



10 DOWNING STREET

R. Hunter

Some over-night
material.

CDP

CONFIDENTIAL

TELEGRAM

FROM ECO

TO IMMEDIATE WASHINGTON

TELNO

OF

INFO PRIORITY: NATO POSTS, MOSCOW, EAST BERLIN, BM BERLIN

INFO PRIORITY: MIDDLE EAST POSTS

FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH US SECRETARY BAKER

SUMMARY

1. Baker confirms Soviet interest in NATO/Warsaw Pact declaration. Says he has put the ball firmly in Shevardnadze's court. Baker also optimistic on prospects for concluding CEE this year. Baker sees no prospect of securing language on TASM this side of a German election. Recommends sticking with existing Alliance language of appropriate mix of nuclear and conventional forces. On Middle East, Baker sees real danger of Congress putting an end to US/PLO dialogue. Remains committed to search for a settlement and sees no alternative to US action for the time being.

DETAIL

2. The Secretary of State and Baker had a short meeting at Turnberry this afternoon. Baker confirmed that the Russians had surfaced the issue of a NATO/Warsaw Pact declaration in Washington but had put no flesh on the bones. Baker and Shevardnadze had discussed the issue again in Copenhagen on 5 June. Shevardnadze had said his people were working on confidence building measures. He had suggested a joint group on Warsaw Pact, NATO contacts but Baker had declined. ^{THAT} ~~we~~ had come up with nine ways in which Soviet concerns over German membership of NATO

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could be taken into account. It was now time for the Russians to respond. The Secretary of State questioned whether we wanted to support an idea which could help keep the Warsaw Pact together. Baker agreed that we did not but we should equally not say no to something which might make it easier for the Russians to accept German membership. The Secretary of State drew a distinction between a good declaration which might settle the matter once and for all and ongoing meetings which would give the Warsaw Pact unjustified status. Baker said we could not judge this until we knew what the Russians wanted.

3. CEE. The Secretary of State thought that it would be possible to find a way to indicate willingness to count troops in the central zone, however defined. Baker said he was now more optimistic on CEE. The Russians had assured him they wanted an agreement this year and had even been willing to describe it as a condition of the OSCE Summit. He thought there was even a possibility that if we could not reach a conclusion on aircraft, the Russians would conclude an agreement without. They had said they would come back to us on our latest aircraft proposal. Baker said he had talked to the Poles, Czechs and Hungarians. The Poles and Czechs were willing to see the Warsaw Pact continue if that could smooth the way to German membership of the Alliance. The Hungarians took a different position. They did not want any cheese, they just wanted out of the trap. The Warsaw Pact would be meeting in Moscow on 7 June. It was important that we keep the three countries committed to their support for German membership of NATO.

4. SNF/TASM. The Secretary of State said we could not press the Germans to be precise but we did not want to lose TASM. The tactics were difficult. Baker saw no

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alternative to avoiding the subject. Kohl would not be committed on the issue and, even if we thought we had hooked him, he would not necessarily stay hooked throughout the election campaign. The SPD wanted nothing better than to make an issue of TASM. [redacted] should have to rely on our agreed language on an adequate mix of conventional and nuclear weapons. The issue would not arise in practical form until 1995. Meanwhile, we could press the Germans on the point in private. The Secretary of State said we should urge Kohl and Stoltenberg to avoid doing anything which would rule out TASM. Baker said he had already been making the point.

MIDDLE EAST

5. The Secretary of State gave an account of his visit to Jordan and Saudi Arabia. He described King Hussein's problems and the fact that King Hussein did not really believe the United States was his friend. King Fahd, by contrast, spoke very highly of Baker and the President, but he too was gloomy. The moderate Arabs wanted to keep the US in business but were afraid the US Government would lose interest. They knew Arafat was confused and unsatisfactory but there was a real danger, not now from communists but from fundamentalists. We needed to keep Qadhafi etc at bay and the peace process going.

6. Baker said he knew of the moderate Arab view and understood it. He was not optimistic. The US was willing to remain engaged but only if there was some prospect of doing something real and practical. There was a time and a place for an international conference but the US could not deliver Israel to such a conference now. That could only happen after Israel and the Palestinians had started talking. The political situation in Israel was troubled and the prospect of a

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Likud government with a narrow majority did not augur well. But nothing could happen at all until there was a government. Mubarak and Meguid and others had worked diligently and the US had come agonisingly close to getting a dialogue started. But when the Israelis had been asked to agree to one member of the Palestinian delegation being a resident of the Occupied Territories, with a second home in Jerusalem, they had been unable to do so and the government had fallen. Last week's beach attack was an enormously complicating factor. The US could not maintain its dialogue with the PLO in the face of PLO terrorism. Baker hoped we would use our influence to convince Arafat that it was not enough for him to renounce terrorism. The US did not believe he had been implicated in the attack but he must condemn it. The Secretary of State said we had already made the case to Arafat but he would probably equivocate.

7. Baker said he thought the Arab states appreciated that the US had gone out on a limb at home to try to get an agreement. The US stood ready to support a visit to the Occupied Territories by a representative of the UN Secretary General but they had felt obliged to veto the wider Security Council Resolution. It was essential to make the focus of attention Israel's failure to say yes to peace. Once the focus of attention shifted elsewhere, that pressure on Israel was removed. Ross commented that Arafat was on the point of saying no to peace and yes to terrorism. Baker said that, if Arafat did not condemn the raid, the matter would be taken out of his hand. Congress would stop the dialogue.

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