

CONFIDENTIAL

FM WASHINGTON

TO DESKBY 032000Z FCO

TELNO 1301

OF 031809Z JUNE 90

INFO IMMEDIATE MOSCOW, BONN, PARIS, ROME, UKDEL NATO

FO IMMEDIATE UKDEL VIENNA, AMMAN, JEDDA, UKDIS GENEVA

INFO IMMEDIATE UKMIS NEW YORK

INFO PRIORITY OTHER NATO POSTS

US/SOVIET SUMMIT

SUMMARY

1. LONG JOINT PRESS CONFERENCE APTLY SUMS UP SUMMIT. ESTABLISHMENT OF PERSONAL RAPPORT PREVIOUSLY LACKING BETWEEN THE TWO LEADERS. BUT NO NARROWING OF DIFFERENCES OVER IMMEDIATE CONCERNS ESPECIALLY LITHUANIA, EUROPEAN ARCHITECTURE AND THE KEY ISSUE OF GERMANY IN NATO. LONG MONOLOGUE BY GORBACHEV OVER SOVIET SECURITY CONCERNS, WITHOUT CLEAR PROPOSALS, BUT WITH IMPACT NONETHELESS. SOME SPIRITED COMMENT FROM BUSH ON LITHUANIA AND FROM GORBACHEV ON ISRAEL, YELTSIN AND PERESTROIKA. DETAIL

2. PRESIDENT'S BUSH AND GORBACHEV HELD A 70-MINUTE JOINT PRESS CONFERENCE ON 3 JUNE BEFORE GORBACHEV'S DEPARTURE FROM WASHINGTON, TO PRESENT THE RESULTS OF THEIR DISCUSSIONS OVER THE PREVIOUS THREE DAYS. BUSH SET THE TONE AT THE OUTSET IN HIS OPENING REMARKS WHEN HE SAID THAT THEY HAD NOT SHIED AWAY FROM DISCUSSING ISSUES ABOUT WHICH THEY DISAGREED QUOTE PARTICULARLY THE ASPIRATIONS OF THE BALTIC PEOPLE, A CAUSE WHICH THE UNITED STATES FULLY SUPPORTS. I THINK IT IS A MARK OF HOW FAR THE US/SOVIET RELATIONSHIP HAS COME THAT IN ALL OUR EXCHANGES, WHETHER WE AGREED OR DISAGREED, THE SPIRIT OF CANDOUR AND OPENNESS, A DESIRE NOT JUST TO UNDERSTAND BUT TO BUILD BRIDGES, HAS SHOWN THROUGH UNQUOTE. BUSH STRESSED HOPES FOR EASTERN EUROPE AND HIS - AND KOHL'S - BELIEF THAT A UNITED GERMANY SHOULD BE A FULL MEMBER OF NATO. QUOTE PRESIDENT GORBACHEV DOES NOT FRANKLY HOLD THAT VIEW. BUT WE ARE IN FULL AGREEMENT THAT THE MATTER OF ALLIANCE MEMBERSHIP IS, IN ACCORDANCE WITH THE HELSINKI FINAL ACT, A MATTER FOR THE GERMANS TO DECIDE UNQUOTE. AFTER BRIEF REFERENCES TO THE ARMS CONTROL ACHIEVEMENTS AND DISCUSSION ON REGIONAL, HUMAN RIGHTS AND PROGRESS ON ECONOMIC ISSUES, BUSH SAID THAT THERE WAS AGREEMENT TO MEET MORE REGULARLY, PERHAPS ANNUALLY, AND WITH LESS FORMALITY. GORBACHEV AGREED THAT THERE WAS A NEW PHASE OF COOPERATION AND CONSTRUCTIVE SPIRIT QUOTE NOW WE HAVE A GOOD HUMAN RELATIONSHIP AND AN ATMOSPHERE OF GROWING TRUST UNQUOTE. HE INVITED BUSH TO PAY A STATE VISIT TO THE SOVIET UNION.

