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TO IMMEDIATE FCO
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OF 300401Z NOVEMBER 89
INFO IMMEDIATE MOSCOW, PARIS, BONN, ROME, UKDEL NATO
INFO IMMEDIATE OTHER EAST EUROPEAN POSTS, MANAGUA, SAN JOSE
INFO IMMEDIATE TEGUCIGALPA, SAN SALVADOR

MALTA SUMMIT: BAKER PRESS CONFERENCE: 29 NOVEMBER
SUMMARY

- 1. BAKER'S PRESS BRIEFING SETS THE SCENE FOR THE MALTA SUMMIT.
 REITERATES US INTEREST IN EXPLORING OPPORTUNITIES FOR MUTUAL
 ADVANTAGE. FIVE MAIN SUMMIT ISSUES: EASTERN EUROPE, REGIONAL
 ISSUES, ARMS CONTROL, PERESTROIKA, AND THE SOVIET ECONOMY. BUSH
 WILL PRESS GORBACHEV HARD ON CENTRAL AMERICA. BAKER IMPLIES US
 MIGHT NOT INTERVENE IF GORBACHEV CRACKED DOWN ON INTER-ETHNIC
 RIVALRY. FOR BAKER'S REMARKS ON GERMAN REUNIFICATION AND ARMS
 CONTROL SEE MY 2 IFTS.
- 2. AT A MALTA SCENE SETTING PRESS CONFERENCE ON 29 NOVEMBER BAKER SAID MUCH HAD CHANGED SINCE JULY WHEN THE PRESIDENT FIRST PROPOSED AN INFORMAL MEETING WITH GORBACHEV. MOSCOW HAD NOT STOOD IN THE WAY OF REFORM IN EASTERN EUROPE. BUT THERE WERE FEW SIGNS OF NEW THINKING IN MOSCOW'S RELATIONS WITH ITS CLIENTS IN CENTRAL AMERICA, AFGHANISTAN, CAMBODIA AND EHTIOPIA.

 3. HE SAID THE PRESIDENT WANTED TO EXPLORE OPPORTUNITIES FOR MUTUAL ADVANTAGE WITH THE SOVIET UNION. THE MALTA MEETING WOULD FOCUS ON FIVE AREAS:
 - (I) EASTERN EUROPE. THERE WOULD BE NO DEALS BUT THE PRESIDENT WOULD EMPHASISE TWO POINTS. FIRST, CHANGE AND REFORM WAS THE ONLY PATH TO LONG TERM LEGITIMACY AND STABILITY UNQUOTE. BUT QUOTE WE NEED TO HELP MANAGE THIS CHANGE IN A WAY THAT ENCOURAGES THE REFORM PROCESS TO PROCEED AND SUCCEED UNQUOTE. THIS WOULD MEAN ASSURING THE SOVIET UNION THAT THE US WOULD NOT SEEK UNILATERAL ADVANTAGE. SECOND, ANY ATTEMPT TO PREVENT REFORM WOULD BE DESTABILISING AND DANGEROUS.

 (II) REGIONAL CONFLICTS. CONTINUING SOVIET ARMS SHIPMENTS TO THIRD WORLD CLIENTS WAS PARTICULAR DISTURBING. SOVIET BEHAVIOUR IN CENTRAL AMERICA REMAINED THE BIGGEST OBSTACLE TO IMPROVEMENT IN US/SOVIET RELATIONS.

PAGE 1 UNCLASSIFIED (III) ALTHOUGH HE WOULD NOT BE CONDUCTING NEGOTIATIONS, THE PRESIDENT WOULD WISH TO DISCUSS PROGRESS ON ARMS CONTROL (SEE SECOND IFT).

