the 2-part of the "2 + 4" formula" so to speak) is well under way. Despite the current controversy concerning the exchange rate, the monetary union will be established during the summer of this year. On May 6, the East Germans will go through a second election cycle. At that time, they will elect their municipal and state governments. The 5 East German states will have been reinstated in order to pursue the option according to Art. 23 to individually join the West German Basic Law.

- 7.) The CSCE-Conference scheduled for the Fall of 1990 will be considerably more complicated than the intra-German process. This week's ministerial meeting with the Soviets here in Washington will be crucially important. On the agenda will be the substance of the "2 + 4 formula", in other words, how to terminate the 4 power rights in Germany.

It is of crucial importance not to impose any special status or any special restrictions on a future Germany unless the Germans themselves determine the nature and the scope of such restrictions. In this context, it should be pointed out that, like other countries, the Germans will renounce also for the future the possession and custody of nuclear, biological and chemical weapons.

- 8.) The future security architecture in Europe has to be based on both NATO and the CSCE-process. The CSCE-process does deserve more structure, yet cannot substitute for NATO, it can only be supplementary. Incidentally, NATO, in addition to providing for military deterrence, has always been profoundly political in nature. That is why there is no similarity between the two alliances.

Germany's membership in NATO will remain non-negotiable. Chancellor Helmut Kohl has reemphasized this commitment time and again. The East German election result, with its vote of confidence for Helmut Kohl, also has to be viewed in the light of his irrevocable support for NATO.

- 9.) NATO itself will undergo substantial changes with regard to force structure and strategy. The expected U.S. withdrawal will change the current layercake structure. The ongoing Vienna negotiations and their result will further impact on NATO. CFE (and there is no clear distinction between phase I and II) will have to focus primarily on how to reduce the Soviet force levels, on what restrictions will be put on the German Bundeswehr and on Soviet forces on East German territory.

Despite the democratization of Eastern Europe and the disintegration of the Warsaw Pact, the Soviet Union, with its substantial strategic nuclear inventory will continue to pose a formidable military threat. Only NATO is capable of providing the necessary cohesion to counterbalance this threat. All ongoing discussions about the revival of the European Defense Community (EDC) appear naive and unrealistic. A continued U.S. troop presence in Central Europe remains essential.

- 10.) Despite the surprisingly rapid movement towards a unified Germany and the current preoccupation in Bonn with intra-German matters, the process of integration of the European Community towards a single market by 1992 and beyond must not be slowed down. French-German leadership will assure without delay a process towards a currency community and closer political cooperation. It has become clear that the EC integration process, for the time being, will be deepened rather than widened. The EC cannot accept additional members before 1993, to say the least. East Germany will not assume a separate or additional membership. Through the process of accession to the Federal Republic, it will automatically join the EC. For the evolving market economies in Eastern Europe, the European Community will become increasingly attractive. EC integration is in the best interest of Poland, Hungary, Czechoslovakia and the Soviet Union. As Jacques Delors put it: "One needs to be strong to be generous."

Wolfgang Pordzik

Chairman DeCONCINI. Thank you, Mr. Pordzik. Do you think that a unified Germany, or at least the Kohl government, is prepared to sign a treaty with Poland, guaranteeing present borders? We heard testimony that as this evolves, and unification takes place, Mr. Dobbins said that's what he would hope would happen, that there would be a treaty negotiated between the two countries that would guarantee the borders. Do you believe that's what will ultimately take place?

Mr. PORDZIK. Yes. As the West German Government, both the Chancellor and the Foreign Minister have indicated several times, there's no objection to have the Poles at the table, and if the Polish Government does demand a written guarantee, a legal guarantee, in addition to all the other guarantees which have already been given, and in addition to the CSCE framework agreement from 1975, that can certainly be met with agreement by the Kohl government.

Chairman DeCONCINI. Thank you.

Mr. Dettke?

STATEMENT OF MR. DIETER DETTKE

Mr. DETTKE. Thank you very much, Mr. Chairman.

Chairman DeCONCINI. And, excuse me, your full statements will appear in the record. We appreciate you submitting them to us.

Mr. DETTKE. Thank you, Mr. Chairman. It's a great honor for me to be here. I have a written statement too that I would like to submit for the record.

Let me start with a few remarks based on that statement. First, on unification, particularly, the pace of unification, I would like to point out that it is difficult to see how unification could be stopped.

The Soviet Union might be able to complicate it, but I don't think that the Soviet Union can, at this time, block the process anymore at least at acceptable costs. So, unification will occur.

It depends a little bit how you look at unification; how you define it, what time or time-framework might be the best way to look at the process.

If unification, for instance, would be symbolized by all German elections, then we would have German unification within a year or so. If by unification you understand to bring up the GDR to the same economic level as in the Federal Republic of Germany, then I am sure we need a decade or so in order to do that.

Unification, in my view, is a result, and that has been said here too, of democratic revolution in the GDR against the backdrops of a crisis of authoritarianism.

The CSCE process, I would like to add, laid important foundations for a climate of change that ultimately triggered powerful democratic revolutions.

The second point I'd like to mention here is that we need to address two major concerns. One is economic concerns and the other is political and security concerns.

As far as the economic issues are concerned, there are still too many refugees as of today. The figures are dropping, are going down, but the underlying cause for the exodus is not removed. And,

the underlying cause clearly is the income and productivity gap between the Federal Republic of Germany and the GDR.

So, in order to reform, the economic monetary and social union in the case of the two Germanies is certainly the right step to take, but it might make things worse, at least at the beginning. The main problem that I would foresee in the short run, in the next 6 months or so, is that unemployment in the GDR will rise dramatically, even under the assumption that there will be monetary union, that there will be economic union, that there will be social union.

But, the long-term chances for the GDR economy are certainly good. The GDR is a welfare case, if you want, only temporarily in my view.

The economic weight of a united Germany should not be a real problem in my view, at least it should not be much more of a problem than the present FRG poses a problem in the present circumstances.

The main reason, in my view, is that the new Germany, like the FRG, will be firmly integrated into the European Community.

If a unification would be achieved at the expense of European integration, Germany might end up and will end up in a less stable international situation, and nobody wants that to happen.

As far as political and security issues are concerned, the most important danger that I would see is the possibility of a psychological isolation of the Federal Republic of Germany, of a united Germany too. That is certainly not the intention of the Government or anybody else in Germany, but I would not totally exclude that it could happen, if we do not succeed in creating the proper international environment for unification.

The last thing Europe needs today is a relapse into old nationalistic patterns of behavior and conflict. Integration, not nationalism, must be our future.

In that respect, Mr. Chairman, I think the border question is so important, because if there would be an attempt to place existing borders in question, while beginning the process of unification, we would end up in a very explosive situation.

The security implications of the new situation in Europe are overwhelmingly positive, as I would see it. To be sure, there are also new sources of instability, and the new Europe is not necessarily a conflict-free Europe, but there are two important changes beneficial for the West.

First, today the Warsaw Pact is no longer a functioning military alliance. The Eastern bloc disappeared virtually, instead we have a new group of independent democratic nations in Eastern Europe.

Second, if CSCE negotiations are successful, there will be a net gain for stability in Europe. Two-thirds of the Soviet manpower in Europe will be reduced, 40,000 tanks, 55,000 artillery pieces, and 40,000 armored vehicles of the Soviet Union would be destroyed. The danger of a surprise or short-warning attack will be eliminated.

My third and last remark is about the CSCE process. The CSCE process is clearly the most appropriate and comprehensive framework for the new architecture in Europe. Also, as far as participants and substance is concerned, CSCE is essential. It includes the

two German states, the four victorious powers of World War II, Poland, France, the United States and Canada, as well as all concerned neighbors of Germany who support that a stable security framework is necessary. The only exception is Israel, and I think that should be taken care of appropriately.

But, one needs, of course, a more binding legal framework if CSCE would have to play a more important role. The Final Act needs to be transformed into a formal treaty and institutionalized, a permanent Secretariat, for instance, regular meetings of foreign ministers, and regular summit meetings.

Senator Nunn said recently that, "Large standing armies on guard in Western Europe are not necessarily the appropriate precaution to deal with instability or crisis in Eastern Europe, including the Soviet Union and Lithuania." I very much agree with that statement.

Thank you, Mr. Chairman.

[The prepared statement of Dieter Dettke follows:]

DIETER DETTKE

German Unification and the CSCE Process

INTRODUCTION

For the Federal Republic of Germany (FRG) unification is in many ways a serendipity and not the result of hard driven national policies and aspirations. Nobody in Germany -or elsewhere- expected German unification to happen so suddenly, so fast and in principle so overwhelmingly un-opposed. There is indeed surprisingly little resistance to unification inside or outside Germany.

What paved the way for German unification was not so much a grand design of the Federal Republic of Germany. Rather what we are witnessing is the bitter consequence of the failure of communist systems in general, dramatic changes by President Gorbachev and democratic developments in Poland and Hungary. In addition, the CSCE process had laid important foundations to help create the necessary climate of change in Eastern Europe, triggering powerful democratic revolutions. There is reason to believe that CSCE, German Ostpolitik and the detente policy of the West in general contributed tremendously to democratic

changes, and therefore, ultimately were successful in their objectives. All these factors also undermined the position and the confidence of the Honecker-Regime and the SED in the German Democratic Republic (GDR). On November 9, 1989, Honecker's successor, Egon Krenz came to the realization that he would be unable to deal with the increasing stream of refugees as well as the mounting domestic pressure from democratic and grassroots movements in the GDR and he finally opened the wall. It quickly became evident that deep in their hearts the East German Communists for all practical purposes realized that they had already lost control.

In view of the economic failure of the existing system, the lack of political legitimacy, and absence of any possible recourse to Soviet military support in the event of domestic upheaval, the SED threw in the towel. A Tiananmen Square solution or another June 17, 1953 was no longer possible. The end came more swiftly than anyone had imagined. Only shortly before, Egon Krenz had defended the Chinese model in public. Unification of Germany, therefore is to some degree also the result of today's crisis of authoritarianism, a political phenomenon that affected both left wing and right wing dictatorships in the late

1980's. It is no surprise that in the case of the GDR the regime crisis quickly turned into a drive for unification. The slogan of the democratic opposition "We, the people" almost instantly became "We are one people." Unification clearly came as a result of a genuine democratic revolution, possibly the most powerful and peaceful democratic revolution in German history.

I. THE PACE OF UNIFICATION

The unexpected, almost accidental nature of German unification made it very difficult from the beginning to control the speed of the process. In addition to that, the real driving force behind the process of unification is the people of the GDR and not the West German government.

For the Federal Republic of Germany, there was virtually no way to anticipate such a dramatic chain of events in the GDR. It was widely assumed that the GDR would be much more stable and the SED (Sozialistische Einheitspartei Deutschlands - or Socialist Unity Party of Germany) much more in control. Only two years ago, Chancellor Kohl received Erich Honecker with all the trappings of power in Bonn. There were numerous governmental contacts with the GDR, political, economic and cultural, and there were also contacts on a political party-to-party basis between the two Germanies.