3. COMMENTS ON SPECIFIC ISSUES ARE AS FOLLOWS:

GERMANY:

BUSH CONCEDED THAT THERE WAS NO NARROWING OF DIFFERENCES. BUT HE HAD EXPLAINED IN CONSIDERABLE DETAIL WHY HE FELT A UNITED GERMANY IN NATO WOULD BE STABILISING. QUOTE OUR POLICY IS NOT PREDICATED ON PRIDE OR ON HUMILIATION, NOR ON ARROGANCE. IT IS PREDICATED ON WHAT WE SEE, FROM THE US STANDPOINT, IS THE BEST FOR THE FUTURE - BEST FOR STABILITY AND PEACE IN EUROPE AND ELSEWHERE UNQUOTE. GORBACHEV DENIED ANY ATTEMPT TO PUT QUOTE SPOKES IN THE WHEELS OF UNIFICATION UNQUOTE BUT EXPRESSED AT LENGTH THE SOVIET CONCERNS THAT GERMAN MEMBERSHIP OF NATO WOULD LEAD TO UNEQUAL SECURITY. HE CALLED FOR OTHER (UNSPECIFIED) OPTIONS. QUOTE WHILE APPLAUDING THE GERMANS DESIRE TO BE UNITED, WE MUST AT THE SAME TIME THINK ABOUT WAYS OF PRESERVING THE BALANCE THAT HAS BEEN EMERGING AND TAKING SHAPE FOR DECADES ... IF THIS (NATO MEMBERSHIP) WERE TO BE THE ONLY OPTION ... THEN SHOULD WE GO BACK AND SEE WHERE WE ARE? WHAT'S HAPPENING TO OUR SECURITY? WHAT SHOULD WE BE DOING ABOUT OUR ARMED FORCES WHICH WE ARE BOTH REFORMING AND REDUCING? WHAT SHOULD WE DO ABOUT VIENNA; HOW SHOULD WE BEHAVE THERE? ... WE WANT TO SEE AN OPTION THAT WOULD STRENGTHEN EVERYTHING IN EUROPE RATHER THAN WEAKEN THINGS UNQUOTE. GORBACHEV ADDED THAT THE RUSSIANS HAD LOST QUOTE 27 MILLION PEOPLE DURING WORLD WAR II UNQUOTE.

FUTURE OF NATO/EUROPEAN ARCHITECTURE:

