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FILE TITLE:	SERIES
East/West Relations US Foreign Policy	FOREIGN POLICY
	PART: 2

PART BEGINS:	PART ENDS:	CAB ONE:
June 1980	September 1982	

Part 2
Closed

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PART

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Cabinet / Cabinet Committee Documents

Reference	Date
CC (81) 41st Conclusions, Minute 2	17.12.81
CC (81) 32nd Conclusions, Minute 2	24.9.81
OD (80) 15th Meeting, Minutes	5.6.80
OD (80) 43	2.6.80

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed O Wayland Date 16 October 2012

PREM Records Team

(1).

John – we have a major problem on our hands.

(1) Lord C. would never have sent such a paper without first coming to see me and discuss the nature of the matter.

(2) Likely to be conducive in some way to totally ignores Afghanistan – could have been deployed the day after the occupation so late are they all.

(3) This is the shallowest paper I have ever seen

(4) I will contact Lord Thomas opening my own Soviet from yesterday

PRIME MINISTER

EASTERN EUROPE AND THE SOVIET UNION

The Foreign Secretary's minute underneath covers two long papers, which he has approved, on (a) Policy towards the Soviet Union, and (b) Policy towards Eastern Europe. In view of their length, you may like to have a summary.

The first envisages:

(a) Re-establishment of a regular pattern of political discussion with the Russians, at both Ministerial and official level;

(b) Re-establishment of the earlier pattern of cultural exchanges.

This would be a change in our post-Afghanistan policy, but might be a good idea, especially at a time when changes in the Soviet leadership cannot be far away.

The second proposes that we should:

(a) Continue our policy of positive discrimination in Eastern Europe;

(b) Favour Yugoslavia and Hungary; do not, as in the past, give Romania special treatment; upgrade East Germany a bit because of its economic strength; and increase trade and cultural contacts with Czechoslovakia;

(c) As the situation in Poland settles down, maximise trade on a cash basis and move towards the restoration of contacts. I take it that this is what the Foreign Secretary means when in paragraph 2 of his minute he says that we should be prepared, with our allies, to react to any partial moves by Jaruzelski towards reconciliation with the Polish people with an appropriate response.

/ Do you

Do you wish me to convey to Mr. Pym any comments about these two papers?

A.J.C.

30 September 1982

GR 650

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Foreign Policy

16

D E D I P
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BURNING BUSH
DESKBY 300800Z
FM UKMIS NEW YORK 300556Z SEP 82
TO IMMEDIATE F C O
TELEGRAM NUMBER 1503 OF 29 SEPTEMBER 1982
INFO PRIORITY BONN, PARIS, WASHINGTON, UKDEL NATO, MOSCOW (PERSONAL FOR AMBASSADOR/MINISTER).

FOLLOWING FROM PRIVATE SECRETARY

QUADRIPARTITE MINISTERIAL DINNER ON 29 SEPTEMBER: SHULTZ'S MEETING WITH GROMYKO, 28 SEPTEMBER.

1. THE SECRETARY OF STATE SAID THAT HE HAD FOUND GROMYKO AFFABLE AND ASKED FOR SHULTZ'S IMPRESSIONS OF HIS OWN MEETING.

2. SHULTZ SAID THAT THIS HAD LASTED THREE HOURS AND WOULD BE CONTINUED ON 4 OCTOBER. GROMYKO HAD TAKEN THE LINE THAT THE SERIOUS DETERIORATION IN US/SOVIET RELATIONS WAS THE FAULT OF THE AMERICANS. SHULTZ HAD REPLIED THAT IT RESULTED FROM AN UNACCEPTABLE PATTERN OF SOVIET BEHAVIOUR INCLUDING THE BUILD-UP AND DEPLOYMENT OF NEW WEAPONS, AFGHANISTAN, POLAND, VIETNAMESE OCCUPATION OF CAMBODIA, TREATMENT OF HELSINKI MONITORING GROUPS IN THE SOVIET UNION AND BREACH OF UNDERTAKINGS ON BIOLOGICAL (SIC) WEAPONS. HE HAD TOLD GROMYKO THAT THE UNITED STATES WAS WELL ABLE TO DEFEND ITS INTERESTS BUT THAT IT WOULD BE READY FOR A BETTER RELATIONSHIP WITH THE SOVIET UNION IF SOVIET BEHAVIOUR WAS SUCH AS TO MAKE THIS POSSIBLE.

