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TELNO 1282

OF 312359Z MAY 90

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AMMAN/JEDDA : FOLLOWING FOR SECRETARY OF STATE'S PARTY

MY TELNO 1271 : US/SOVIET SUMMIT : DAY ONE

SUMMARY

1. INITIAL ATMOSPHERICS GOOD. FURTHER INDICATIONS THAT THE COMPLEX OF GERMAN ISSUES IS AT THE HEART OF THE DISCUSSIONS THOUGH BOTH BAKER AND FITZWALTER SEEK TO DAMPEN EXPECTATIONS. AGREEMENTS ON CW, NUCLEAR TESTING, STUDENT EXCHANGES, PEACEFUL USE OF NUCLEAR ENERGY AND PROBABLY QUOTE MAJOR PROVISIONS UNQUOTE OF A START TREATY (AS WELL AS PRINCIPLES FOR FOLLOW-ON NEGOTIATIONS) TO BE SIGNED BY THE TWO PRESIDENTS ON 1 JUNE. BAKER AND SHEVARDNADZE, AND RESPECTIVE OFFICIALS, TO SIGN AND ISSUE A FURTHER PACKAGE OF MINOR AGREEMENTS AND JOINT STATEMENTS. TRADE AGREEMENT STILL IN THE BALANCE.

DETAIL

2. THE SECOND SUMMIT BETWEEN PRESIDENT BUSH AND GORBACHEV GOT UNDERWAY ON 31 MAY WITH TWO SESSIONS IN THE WHITE HOUSE, ONE PLENARY, ONE WITH ONLY NOTETAKERS PRESENT. BY ALL ACCOUNTS BOTH SESSIONS WENT VERY WELL, AS DID THE SIDE MEETINGS BETWEEN BAKER AND SHEVARDNADZE, WITH BOTH SIDES QUOTE UPBEAT AND IN GOOD SPIRITS UNQUOTE. IT WAS PARTICULARLY NOTEWORTHY THAT IN PRESS BRIEFINGS, FITZWALTER DEALT ONLY BRIEFLY WITH LITHUANIA AND IN REITERATING US CONCERNS, AVOIDED LINKAGE TO SPECIFIC ISSUES, TALKING ONLY OF THEIR BEARING ON THE RELATIONSHIP IN GENERAL. OFFICIALS HAVE SAID TO US THAT THEY EXPECT THAT THE MAIN BUSINESS WILL BE DONE IN CAMP DAVID ON 2 JUNE, PARTICULARLY AS MUCH OF 1 JUNE WILL BE TAKEN UP WITH THE CEREMONIAL SIGNATURE OF A PLETHORA OF BILATERAL AGREEMENTS.

3. THE CENTRALITY TO THIS SUMMIT OF THE COMPLEX OF ISSUES ARISING FROM GERMAN UNIFICATION CONTINUES TO BECOME CLEARER. AS BAKER SAID IN A BREAKFAST TELEVISION INTERVIEW ON

31 MAY, QUOTE OUR JOB IS TO SEE IF WE CAN FIND OTHER THINGS THAT THE SOVIETS CAN POINT TO, TO JUSTIFY GERMANY'S MEMBERSHIP IN NATO TO THEIR DOMESTIC POPULATION. UNQUOTE. WE NOW KNOW THAT THE HIGH LEVEL CONTACTS BETWEEN THE US AND FRG ON 30 MAY INVOLVED TWO DISCUSSIONS BETWEEN BUSH AND KOHL, AND SEPARATE DISCUSSIONS BETWEEN BAKER AND GENSCHER AND SCOWCROFT AND TELTSCHIK. THE GERMAN GAME PLAN AS OUTLINED TO US BY THE GERMAN EMBASSY HERE (PLEASE PROTECT) APPEARS TO BE TO ENCOURAGE THE AMERICANS TO MANOEUVRE GORBACHEV INTO THE POSITION OF ASKING FOR ASSURANCES ON GERMAN FORCE LEVELS IN CFE AS PART OF AN OVERALL SETTLEMENT INCLUDING GERMAN MEMBERSHIP OF NATO. WE ALSO KNOW THAT THE ADMINISTRATION ARE LOOKING AT THE POSSIBILITY OF A CSCE SWEETENER BY ADOPTING THE SHEVARDNADZE PROPOSAL FOR A EUROPEAN CRISIS MANAGEMENT CENTRE. APPARENTLY THE WHITE HOUSE HAD ORIGINALLY ENVISAGED THAT THIS WOULD BE FLOATED BY BAKER IN JUNE FOR AGREEMENT AT THE NATO SUMMIT IN JULY. BUT THE SHEVARDNADZE LETTER, WHICH THEY HAVE ONLY JUST RECEIVED BY HAND OF SHEVARDNADZE HIMSELF, HAS PROMPTED A LAST MINUTE TACTICAL REVIEW.