BUSH SAID QUOTE THE THREAT IS UNPREDICTABILITY AND INSTABILITY. WE FEEL THAT A CONTINUED US PRESENCE IN EUROPE SHOULD NOT BE SEEN AS HOSTILE TO THE SOVIET INTEREST, BUT WE HOPE THAT A CONTINUED US PRESENCE THERE WILL BE SEEN AS SOMETHING THAT IS STABILISING. AND NATO IS THE EXISTING MACHINERY THAT WE FEEL, WITH AN EXPANDED MISSION, CAN BEST PROVIDE THAT STABILITY. AND THEREIN WE HAVE A DIFFERENCE WITH THE SOVIET UNION. BUT IT IS THAT, RATHER THAN SOME KIND OF COLD WAR MENTALITY THAT DRIVES OUR DECISION TO 1) REMAIN IN EUROPE, AND 2) TRY TO HAVE A BROADER ROLE FOR NATO UNDER ARTICLE 2 OF THE NATO TREATY. THERE IS LANGUAGE PUT IN THERE I'M TOLD BY LESTER PEARSON YEARS AGO THAT PROVIDES A BROADER THAN JUST MILITARY ASSIGNMENT TO NATO. SO WE SEE THIS AS NOT EXCLUSIVE TO AN EXPANDED ROLE FOR CSCE, NOT CONTRADICTORY TO THE ASPIRATIONS OF MANY EUROPEANS FOR AN EXPANDED EEC, BUT AS A WAY WE CAN CONTINUE, WITHOUT HOSTILITY TO ANYONE, TO PROVIDE A STABILISING PRESENCE UNQUOTE. GORBACHEV SAID QUOTE WE BELIEVE WE WILL NOT BE ABLE TO MAKE ANY FURTHER PROGRESS IN RESTRUCTURING INTERNATIONAL RELATIONS, INCLUDING IN THE MAIN EUROPEAN AREAS, WITHOUT ACTIVE PARTICIPATION OF THE US AND SOVIET UNION. WE BELIEVE THE OPTION WHICH WE THINK WILL BE FOUND EVENTUALLY ... MUST NECESSARILY INCLUDE SOME KIND OF TRANSITION PERIOD DURING WHICH WE COULD JOIN OUR EFFORTS TO CONCLUDE A FINAL DOCUMENT, EXHAUSTING THEREBY THE RIGHTS WE ARE ENDOWED WITH AS THE VICTORIOUS FOUR POWERS ... A CONCURRENT UNIFICATION OF GERMANY AND ITS PRESENCE WOULD MEAN THE COINCIDENCE OF THESE TWO EVENTS ... I THINK WE MUST BE VERY, VERY ACTIVE NOW, SO AS TO ENSURE SOME KIND OF SYNCHRONISATION BETWEEN THE INTERNAL PRESSURES WHICH LEAD TO THE UNIFICATION OF GERMANY AND THE SETTLEMENT OF THE EXTERNAL ASPECTS SO THEY WOULD BE COMBINED UNQUOTE.

ISRAEL/OCCUPIED TERRITORIES:

IN WHAT MIGHT BE TAKEN AS A VEILED THREAT, GORBACHEV SAID THAT QUOTE SOME PEOPLE ARE RAISING THE MATTER IN THESE TERMS IN THE SOVIET UNION, NAMELY, AS LONG AS THERE ARE NO ASSURANCES FROM THE ISRAELIS THAT THIS IS NOT GOING TO BE DONE BY THEM (SETTLE OCCUPIED TERRITORIES), TO POSTPONE ISSUING PERMITS FOR EXITS TO PUT IT OFF. BUT I HOPE THEY WILL HEED WHAT THE TWO PRESIDENTS STRONGLY ADVISE THEM - THAT THEY SHOULD ACT IN A WISE FASHION UNQUOTE.

YELTSIN:

GORBACHEV SAID QUOTE IF THIS IS NOT A GAME FOR HIM TO HOLD HIGH OFFICE, IT IS ONE THING ... BUT IF THIS IS NOTHING MORE THAN A MANOEUVRE AND HE WILL RETURN TO WHAT HE HAS BEEN DOING IN RECENT YEARS, NOT ONLY IN CRITICAL TERMS - AMERICANS BELIEVE THIS TO BE CONSTRUCTIVE, BUT ALSO IN DESTRUCTIVE ACTIVITIES ... HIS CHAIRMANSHIP WILL CERTAINLY COMPLICATE THESE PROCESSES (OF PERESTROIKA) ... EVERYTHING WILL BECOME CLEAR PRETTY SOON WHAT COMRADE YELTSIN IS AFTER UNQUOTE.

BALTICS/TRADE AGREEMENT LINKAGE:

BUSH SAID QUOTE THE BALTICS CAUSED SOME TENSION (BUT) THE LINKAGE IS BETWEEN THE TRADE AGREEMENT AND THE EMIGRATION LEGISLATION. AND I'M NOT GOING TO SEND THAT LEGISLATION UP ... UNTIL THE SOVIET UNION HAS COMPLETED ACTION ON THE LEGISLATION UNQUOTE. (AS REGARDS MOST FAVOURED NATION STATUS) QUOTE WE'LL CROSS THAT BRIDGE WHEN WE GET TO IT UNQUOTE.