1. Results of the March 18, 1990 Elections

The results of the March 18, 1990 elections in the GDR --which had to be moved forward from May to March 1990 because the caretaker government of Prime Mini-

ster Hans Modrow was clearly incapable of surviving until May-- unequivocally demonstrated that people in the GDR voted for the quickest possible route to unification. In fact, they wanted to get rid of their own system and therefore, March 18, 1990 will probably soon be seen as the end of the GDR as a second German state. As writer Stefan Heym wrote recently, and somewhat sadly remarked - from now on the GDR will be a mere "footnote in history." People in the GDR simply came to the conclusion that attempts to repair or reform the GDR system would not succeed.

Given the opportunity to vote for a direct avenue to political, economic and social institutions of the Federal Republic of Germany, they chose the "real thing" in the West rather than an improved GDR system.

Chancellor Kohl accelerated the pressure for unification in the GDR by his refusal to support the caretaker government of Prime Minister Hans Modrow financially. He thereby committed himself and the West German government to quick unification, including a monetary union immediately after the March 18 elections. The Chancellor's promise to exchange East

German Marks on a 1:1 basis for the West German Deutschmark was important in pushing voters into the arms of the East German sister party of the Chancellor's party, the CDU, although that same party for the last ten years had been part of the block party system which ruled the GDR together with the SED.

These first free elections in the GDR have been very unique in character. The results do not necessarily foreshadow a definitive voting pattern in East Germany. Traditionally, the Social Democratic Party has been much stronger than the electoral results of March 18, 1990 would indicate.

The SPD, founded in October 1989 only six months before election day in the GDR, but building on the strong support in that part of Germany before 1933, had the clear disadvantage of being the opposition party in West Germany at the national level. Voters anticipated- quite correctly- that sister parties in government both in West and East Germany would speed up the unification process.

The SED or PDS (Partei des demokratischen Sozialismus or Party of Democratic Socialism) as the SED is now officially named, had good reason not to subject

itself to a popular test in the course of more than 40 years in power. As the election results show, there is very little public support for the political system that the SED helped to create. With 16.3% of the votes and 65 seats in Parliament, the PDS actually did surprisingly well. In a united Germany, the votes for the PDS are likely to decrease. Without a GDR, there is no good reason to vote for the PDS. The votes for the PDS indicate the number of people in the GDR which feel threatened by the adoption of FRG political institutions in the GDR. In other words: voters of the PDS were those who wanted to maintain all or at least some of the GDR institutions. That number of people is relatively small.

It is amazing, but as we know from the history of revolutions not totally surprising, that the parties which helped so much to make the democratic revolution in the GDR possible did not fare well in the March 18 election. These men and women deserve our respect, because it is easy to oppose the SED and to denounce the Stasi-system (State security police) now. They courageously opposed the SED and the Stasi under much more difficult and disadvantageous conditions over the years.

2. Reckoning with the Past

Even though the March elections removed many intra-German obstacles to unification, the process itself is not at all trouble-free. Now that the principle is no longer seriously contested, the nitty-gritty details and practical problems will almost automatically slow down the process.

First of all, the transition from an authoritarian regime to a democratic society always difficult. There will be the necessary search for culprits to blame. A day of reckoning is inevitable and will not be easy, either for those who committed crimes or for those who seek punishment. There must be an attempt at reconciliation, for German unification can hardly start with a new internal division. It is better for the common German future if the necessary reckoning takes place in the present GDR without West German interference.

A particularly dark chapter for the East Germans will be confronting the role of the East German state security police called "Stasi". Der Spiegel, (Nr. 13, 1990, pg. 26) writes that this internal security force was stronger than the official army, the Na-

tionale Volksarmee (with approximately 173,000 troops, now also in disarray). There were 194,000 people according to Der Spiegel who worked officially and full-time for the secret police. The Washington Post (March 31, 1990) reports that 85,000 full staff people and 130 informants worked for the state security police. The real scourge for the GDR population were the informants -according to Der Spiegel 500,000- who secretly spied on private citizens at their work place, in clubs, associations and other private organizations. Any new government in the GDR will be absorbed to some degree with the necessary cleaning process alone for this dark chapter of German history.

3. Steps to Unification

Hopefully, the necessary reckoning with the past is not going to stand in the way of forming a government which needs to make quite important decisions under great time pressure. There will probably be a coalition government which might even include the Social Democratic Party. Negotiations about an SPD participation are still under way. In any case, a broad majority would be preferable in view of the fundamental nature of the decisions that have to be made.

The procedure for unification will probably be based on Article 23 of the Basic Law of the Federal Republic of Germany, i.e. unification by way of accession. An alternative to accession would be the adoption of a new constitution. Article 146 of the Basic Law of the Federal Republic of Germany provides for such a procedure. Most SPD politicians have been in favor of this procedure but have not excluded unification via Article 23. The SPD, in general, with the support and advice of its sister party in the GDR, has advocated a somewhat slower, controlled process of unification. It is often argued that the procedure according to Article 23 would be faster.

However, the example of the accession of the Saarland to the Federal Republic revealed that, on the basis of this procedure, lengthy negotiations are unavoidable. It took several years to integrate the Saarland and in the case of the GDR it will not be any easier to arrange an accession. Legal harmonization, for example, will be extremely difficult and time consuming. The same is true for the economic and social as well as military issues. The GDR will also have to undergo administrative reforms. Most importantly: the old states (Laender) that have been abolished in order to alleviate communist con-

trol will have to be reconstituted.

An important test for the first steps of unification will be local elections announced for May 6, 1990. State elections in the GDR will probably follow in autumn. All-German elections will then be the most visible symbolic act in the unification process. These elections can be expected in late 1991. In the meantime, the Federal Republic of Germany will hold regular national elections on December 2, 1990.

In substance, the economic, monetary and social problems of unification, on the one hand, and the international architecture for German unity will be the most important issues. Major decisions concerning the economic, monetary and social union will have to be made soon in order to implement the monetary union by July 1, 1990 as promised. In late April, German unification will be on the agenda of the EC summit meeting. Finally, in October, a CSCE summit meeting will deal with the security and international aspects of German unification. According to this calendar, unification would be achieved by autumn 1991, with all-German elections. However, these are just the formal steps. In substance, the process will take much longer, probably even beyond 1992 when the

Europe 1992 program is scheduled to enter into force. A synchronization of the process of German unification and European integration is essential. Particularly important in this respect is the economic, monetary, and social union of East and West Germany. These arrangements have an impact on the European Community. Therefore, the EC needs to be included in the German - German negotiations, in addition to the economic, monetary, and social union between the two.

II. Economic Aspects

To achieve the economic, monetary and social union of the two German states by July 1, 1990, is a very ambitious objective although such a union is overwhelmingly seen as a necessary jump start for the GDR economy. Of particular concern for the German Bundesbank is the 1:1 exchange rate between the East German Mark and the West German Deutschmark. For those with bank accounts, and people who draw retirement benefits, a 1:1 exchange rate is a pleasant gift. Chancellor Kohl will have to keep this campaign promise, as moving away from that commitment could lead to social and political unrest in the GDR.

However, most of the GDR companies might run into severe problems of competitiveness. Productivity in the GDR is only half of that in the FRG. The European Commission, in a first and tentative evaluation of the economic implications of German economic and monetary unification, assumes that there will be significant unemployment (15% or higher) at the beginning. (See: Europe, Document No. 1595, February 14, 1990.) This means that there would be additional monetary transfers necessary for the unemployed.

There is no unemployment insurance scheme in the GDR, and initial financial resources to set up such a system or integrate the GDR into the existing West German system will be expensive.

There is also the danger of a purchasing power overhang if the 150 to 180 billion German Ostmark in private East German bank accounts are converted 1:1. If part of these savings could be absorbed by privatizing companies and dwellings at reasonable prices the effect would be beneficial, because inflationary pressures would be eased. There will also be a price reform necessary in the GDR because of the enormous distortions through subsidies, particularly in the areas of housing, public transportation and foodstuffs.

Of course, at the heart of the economic difficulties of German unification lies the substantial income and productivity gap between the two systems. This is why people leave the GDR. If the population flow cannot be stopped, serious economic and social problems will be plague both the Federal Republic of Germany and the German Democratic Republic. The West German labor and housing market is already under strain from the impact of an influx of 350,000 refug-

ees from East Germany in 1989 and approximately 150,000 in 1990. On top of that the FRG received an additional 400,000 East European refugees in 1989 alone. In the GDR basic economic and social services will break down if present trends continue. The basic problem of the GDR economy is its outdated capital stock and a rapidly aging infrastructure and production sector. The GDR, like the other East European economies, missed the electronics and information revolution and is at risk of falling behind even faster if there is no quick solution to its myriad problems.

So, in many ways the exodus of people is dictating a quick pace of German unification but at the same time necessary steps like the monetary union and a 1:1 conversion rate - a campaign promise that can hardly be taken back - might sharpen the crisis at least in the short-run.

However, the longer term economic prospects are quite good. Just consider that the total Gross National Product (GNP) of the GDR is just 10% of that of the FRG. (GDR: approximately 220 billion DM; FRG: 2045 billion DM). In 1989 the FRG had net current account surpluses of roughly 100 billion Deutschmark, almost

half of the GNP of the GDR. If the GNP of the FRG would grow by 4% as in 1989, the economic growth would amount to 90 billion DM.

Of course German unification in economic terms cannot be achieved with zero costs. There are quite different estimates of what unification might cost. It is probably safe to assume that there will be a need for at least 20 billion DM annually to finance initial unification costs (for the social security system, pensions, etc.). Twenty billion DM is approximately 1% of the GNP of the FRG. East Germany is not an economic basket case. Nor is it a developing country. The per capita GNP of the GDR is higher than that of Greece, Portugal, Ireland and Spain. East Germany, even today, would rank eighth on the per capita GNP scale.

True, the GDR also has some 23 billion Dollars in liabilities (13 billion net value) and unification in any case will not come cheaply. The whole GDR infrastructure is run down and will cost billions of Dollars and Deutschmark to modernize, particularly the telephone, railway, and highway systems. This, however, must be achieved by private investment. Fortunately, many West German companies are more than

willing to invest and it would be beneficial if the international business community would participate as well.

Additionally, the country has enormous environmental problems, particularly industrial pollution. But the GDR will be a welfare case only temporarily. Chances are, that the GDR economy will grow rather quickly and productivity growth rates of 7% or more are considered possible. Yet, even on the basis of high economic growth rates, it will still take the GDR a decade or so to catch up with the Federal Republic of Germany.

III. Security Aspects

The revolutionary events in Eastern Europe have also transformed the security landscape in Europe quite dramatically. Eastern Europe looks totally different from what it used to be: part of a Soviet empire held together with an iron grip of military force, threatening West European security as well as the independence of individual countries with enormous conventional and nuclear forces.

Today, the Warsaw Pact is no longer a functioning military alliance and the so-called Eastern Block has disappeared. Instead, we have a new group of independent nations in Eastern Europe. In the past, the Soviet Union had stationed forces in the GDR (19 Divisions), Czechoslovakia (5 Divisions), Hungary (4 Divisions) and Poland (2 Divisions). Hungary and Czechoslovakia have asked for the withdrawal of Soviet troops from their territory and the Soviet Union has already agreed but asked for a gradual withdrawal necessitated more by a lack of capabilities to absorb homecoming troops in the Soviet Union, than by security considerations. It is very likely, that once the Polish border with a united Germany is properly guaranteed for the future,

Poland will also ask for a Soviet troop withdrawal.

