

Sir J Fretwell

Secretary of State's discussion with Mr Baker:
Summit texts

Following were the main points of the discussions between the Secretary of State and Mr Baker on the Summit texts.

Draft declaration on China

- Baker emphasised that the President's instinct was to soften, rather than harden, the text;
- in para 1, line, the Americans want to say "We have already condemned the violent repression in China." [Instead of "We condemn ..."]. The Secretary of State saw no difficulty.
- the Americans are happy with the last sentence of para 3: "Our intention is not to isolate China". The Secretary of State said that we thought the total effect of the paragraph, including that sentence, looked a bit feeble. He would propose alternative language.
[My own suggestion would be something like: "We hope that the Chinese Government will resume the movement towards reform and openness and create the conditions in which we can return to normal cooperation. Our intention is not to isolate China."]
- the Secretary of State sought Baker's support for our proposed last sentence on Hong Kong. Baker said he could not agree to anything which implied a commitment to deal with a refugee exodus. He could support language calling on the Chinese Government to do what is necessary to restore confidence in Hong Kong. The Secretary of State said we needed more than that if we were to reassure the people of Hong Kong. He would revert.

[or 'we urge the Chinese Government...']

East/West Relations

- the Secretary of State proposed language for the end of paragraph 2: " We are particularly concerned by

the policies of the Romanian Government and by recent developments, involving massive population movement, in Bulgaria." Baker agreed that something on those lines was desirable. He might look for some explicit reference to human rights.

- it was agreed that we should seek a reference to deterrence in paragraph 4. This might be an identical wording to that used at Toronto: "We also reaffirm that, for the foreseeable future, nuclear deterrence and adequate conventional strength are the guarantees of peace in freedom."

Poland/Hungary

- the Secretary of State said we could live with the first of the square bracketed US texts although it might be better to talk about initiatives "designed to encourage economic adjustment" rather than talking about "to ease the strains of economic adjustment". Baker seemed unfussed.
- on the second paragraph, the Secretary of State expressed some unease about the proposal to conduct regular reviews on the basis that this might imply some continued machinery. Baker stressed several times that the Americans were not looking for a pledging conference. [Comment: one possibility might be to delete the sentence and add a new sentence at the end of the paragraph simply saying "We will review progress".]

Draft Economic Declaration

- Baker raised the passages on pages 8 and 9 of the draft on the GATT Round, objecting to the bit in square brackets which says that all countries should make the most constructive contribution possible to GATT "consistent with their respective stages of economic development". This had far-reaching political implications. We did not want countries like Brazil and India picking and choosing. The Secretary of State said that he could see the logic of the proposed language but he agreed that we should not allow it to be used as a bolthole.

General

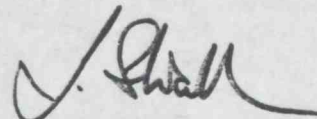
Baker thought that the pressure was on for a commitment to a North/South Summit. The Canadians would support, provided that jurisdiction of the conference was

circumscribed. Armed with the lesson I had half learned from Mr Bayne, the Secretary of State said that the idea was a bad one when North/South issues were in constant discussion and when the Special Session on Development was due in 1990. Both the Secretary of State and Mr Baker agreed that they should arm themselves with more information about the Special Session.

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cc: Mr Wicks
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(J S Wall)