3. SHULTZ SAID HIS IMPRESSION FROM THIS TALK WAS THAT HUMAN RIGHTS HAD A VERY LOW PRIORITY FOR THE SOVIET UNION. GROMYKO HAD SPENT PERHAPS FOUR MINUTES ON THIS SUBJECT COMPARED WITH OVER AN HOUR ON ARMS CONTROL. IF THE SOVIET UNION WAS ABLE TO DISRUPT THE PROJECTED DEPLOYMENT OF INF IN WESTERN EUROPE, IT WOULD BE IN A STRONG POSITION. IF NOT, SHULTZ SENSED THAT THE RUSSIANS WOULD PROBABLY BE READY FOR A DEAL OF SOME KIND. THE AMERICAN NEGOTIATORS IN GENEVA DESCRIBED THEIR SOVIET OPPOSITE NUMBERS AS PROFESSIONAL AND BUSINESSLIKE, AND GROMYKO HAD SAID THAT HIS IMPRESSION OF THE AMERICAN TEAM WAS THE SAME. THERE WERE QUOTE FEELERS UNQUOTE AROUND WHICH THE UNITED STATES WAS TRYING TO EVALUATE.

4. AS TO OTHER SUBJECTS, THERE HAD BEEN NO SIGN OF ANY REAL SOVIET GIVE ON AFGHANISTAN, ALTHOUGH THE UN SECRETARY GENERAL SEEMED TO HAVE FORMED A DIFFERENT IMPRESSION. GROMYKO HAD REJECTED ANY DISCUSSION OF POLAND ON THE GROUNDS THAT THIS WAS MATTER FOR THE POLES, BUT SHULTZ HAD TOLD HIM THAT SOVIET INFLUENCE THERE WAS DECISIVE. THERE HAD BEEN NO TIME TO DISCUSS SOUTHERN AFRICA.

/5.

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5. SHULTZ SAID THAT HIS INSTRUCTIONS FROM PRESIDENT REAGAN WERE TO TAKE A REALISTIC VIEW OF SOVIET BEHAVIOUR AND TO MAKE NO BONES ABOUT IT IN PUBLIC STATEMENTS, BUT AT THE SAME TIME TO MAKE IT PLAIN THAT THE UNITED STATES WOULD BE READY FOR A MORE CONSTRUCTIVE RELATIONSHIP IF THE RUSSIANS WERE PREPARED TO CHANGE THEIR BEHAVIOUR.

6. THE SECRETARY OF STATE SAID IT WAS HIS IMPRESSION THAT THE RUSSIANS AT THE MOMENT WERE SOMEWHAT DEFENSIVE AND PLAYING FROM A WEAK HAND.

F C O PLEASE ADVANCE COPIES TO: PS, PS/PUS, MR WRIGHT, MR GILLMORE, HEAD/EESD, HEAD/PLANNING STAFF.

THOMSON

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(ADVANCED AS REQUESTED)

HD/PLANNING STAFF
HD/EESD
HD/NAD
PS
PS/PUS
MR WRIGHT
MR GILLMORE

GR 900

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DESKBY 300800Z
FM UKMIS NEW YORK 300555Z SEP 82
TO IMMEDIATE F C O
TELEGRAM NUMBER 1502 OF 29 SEPTEMBER 1982
INFO IMMEDIATE BONN, PARIS, WASHINGTON, UKDEL NATO (PERSONAL FOR AMBASSADOR/MINISTER).

FOLLOWING FROM PRIVATE SECRETARY

QUADRIPARTITE MINISTERIAL DINNER ON 29 SEPTEMBER: EAST/WEST RELATIONS

1. CHEYSSON SAID THAT DISPUTES BETWEEN THE ALLIES WOULD CONTINUE TO ARISE, AS THEY HAD OVER THE PIPELINE, SO LONG AS THERE WAS NO COMMON ASSESSMENT AND STRATEGY. AT THE MOMENT THE WEST WAS PASSIVE AND HAD NO COHERENT POLICY. SOME OF THE ARGUMENTS PRODUCED BY THE UNITED STATES ABOUT THE PIPELINE WERE QUITE UNACCEPTABLE TO FRANCE, BUT MORE SERIOUS THAN THIS WAS THE FACT THAT THESE POINTS HAD NEVER BEEN SERIOUSLY DISCUSSED. THE WEST DID NOT SEEM TO KNOW COLLECTIVELY WHY IT WAS DOING SOME THINGS AND NOT DOING OTHERS. IF THE BASIC ELEMENTS COULD BE ARGUED OUT, THE CONTROVERSIAL ISSUES MIGHT APPEAR IN A DIFFERENT LIGHT. THERE HAD BEEN SOME ATTEMPT AT THIS IN EARLIER PERIODS, BUT ON A FRAGMENTARY BASIS. BEFORE THE IMPOSITION OF MARTIAL LAW THE WEST HAD HAD A POLICY TOWARDS POLAND, WHICH FINANCE MINISTERS IN WESTERN CAPITALS HAD NOT MUCH LIKED. BUT THERE HAD BEEN NO ATTEMPT TO PUT POLAND INTO THE PERSPECTIVE OF EASTERN EUROPE OR THE SOVIET EMPIRE AS A WHOLE.

