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BAKER'S CALL ON GORBACHEV, 13 SEPTEMBER

SUMMARY

1. BROADLY POSITIVE SOVIET REACTION TO THE IDEA OF A SECURITY COUNCIL RESOLUTION TO EMBARGO AIR ROUTES TO IRAQ; BUT MORE CAUTIOUS RESPONSE ON APPLICATION OF SANCTIONS TO VIOLATORS OF THE EXISTING SECURITY COUNCIL RESOLUTIONS.

2. BAKER REHEARSES LEGAL CONSTRAINTS ON US GOVERNMENT'S ABILITY TO PROVIDE ECONOMIC ASSISTANCE.

DETAIL

3. AT THE END OF HIS MOSCOW VISIT, JAMES BAKER SPENT 2 HOURS WITH GORBACHEV. THE FIRST HOUR WAS A MASS MEETING INCLUDING SECRETARY MOSBACHER AND BUSINESSMEN. THE SECOND HOUR WAS A RESTRICTED SESSION WITH GORBACHEV AND SHEVARDNADZE. DENIS ROSS (STATE DEPARTMENT) HAS SENT US A BRIEF ACCOUNT OF THE LATTER CONVERSATION VIA THE US EMBASSY. IT COVERED THE FOLLOWING GE SUBJECTS (BAR A LIGHT TOUCH OF ARMS CONTROL, IN WHICH BAKER SAID THAT RAPID POLITICAL DECISIONS WOULD BE NEEDED IF CFE AND START AGREEMENTS WERE TO BE ACHIEVED WITHIN THE DESIRED PERIOD).

THE GULF

4. BAKER SOUGHT SOVIET REACTIONS TO 2 NEW SECURITY COUNCIL RESOLUTIONS:

A) TO TIGHTEN EXISTING SANCTIONS BY PLACING AN EMBARGO ON AIR TRAFFIC, THUS BLOCKING LOOPHOLES FROM COUNTRIES SUCH AS LIBYA.

B) TO PUNISH COUNTRIES BREAKING SANCTIONS, BY APPLYING SANCTIONS TO THEM.

5. THE AMERICANS REPORTED THAT THE SOVIET SIDE, AND ESPECIALLY SHEVARDNADZE, HAD REACTED IN GENERALLY POSITIVE TERMS ON THE AIR EMBARGO RESOLUTION. THEY HAD BEEN MORE CAUTIOUS ON THE SECOND PROPOSAL, TAKING THE LINE THAT THE FIRST RESOLUTION WOULD HAVE TO BE PUT INTO EFFECT BEFORE IT MADE SENSE TO START THINKING OF THE SECOND.

6. BAKER HAD SUGGESTED THAT THE RUSSIANS MIGHT USE THEIR HUGE CAPACITY IN AIR AND SEA TRANSPORT TO HELP TO TRANSPORT FORCES INTO THE ZONE EG FROM SYRIA, AND REFUGEES OUT OF IT. GORBACHEV AND SHEVARDNADZE HAD NOT APPEARED AT ALL ENTHUSIASTIC ABOUT THIS IDEA.

7. GORBACHEV HAD COMMENTED THAT THE HELSINI SUMMIT HAD BEEN VERY WELL RECEIVED IN THE SOVIET UNION, AND HAD BEEN AN IMPORTANT STEP IN THE BUILDING OF A NEW WORLD ORDER. HE HAD AGREED VERY STRONGLY WITH BAKER'S COMMENT THAT SADDAM HUSSEIN WAS A THREAT TO THIS NEW ORDER.

SOVIET ECONOMIC AND POLITICAL REFORM

8. GORBACHEV HAD TAKEN THE LINE THAT SOME OF THE INITIAL EUPHORIA IN THE SOVIET REPUBLICS WAS DISSIPATING, AND THAT REPUBLICAN LEADERS WERE BEGINNING TO REFLECT MORE SOBERLY ON THEIR OPTIONS. HE HAD SAID CLEARLY THAT HE HAD NOW OPTED FOR A RADICAL ECONOMIC PROGRAMME (ESSENTIALLY THE QUOTE SHATALIN UNQUOTE PLAN) BUT THAT HE HAD TO TAKE ACCOUNT OF THE MAJOR POLITICAL STRUGGLE WHICH WAS UNDER WAY. FOR POLITICAL REASONS IT WAS IMPORTANT TO GIVE THE REPUBLICS AN OPPORTUNITY TO COMMENT ON THE PLAN.

US ECONOMIC ASSISTANCE

9. GORBACHEV HAD RAISED THE QUESTION OF POSSIBLE AMERICAN LOANS AND NEAR-TERM ECONOMIC HELP. IN REPLY, BAKER HAD SPOKEN WITH SYMPATHY, BUT HAD SPELLED OUT THE LEGAL CONSTRAINTS ON THE US GOVERNMENT. THESE INCLUDED NOT ONLY JACKSON/VANICK, BUT ALSO THE STEVENSON AND BYRD AMENDMENTS, AND THE JOHNSON DEBT ACT (RELATING TO THE DEBTS OF THE KERENSKY GOVERNMENT). THE JACKSON/VANICK WAIVER WHICH WOULD UNBLOCK THESE CONSTRAINTS DEPENDED ON PASSAGE OF THE NEW SOVIET EMIGRATION LAW. GORBACHEV HAD REPLIED THAT HE EXPECTED THE LAW TO BE ADOPTED SOON. HE HAD NOT BEEN MORE PRECISE.

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