Chancellor Kohl's waffling over the Polish border issue has been indeed costly. Not only did this uncertainty push Poland, a Western country in style and culture, back into the arms of the Soviet Union, the unwise move also stirred up old fears of German lust for power in Central Europe. The prospect of a German attempt to place existing borders in question while beginning the process of unification between the two German states would indeed be extremely explosive and rouse again the specter of border- and nationality-conflicts in Europe.

Dramatic changes can also be expected from the negotiations on Conventional Forces in Europe or CFE. If these negotiations are successful - and there is reason to believe they will be - two-thirds of the Soviet manpower in Eastern Europe will be reduced. Proposals call for 40,000 Soviet tanks, 55,000 artillery pieces and 40,000 armored vehicles to be destroyed. Intrusive verification provisions will help make sure that the agreements are observed. The net gain for stability in Europe is unprecedented. At the end of a CFE agreement the threat of a Warsaw Pact surprise or short-warning attack will be vir-

tually eliminated. It would be extremely difficult for the Warsaw Pact to mobilize again for an attack. As Paul Wolfowitz, Undersecretary of Defense for Policy, recently stated, a major war would require months - not weeks or days - of mobilization and, therefore, war would become much less likely.¹

To be sure, there will be new sources of instability after the democratic revolution in Europe's East and, as President Bush has stated, "instability" and "unpredictability" are the new enemy. Europe has become a much safer place in that another war of major proportions can be excluded. However, it is not necessarily a conflict-free Europe.

In many ways, the United States has now achieved its post-World War II objectives and is the only true superpower today. This will not be an easy role to play, particularly in the new Europe. It is obvious, that there will be conflicting expectations in Europe and in the United States about the future American role on the old continent. The current US position is that "NATO must be the bond which ties a united Germany to the West and which continues to tie the US

¹ Paul Wolfowitz, Speech at a seminar on "German Armed Forces in a Changing European Security Environment", sponsored by Eagle Research Group, Inc. and the Institute for Foreign Policy Analysis, March 30, 1990.

to Europe's security."²

This may require a devolution of some current U.S. roles and responsibilities within NATO to the Europeans, so that other institutions and processes like the European Community (EC), the Western European Union (WEU) and the CSCE will play a more important role. The U.S. position, however, clearly is that these institutions "cannot substitute for NATO's function as the primary political consultative body and military organization for the transatlantic security system."³

From a European perspective, particularly, from that of a united Germany, this U.S. position might create a problem for the process of German unification. The point is not so much the Soviet Union's clear statement that it cannot accept a united Germany in NATO. The Soviet position might be flexible. One indication is that, as far as German neutrality is concerned, the Soviet Union considers this not necessarily as a conditio sine qua non. Indeed, a neutral Germany is not necessarily in the Soviet interest.

² Andrew Pierre in the Christian Science Monitor, March 28, 1990.

³ Wolfowitz, op.cit.

The German problem with the above-mentioned U.S. position is that there will be two different security zones in a future united Germany. It seems to be universally accepted that in the case of German unification NATO cannot and should not be extended to the Polish Western border. In that case a special demilitarized status for the present GDR territory is the only way to bridge the Western and Soviet positions. From a German perspective, such a special military status for the GDR territory is possible and even acceptable temporarily but certainly not the ideal solution, since it could become problematic.

The Social Democratic Party of Germany would prefer a European Peace Order or European Security System based on the CSCE process. The idea is to merge the existing alliances with the new European Peace Order of which the United States would automatically be part. This includes an American military presence in Germany. The SPD believes, however, that military blocks will lose their function in the new environment. Senator Nunn made a similar point when he recently stated:

Even if one deems it necessary to hedge against the possibility, however remote, of a reestablishment of a Soviet invasion threat against Western Europe, it

does not necessarily follow that the appropriate precaution is to maintain large standing armies on guard in Western Europe. ...It would be wrong to assume that such forces can be used to deal with instability or crises in Eastern Europe and the Soviet Union, including the present dispute over Lithuania.⁴

The SPD would also like to see major changes in NATO's nuclear and conventional arsenals as well as in military strategy. The SPD wants to overcome the concept of nuclear deterrence. Flexible response, forward defense and the first use of nuclear weapons according to Social Democratic Party positions are no longer useful. The party is in favor of removing all nuclear and chemical weapons from German territory. The expectation is that CFE will lead to drastic reductions of force levels, so that the Bundeswehr can be reduced in manpower by 50 percent. In a united Germany, German forces should be even less than half the present Bundeswehr.

It is almost certain that whoever is in power in Germany in 1992 will not endorse a decision for nuclear modernization. Like in the debate about the peace dividend in the United States, Germans see their peace dividend in a smaller military burden for

⁴ The Washington Post, March 30, 1990.

the country, fewer low-level military flights, fewer maneuvers on German territory, and fewer military installations. With the end of the Cold War people simply do not accept anymore the heavy military burden with which they had to cope for so many years. With the Soviet military threat declining and Eastern Europe independent again, they see present force levels and armaments as an over-militarization.

In order to deal successfully with the international aspects of German unification, a pan-European framework for stability will be necessary. There are at least five concentric circles of major importance for Germany:

- the two Germanies
- the four victorious powers with original rights regarding the status of Berlin, a peace treaty and the final German borders;
- the twelve members of the European Community;
- the sixteen members of the North Atlantic Alliance;
- the 35 participants in the CSCE process.

The two plus four formula which serves as the guiding principle for all aspects of German unification is inadequate both in terms of relevant participants and in substance.

The CSCE process is clearly the most appropriate and most encompassing framework as far as relevant participants are concerned. It includes the two German states, the four victorious powers of WWII, Poland and other concerned neighbors of Germany whose support for a security system that includes a united Germany, is absolutely essential.

The greatest danger for a united Germany in Europe is psychological isolation. That is why it is so important to handle the two plus four talks not as an exclusive procedure. The two plus four talks must incorporate all relevant interests of the five concentric circles and there has to be a clear mechanism for including these interests in substance, too.

Another country that has a legitimate interest in the future of Germany is Israel. Here, a special bilateral solution will be necessary.

The two-plus-four negotiations already foresee a summit meeting of the CSCE participants as an act of ratification. But one has to make sure that the CSCE meeting is not confronted with faits accomplis but rather is used during the negotiation process to

build new cooperative structures.

For the CSCE process to play an important role in the future, it is necessary to seek a more binding legal framework. The CSCE Final Act needs to be transformed into a formal treaty.⁵ Also, as Foreign Minister Genscher has suggested, the CSCE process would have to be institutionalized through regular meetings of Foreign Ministers and summit meetings. Also, a permanent institution for conflict resolution and verification of arms control agreements will be necessary.

⁵ See Stanley R. Sloan, The Christian Science Monitor, March 27, 1990.

Conclusion

German unification will occur. It is not likely that the process will be interrupted or brought to a halt. The Soviet Union might be able to complicate it, but she could not block it anymore. Precisely because it is the result of a democratic revolution against the backdrop of a crisis in authoritarianism, the process could only be stopped by force, at the expense of democratic principles and democratic achievements.

But that does not mean that the future of a united Germany is free of risks and dangers. Most of the risks and dangers have to do with the international framework for a united Germany. If unity would be achieved at the expense of European integration, the new Germany might well end up in a less stable international situation.

Also, organic links between EC-Europe and the United States are of critical importance.

Finally, Germany, the EC and the West will have to live up to many expectations in Eastern Europe and the Soviet Union. The danger of a psychological isolation of Germany in the future is not over and,

therefore, a lot of creative statecraft and sensitivity is required.

It is important to note that the German revolution started with a democratic movement, not as a nationalistic movement. Therefore, German unification should not give way to a new German nationalism with all the dangers we have seen in the past. The last thing Europe needs today is a relapse into old nationalistic patterns of behavior and conflict.

Integration, not nationalism has to be our future.

There is also one important internal aspect to deal with in the future. It is the uneasiness of many people in the GDR about accession to the Federal Republic of Germany. Unification is bound to make the values, life styles and work habits of the Federal Republic of Germany prevail. There are not many GDR achievements worth standing up for in the unification process. It is a psychological problem for the GDR population to deal with a situation of temporary inferiority. It calls for a lot of understanding and sensitivity on the part of West Germany - business, government and others, the media for instance - to strike the proper balance.

Chairman DeCONCINI. Mr. Dettke, thank you very much for addressing the CSCE process. You raise a discussion of institutionalizing the process and making it more of a formal organization a Helsinki II process, and a treaty. Is this what you are envisioning?

Mr. DETTKE. Yes.

Chairman DeCONCINI. I only ask you this question because I am curious. The Helsinki process to date seems to me to have played a most significant role, and it is very loosely structured. As you know, when we have the meetings, agreement must be unanimous, which is a difficult achievement in itself, and sometimes meetings last 3 years or more.

And so, if we move to a more structured institutional, as it is said in our country, and perhaps, also in West Germany and Europe, if it's not broken don't fix it. If the CSCE process is working, should we really attempt to reinstitutionalize something that seems to be functioning well, as difficult as that is, when you require unanimous consent with the final order or the final findings? Do you believe it really should be changed dramatically?

Mr. DETTKE. Well, I would advocate a change in that direction. I think CSCE has proven to be a very useful instrument for consultation. It will play an important role in the process of unification of Germany. It will, to some degree, be the replacement of a peace conference that we are not going to see in the classical sense.

In that respect, I would welcome a stronger role of Europe, in order to give the united Germany the proper framework. It needs to be an all European framework, and as far as I can see, CSCE is the only institution that would be able to create that all European framework.

Chairman DeCONCINI. What do you think, Mr. Pordzik? Has your Foundation taken any position on CSCE and a Helsinki II?

Mr. PORDZIK. Thank you.

There is certainly general agreement that without the CSCE Helsinki process we wouldn't have seen those fundamental changes in Central Europe, that's for sure. And, I think it's an open secret that at the very beginning, the West German Christian Democrats had, together with the United States, a difficult time to embark upon that process.

In retrospect, everybody is in fundamental agreement that CSCE and its process has served a liberating purpose.

At the same time, there still is a military threat, regardless of the disintegration of the Warsaw Pact and, obviously, East Germany, Hungary, Czechoslovakia, and Poland, can not be considered Pact members in the traditional sense, nobody doubts that. Yet, even after a CFE agreement I or II in Vienna, the Soviet Union will maintain a formidable strategic nuclear threat, vis-a-vis the United States, obviously, vis-a-vis Europe, and that nuclear threat, which according to most recent accounts will not be sincerely reduced even through a START agreement, calls for some security mechanism which only NATO can provide.

And, I think we feel very strongly, if I can repeat my earlier remark, that CSCE is not seen as an alternative to NATO, it's not a matter of either/or, it's crucial to look at it as a combination of both. Over time, maybe CSCE can develop an appropriate structure to also function as a security architecture, but for the time being,

and for the foreseeable future, NATO is simply the necessary structure in place.