2. THE SECRETARY OF STATE STRONGLY ENDORSED CHEYSSON'S ARGUMENT. THE SOVIET MILITARY BUILDUP HAD BEEN IDENTIFIED AND WAS BEING COUNTERED, BUT THE POLITICAL AND ECONOMIC DIMENSIONS WERE ALSO PART OF THE PICTURE. BOTH THE WEST AND THE EAST WERE MOVING INTO A NEW PHASE, ESPECIALLY THE LATTER WITH THE TRANSITION TO THE POST-BREZHNEV LEADERSHIP IN MOSCOW. THERE MIGHT BE A DESIRE IN THE WEST, ESPECIALLY IN THE YOUNGER GENERATION, FOR SOME RAPPROCHEMENT WITH THE SOVIET UNION. THERE SHOULD BE SOME STUDY OF HOW TO COPE WITH THIS PROBLEM.

3. VON STADEN SAID THAT THE POST-BREZHNEV APPARATUS WAS ALREADY IN PLACE BEHIND HIM. CHANGES IN THE SOVIET UNION WERE VERY GRADUAL AND BREZHNEV'S SUCCESSORS WOULD BE MEN IN THEIR SIXTIES. THE IMPORTANT THING WAS TO DENY THE RUSSIANS THEIR STANDING OBJECTIVE, WHICH WAS TO OBTAIN SOMETHING WITHOUT PAYING A PRICE. THE HARMEL REPORT WAS STILL BASICALLY RIGHT, BUT THE ALLIANCE HAD NOT ALWAYS LIVED UP TO IT.

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4. SHULTZ SAID THAT GIVEN THE UNCERTAINTIES ABOUT PERSONALITIES IN MOSCOW THE RIGHT COURSE WAS TO FOCUS ON SOVIET POLICIES RATHER THAN INDIVIDUALS, TO LIMIT SOVIET OPTIONS AS FAR AS POSSIBLE, TO PUT SOME CHOICES BEFORE THE SOVIET LEADERSHIP AND TO MAINTAIN A FIRM STANCE SO AS TO ENSURE THAT THEY DID NOT OBTAIN ANYTHING FOR NOTHING. IT WOULD BE WRONG TO FEED THE SOVIET MILITARY BY ADDING TO SOVIET ECONOMIC RESOURCES. IF THE WEST COULD FIND SOME WAY OF CONTROLLING THE ECONOMIC RELATIONSHIP AS WE ALREADY DID THE ARMS CONTROL FIELD, WE SHOULD BE POSTURED SO AS TO INFLUENCE EVENTS. THE UNITED STATES HAD ALREADY ADOPTED A LONG-TERM POLICY OF CONSIDERED DIFFERENTIATION COVERING SUCH QUESTIONS AS WHICH EAST EUROPEAN COUNTRIES, IF ANY, SHOULD BE ALLOWED TO BUY HIGH TECHNOLOGY FROM THE WEST, WHERE THE MFN PRINCIPLE SHOULD BE APPLIED AND WHERE ADMISSION TO THE IMF AND WORLD BANK MIGHT BE APPROPRIATE. A LOT OF WORK HAD ALREADY BEEN DONE ON EAST/WEST ECONOMIC RELATIONS. IN COCOM A MEETING IN PARIS WAS IN PROSPECT NEXT WEEK TO EXAMINE THE LISTS AND THE POSSIBILITY OF IMPROVING ENFORCEMENT: THIS OUGHT TO BE FEASIBLE VERY QUICKLY. MONITORING THE FLOW OF EAST/WEST TRADE EX POST FACTO SHOULD BE EASY: ALL THAT WAS NEEDED WAS A MECHANISM. THE QUESTION OF ALTERNATIVE ENERGY SUPPLIES FOR WESTERN EUROPE WAS ONE ON WHICH THE EUROPEANS SHOULD TAKE THE LEAD, ALTHOUGH THE UNITED STATES COULD CONTRIBUTE TO THE STUDY. IT SHOULD BE UNDERTAKEN AGAINST THE BACKGROUND THAT NEW CONTRACTS FOR SOVIET GAS SHOULD NOT BE ENTERED INTO UNTIL ITS RESULTS WERE KNOWN. THE WEST HAD NO WISH TO SUBSIDISE THE SOVIET ECONOMY: CONSEQUENTLY THE WEST MUST AGREE ON CREDIT TERMS WHICH DID NOT INVOLVE SUBSIDY, AND ON SOME MONITORING PROCEDURE. FINALLY THERE WAS THE MILITARY AND STRATEGIC DIMENSION. BUT SHULTZ EMPHASISED THAT IN HIS VIEW THE ENERGY SECTOR WAS FUNDAMENTAL. HE WAS NOT REFERRING TO SUCH GOODS AS PIPE, BUT TO HIGH TECHNOLOGY ITEMS SUCH AS EQUIPMENT FOR SECONDARY AND TERTIARY RECOVERY. IF THERE WERE A DISASTROUS COLLAPSE OF ENERGY SUPPLIES IN WESTERN EUROPE, THE UNITED STATES WAS COMMITTED TO SHARING ITS SCARCITY WITH EUROPE. SHULTZ SPECULATED ABOUT THE POSSIBILITIES FOR THE SUPPLY OF AMERICAN COAL TO EUROPE IN MUCH GREATER QUANTITIES THAN AT PRESENT, USING SLURRY TECHNIQUES WHICH DID NOT INVOLVE THE CONSTRUCTION OF NEW COAL-LOADING PORTS.