BALTICS:

BUSH SAID THIS IS QUOTE ONE OF THE THORNS IN THE SIDE OF AN OVERALL RELATIONSHIP... I SIGNED THE TRADE AGREEMENT BECAUSE I AM CONVINCED IT IS IN THE BEST INTERESTS OF THE UNITED STATES. BUT ... I DON'T WANT TO MISLEAD THE AMERICAN PEOPLE AND SAY THAT I'VE LESSENED MY CONCERN OVER THE BALTIC STATES UNQUOTE.

GORBACHEV: THIS MUST BE ADDRESSED AND DEALT WITH IN THE FRAMEWORK OF THE CONSTITUTIONAL PROCESS ... ANY OTHER APPROACH LEADS ONLY TO AN IMPASSE UNQUOTE.

SOVIET INTERNAL/PERESTROIKA:

GORBACHEV: QUOTE A LOOK FROM OUTSIDE WITHOUT KNOWING ALL THE SUBTLETIES, ALL THE DEPTHS OF SENTIMENTS, ONE COULD CERTAINLY ARRIVE AT SOME ERRONEOUS CONCLUSIONS. HENCE THE QUESTION OF 'HOW LONG WILL GORBACHEV STAY IN OFFICE' AND 'HOW WILL PERESTROIKA ALL END' ... BUT THE MOST IMPORTANT THING IS THAT WE ARE ... CLEANING UP OUR COURTYARD, WE ARE REALLY REVAMPING OUR WHOLE SOCIETY. WE ARE TRYING TO ADAPT IT TO HUMAN NEEDS ON THE BASIS OF FREEDOM AND DEMOCRACY. WE WANT TO MAKE IT MORE OPEN TO THE OUTSIDE WORLD ... I DON'T KNOW WHETHER ANYBODY ELSE HAS BEEN ABLE TO RESOLVE SO MANY TASKS WITHIN SUCH A SHORT PERIOD OF TIME ... THIS GOES TO SHOW THE FARSIGHTEDNESS OF PRESIDENT BUSH AND HIS COLLEAGUES, TO SAY NOTHING OF THE AMERICAN PUBLIC, WHICH OVERALL UNDERSTANDS WHAT IS HAPPENING ... UNQUOTE.

US/SOVIET RELATIONS:

BUSH: QUOTE THE UNITED STATES IS NOT TRYING TO DEAL FROM STRENGTH OR WEAKNESS ... WE ARE NOT LOOKING FOR WINNERS OR LOSERS: FOR TRYING TO ACHIEVE ADVANTAGE ... WE (BOTH) HAVE A UNIQUE RESPONSIBILITY TO DEAL WITH WORLD PEACE UNQUOTE.