Chairman DeCONCINI. Let me move to another issue we discussed with Mr. Dobbins, and that is reparations raised in the context of unification, and dealing with Poland and, perhaps, the Soviet Union. Is this something to concern ourselves about? Is it truly a topic of the Government now? Can you help us on that, Mr. Pordzik, and then I will ask you the same question.

Mr. PORDZIK. Mr. Chairman, I am not an expert on the issue of reparations. I do know, however, that until now the Federal Republic has paid approximately 280 billion deutschmarks, both in individual and in state-to-state compensation and reparation.

One issue I think that has to be addressed by the new German entity is the individual compensation which, particularly, members of the Jewish community in Eastern Europe and in the Soviet Union could not receive, because they could not apply and meet the deadline in the 1960's.

In other words, political changes, recent political changes, have enabled these individuals, primarily, in the Soviet Union, Romania and other countries, to come forth and to present their claims, which they could not present prior and missed the deadline of a set of West German legislative rules.

I think that has got to be looked at very carefully, and I think one has to even entertain the thought of making an amendment to that West German legislation.

Chairman DeCONCINI. Can you comment, Mr. Dettke?

Mr. DETTKE. Yes, I can, in principle, support what Mr. Pordzik has said. I think the point, since we are not going to see a formal peace treaty in which the question of reparation can be dealt with in a formal sense, I think Germany should be open to settle individual—remaining individual cases.

For instances, cases of Polish guest workers in the Third Reich and other issues that are still open, I think there would be ways to do that, and if the Government has an open mind, I think there can be a solution.

Chairman DeCONCINI. I yield to Senator Wallop for any questions. A vote just started in the Senate, and we will have to leave shortly.

Senator WALLOP. Mr. Chairman, I want to say, I appreciate both your statements. And I want to make an observation that CSCE, as much use as it was in the circumstances that existed before November 9, is, perhaps, a less useful functioning entity now, not to say that it should be abandoned. But, I don't know quite where we go to get 35 nations or an expanded CSCE to make judgments sufficiently timely for the process that is underway. I mean, I think the process would way outrun any kind of a reaction that CSCE might have.

Our bells have rung, and I think we probably better go to vote, Mr. Chairman. The world is full of questions that I'd like to ask, but, perhaps, another time we will have a chance to.

Chairman DeCONCINI. Are you sure you don't want to? I am going to pursue a couple before I go, if you want to go ahead.

Senator WALLOP. I will just go down and vote.

Chairman DeCONCINI. OK.

Senator WALLOP. You can count it as an interruption. I want to go say hello to my friend Dick Pipes on the way out.

Chairman DECONCINI. Very good.

Mr. Dettke, will the Socialist ideology find political support in a unified Germany? And, as long as you are answering that, can you explain the unexpected poor showing that the SPD had in East Germany?

Mr. DETTKE. Yes, I think so, Mr. Chairman.

It's easy to explain, because what happened was clearly a vote for the quickest way to unification. We have heard that. Voters in the GDR realize that the SPD is in opposition in West Germany, and that the Social Democratic Party and government in East Germany would be a problem in terms of getting the quickest way to unification.

This is not necessarily the permanent voting behavior, the pattern of behavior in East Germany. Just consider this fact, Mr. Chairman. The people in East Germany have voted for a party over there that has been 40 years in the bloc system and supported the SED government. People had a motive to do that. That is not a normal behavior. They voted for the CDU because they wanted unification, they wanted the sister party of the West German CDU to be there and make it possible that Germany could be united in the quickest possible way.

That explains the vote.

The other point is, of course, that the message of the West German SPD, namely, to say, do it slowly, do it in a controlled process, was not what people wanted to hear over there. People wanted to have a direct access to the lifestyle of the Federal Republic of Germany, to life over there, that was very important for them.

And, certainly, Chancellor Kohl has accelerated the pace of unification by offering people a one-to-one conversion rate for East German Marks to West German Marks. That is a very promising prospect for anyone in East Germany, so that's why they voted for the CDU.

I think in the longer term, the old strengths of the Social Democratic Party in East Germany will come back. The pendulum will swing back. We have seen that in the municipal elections in Bavaria that happened the same day, March 18, as the election in East Germany were the SPD fared much better.

So the message, if you want to, was much more attractive for the West German population than it was for the East German population.

Chairman DECONCINI. Well, thank you for that helpful explanation.

Mr. DETTKE. But, if I may, just to the first part of the question, say one word. You asked for what the prospects of Socialism are.

Chairman DECONCINI. Yes.

Mr. DETTKE. Now, in that respect, I want to make a distinction between Socialism and social democracy. Socialism, the type of Socialism that the SED stood for and the PDS in the German Democratic Republic stands for is going to decrease. If there is no GDR, I think the votes for the PDS will certainly go down in a unified Germany.

That party had 16.3 percent, if I remember correctly, and I am pretty sure that in the united Germany, when there is no longer a GDR, that vote will go down, will decrease.

Chairman DECONCINI. Thank you very much.

I am going to take off and vote. I will come back. We have had the statements, Chairman Hoyer, and if you want to ask any questions of these two witnesses, or you can go ahead with the last panel, please.

Cochairman HOYER [presiding]. All right.

Chairman DECONCINI. Go ahead with any questions you have.

Cochairman HOYER. Because of the time frame, why don't we go ahead with the next panel.

I asked a question of the Secretary as to how he thinks the unification will impact upon the CSCE process and, in turn, how the CSCE process will be impacted by unification.

I am also very interested in your views about how you see the CSCE process developing post changes in Central Europe. So, in effect, that's a 3-part question, and I'd like the comments of each one of you on it.

Mr. DETTKE. Yes. We just discussed that.

Cochairman HOYER. Could you just go through that?

Mr. DETTKE. That was the last issue we really discussed, and how far you can—

Cochairman HOYER. It's already on the record? Oh, I see. Apparently, Ambassador Wise was indicating that one of the aspects that was not specifically dealt with is, what acts of CSCE would you expect in terms of either ratification recognition of the unification itself? I don't know whether it's been covered earlier, but, obviously, one of the perceptions of what Helsinki II would be, it would be the peace treaty that never was, in effect.

In that content, apparently, Ambassador Wise does not think you've dealt with that aspect of the question. That is to say, what should CSCE do, simply a recognition of a unified Germany as the sole remaining member of the East and West present membership. We will have to add Albania on, so we all stick with 35.

Mr. DETTKE. Yes, Mr. Chairman.

I think CSCE's summit meeting that will take place later this year in October probably, will be an act of ratification, if you want to, of what the Two-Plus-Four talks really produced.

And, you are right, I agree with you, it will be, since we are not going to have a classical peace treaty, it will be the replacement, the Ersatz Peace Treaty, if you want, and it's good that way because it brings in the greatest number of states who are concerned about European security; that are concerned, therefore, about a unified Germany in the center of Europe, and CSCE will provide a framework for that unification too.

And, so far, I would welcome that role of the CSCE process in German unification.

Cochairman HOYER. Mr. Pordzik, do you want to comment on that?

Mr. PORDZIK. Yes.

As I have pointed out earlier, we may still have beyond the fall of this year, the end of this year to deal with the security architecture and the existing military threat, not posted by the Warsaw

Pact, which has disintegrated, but by the Soviet Union and its nuclear arsenal.

CSCE later this year will, yes, ratify the result of the Two-Plus-Four process, and will, for all practical purposes, recognize and confirm the existing borders in Europe, something which is in everybody's interest.

Beyond that, I would tend to agree with Senator Wallop that CSCE could become after this next conference a process in search of a mission.

Cochairman HOYER. I was not here for that discussion. However, suffice it to say, I think our European participants in CSCE very much perceive it to have a mission, and particularly, the East Europeans perceive the CSCE as the one body that already provides an umbrella for participation.

Mr. Dienstbier, the Foreign Minister of Czechoslovakia, and I had breakfast along with Chairman DeConcini and it was his view that what CSCE needed now was some sort of central bureaucracy. Now, we responded that one of the strengths of CSCE is the lack of a bureaucracy, and, therefore, you do not get enmeshed in the bureaucratic struggles that we see in Brussels, and in New York and in other places.

When you say a recognition, I presume you mean some act beyond what was done in 1975, which simply and very specifically did not recognize existing borders, except to say that they should not be changed by other than political means.

Your answer, however, if I am correct, contemplates a formal, in effect, ratification of existing borders, so that they would have de jure as well as de facto existence in the eyes of the CSCE process. Is that a correct characterization of your answer?

Mr. PORDZIK. Mr. Chairman, I am not sure about the de jure characterization, because it is a CSCE process and not an international legally binding structure. To what extent de jure relevance will come out of that is an open question.

Cochairman HOYER. What I was trying to do was draw the distinction between what was done in 1975 as a de facto—

Mr. PORDZIK. Yes.

Cochairman HOYER [continuing]. recognition that these borders existed—

Mr. PORDZIK. Right.

Cochairman HOYER [continuing]. without recognizing them as legally binding borders—

Mr. PORDZIK. Yes.

Cochairman HOYER [continuing]. except for the fact that they wouldn't be changed by military means.

Mr. PORDZIK. That's right, and the fundamental difference between the CSCE meeting later this year and earlier CSCE meetings is the important fact that by fall of this year we have at least two legitimate German Governments, both of them can reconfirm the existing border between Germany and Poland as the final border that is different, is a new element compared to earlier processes.

I could very well imagine that the CSCE meeting later this year will agree to self-imposed restrictions the Germans put on themselves, renunciation of nuclear weapons, biological weapons, chemical weapons. I think it could be an appropriate forum, the CSCE

meeting later this year, for the German Government to repeat what so far only the Government of the Federal Republic of Germany has been doing.

There's no doubt that a unified Germany, as well, will renounce custody of ABC weapons, atomic, biological and chemical weapons, as another possibility as to what CSCE later this year could confirm or take note of in agreement.

Cochairman HOYER. Gentlemen, thank you very much. I appreciate your joining us, and I apologize for the votes that occur, not the votes themselves, but the fact that it undermines the concentration of the members on your testimony.

Thank you very, very much.

Mr. PORDZIK. Thank you.

Mr. DETTKE. Thank you, Mr. Chairman.

Cochairman HOYER. Panel three will be Prof. Angela Stent, who is an Associate Professor of Political Science at Georgetown University, a great institution of learning in our country, which I attended, and the former Director of the School's Russian Area Studies Program. Prof. Stent has published widely in East European, German and Soviet affairs, and recently returned from monitoring the East German elections. We are very interested in hearing what she has to say.

Prof. Richard Pipes, one of our most famous academics, a Professor of History at Harvard, where he's been on the faculty for 4 or 5 years—40 years it says here. His experience with East European and Soviet studies includes 2 years as Director of the East European and Soviet Affairs Division of the NSC. Prof. Pipes has authored historical works of the Soviet Union, Europe and U.S. foreign policy, and is clearly one of our most quoted and knowledgeable experts in this area.

We thank both of you for being with us. Prof. Stent, we will start with you.