5. THE SECRETARY OF STATE SAID HE WAS IN FAVOUR OF A WORK ON THE BASIC ISSUES SHULTZ HAD DESCRIBED, BUT THAT IT MUST BE APPROACHED WITHOUT PRECONCEPTIONS AS TO WHAT THE WESTERN STRATEGIC OBJECTIVES OUGHT TO BE. THERE WAS A NEED FOR SHORT TERM MECHANISMS BUT ALSO FOR LONG TERM THINKING.

6. SHULTZ SAID HE HAD LEARNT IN BUSINESS THAT THE TIME TO DO SOMETHING WAS THE TIME WHEN PEOPLE THOUGHT IT WAS TIMELY TO DO IT. THERE WERE MANY REASONS WHICH MADE IT RIGHT TO TACKLE THE PROPOSED STUDY NOW. THE SOVIET UNION MUST BE EXAMINING ITS OPTIONS, AND THE NEED WAS FOR THE WEST TO PUT CERTAIN THINGS IN PLACE AS SOON AS POSSIBLE FOR MOSCOW TO LOOK AT.

/7.

7. AS TO PROCEDURES, CHEYSSON SAID THAT THE QUADRIPARTITE GROUP WAS THE ONLY ONE IN WHICH HE FELT AT EASE. HE FAVOURED USING A GROUP OF FOUR IN WASHINGTON COMPRISING REPRESENTATIVES OF THE THREE EMBASSIES AND OF THE STATE DEPARTMENT. FRANCE WAS READY TO PUT A LOT OF EFFORT INTO THIS. THE GROUP MUST BE KEPT SMALL. OTHER COUNTRIES SUCH AS ITALY AND JAPAN WOULD NEED TO BE BROUGHT IN, BUT NOT AT THE OUTSET. SHULTZ THOUGHT THIS COULD BEST BE DONE LATER AND BILATERALLY. THE SECRETARY OF STATE AGREED THAT THE BEST COURSE WAS TO QUOTE START SMALL UNQUOTE, USING THE GROUP OF FOUR WHOSE PRIVACY HAD BEEN RESPECTED. HE WAS READY TO BASE THE WORK IN WASHINGTON IF THIS TURNED OUT TO BE CONVENIENT. BUT THE FOUR POLITICAL DIRECTORS COULD MAKE A START AT ONCE HERE IN NEW YORK.

8. VON STADEN SAID THAT DIFFICULT DECISIONS WOULD BE INVOLVED FOR THE FRG. THERE COULD BE A NEED FOR LEGISLATION, AND THE ROAD FROM OPENING CONCEPT TO FINAL IMPLEMENTATION WAS LIKELY TO BE A LONG ONE. NOR COULD THE FRG MAKE PUBLIC STATEMENTS OR COMMITMENTS DURING THE CURRENT PERIOD OF TRANSITION.