- (IV) PERESTROIKA AND GLASNOST. THE PRESIDENT WANTED TO HEAR ABOUT GORBACHEV'S PLANS TO INSTITUTIONALISE THE RULE OF LAW AND TO GUARANTEE HUMAN RIGHTS IN THE SOVIET UNION.
- WHAT STEPS GORBACHEV WAS CONTEMPLATING TO MAKE THE SOVIET UNION MORE COMPATIBLE WITH THE GLOBAL ECONOMY (EG PRICE CONTROL, THE DEVELOPMENT OF NEW FORMS OF PROPERTY, AND ROUBLE CONVERTIBILITY). THE US WAS READY TO ASSIST BY OFFERING TECHNICAL ECONOMIC COOPERATION ON A QUOTE WIDE RANGE OF SUBJECTS FROM STATISTICS TO FINANCIAL MARKETS UNQUOTE.
- 4. IN RESPONSE TO QUESTIONS BAKER SPOKE ABOUT THE US POSITION ON WAIVING THE JACKSON-VANIK AMENDMENT. HE SAID THERE WOULD BE A FULL DISCUSSION AT MALTA OF THIS AND RELATED ISSUES. HE AGREED THAT THE SUPREME SOVIET MIGHT NOT BE ABLE TO ADOPT ITS NEW EMIGRATION LAW BEFORE THE SUMMIT, BUT SAID GORBACHEV MIGHT BE IN A POSITION TO GIVE ASSURANCES AS TO WHEN THE LEGISLATION MIGHT BE PASSED. HE ADDED QUOTE WE OUGHT TO MAKE CERTAIN THAT THEY GET IT CODIFIED SO THAT IT CAN'T BE REVERSED UNQUOTE. ASKED ABOUT THE BENEFITS OF CLOSER ECONOMIC COOPERATION WITH THE SOVIET UNION, BAKER SAID THIS WAS ONE OF THE AREAS OF MUTUAL ADVANTAGE WHICH SHOULD BE SEIZED. WHAT WAS REALLY NEEDED WAS FOR THE US TO GIVE THE SOVIET UNION TECHNICAL ECONOMIC COOPERATION.
- 5. ASKED WHETHER THE US WOULD MAKE CONCESSIONS ON
 AFGHANISTAN BAKER REPLIED THERE WAS NO QUOTE MORAL EQUIVALENCY
 UNQUOTE BETWEEN ASSISTING A FREELY ELECTED GOVERNMENT IN EL
 SALVADOR AND THE GOVERNMENT THAT EXISTED IN AFGHANISTAN.
 6. IN RESPONSE TO QUESTIONS ABOUT PREVIOUS ASSURANCES THAT THE
 SOVIET UNION WOULD USE ITS INFLUENCE TO STOP NICARAGUAN ARMS
 SHIPMENTS. BAKER REPLIED QUOTE EITHER THE NICARAGUANS ARE LYING
- SHIPMENTS, BAKER REPLIED QUOTE EITHER THE NICARAGUANS ARE LYING TO THE SOVIET UNION, OR THE SOVIET UNION IS LYING TO US. WE PREFER TO BELIEVE IT'S THE FORMER. UNQUOTE. THE SOVIET UNION'S MILITARY AND ECONOMIC ASSISTANCE TO NICARAGUA AND CUBA GAVE IT THE POWER QUOTE TO ASSURE THEMSLEVES THAT THEY WOULD NOT BE LIED TO IN THE FUTURE UNQUOTE.
- 7. ASKED ABOUT THE US RESPONSE TO A HYPOTHETICAL GORBACHEV CRACK DO'N IN THE SOVIET UNION BAKER SAID IT DEPENDED ON WHAT WAS MEANT BY CRACK DOWN. QUOTE MY SENSE OF AN APPROPRIATE STANDARD WOULD BE SOMETHING THAT WOULD RECOGNIZE THE

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DISTINCTION BETWEEN FORCIBLY SUPPRESSING PEACEFUL DISSENT ON THE ONE HAND, WHICH WE WOULD HAVE GREAT TROUBLE WITH, AND MAINTAINING ORDER IN THE FACE, FOR INSTANCE, OF INTER-ETHNIC RIVALRIES THAT MIGHT THEMSELVES BE LEADING TO VIOLENCE AND BLOODSHED. I SEE THOSE AS TWO DISTINCTLY DIFFERENT THINGS. UNQUOTE . IN RESPONSE TO FURTHER QUESTIONS HE ADDED QUOTE SUPPOSE YOU HAVE AZERBAIJANIS AND ARMENIANS ACTIVELY FIGHTING EACH OTHER, KILLING EACH OTHER. WOULD IT BE INAPPROPRIATE FOR THE CENTRAL AUTHORITY TO TRY AND RESTORE PEACE, WHETHER IT WAS THROUGH MARTIAL LAW OR OTHERWISE? THAT'S FAR DIFFERENT THAN USING FORCE TO SUPPRESS THE PEACEFUL DISSENT FROM POLICIES THAT THE CENTRAL GOVERNMENT MIGHT BE PURSUING. UNQUOTE.

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PAGE 3 UNCLASSIFIED The meeting in the Mediterranean should become the most important stage in preparation to the full-scale Soviet-American talks during the official visit of Mr.M.Gorbachev to the United States in 1990. This meeting of an unofficial nature is oriented at getting to know each other better. Without aiming to reach an agreement on any particular issue, it should generally facilitate the development and deepening of the positive trends, which have taken root recently in the Soviet-American relations and have such a beneficial effect on the international affairs.

The renewal after a certain pause of the dialogue with the United States in no way means any weakening of our attention to the European matters, to the dialogue and cooperation with Western Europe. In the framework of East-West relations both American and West-European directions hold equal importance for us. It was in this spirit that we have just had the talks in Moscow with the Minister for Foreign Affairs of France. Same is true for the preparation for the state visit of Mr.M.Gorbachev to Italy as well as for our further contacts with Western Europe.

As it was our practice before, the Soviet side will again share its information and evaluations of the results of the summit with the leaders of West European countries.

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