PANEL 3 CONSISTING OF PROF. ANGELA STENT, ASSOCIATE PROFESSOR OF POLITICAL SCIENCE AT GEORGETOWN UNIVERSITY AND FORMER DIRECTOR OF THE SCHOOL'S RUSSIAN AREA STUDIES PROGRAM; PROF. RICHARD PIPES, PROFESSOR OF HISTORY AT HARVARD, DIRECTOR OF THE EAST EUROPEAN AND SOVIET AFFAIRS DIVISION OF THE NSC FOR 2 YEARS

STATEMENT OF PROF. ANGELA STENT

Prof. STENT. Thank you very much, Mr. Chairman, and thank you for the opportunity to testify here. I am also very glad to be testifying with my former Professor from Harvard University from whom I learned much of what I know about the Soviet Union.

On March 18, as we've already heard, 12 million East German voters decided the fate of Europe, by voting overwhelmingly in favor of the alliance of center-right parties, they committed their newly-elected leaders to seek the fastest possible path toward reunification with West Germany. They did so largely for domestic political and economic reasons that we've already heard about, but their vote has, in essence, determined Europe's future.

Now, the Soviet Union has played, I would argue, a major role in this process in the events that led up to the resignation of Erich

Honecker, to the German revolution of 1989, and to the process that is now leading towards such quick reunification.

The German revolution took place with active Soviet backing, because Gorbachev realized that the increasing repressiveness of the Honecker regime, and growing popular protest, combined with the declining economic situation in East Germany, had led to such an explosive situation that large-scale violence would have been used, had there not been a Soviet decision to make sure that this did not happen.

And, having decided that the Soviet Union could no longer bare the economic, military and political burden of its empire in Eastern Europe, Gorbachev helped initiate the process that has led to the situation in which we now are.

But, despite Gorbachev's role in this German revolution, I would argue that the Soviet Union has been surprised and taken aback by the speed with which events have developed in East Germany. Gorbachev did not envisage that German unification would come so soon when he took these initial steps last year, and the Soviets, I think, assumed, like many West Europeans, that German reunification would be the final, and not the first, step in a gradual process of the unification of Europe.

Much of post-war Soviet foreign policy has been justified by fear of a renascent German re fascism, by recalling the death of 20 million Soviet citizens during World War II. These fears are still very much alive among the older generation at least in the Soviet Union, and I would argue this is also a domestic problem that Gorbachev is facing currently as the unification process proceeds.

Now, how do Gorbachev and his colleagues view the role of a future united Germany in Europe? We know that there's disagreement among the top leadership in the Soviet Union. We know that the official position is that a unified Germany must be neutral. We also have heard hints from Foreign Minister Shevardnadze that there is some flexibility there, and other known official Soviets have given interviews, particularly, to the East and West German media, saying that, in fact, the Soviet Union will in the end be willing to accept a unified Germany within NATO, although there could be no NATO troops in the eastern part of the country, and that some Soviet troops would remain in the eastern part of Germany.

We heard earlier on from Senator Wallop about the previous ways in which the Soviet Union has tried to play the German card, particularly, to entice West Germany away from NATO into neutrality, into a reunified neutral Germany.

I would argue today that the Soviet Union really only has one card left, and it's not a very strong card. I think that the Soviet Union will be willing to compromise on the question of Germany's NATO membership, providing it is adequately compensated for it economically.

Senator DeConcini and others have raised the question of reparations. Of course, we know that the Soviet Union took a lion's share of reparations from the eastern part of Germany. Technically, of course, it never got its reparations from the western zones of Germany after the war. In general, the Soviets are now negotiating with the Federal Government so that they can be adequately com-

pensated economically for their loss of East Germany. After all, East Germany is their number one trading partner and their number one source of high technology.

So, I would argue that, in fact, the reparations question may at least implicitly be folded into these negotiations, and that they are going to hold out for the highest possible economic compensation from West Germany in order to compromise their position on the question of NATO membership.

The Soviet Union in the short run is the country with the most to lose from German unification, but, of course, there are others in Europe, and now I will turn briefly to Western Europe that I was also asked to discuss, Western Europeans who are also concerned about the consequences of a unified Germany of 78 million industrious citizens, and the unanswered questions about the future directions of a possible revived German nationalism.

From the West German point of view, the most obvious solution is that West Germany and that a united Germany remain firmly anchored in the European Community, and that the European Community will be the fundament of this new European Germany.

There is, however, also concern within the EC that if West Germany is very preoccupied in the next year and a half or so with the process of unification, it will be paying less attention to European Community questions, that this may complicate even the move toward a single European market in 1992, and the single European market seems to also be determining the timetable, we heard that from Secretary Dobbins earlier on, that the West Germans, at least, would like to get this process finished, at least in the initial stage, by December 1991.

West Germany is already the preponderant economic power in the European Community, and there are, again, questions about how unification will affect its role in the European Community.

I think most Europeans, East and West, realize that it is inevitable that a united Germany will be the premier economic power in Europe. West Germany is already the dominant power in Western Europe. It has the closest historical ties economically with Eastern and Central Europe, excepting, of course, the post-war period with the Soviet Union, and West Germany and a united Germany will, obviously, be in a position to exercise a preponderant economic and, one might argue, political influence on the new fledgling democracies in Central and Eastern Europe in this post-Communist era.

What will Germany's future role in Europe be? I think we can envisage a future Germany in NATO. I think that the Soviets would demand and would probably receive legal guarantees that a Germany in NATO would recognize all the boundaries of Europe in a much more explicit form than the CSCE Final Act provides, and here I would also agree with Dieter Dettke that the CSCE process would have to be somewhat more formalized and that you would have to have a treaty that would no longer have the provisions within it for the peaceful change of borders, which, of course, the current Final Act still has, and, obviously, the Soviets would want a reiteration that a unified Germany would promise never to acquire any kind of nuclear weapons.

We've already heard from Mr. Pordzik that he thinks this is very likely. I also think the Soviets will also try and bargain, at least, for the removal of the remaining American nuclear weapons on German soil, again, as a quid pro quo for a united Germany's membership in NATO.

I do believe that NATO's role itself will change in the next years. It is already a political organization, we've heard that from Secretary Dobbins, it will become more so and less military.

But, it is hard, for me at least, to imagine that either NATO or the Warsaw Pact will exist in 10 years time in the 21st Century. I think I am going a bit further than some of the other people who have testified have gone. It's quite possible that the process of democratization, while it may go quite smoothly in Poland, in Hungary and in Czechoslovakia, and, of course, East Germany, may become derailed in the Balkan States, in Bulgaria, Romania, Yugoslavia and possibly Albania. I think even if there is the prospect of civil strike in the Balkans, I still think that this would not lead to any kind of East/West confrontation, it would have to be handled by other means.

So, I think that a unified Germany in NATO, at least for the next decade, is the most likely and desirable scenario.

The alternative, and that is to say a neutral Germany, I think is highly undesirable. It would create the possibility for dangerous destabilization in Europe. It would weaken NATO in the European Community immeasurably, but I should also point out that current opinion polls in East Germany showed that the majority, the vast majority of East Germans favor a neutral demilitarized Germany, and that a sizable number of West Germans also favor a neutral Germany, as they have for decades. This is not something new. And, I think it's possible that for domestic political reasons it may become more difficult in West Germany as the '90s wear on to have a consensus for a united Germany remaining in NATO.

Now, if one believes that NATO and the Warsaw Pact are essentially transitional organizations, they should be replaced, ultimately, with a Pan European security system. Again, this would have been better had this been accomplished before Germany reunification, but that isn't an issue anymore. I believe that the CSCE process, and I think a number of Europeans believe this, could and should provide the institutional framework for such a Pan European process that would eventually replace the current military alliances, but, of course, that would involve upgrading the Final Act into a treaty, and, of course, modifying some of the provisions of the Helsinki Final Act.

Let me finally just say a word or two about the United States' role. The United States, essentially, played a reactive role in the initial German revolution, because, of course, it was the Soviet Union that held the cards in terms of facilitating the demise of Communism there.

Now, the United States is playing a more active role, as we've heard from people who have already testified, in the Two-Plus-Four talks, and I would argue that the Soviets want the United States to play an active role in this process, that they want the United States to remain a European power, even after German unification, that, particularly, since they cannot play a very strong role in this

part of Europe at the moment, they would like the United States, if anything, to become more active in ensuring a stable European peace and a stable democratic united Germany in the 1990s.

And here, I would just argue that the United States could—the Government itself, and the Congress particularly, could do something towards enabling the United States, at least on the private level, to play a more active role, and that is to remove most of the restrictions on trade and technology transfer that currently exist for Eastern Europe, not necessarily for the Soviet Union, but to enable U.S. business to become part of this process of democratization in Eastern Europe so that it doesn't become a monopoly, essentially, of Germany. And, I think the Germans themselves would like to see the United States, as other West European countries, more actively involved economically in Eastern and Central Europe.

So, let me finally conclude by saying that I do see CSCE as the, particularly as the decade wears on, as the most important, single important institution in ensuring that a united Germany will play a peaceful and democratic role in Europe, and ensuring, really, that in the process of German unity that Europe becomes more and not less stable.

Thank you.

[The prepared testimony of Angela Stent follows:]

GERMAN UNIFICATION AND EUROPEAN SECURITY

Angela Stent
Georgetown University

Testimony presented to the Commission on
Security and Cooperation in Europe, April 3, 1990

On March 18, twelve million East German voters decided the fate of Europe, although they appear to have been unaware that this would be the outcome of their first free election. By voting overwhelmingly in favor of the alliance of center-right parties, they committed their newly-elected leaders to seek the fastest possible unification with West Germany. They did so largely for domestic political and economic reasons, but their vote has determined Europe's future destiny: the next few years will witness the greatest change in European politics since the end of the Second World War.

The Soviet Union played a major role in the events that led up to the deposition of Erich Honecker, the East German leader who defiantly resisted reform and insisted that he would outlast Mikhail Gorbachev. Indeed, Gorbachev was instrumental in permitting East German refugees living in the West German Embassy in Budapest to leave Hungary for the West last summer which set off a series of events culminating in Honecker's resignation on October 18, 1989. There is also evidence showing that Moscow was involved in the November 9 decision to tear down the Berlin Wall. In other words, the German revolution of 1989 took place with active Soviet backing, because Gorbachev had realized that the increasing repressiveness of the Honecker regime and growing popular protest, combined with a declining economy, had created an

explosive situation in the German Democratic Republic. Having decided that the Soviet Union could no longer bear the economic, military and political burden of empire in Eastern Europe, he helped initiate the process that has led to imminent reunification.

Despite Gorbachev's role in the German revolution, however, the Soviet leadership has been surprised and taken aback by the pace of events in East Germany. "A premature baby" is how one official recently described it. Gorbachev did not envisage, when he took the first steps toward the dissolution of his empire, that German unification would come so soon. Moreover, the Soviets, like many Europeans, assumed that German reunification would be the final, not the first, step in a gradual process of the unification of Europe. Since so much of postwar Soviet foreign policy has been justified by a fear of renascent German nationalism and aggression, and the memories of 20 million deaths during World War Two are still very much alive. At least among the older generation, it has been difficult for Moscow to accept the fact that the unification process will begin in a matter of weeks, as opposed to years. The Soviets were critical of Chancellor Kohl's Ten Point reunification program of November 28, 1989, which proposed a three-step process of contractual community, confederative structures and finally federation. Since then, events have moved so fast that Kohl's initial program has been accelerated, leaving the Soviets with little choice but to accept the inevitable.