9. AFTER FURTHER DISCUSSION IT WAS AGREED THAT THE FOUR POLITICAL DIRECTORS SHOULD MEET HERE ON 30 SEPTEMBER WITH A VIEW TO WORKING OUT AN AGREED OUTLINE FOR THE PROPOSED STUDY WHICH THE FOUR MINISTERS COULD APPROVE BEFORE LEAVING FOR THE NATO WEEKEND MEETING IN CANADA.

F C O ADVANCE COPIES TO: PS, PS/PUS, MR EVANS, MR WRIGHT, MR THOMAS, MR GILLMORE, HEAD/EESD, HEAD/PLANNING STAFF HEAD/TRED.

THOMSON

LIMITED

HD/ PLANNING STAFF	PS
HD/ EESD	PS/PUS
HD/ TRED	MR EVANS
HD/ DEF D	MR GOODISON
HD/ ERD	MR THOMAS
HD/ ECD (E)	MR GILLMORE
HD/ CSCE UNIT	
HD/ WED	
HD/ NAD	

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(1) The priority is to secure a good summit meeting between Reagan & Brezhnev because of the disarmament proposals.

(2) Trade - yes

(3) Renewed pressure on Poland will help the USSR

PM/82/79

PRIME MINISTER

Eastern Europe and the Soviet Union

1. I have been reviewing our policy towards Eastern Europe and the Soviet Union and have approved the general lines set out in the enclosed papers which I am now circulating to you, to colleagues in OD and to Sir R Armstrong for information and for any comments which you or they may have.

(4) Trade + credit would help the U.S.S.R.

2. Within the overall framework of our policy on Eastern Europe we have the particular problem of Poland. In the wake of the disturbances and deaths connected with the 31 August demonstrations, now is clearly not the time to change our policy of seeking to hold the Polish authorities to their own statements about returning to the path of renewal and reform. But this is a long-term problem and it is almost certainly unrealistic to expect that the situation in Poland will ever return to the position exactly as it existed before martial law. I think therefore that, together with our Allies, we should be prepared to react to any partial moves by Jaruzelski towards reconciliation with the Polish people with an appropriate response.

3. In the meantime we have to deal with the increasingly urgent problem of the rescheduling of Poland's official debts in 1982. These amount to some $3.4 billion due to the 16 major creditors. We will continue to argue that the problem must be tackled very soon if the unity of the Western Creditors Group is not to break up.

will have to accept the occupation of Afghanistan as a fait accompli the era of the new agreements not

(FRANCIS PYM)

27 September, 1982
Foreign and Commonwealth

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EAST/WEST POLITICAL RELATIONS: UK POLICY TOWARDS THE SOVIET UNION

Background

1. Early in the life of the present Government, Ministers decided that our policy towards the Soviet Union should aim to secure the respect of the Russians, rather than their good opinion. They agreed that while we should not necessarily seek to match what the Americans, French and Germans did, it was self-evident that we needed a business-like relationship with the Soviet super-power, based on a realistic calculation of our respective interests. They also agreed that this would require an active programme of visits and exchanges at all levels.

2. Shortly after Ministers had reached these conclusions the Russians invaded Afghanistan, provoking a sharp deterioration in the East/West climate. This was further exacerbated in December last year by Soviet complicity in the military crackdown in Poland. Like our allies, we signalled our strong disapproval of Soviet behaviour by taking steps to restrict the scope of our bilateral relations. These included inter alia curtailing high level political contacts and visits, and reducing cultural exchanges. But with the Afghan and Polish crises likely to continue for the indefinite future, it is doubtful whether the absence of bilateral political dialogue is any longer in the British interest.

Bilateral Contacts

3. Since the Soviet invasion of Afghanistan there have only been occasional bilateral meetings at Ministerial level. Lord Carrington met Mr Gromyko several times in the margins of international meetings (eg the UN General Assembly), and paid one visit to Moscow to put forward the EC proposal for a settlement to the Afghan crisis. But there has been no regular pattern of discussion at Ministerial level nor any regular

exchanges at the level of Political Directors. The lack of such a dialogue deprives us of the chance to assess Soviet thinking at first hand as well as denying us the opportunity of putting our views directly to the Soviet leadership.