4. THAT SAID, BAKER AND FITZWALTER HAVE BEEN AT PAINS THROUGHOUT 31 MAY TO DAMPEN EXPECTATIONS FOR A BREAKTHROUGH ON GERMANY/CFE, PARTICULARLY GIVEN THE EXTENSIVE PRESS SPECULATION THAT A DEAL IS IN THE OFFING. IN PARTICULAR BAKER HAS SOUGHT TO PROMOTE THE OTHER BILATERAL AGREEMENTS, NOTABLY AN ARMS CONTROL, WHICH ARE DUE TO BE SIGNED ON 1 JUNE. AT THE LAST COUNT THE PRESIDENTS WILL BE SIGNING FIVE BILATERAL AGREEMENTS (CW, NUCLEAR TESTING VERIFICATION PROTOCOLS, STUDENT EXCHANGES, PEACEFUL NUCLEAR ENERGY AND PROBABLY QUOTE MAJOR PROVISIONS UNQUOTE OF A START TREATY (INCLUDING A STATEMENT OF PRINCIPLES ON FOLLOW ON NEGOTIATIONS)). THEY ARE ALSO LIKELY TO ISSUE NATIONAL STATEMENTS ON CFE. AT LEAST SIX AGREEMENTS WILL BE SIGNED AT LOWER LEVELS (INCLUDING CIVIL AVIATION) WITH JOINT STATEMENTS ON AT LEAST HALF A DOZEN OTHER ISSUES (INCLUDING THE ENVIRONMENT, NON-PROLIFERATION AND ECONOMIC AND TECHNICAL CO-OPERATION). THE BILATERAL TRADE AGREEMENT APPEARS TO BE STILL IN THE BALANCE WITH GORBACHEV'S SPOKESMAN MAKING SOME PLAY ON THE SOVIET DESIRE FOR SIGNATURE DURING HIS JOINT PRESS CONFERENCE WITH FITZWALTER (WITH CONTINUED REPETITION OF QUOTE I WISH IT WOULD HAVE BEEN SIGNED UNQUOTE) AND WITH FITZWALTER UNWILLING TO GO INTO DETAIL ON THE US APPROACH.

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AMMAN: FOLLOWING FOR SECRETARY OF STATE'S PARTY

MY TELNO 1244 (NOT TO ALL) : US/SOVIET SUMMIT : PREPARATORY
TALKS AT OFFICIAL LEVEL

SUMMARY

1. LIMITED PROGRESS SO FAR ON ARMS CONTROL DURING PREPARATORY TALKS. INCREASINGLY CLEAR THAT GERMAN UNIFICATION AND COMPLEX OF RELATED ISSUES, INCLUDING CFE, WILL BE CENTRAL TO THE SUMMIT ITSELF, WITH PRESIDENT LIKELY TO EXPLORE THE EXTENT OF GORBACHEV'S ROOM FOR MANOEUVRE.