How do Gorbachev and his colleagues envisage the role of a future united Germany in Europe? There is obvious disagreement among different members of the leadership. The official position remains that the Soviet Union will only accept a neutral united Germany, but some officials, including Foreign Minister Eduard Shevardnadze, have suggested that Moscow may be more flexible. Other informal advisors, have gone so far as to suggest that the Soviet Union would accept a united Germany in NATO, provided Soviet troops could remain in the Eastern part of the country.

For four decades, Western commentators have speculated about when Moscow would play its "German Card," and present West Germany with a reunification offer that it could not refuse which would involve its leaving NATO, thereby destroying the Western alliance. Today, we know that there is only one German card left, and the player has rather limited options in the game. It is quite possible that the Soviet Union will eventually compromise on the position of Germany's NATO membership. But in order to do so, it will have to be compensated economically for the loss of its close relationship with East Germany, its most important trading partner. Talks between the Soviet and West German governments on these issues are already taking place, and eventually the Soviet Union will be better off if it is able to ensure much closer economic ties with West Germany. Nevertheless, there are many unknowns in the complex negotiation process toward unification, not the least of which is domestic resistance

within the Soviet Union toward German unification. The Soviet Union will only change its position on the question of NATO membership if it can secure the economic and security guarantees it seeks from the West.

The Soviet Union is the country with most to lose, at least in the short run, from German unification, because East Germany was the economic and military linchpin of its empire. But Western Europe also shares some of the Soviet concerns about the consequences of the creation of a powerful nation of 78 million industrious Germans. Mrs. Thatcher has been most vocal in expressing her concerns, but they are shared by France and other members of the European Community. Since continental Western Europe was occupied by the Nazis, there are lingering concerns about future expressions of a revived German nationalism. The most frequently heard solution to these concerns is to emphasize that a united Germany, like the present Federal Republic, will be firmly anchored in the European Community, and will continue to see its primary role as a pillar of the EC. East Germany, because of its special trading relationship with West Germany has been a silent member of the EC since its founding, and will be easily integrated into the Community, according to this view.

There is also, however, considerable concern in Western Europe that West Germany will in the next years be so preoccupied with the process of rapid reunification that it will pay less attention to Community matters. Moreover, with

the prospect of the Single Market beginning in 1992, the Federal Republic may well try to complete the process of reunification by December 1991, thus accelerating the pace of change. There is unease in Europe over Germany's future role in the Community. West Germany's economic preponderance in the Community has already caused strains, and a united, economically dynamic Germany might be much more difficult to integrate into the EC because it might upset the current delicate economic and political balance of power within that organization. Nevertheless, the European Community remains the central institution that should anchor a unified Germany.

It is inevitable that a united Germany will become the premier economic power in Europe: West Germany already is the dominant economic power, and has historically had closer economic ties to Central and Eastern Europe than has any other power except the Soviet Union. Given the pressing economic needs of the fledgling democracies in post-communist Europe, Germany will be able to exercise great economic influence over the countries of the former Soviet empire. This will also mean that Germany's political influence over these countries will grow.

What will Germany's future role in Europe be? Assuming that the Soviet Union does eventually compromise on the NATO question, one can envisage a future Germany in NATO. We should also expect that the Soviets would only change their position on this issue if they receive legal security guarantees that

include German recognition of all the borders of Europe in more explicit form than the CSCE Final Act provides, and permanent renunciation of nuclear weapons. They might also insist on the removal of short-range American nuclear weapons from German soil. A united Germany in NATO would have some Soviet troops in the Eastern part, and some NATO troops in the Western part.

But NATO's role of itself will change in the next years. It will become a more political and less military organization, especially since the Warsaw Pact as a whole no longer presents any realistic military threat. Indeed, it is hard to imagine that NATO or the Warsaw Pact will exist in the twenty-first century. Even if the process of democratization is only successful in Poland, Hungary, Czechoslovakia and East Germany in the next decade, and the Balkan states remain engulfed in ethnic strife, the danger of a confrontation between the two military blocs is minimal. The prospect of civil war in Rumania, Bulgaria and Yugoslavia is real, but new security arrangements, for instance some form of a pan-European peacekeeping force, might have to deal with these problems. Violence in the Balkans should not involve an East-West military conflict.

The alternative to a united Germany in NATO--that is, a neutral Germany--is highly undesirable. It would create the possibility for dangerous destabilization in Europe and would seriously weaken the European Community as well as NATO.

Current opinion polls show that the vast majority of East Germans favor a neutral, demilitarized Germany, and a sizeable number of West Germans also favor neutrality, as they always have. These attitudes could complicate a unified Germany's continuing commitment to remaining in NATO, depending on how the unification process affects domestic political developments within Germany.

Since it now appears that NATO and the Warsaw Pact are at best transitional institutions, we must work toward replacing them with a new pan-European security system. Ideally, this should have come before German unification, but the process should begin simultaneously with the "Two Plus Four" negotiations and continue after Germany is united. The CSCE process should provide the institutional framework for this pan-European process that will eventually replace the present military alliances. This will probably involve an upgrading of the Final Act into a Treaty, perhaps modifying some of its original clauses.

The United States initially played a reactive role in the German revolution, because the Soviet Union was largely responsible for facilitating the demise of the communist system in East Germany. But, since the Berlin Wall fell, the United States is playing a more active role, especially in the "Two Plus Four" talks. All the evidence suggests that the Soviet Union favors as active an American role as possible in shaping Germany's future international role. The Soviets, even

in much tenses times have traditionally looked to the United States to help them contain Germany. Now that Germany is to be united, and they will lose their closest ally in Eastern Europe, they are counting on the United States to ensure that Germany will continue its commitment to peace and democracy in Europe. Although the United States will withdraw some of its troops from Germany, it must retain a presence in Germany and continue to be a European power. Moreover, it should encourage U.S. business to get as actively involved as possible in the East European economies, including the East German economy, to pluralize the process of economic democratization there. Congress can contribute toward this process by removing the remaining legislative barriers to trade and technology transfers to Eastern Europe. Otherwise, the United States will contribute toward the process of German economic domination of the area by placing American businesses at a disadvantage.

The process of German reunification involves a complex set of negotiations, carried on at different levels and all taking place at the same time. It will be difficult, under the pressure to unify, for Germany's neighbors to ensure that their concerns are being fully met. Nevertheless, there is one overall framework that will ultimately provide a forum for discussion of all these interconnected economic, political and security issues--the CSCE forum. The original CSCE conference and subsequent meetings have always had their detractors in

the United States, but, in this time of flux and dynamism in Europe, CSCE can and must play a pivotal role in ensuring that the process of German unity will stabilize, and not destabilize, Europe .

Cochairman HOYER. Why don't we go to Prof. Pipes, and then we will have questions at the end.

STATEMENT OF PROF. RICHARD PIPES

Prof. PIPES. To begin with, let me say that I am not absolutely persuaded that German unification is coming soon. In the long run, it is unavoidable, but I think we must not mistake the willingness of the Soviet Union in its desperate economic straits to allow a West Germany to rescue East Germany, and even to permit free elections in East Germany, I mean that, in fact, they are reconciled to a united Germany as part of NATO. I think this would be presumptuous. The Soviet Union right now is a seething cauldron. The leadership is tremendously divided. Major decisions are made on an ad hoc basis. They are improvised, they are not thought out. They make a decision, they rethink it, some members of the highest echelons of the Communist Party have admitted it at the recent plenum, and it is entirely possible that when it comes to the critical issue of Soviet troops on East German soil, and German membership in NATO, that they will balk.

I don't predict, I am simply saying that this ought to be considered as a possibility, that we must not take it as a forgone conclusion that the Soviet Union has accepted a united Germany in NATO.

You must realize, if the Soviet troops are withdrawn from East Germany, there is no rationale for maintaining Soviet troops in Poland, and if Soviet troops are withdrawn from Poland, as they are going to be withdrawn from Czechoslovakia and Hungary, essentially, the Soviet Union will be giving up its gains in World War II. And, that's going to meet a considerable amount of opposition in the highest councils of the Soviet leadership, especially the military.

Essentially, the Soviet Union will be thrown back to borders of 1941, and that's not something that all of them are going to agree to.

If, however, Germany is to be reunified, that, of course, will make for a fundamental change in the balance of power in Europe, on the European continent. It will be a change in the political, and economic and military balance of power in Europe, and this presents great dangers as well as great opportunities.

Much of Eastern Europe sees mainly the dangers. As we know from recent conclaves of East European and Soviet Ministers, the East Europeans want united Germany to be a member of NATO. The Soviet Union was the only East European country that insisted on German neutrality.

There is a fear in East Europe. East Europeans have long memories that united Germany, by the objective strength, by its geopolitical location can become as destabilizing as she was after advancing national unity in 1871.

We know—and this has been mentioned by almost every speaker here—that Poland, in particular, is anxious about her western borders. Unfortunately, the Kohl government is ambivalent on this issue, which has raised the question of good will, of Germany toward Poland. It seems that the Polish Government would like the

issue to be settled before the new Germany comes into existence, and then be immediately ratified, rather than renegotiated with a united Germany, I think that makes perfectly good sense.

From the point of view of the Soviet Union, the unification of Germany presents, again, threats and opportunities, and it's not clear to me, and I don't think it's clear to the Soviet leadership, which prevails in their mind. I think if you had Mr. Gorbachev here under oath, and asked him what his intentions were, he could not answer honestly, because I don't think he knows.

I do believe that they favor the Stalin plan of the 1950's, calling for a united but neutral Germany. I disagree with my colleague, Prof. Stent, that they do want the United States in Europe. I don't think they want the United States in Europe in the long run.

And, a neutral Germany would, essentially, mean the death of NATO, and an American withdrawal from Europe. This would mean, in turn, that the Soviet Union, by the sheer bulk of her population, her military power, could exert considerable leverage over Europe.

Germany in NATO would mean, essentially, the Soviet Union out of Europe. I cannot see culturally, economically or even politically, the Soviet Union, even the reformed Soviet Union, becoming really a part of Europe. Her traditions are so different, and the sense of rational being something outside of Europe is so deeply ingrained in European consciousness that I, frankly, don't see how this can happen, and the Russians, I think, know it.

To conclude: the Soviet leadership, which is in such turmoil now, which has such grave, some of them insolvable, domestic problems, is unable to decide on this issue, and a lot depends on us. I would repeat what others have said, that I think that it is absolutely essential that NATO continue, because it means that we have an institutionalized commitment to being part of Europe, and I think this is absolutely vital.

First of all, it means that we will not slide back into isolationism. It also means that Europe will not revert to the internecine fighting that has characterized the inter-war period. It also means that if there should be a change of policy in the Soviet Union, and the Soviet Union should once again become aggressive, we are there, and we don't have to build a completely new structure, which would be very difficult to do. I mean, it would be very difficult to revitalize NATO once it was dissolved.

I will conclude on this note.

Cochairman HOYER. Thank you very much, Doctor.