The odd ministerial visit would help very much to do this

4. Lord Carrington's visit to Moscow last year (like the three bilateral meetings Mr Haig had with Mr Gromyko) was an occasion when plain speaking left the Russians in no doubt about British and Western views and which provided a useful opportunity for us to assess those of the Soviet Union. The Carrington and Haig meetings were not seen as implying that we had done the Russians a favour by bestowing a spurious respectability on them (as was the case with President Giscard d'Estaing's illjudged meeting with President Brezhnev in Warsaw in May 1980). On the contrary, these encounters were widely understood to have provided for some tough talking enabling the West to register its strong opposition to Soviet policies. Meetings of this kind, which put the Russians under pressure by challenging them to justify their actions and policies, are more likely to have an influence on the Soviet leadership than a continuing refusal by Western leaders to conduct a dialogue.

I have a different assessment of Lord C's visit. The U.K. was snubbed.

No - they were not.

5. We should now seek to re-establish a regular pattern of political discussion with the Russians. Our aim should be to set this up on three levels, involving on the British side the Foreign Secretary, the FCO Minister rsponsible for East/West relations (at present Mr Rifkind) and the Political Director in the FCO (at present Sir J Bullard) respectively.

6. We should aim to ensure that the rhythm of these exchanges is regular and roughly annual. If on occasion we choose to interrupt it in order to signal displeasure at Soviet behaviour, the break should be of limited duration: rather than break off bilateral political exchanges we should use them in order to leave the Russians in no doubt about the strength of our disapproval. We should thereby avoid getting into our present position where we find it difficult to justify reopening a political dialogue with the Russians because there has been no resolution of the Afghan or Polish crises. A

Why?

pattern of Anglo- Soviet political discussions on these lines would be consistent with the Government's public commitments on contacts with the Soviet Union. We announced in Parliament in January 1980 that high-level and ministerial contacts would be avoided for the time being. Mr Hurd's answer to a Parliamentary Question in June 1981 (Annex A) however made clear that there were occasional high level and ministerial contacts where these were deemed advantageous. The same answer makes it plain that normal trade which was to mutual advantage would continue. The resumption of a political dialogue is unlikely of itself to make a great difference to UK/Soviet trade and in the present state of transatlantic disagreement over Western trade with the Soviet Union, we should be careful not to present any move on the political front as being linked to expectation of increased trade.

Of course trade including arms of course UK.

7. In addition to the regular exchanges outlined above, we should also encourage exchanges at an appropriate level on an ad hoc basis where we judge those to be in our interests. At non-ministerial level we should be ready to hold expert level meetings where we believe these would be to our advantage. The Middle East, nuclear issues (including non-proliferation), Southern Africa, and the UN are possible subjects; there could also be a meeting of Planning Staffs of the two Foreign Ministries.

The Attitude of Our Allies

8. A resumption of Anglo-Soviet political exchanges on this scale would not be out of line with the policies of our major partners. The FRG has maintained a summit-level dialogue with the Soviet Union. Chancellor Schmidt visited Moscow in June 1980 and received President Brezhnev in Bonn in November 1981, their seventh meeting. President Giscard met President Brezhnev in Poland in May 1980. The present French administration have so far adopted a more cautious approach towards the East, but this is unlikely to last indefinitely, nor would the French have any scruples about changing their policy abruptly if they judged it ~~is~~ in France's interest to do

And Schmidt consulted other Heads of Govt. before he did so.

so. The US-Soviet dialogue meanwhile continues. Mr Haig had extended talks with Gromyko in Geneva and twice in New York, an example to be followed by Mr Shultz. The proposal for a Reagan-Brezhnev summit remains on the table. The Russians did not take up the suggestion of a meeting in the margins of the UNSSOD in July and the prospects of a meeting this autumn are receding.

9. The UK cannot maintain the exacting stance of a middle ranking power with world interests if we do not talk to one of the superpowers. If we remain on the sidelines, our weight in Western consultations will suffer. This is not to suggest that we should see ourselves as competing with the French or Germans; we have our own distinctive position and can pursue our dialogue in our own way. But given that East/West political contacts are almost certain to increase, it is important that a firm British voice is among the first the Russians hear when regular contacts are restored.

The Attitude of other Countries

10. The reactions of some other governments need to be taken into account. In particular, Pakistan and some of the other Muslim countries in the Islamic Conference Organisation will be concerned lest the restoration of our contacts with the Soviet Union should imply a weakening of our position on Afghanistan. It will need to be carefully explained to them that this is not the case. In doing so we could argue that it was natural for us to include Afghanistan as an element in our resumed dialogue with the Soviet Union as a follow-up to Lord Carrington's visit to Moscow in 1981. Furthermore the Americans themselves have recently conducted discussions on Afghanistan with the Russians, with the blessing of the Pakistanis.