DETAIL

2. PRESIDENT GORBACHEV ARRIVED HERE THIS EVENING AND THE SUMMIT PROPER GETS UNDERWAY ON 31 MAY. THE TALKS BETWEEN THE TWO PRESIDENTS HAVE BEEN PRECEDED BY SOME FOUR DAYS OF OFFICIAL LEVEL TALKS BETWEEN DELEGATIONS OF ARMS CONTROL EXPERTS LED BY BARTHOLOMEW AND KARPOV RESPECTIVELY. ALTHOUGH WE UNDERSTAND THAT NO SPECTACULAR BREAKTHROUGH HAS BEEN MADE ON THE DETAIL OF OUTSTANDING ISSUES, THERE HAS BEEN SOME INCREMENTAL PROGRESS ON BOTH CFE AND START. MORE IMPORTANT IT HAS BECOME INCREASINGLY CLEAR THAT GERMAN UNIFICATION AND THE COMPLEX OF EUROPEAN ISSUES RELATED TO IT, INCLUDING CFE, WILL BE AT THE HEART OF THE MEETING. THE PRESIDENT WILL, AT VERY LEAST FEEL UNDER AN OBLIGATION TO TEST THE LIMITS OF GORBACHEV'S ROOM FOR MANOEUVRE IN THIS AREA IN ORDER TO SEEK TO UNBLOCK THE CURRENT LOGJAM AND ADVANCE THE AGREED WESTERN GAME PLAN. WE KNOW THAT SCOWCROFT HAS BEEN BRIEFING JOURNALISTS TO THIS EFFECT SINCE 29 MAY. AND OFFICIALS INVOLVED IN THE BARTHOLOMEW/KARPOV WORKING GROUP TALKS HAVE INDICATED TO US THAT, NOTWITHSTANDING THE LIMITED PROGRESS IN THE TALKS THEMSELVES, THE VARIOUS PROBLEM AREAS IN CFE, INCLUDING MANPOWER, WILL NEED TO BE KEPT UNDER REVIEW AGAINST THE POSSIBILITY THAT GORBACHEV MAY HAVE FLEXIBILITY FOR SOME ACCOMMODATION.

3. THE MAIN FOCUS OF PRESS ATTENTION HAS BEEN THE SUGGESTED LIMITATION ON THE BUNDESWEHR - A SUBJECT OF DISCUSSION SINCE THE GENSCHER/SHEVARDNADZE MEETING LAST WEEK. WE UNDERSTAND THAT GEN. NAUMANN (FMOD) WAS HERE ON 29 MAY AND TOLD THE ADMINISTRATION THAT STOLTENBERG WAS OPPOSED TO THE INCORPORATION OF ANY COMMITMENT TO SUCH LIMITS IN CFE 1, AND THAT STOLTENBERG WOULD BE TAKING THIS UP WITH HIS MINISTERIAL COLLEAGUES IN BONN ON 30 MAY. ALTHOUGH THIS MESSAGE HAS SUNK HOME AT OFFICIAL LEVEL HERE, THE PRESS HAVE JUDGED THAT MORE MAY BE IN THE OFFING. THE NEWS THAT THE PRESIDENT TELEPHONED CHANCELLOR KOHL TODAY EXPRESSLY TO DISCUSS THE SUMMIT WILL ONLY FUEL SUCH SPECULATION.

4. AS REGARDS THE SPECIFIC PROGRESS MADE SO FAR IN THE WORKING GROUPS, THE POSITION IS AS FOLLOWS:

- I) ON START, IT BECAME CLEAR DURING THE FIRST DAY OF THE MEETINGS THAT KARPOV WAS UNWILLING TO DO MORE THAN DISCUSS LANGUAGE FOR THE JOINT PUBLIC DECLARATIONS ON START I AND II.
- II) WITH THE BACK OF THE BILATERAL WORK ON CW AND TESTING HAVING BEEN EFFECTIVELY BROKEN, CFE HAS BEEN THE MAIN FOCUS OF THE WORKING GROUP DISCUSSIONS SINCE 27 MAY AS WELL AS THE CENTRE OF PRESS INTEREST. WE UNDERSTAND THAT GRINEVSKY ARRIVED WITH A RESPONSE TO THE BAKER MOSCOW PROPOSALS AND THAT SUBSEQUENT TALKS HAVE FOCUSED ON AIRCRAFT, VERIFICATION (INCLUDING AERIAL INSPECTION) AND DEFINITIONS AND THRESHOLDS FOR ARMoured VEHICLES (INCLUDING TANKS). THE GRINEVSKY RESPONSE GAVE LITTLE SATISFACTION IN RESPECT OF AIRCRAFT, WITH SOME MOVEMENT ON OVERALL NUMBERS BELOW 7000, BUT WITH CONTINUED EFFECTIVE EXCLUSION OF COMBAT CAPABLE TRAINERS AND LAND BASED NAVAL AIR. ON VERIFICATION, THERE HAS BEEN SIMILARLY LITTLE PROGRESS, WITH GRINEVSKY PUSHING A RESTRICTIVE AERIAL INSPECTION REGIME TIED CLOSELY TO GROUND INSPECTIONS (IE LOW ALTITUDE FLIGHTS ONLY, NO SOPHISTICATED SENSOR PACKAGES, INSPECTORS TO FLY AIRCRAFT PROVIDED BY INSPECTED STATE). THERE HAS, HOWEVER, BEEN SOME PROGRESS ON DEFINITIONS OF ARMoured VEHICLES, INCLUDING TANKS.