Dr. Stent, we earlier had that discussion about peaceful change of borders. You then commented on that, and as I understand what you said, that any treaty-like document to be adopted by Helsinki II or some similar summit, CSCE summit, would not include that language, but would simply recognize existing borders as the legal borders existing. Is that what you implied?

Prof. STENT. Yes. You have to take into consideration the concerns of the Poles, particularly, and other groups—not to say that these are necessarily the ideal boundaries from everybody's point of view. If you want to assuage concerns, particularly in Poland, then you have to have a treaty by which the borders are then set,

and cannot be changed, because this has been the source of concern, and it remains a source of concern to, particularly, the Poles.

Cochairman HOYER. What does that do to the concept of self-determination, which we are grappling with in Lithuania, Latvia, Georgia, and Estonia?

Prof. STENT. This is the problem. I alluded to the fact that in the Balkan States, particularly, you are going to see more ethnic violence. For instance, some of the different ethnic groups in Yugoslavia, if they had their way, would not have a Yugoslavia, but they'd have at least six different countries.

What you have to balance, I suppose, is the concern by existing states for their own security with the desire by different sub-national groups for their own self-determination.

Unless you can get an agreement with the members of the CSCE that they will feel secure enough with the language that they've had up to now from the Helsinki Final Act, for instance, Poland, would feel secure enough about this potential for changing the borders peacefully then you probably have to come down on the side of existing national borders, and that, obviously, will not be favored by all sub-national groups in Europe.

Cochairman HOYER. You indicated that by the end of the century you thought that neither NATO, nor the Warsaw Pact, would exist. Some would argue, perhaps, that the Warsaw Pact does not now exist, except in name.

Prof. STENT. That is so.

Cochairman HOYER. Notwithstanding that, you indicate that you think it is desirable or not desirable that NATO exist?

Prof. STENT. I didn't say whether it was desirable or not. I think it's certainly desirable that the United States remain in Europe, and that as long as—

Cochairman HOYER. Then, I think you and Prof. Pipes agree—

Prof. STENT. Yes.

Cochairman HOYER [continuing]. it's just whether or not the Europeans think that's a worthy objective as well.

Prof. STENT. Some Europeans, and, particularly, some of the groups within West Germany today, and I would argue East Germany too, don't agree with that. But, that's something that's going to have to be worked out.

I think that the Warsaw Pact exists in name, but it's, obviously, no longer as the Warsaw Pact a military alliance. The Soviet Union, as we've heard, still is a potential military threat to the new United States. We've heard from Prof. Pipes that we don't know what's going to happen there, and there's a possibility of disintegration.

So, in that sense, you certainly need to have a U.S. presence in Europe. But, it's possible that by the end of the century the Warsaw Pact will not even exist in name, if you have a series of independent Central and East European countries, and that the Soviet Union, depending on what changes occur there, will no longer present the same kind of military threat. It would, obviously, depend on what happens in the Soviet Union.

Cochairman HOYER. Prof. Pipes, perhaps, you will comment on that, because you indicated, I think, your quote was, "A unified Germany means the death of NATO."

Prof. PIPES. No, a unified neutral Germany.

Cochairman HOYER. Oh, OK.

Prof. PIPES. Neutral Germany.

Cochairman HOYER. An important word there to include in my quote.

How would you conceptualize CSCE taking the place of a NATO and Warsaw Pact security arrangement in Europe, and could that be a formula that did, in fact, bring stability or maintain stability?

Prof. PIPES. I'm no expert on the CSCE, but I believe it was Mr. Pordzik who said that these two should exist side by side, but that the one should not supplant the other.

Cochairman HOYER. NATO and CSCE?

Prof. PIPES. Yes. These are two different instrumentalities, and they are not contradictory, and they are not mutually exclusive.

Cochairman HOYER. Mr. Chairman, I will yield.

Chairman DECONCINI. Thank you.

Prof. Stent, let me ask you, with unification process occurring, and it's going to occur for some period of time, and, certainly, economically it appears to be moving very fast, what is realistic for CSCE, the United States, or other major interested nations, to attempt to minimize nationalism rising within a unified Germany, that might threaten Germany's neighbors without unduly affecting German internal affairs? That may be an impossible question, but I would hope we could get past that some time. I haven't been able to get past it yet, but, perhaps, you can help us. What are we looking at, in your opinion?

Prof. STENT. Well, that's a very important question, and it's one also where we have limited room for maneuver, because, clearly, we have to leave this up to the Germans themselves.

Ideally, what would be desirable would be a U.S. involvement, at least in the eastern part of Germany, and in cooperation with the West Germans somewhat similar to what we did in West Germany after World War II. As was mentioned by our German colleagues, the East Germans, the younger generation, at least those born during and after the war, have not gone through a process of understanding their past, of dealing with it, and of drawing the political consequences from it, because they do not know enough about their history. They have been taught that everything that happened in the Third Reich is the fault of West Germany and had nothing to do with them.

And, having come back from spending some time recently in East Germany, there is a desire to know more, but there is woeful ignorance, even among people who should know better.

Ideally, there should be a joint American and European involvement in this, but I think you get into very delicate issues here of dealing with a past that no one particularly enjoys confronting, and the fact that this has to be largely a German affair. Anything that we can do to encourage the West Germans themselves to help the East Germans at least have a more honest, open and fully informed attitude toward their past, anything more than we could do would be desirable, but we have to be very careful.

Chairman DECONCINI. I appreciate that answer.

You are really saying that we need to trust that dominant force in any unified Germany which is going to be the West German

people just out of numbers, and out of a process, and what have you, is that we are really getting up to?

Prof. STENT. I am saying that. I think the only problem is that if the unification process takes place as quickly as some people think it will, in the next 1½ years, there's going to be so much that the West Germans have to be concerned with financially, politically, just getting the mechanisms of this done, that they will hardly have time to pay attention to these very important, but somewhat longer term problems that may only be addressed after unification has occurred.

Chairman DeCONCINI. Dr. Pipes, you raised something of great interest to this Senator, and, that is, that you are not so sure unification is going to happen, and you are not so sure what the Soviets are just going to do.

What realistic options do they have if the East Germans want unification and move swiftly towards that, and when I say "swiftly," in the next couple of years, what can the Soviets realistically do, even though they have 380,000 troops there? Are they apt to take any action, are they apt to attempt to do anything to stop unification, other than just say, hey, we don't support it?

Prof. PIPES. I think the presence of 380,000 troops means that Germany will not be really unified in independence.

Chairman DeCONCINI. You mean if the Soviets said no?

Prof. PIPES. If they say no, they have rights, we have been told they have rights as a result of World War II, and if they keep these troops there, they can allow a great deal, they can allow joint elections, they can allow, you know, common currency, they can allow all kinds of things, but they keep the troops there.

To my mind, as long as occupation troops are on German and Polish soil, neither country is really independent. Troops are the critical thing.

Chairman DeCONCINI. But, if the East Germans have elections and move towards unification, and ask the Soviets to leave, and if there is a unification of the country to great extent, except the Soviets say no, and then the unified Germany asks them to leave, and NATO asks them to leave, and, you know, the troops in Poland are there under an invitation right now, I wonder how long they'll last when the Mazowiecki government says, it's time to leave.

Prof. PIPES. Yes. I, in fact, I was recently at a luncheon for Mr. Mazowiecki and I asked him this question: "You have come out in favor of maintaining Soviet troops in Poland. Why?"

He responded: "Because they provide logistic support for Soviet troops in Germany."

And, he added, "As long as Soviet troops are in Germany, of course, they have to be there, but if and when Soviet troops withdraw from Germany, then we don't want them in Poland either, they will be withdrawn from Poland."

So, what I have said in my remarks is, as long as Soviet troops are present on German soil, then Poland has really no choice in the matter.

Chairman DeCONCINI. I see, very good, because I find it interesting with your background and knowledge, that you feel that the Soviets, and I understand the assertion of maybe, might throw a little different spin on this, that we may be over euphoric thinking

that this is all going to come about and the Soviets are going to say, yeah, come on NATO, come on in here and—

Prof. PIPES. That's it. I base it on two premises. One is that the Soviet Union is now in such flux that you almost can have no real policy. Just as before, they used to have strategies about everything, now they have strategies on almost nothing.

And, second, that Russian nationalism is very strong, and the idea of giving up the fruits of this terrible war so easily, without getting anything in return, will anger many people in that country, and they may prevent Gorbachev from doing it.

I think it's at least worthy contemplating this possibility.

Chairman DeCONCINI. That's an interesting approach.

Cochairman HOYER. Mr. Chairman?

Chairman DeCONCINI. Yes.

Cochairman HOYER. Before Senator Wallop, may I just follow up on—

Chairman DeCONCINI. Certainly, go ahead.

Cochairman HOYER [continuing]. on your comment on Mazowiecki's answer to your question with reference to the Soviet troops on Polish soil.

It's my understanding that there was, prior to Kohl's waffling on the issue of the continuation of the present borders, there was, effectively, the assumption articulated by the Polish, Walesa, certainly when he was here, said his expectation was the Soviet troops would withdraw in a reasonable time frame, he didn't put any deadlines, but it was without reference to any relationship that they may or may not have to the Soviet troops in East German, in terms of logistic relationship.

That's the first I have heard that the rationale is that the Soviet troops in East Germany—I mean, our expectation certainly was that the reason they wanted the Soviet troops to remain was as an off threat against the German troops or German incursions to forcefully try to change to border, or to rev up the citizens on the border.

Prof. PIPES. I am skeptical. First of all, I mean, I find it fantastic to contemplate that the West Germans or the East Germans, or the two of them together, would make an incursion into Poland and grab the lands which they had lost after World War II. This just is not realistic. And, the two Soviet divisions in Poland are not necessary to prevent this.

I think it's just simply a realistic assessment that the Russians need the logistic support. These are logistic troops, basically, and if we have Soviet troops in East Germany, then these two divisions must be there, and as these troops get cut down, and, perhaps, eventually, withdraw altogether, then there's no rationale for that.

Cochairman HOYER. A practical judgment of what the Soviets can and cannot do.

Prof. PIPES. That's right.

Cochairman HOYER. Similar to the Czechoslovakian Government, which indicated, I think Havel or Dienstbier indicated that one of the problems was there was no place to house the Soviet troops when they moved out, and, in any event, the housing wasn't nearly as good as it was in Czechoslovakia.

Prof. PIPES. That's right.

Cochairman HOYER. And, the troops didn't want to go for that reason.

Prof. PIPES. I agree.

Chairman DeCONCINI. Senator Wallop.

Cochairman HOYER. Excuse me. Thank you for yielding.

Senator WALLOP. I think that's one of the interesting challenges or gauntlets that Gorbachev threw to the Lithuanians, that they had to spend \$5 billion building new housing for Russians that left Lithuania, as part of their occupation fee, I guess.

Prof. PIPES. Yes.

Senator WALLOP. Dr. Pipes, is a disintegrating or imploding Soviet Union more dangerous than a reunified Germany?

Prof. PIPES. I, frankly, think neither is dangerous, that is to say, a unified Germany, particularly—especially one that's integrated within NATO, is not a danger. So, I think that Germany and most of Europe has outlived nationalism. Each country in Europe has a kind of lunatic nationalist fringe, but Europe has paid a terrible price, two world wars, for nationalism, and I don't think it's much of a problem.