4. PLEASE SEE WFT.

TOR 19437

3x No 10
1x File

ZCZC

LACYAN 9763 SVLNAN 7840

CONFIDENTIAL

FFFF FOR PS NO 10 (RC FCO INSTRUCTIONS) PLEASE

DD 032000Z CAOFF

FM WASHI TO FCOLN

031810Z JUN

GRS 840

CONFIDENTIAL

FM WASHINGTON

TO DESKBY 032000Z FCO

TELNO 1302

OF 031810Z JUNE 90

INFO IMMEDIATE MOSCOW, BONN, PARIS, ROME, UKDEL NATO

INFO IMMEDIATE UKDEL VIENNA, AMMAN, JEDDA, UKDIS GENEVA

INFO IMMEDIATE UKMIS NEW YORK

INFO PRIORITY OTHER NATO POSTS

MIPT: US/SOVIET SUMMIT

SUMMARY

1. USEFUL RESULTS ON THE BILATERAL AGENDA: NO PROGRESS ON GERMANY OR CFE. A GOOD RAPPORT BETWEEN BUSH AND GORBACHEV. A QUESTION MARK OVER FUTURE PROGRESS ON EUROPEAN ARCHITECTURE. DETAIL
2. MY INITIAL IMPRESSION, WHICH WILL NEED TO BE CHECKED AGAINST THE ACCOUNTS WE SHALL BE GETTING FROM SENIOR MEMBERS OF THE ADMINISTRATION OVER THE NEXT FEW DAYS, IS THAT THIS SUMMIT PROVED RELATIVELY SUCCESSFUL IN COVERING WHAT ONE MIGHT TERM THE TRADITIONAL BILATERAL AGENDA, BUT MUCH LESS SO IN ADDRESSING THE NEWER LINKED QUESTIONS OF THE FUTURE SHAPE OF EUROPE FOLLOWING GERMAN UNIFICATION AND THE FUTURE EVOLUTION OF THE USSR. THE FACT THAT NOTHING SIGNIFICANT SEEMS TO HAVE BEEN ACHIEVED ON THE LATTER SCORE COULD PERHAPS MAKE FOR TROUBLE.
3. PRESIDENT BUSH HAS GONE AS FAR AS HE COULD TO MEET PRESIDENT GORBACHEV ON THE IMMEDIATE AGENDA. MOST OF THE ARMS CONTROL AGREEMENTS SIGNED ARE NOT LIKELY TO PROVE CONTENTIOUS. BUT HE MAY FIND CONGRESS CRITICAL OF SOME OF THE PROVISIONS OF THE PROPOSED START AGREEMENT, AND WILL CERTAINLY RUN INTO DIFFICULTIES OVER THE TRADE AGREEMENT AND MFN IF THERE IS NO RECOGNISABLE PROGRESS TOWARDS A REASONABLE ACCOMMODATION OVER LITHUANIA DURING THE PERIOD BETWEEN NOW AND THE PASSAGE OF A SOVIET EMIGRATION LAW. AS BUSH PUT IT IN THE PRESS CONFERENCE, LITHUANIA IS A THORN IN THE SIDE OF THE RELATIONSHIP. HE ALSO REMINDED THE US, AND SOVIET, PUBLIC THAT CONGRESS WILL HAVE ITS VIEWS. BUT IN SIGNING THE TRADE AGREEMENT, AND THEREBY DROPPING THE ADMINISTRATION'S TACIT LINKAGE WITH LITHUANIA (WHILE RETAINING THAT WITH EMIGRATION), HE HAS DONE GORBACHEV A FAVOUR - AND SECURED A GRAIN AGREEMENT IN RETURN.

4. BUSH SHOWED HIMSELF SENSITIVE TO GORBACHEV'S DOMESTIC PROBLEMS, INDEED WEAKNESS, IN OTHER WAYS AS WELL. GORBACHEV DID WELL WITH THE US PUBLIC AND PRESS, THOUGH HE WAS WIDELY SEEN AS HAVING BEEN FURTHER DAMAGED AT HOME BY YELTSIN'S ELECTION, AND PERHAPS NOW AS HAVING TOO MANY DOMESTIC PROBLEMS TO BE ABLE TO ACT AS AN EFFECTIVE PARTNER FOR THE USA. BUSH TOOK CARE IN PUBLIC AND IN PRIVATE TO PUT OVER THE POINT THAT HIS FIRST CONCERN WAS NOT TO SCORE POINTS BUT TO TRY TO FIRM UP A WORKING, COOPERATIVE RELATIONSHIP. HE SEEMS TO HAVE ENJOYED A USEFUL MEASURE OF SUCCESS IN THIS. THE TALKS WERE EVIDENTLY OPEN AND CANDID, WITH DISAGREEMENTS BEING BROUGHT OUT, RATHER THAN PAPERED OVER. BUSH PUT IT ON THE RECORD THAT THIS SORT OF DIALOGUE WAS ONLY POSSIBLE

BECAUSE OF THE PROGRESS MADE IN THE SOVIET UNION UNDER GORBACHEV, MAKING IT CLEAR BY IMPLICATION THAT FURTHER LIBERALISATION WOULD HELP PROMOTE THE RELATIONSHIP STILL MORE.