It does. It is a weakening of our position. We are going ahead.

Transatlantic Differences

11. It is strongly in our interests to pursue our own dialogue with the Russians at a time when changes in the Soviet leadership appear imminent, not least so that we are in a

position to discuss Soviet affairs authoritatively with the Americans. Our current differences with the United States over East/West trade policy and our different jugement of Soviet economic prospects point to the importance of our being in a position to make our own analyses and reach our own conclusions, independently of the Americans.

Cultural Contacts

12. We should also consider re-establishing the earlier pattern of our cultural exchanges with the Russians, sharply curtailed after the Soviet invasion of Aghanistan. While this satisfied the immediate need to demonstrate disapproval, it is doubtful whether it is now achieving very much. It is however preventing us from projecting Western values to the Soviet people: we are de facto helping the regime in its efforts to minimise outside influences and preserve orthodox conformity. For example, proposals for a major exhibition in Moscow and Leningrad of twentieth-century British painting have been held up for several years: such an exhibition would excite great interest among Russians and would demonstrate the vitality of British art, which contrasts strikingly with the barrenness of Soviet "Socialist Realism". Our guiding principle in such major exchanges should be that they must be genuinely open to the Soviet people and not just to selected audiences. The sharp reduction in government-sponsored cultural exchanges has tended to leave the field open to the Communist front organisations, to the advantage of the Russians: there is no lack of impresarios willing to bring to the UK Soviet musicians and dancers.

!!

Of course there is – they gain from every cultural visit here: every other person is a KGB agent – and the visit gives an people the impression that the Russian Mafia [illegible] in [illegible] now disregarded approved

Consultations with Partners

13. If the policy advocated in this paper is adopted there will be a need for us to inform our partners at an early stage and to formulate agreed common lines on important subjects, as was done in advance of Chancellor Schmidt's meeting with Brezhnev in 1981. This process of consultation might be taken

I thought political co-operation required consultation!

in stages, starting with our closest allies before taking action with the Ten or in NATO.

Conclusion

14. We should not promote 'good' relations with the Soviet Union for their own sake. But there is a strong case for re-establishing a regular pattern of political discussion with the Russians at various levels in order to:-

(a) assess Soviet policies and personalities at first hand; This can be done without going to the U.S.S.R.

(b) put UK views and policies directly to the Soviet leadership;

(c) ensure that if East/West political contacts continue to expand in the near future, as is likely, the British voice and style are among the first to be heard and seen in Moscow; and

(d) ensure that we are in a position to discuss Soviet affairs authoratively with our European partners and with the United States.

There is no reason why such contacts should be seen as conferring respectability or a seal of approval on Soviet policies, but rather as a channel for whatever plain speaking policies may call for.

Of course there will be the new agreement. The Soviets will be delighted.

East European and Soviet Department
17 September 1982

WP. SD2 ACZ

DATE 19 JUNE 1981
COL. 408
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FOREIGN AND COMMONWEALTH AFFAIRS

USSR (Sanctions)

Mr. Lawrence asked the Lord Privy Seal if he will list the sanctions imposed by the United Kingdom Government on the Union of Soviet Socialist Republics following the latter's invasion of Afghanistan; how many of those sanctions are still in operation; and to what extent.

Mr. Hurd: The following measures were taken after the Soviet invasion of Afghanistan:

(i) The 1975 Anglo-Soviet credit agreement which expired in February 1980 was not renewed. Credit was to be considered on a case by case basis. But normal trade which was to mutual advantage was to continue;

(ii) Following discussions with other countries the COCOM rules for controlling the transfer of sensitive technology to the Soviet Union were to be applied more tightly;

(iii) The European Community decided not to export to the Soviet Union any agricultural produce which would directly or indirectly replace supplies denied by the United States;

(iv) High level and ministerial contacts with the Soviet Union were to be avoided for the time being;

(v) Military exchanges which were under consideration were to be cancelled;

(vi) Cultural and other events of a nature which could give an impression that nothing had changed were to be avoided;

(vii) After consultation with the BBC, broadcasts by the external services to listeners in the Soviet Union and Afghanistan were to be increased.

The procedures for lifting the restrictions on Community food sales, which were imposed in support of the United States embargo, were completed on 30 April. There are now occasional high level and ministerial contacts where these are deemed advantageous. The other measures remain in force.