I think nationalism is a great problem in the Third World, in some other areas, marginal areas of Europe, but it's not a great problem in Germany.

So, a Germany united and integrated into NATO I don't think presents a danger.

The Soviet Union disintegrating: well, it depends what you mean by disintegrating. If the Soviet Union, for example, loses its border lands, and is reduced to what's known today as RSFSR, the Russian Republic, still a large state with 150 million inhabitants, great industry and so on, will be a great power, but definitely less dangerous, maybe less ambitious, less expansionist.

I always argued that, contrary to many other people particularly on the liberal left, who maintain that the more secure Russia feels the less aggressive Russia is, I always maintained that on the contrary, a very confident Russia is more aggressive than a Russia that is preoccupied with her own problems. This is borne out by what has happened the last few years.

The Soviet Union, as its problems mount, turns its attention inward, and to the extent that these problems become more serious, will do so more and more.

Now, there's always the possibility that if the problems become really insoluble, that one may have recourse to aggression, but I am not personally worried about the process of what's going on in the Soviet Union today. I think this is inevitable, and I think the Soviet Union, or the Russia that will emerge from it, will be a better country.

Senator WALLOP. You don't think there's a chance that they would try to turn Europe into a Russian milk cow?

Prof. PIPES. They would, if Europe becomes—goes neutral, if the United States is expelled from Europe, and if NATO is dissolved. Yes, because they can, by the sheer might of the state, by the sheer military power, blackmail Europe.

Senator WALLOP. So, is it—I didn't quite catch the gist of your statement—the Soviets or the Germans who do not want a U.S. presence in Europe?

Prof. PIPES. I said the Soviet Union does not want our presence. Senator WALLOP. Yes.

Prof. PIPES. I think the German Government does. I think Prof. Stent mentioned that the Poles indicated many Germans would prefer a neutral Germany, but the German Government is firmly in favor in membership in NATO.

Senator WALLOP. Now we watch the Soviets operating without a strategy. I agree with you—Gorbachev now seems to be a pretty fair political tactician—

Prof. PIPES. Yes.

Senator WALLOP [continuing], but being able to respond to things that were, perhaps, unpredictable, even they had a strategy is extremely difficult.

We now find it more difficult to determine the path they might take.

Prof. PIPES. Oh, yes. Well, you know, they were very easy to read under Stalin, somewhat more difficult under Brezhnev, but still easy, and now it's a hopeless job to predict what they will do.

Senator WALLOP. Well, how do we handle ourselves to assure—

Prof. PIPES. I think the way you handle yourself is, first of all, maintain a strong posture, maintain all the institutions which have saved our freedom for the past 45 years, keep them all in place, and watch what happens. We don't have to get ourselves involved in these developments. I mean, the Soviet Union is now undergoing convulsions of her own making, and I think we should stand by, naturally, to the extent that we can help with food or medicines and stuff we should.

But, by and large, we don't have to conduct a very activist policy, vis-a-vis the Soviet Union. By contrast vis-a-vis Eastern Europe, I think we should conduct a very activist policy. I think we should give aid, economic and other aid to Eastern Europe, but in regard to the Soviet Union, I believe we can stand back.

Senator WALLOP. I mean, I guess my own view is that we didn't put Gorbachev in place, and we can scarcely assure him his place.

Prof. PIPES. It's not our job.

Senator WALLOP. With that, though, how can Poland or anyone else expect to have all the border questions solved before there is one government to speak to those border questions?

Prof. PIPES. Well, they want, I think, a commitment—

Senator WALLOP. They had a commitment—

Prof. PIPES [continuing]. from each separately.

Senator WALLOP. Yes.

Prof. PIPES. They want a commitment now from the present West German Government that, indeed, this commitment will be binding, that it will not have to be renegotiated. And, they would like to have everything in place so that when the new state comes into being, if it does come into being, that this can be immediately ratified, because—

Senator WALLOP. Is that realistic?

Prof. PIPES. I think so, because, as somebody has remarked, if the new state is not responsible for the treaties signed by West Germany, then all the agreements signed by West Germany over the past 40 years would have to be renegotiated, wouldn't they?

Senator WALLOP. Well, that's true, except that is the dominant population within that democracy, and it's pretty hard to imagine that any party that exists in West Germany would abandon the treaty obligations that they agreed upon—

Prof. PIPES. No, I guess—

Senator WALLOP. I guess I just don't understand. I did understand Kohl when he was saying, look, I am not the Chancellor of all Germany, I am telling you what I would do if that comes about, but I am not. How can he speak for them all?

Prof. PIPES. Well, he can't, but what the Poles want is that, in the process of negotiating the unification of Germany, this issue should be an intrinsic part of the negotiations, and that the two countries should commit themselves to it.

Senator WALLOP. The Poles run the risk of insisting on too much to their own detriment. I mean, I think Germany now stands ready to give them considerable amounts of aid.

Prof. PIPES. Yes.

Senator WALLOP. But, an "irritability factor" that will—

Prof. PIPES. But, you have to understand Polish psychology. Poland was the most devastated country of all. Poland has lost 6 million citizens in the war. Poland has lost vast territories, and Poland is in a unique situation, a unique situation vis-a-vis Germany, and I think it deserves very special treatment.

Senator WALLOP. Well, I think they do. I guess I am just sort of trying to program what—to the extent it's realistic—to expect that to happen.

Prof. PIPES. Yes.

Senator WALLOP. I mean, I really do believe that a lot of reunification events, including, perhaps, the final one, are going to take place without the Two-plus-Four-plus-One, or any other structure.

Prof. PIPES. Well, perhaps. I have to sympathize with Polish demands.

Senator WALLOP. Oh, I sympathize with them. I mean, I am not trying to ridicule it any way, I just wondered whether, you know, if there isn't some role that we can play in there by way of trying to assure them over events about which we have very little control either.

Prof. PIPES. Yes.

Senator WALLOP. Prof. Stent, if NATO is out, and I sort of do share your skepticism about its existence, though, I passionately want it to exist, what do we do to CSCE's structure to make it possible for it to function? I mean, it really cannot function in any kind of a way like NATO does today, and if it were to remain as it is now you would never get unanimity on it, particularly, if we expand it to include Eastern Europe.

Prof. STENT. CSCE INCLUDES EASTERN EUROPE.

Senator WALLOP. They are in there, but they are in there as new countries, are they not? I mean, before they were in there as occupied countries, more or less playing to the dance that the piper—the Soviet piper played.

Prof. STENT. They hopefully are changing their role—

Senator WALLOP. They are now different.

Prof. STENT [continuing]. in CSCE, and being autonomous players there.

Well, you would, obviously first of all have to upgrade the Helsinki Final Act to a legal treaty. You'd have to maybe go back and look at some of the original provisions of the 1975 treaty. You'd have to strengthen the Basket I provisions much more, and you'd have to have special military arrangements.

I also think that NATO is a very desirable organization and should last, but I think that if you look at the views of the population of many West European countries and even some of the populations in East and Central Europe, although, their views are still forming on this, there may be increasing sentiment against NATO if they perceive that the Soviet threat is receding.

And, therefore, we have to think beyond the structures that we have now and think what could replace them, and most Europeans, when they discuss this, talk about a Pan-European security system which sounds rather vague, and this is why CSCE seems to—

Senator WALLOP. That's why it's so easy for politicians to talk about it.

Prof. STENT. That's right, and—

Senator WALLOP. I know that game well.

Prof. STENT [continuing]. some of us try and sit down and think about what this would mean, and CSCE is one of the forums that one could begin to discuss this in.

But, CSCE wouldn't just be a process, it would have to be a institution, and a collective security alliance in which all the members of CSCE were committed militarily, not to attack each other. It does raise the question of the Soviet Union, because I think that it's possible, and Prof. Pipes has mentioned that, that the Soviet Union could increasingly turn in on itself if its problems don't improve, if its internal empire now starts to break up, and it may not really be playing much of a role in Europe, and I don't know what that then does to a Pan-European security system with the Soviet Union that's somewhat isolated and still has many nuclear weapons.

But, this is why we have to at least start thinking about giving more teeth to the, at least the military aspects of the CSCE process.

Senator WALLOP. And, what about the European Parliament as a more politically structured entity and an entity more capable of action than—

Prof. STENT. Well they have enough problems at the moment with the 12 of them, what you are going to see next is the issue of Austria, which has already applied to join the Community and the other Central European countries as well. You would then have to give more teeth to European political cooperation, and that process has been developing.

Also, you would have to broaden the core Franco-German military cooperative relationship. That's another possibility, but, CSCE already includes all these countries of Europe, including the neutral ones, whereas, the European Community, at the moment, is still the democracies and would have to expand.

These two things aren't mutually exclusive, and maybe something could be done to integrate them, but I think that would be more problematic than looking to CSCE itself as a possible framework for future collective security agreement.

Senator WALLOP. Mr. Chairman, let me just observe by way of closing, and then either of you can comment on it. I am not persuaded that we will devise a CSCE that has much of an enforcement capability, anymore than this one has had, but it's had a rather long strength that was worthwhile—

Chairman DeCONCINI. No enforcement.

Senator WALLOP [continuing]. but we were not able, nor did we ever seek to enforce.

Therefore, I think the treaty on borders that came up with CSCE may or may not be of any value. I think that the Balkans are going to be the new Lebanon, and I don't think there's a chance in the world that anybody is going to provide a border arrangement that will satisfy what's going on.

Prof. STENT. I agree. Any treaty in international law is only as good as the people who are signatories to it. If they want to observe the provisions of it, or if they want to break them there's not very much you can do, except resort to war.

Senator WALLOP. But, it's not likely that you'll see anybody in Europe sort of volunteering to go down there and maintain borders between Serbs and Croats.

Prof. STENT. Well, the only possibility would be some kind of all-European peace-keeping force which could emerge from CSCE, but I admit the chances aren't very good. That would be the only thing, when you think about the possibility of civil war in that region in the Balkans, it's very hard to see what can be done.

Prof. PIPES. These border disputes are very nasty for the people involved, but they don't threaten world peace. People have this mistaken notion that World War I started because of a quarrel between Austria and Serbia. It wasn't that. It was that Germany stood behind Austria, and Russia behind Serbia, and France behind Russia. That's what got it going.

These problems are very old. A student of mine recently did a study on the Armenian problem and discovered that around the time of Peter the Great, which is 300 years ago, the Armenians were traveling around Europe demanding recognition of Nagorno Karabakh as part of Armenia. These are ancient problems, and they lead to occasional outbursts of antagonism, but they don't threaten stability in Europe. There will be these frictions, but I think they are containable.

The main one is, I think, in Romania, between the Hungarians and the Romanians and Transylvania, that is a very strong issue, but I don't think it threatens stability in Europe either.

Senator WALLOP. Thank you, Mr. Chairman.

Chairman DeCONCINI. Well, thank you, Senator Wallop, and thank you very much for your testimony this afternoon. It's been very, very helpful, and I want to thank all the witnesses in a very good hearing.

We will stand in recess.

(Whereupon, the hearing was concluded at 4:18 p.m.)