5. IT IS HOWEVER A CAUSE FOR DISQUIET THAT THERE WAS APPARENTLY NO MEASURABLE PROGRESS OVER GERMANY OR CFE. THAT, COUPLED WITH THE POTENTIAL FOR TROUBLE OVER LITHUANIA, COULD POSSIBLY CALL INTO QUESTION THE PROGRESS THAT HAS BEEN REGISTERED SO FAR ON THE BILATERAL AGENDA. IT COULD ALSO COMPLICATE THE WIDER AGENDA FOR THIS YEAR. GORBACHEV MAY HAVE ATTRACTED SOME SYMPATHY WITH HIS EXPLANATIONS OF SOVIET FEARS OF GERMANY IN NATO, AND HIS THREAT TO RECONSIDER THE SOVIET POSITION IN CFE IF THAT CAME ABOUT WAS NOT SO VEILED AT THE 3 JUNE PRESS CONFERENCE. BUT HIS PRESENTATION OF THE SOVIET CASE TO BUSH ON 31 MAY WAS A COMBINATION OF THE CONFUSED AND THE UNYIELDING, WHICH BORE OUT SCOWCROFT'S EARLIER OBSERVATION TO ME THAT THE RUSSIANS CANNOT ACCEPT WHAT IS HAPPENING IN GERMANY BUT HAVE NO ALTERNATIVE TO OFFER. GERMAN ISSUES WERE NOT APPARENTLY DISCUSSED AT CAMP DAVID. NOR, DESPITE EARLIER INDICATIONS, WERE THEY CONSIDERED BY BAKER AND SHEVARDNAZDE ON 1 JUNE. BY REPEATING DURING HIS TRIP TO NORTH AMERICA THAT THE RUSSIANS CANNOT ACCEPT GERMAN MEMBERSHIP OF NATO IN ANY MEANINGFUL SENSE - AND GORBACHEV DID NOT APPARENTLY REFER DURING THE TALKS TO POSSIBLE ALTERNATIVES SUCH AS GERMANY BEING OUT OF THE INTEGRATED MILITARY STRUCTURE - THE SOVIET PRESIDENT HAS MADE IT HARDER THAN BEFORE TO MOVE IN FUTURE.

6. THE AMERICANS STUCK PATIENTLY TO THEIR POSITIONS, HAVING ALREADY GONE SOME WAY TO MEET THE RUSSIANS OVER CFE DURING THE BAKER/SHEVARDNAZDE TALKS IN MOSCOW LAST MONTH. THEIR OBJECTIVE REMAINS, OF COURSE, FULL GERMAN MEMBERSHIP IN NATO. THEY MAY TAKE SOME COMFORT FROM GORBACHEV'S ACKNOWLEDGEMENT THAT THE GERMANS HAD A RIGHT TO CHOOSE THEIR ALLIANCE POSTURE INCLUDING NATO MEMBERSHIP IF THAT WAS WHAT THE GERMAN PUBLIC WANTED. THEY WILL ALSO HAVE BEEN PLEASED BY SOVIET ACCEPTANCE THAT THE COMPLETION OF CFE I AND A CSCE SUMMIT ARE LINKED. THEY (AND WE) MUST HOPE THAT GORBACHEV'S PRINCIPAL PROBLEM IS PRESENTATIONAL RATHER THAN SUBSTANTIVE, SO THAT OUR TASK OVER THE NEXT SEVERAL WEEKS IS TO FIND A WAY OF MAKING THE INEVITABLE PALATABLE TO THE RUSSIANS. THE SUMMIT HOWEVER DID LITTLE TO SHOW WHAT SUCH AN APPROACH MIGHT BE AND ON PRESENT FORM I WOULD NOT EXPECT THE AMERICANS TO HAVE ANY VERY NEW MESSAGE TO BRING TO TURNBERRY.

ACLAND

YYYY

SVL NAN 7840

NNNN