5. THE ACHIEVEMENTS OF THE WORKING GROUP DISCUSSIONS OF CFE PRIOR TO GORBACHEV'S ARRIVAL THEREFORE AMOUNT TO VERY LITTLE. THERE HAS CERTAINLY BEEN NOTHING ON MANPOWER. WE HAVE HOWEVER PICKED UP INDICATIONS FROM WELL PLACED CONTACTS IN THE PENTAGON THAT SENIOR OFFICIALS HAVE BEEN INVOLVED IN INTERNAL DISCUSSIONS OF SUFFICIENCY RULES FOR EQUIPMENT OF AROUND 35 PERCENT, AND THAT INDIVIDUAL SUFFICIENCY RULES FOR PARTICULAR CATEGORIES ABOVE THAT FIGURE HAVE BEEN MOOTED - THOUGH NOT IN THE TALKS THEMSELVES.

COMMENT

6. HOW FAR BAKER AND THE PRESIDENT WILL BE PREPARED TO GO ON GERMANY AND CFE IS UNCLEAR AND WILL DOUBTLESS HAVE BEEN INFLUENCED BY THE DISCUSSIONS WITH BONN OVER THE PAST 24 HOURS. THE POSSIBILITY OF A GENERAL ASSURANCE THAT GERMAN FORCES WILL BE INCLUDED FOR LIMITATION IN FOLLOW ON NEGOTIATIONS IS ALREADY PREDICTED IN THE PRESS AND BY SOME OFFICIALS. WHETHER THE PRESIDENT WILL GO FURTHER AND PROPOSE A SPECIFIC DEAL ON THE LINES ADVOCATED BY GENSCHER OR A VARIANT OF IT, IS ANOTHER MATTER. WHEN WE RAISED THIS EXPLICITLY WITH BOHLE (DEPUTY) ASSISTANT SECRETARY, CFE, IN STATE DEPARTMENT) SHE SAID THAT OFFICIALS WERE FIRMLY CAUTIONING AGAINST ANY DISPOSITION TO DEAL BILATERALLY WITH THE RUSSIANS ON THIS AND ENUMERATED THE VARIOUS ARGUMENTS AGAINST DOING SO:-

A) THAT THERE WAS STILL (AS FAR AS SHE KNEW) NO CONSENSUS WITHIN THE GERMAN GOVERNMENT ON GENSCHER'S IDEA.

B) THAT THE ZONE OF APPLICATION FOR ANY SUFFICIENCY RULE ON MANPOWER IN THE CENTRAL REGION WOULD NEED IN ANY CASE TO BE EXPANDED BEYOND ZONE 4:3 IN ORDER TO CAPTURE ENOUGH OF THE SOVIET UNION.

C) THAT NUMEROUS ALLIED SENSITIVITIES WERE INVOLVED, NOT ONLY OVER CONSULTATIONS BUT ALSO IN VIEW OF THE SPECIAL CONCERNS OF THE FLANKS THAT MANPOWER SHOULD NOT BE SQUEEZED OUT OF THE CENTRAL REGION IN THEIR DIRECTION.

7. WE BRIEFED BOHLEN OF YOUR DISCUSSIONS WITH GENSCHER AND DUMAS AND STRESSED OUR INTEREST IN CAUTION AND IN FURTHER CONSIDERATION OF THIS IN THE MARGINS OF THE TURNBERRY NAC ON 6 JUNE (FCO TELNO 351 TO PARIS, NOT TO ALL).

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