POLICY TOWARDS EASTERN EUROPE

1. Western policies towards Eastern Europe have been based upon and must continue to take into account the following considerations:

(a) Soviet Interests

Since 1945 the Soviet Union has treated the preservation of their hold on Eastern Europe as a vital national interest to be protected by force if necessary.

(b) Security

The countries of Eastern Europe are, with the notable exception of Yugoslavia, members of a hostile alliance. Their defence and intelligence establishments are closely co-ordinated and to some degree controlled by the Soviet Union.

(c) The Political System

Eastern European people have been subjected to an alien political system to which they have not become reconciled.

(d) Nationalism

Eastern European countries have strongly asserted their historic identities. East Germany? Czechoslovakia? Bulgaria?

(e) Economic

These countries enjoy a higher GNP and standard of living than most parts of the world and will continue to offer a significant potential market for our exporters. But we should not, for prudential reasons, wish to promote exports with officially guaranteed credits to countries which are at or beyond their debt-service capacity. i.e. Poland, Hungary, Romania, Yugoslavia etc.

(f) Europe

The UK and its European Community partners have a national interest in working to reduce the division of Europe over the long term.

Western Policy

2. Our policy has been designed to reduce the Soviet threat, challenge Marxist ideas and encourage the evolution of more open societies whose relationship with the West is no longer fundamentally that of adversaries.

3. Since the failure of the Hungarian Uprising in 1956 we have implicitly accepted that the way forward lay through evolution rather than revolution. Solidarity's challenge to the Polish Party - perhaps the most serious threat to the Soviet Empire since 1945 - might have transformed this perception had martial law met with violent and successful resistance. But the lessons of the Hungarians' successful development of links with the West on the one hand, and of Czechoslovak and Polish failures to secure and consolidate the liberalisation in their countries on the other, emphasize the need for gradualism and demonstrate the risks awaiting those who test Moscow's patience beyond its limits. In the next decade the conjunction of economic difficulties, increasing resurgent nationalism and the succession problem in the Soviet Union may make the area prone to crisis. But it is not in the West's interest to encourage an upheaval which would jeopardise the forty year old peace of Europe. Our object, as in the past, must be to encourage an East-West climate which will permit both political and economic experimentation to push back the limits of Soviet tolerance.

4. In pursuing these aims we have consciously set out, in common with our major European allies, to identify and exploit the diversity of Eastern Europe. By adopting a policy of positive discrimination we have encouraged any East European country demonstrating some degree of independence to seek a more open and constructive relationship with the West. Thus we have rewarded Romania for its "independent" foreign policy; encouraged economic experiments in Hungary; and offered economic help to Poland during the odnowa; but we have in the past had correspondingly less contact with the more orthodox regimes in Bulgaria, Czechoslovakia, and the GDR. (See paragraph 18 below).

5. The Polish crisis has chilled the atmosphere within which we

practise our policy of differentiation. The Eastern European Governments themselves still want political contacts. But all felt threatened by the Polish odnowa. All now feel bound to back the Polish martial law regime, both for internal reasons and because they know that the Soviet Union expects it of them. They look to the West to recognise that they are not entirely free agents. But even now the parameters are not wholly rigid and they will all, to some extent, seek to widen these where they see advantage in doing so. In this respect they themselves will continue to be the best judges of what they can get away with.

6. Meanwhile, the economic crisis in Eastern Europe and the problem of Eastern European indebtedness has cast its shadow over the development of commercial relations, making it more difficult for us to discriminate other than upon primarily prudential criteria.

Political Implications

7. We have always recognised that there are limits to the amount of substance we can put into our relationships. Ministerial exchanges have increased and flourished during the present administration. We should continue our general policy of building and developing contacts at all levels. Although such exchanges are frequently sterile they expose Eastern decision-makers to Western thinking and challenge the Communist regimes on their own ground - that of ideas. There is, of course, another side to the coin: the East Europeans prize visits as a mark of acceptability and recognition of their regimes and their policies. We should perhaps be more sparing in future of visits at Foreign Secretary level: these, and even more visits involving the Prime Minister, should be offered as a mark of favour to the specially deserving - as in the recent case of Yugoslavia.

8. At present (September 1982) there is a special problem as regards the GDR and Czechoslovakia, which Lord Carrington was to have visited this year. It would be difficult to arrange other visits to Eastern Europe by the Foreign Secretary until these two have been reinstated.

9. No such problem exists as regards visits by other FCO ministers, where we should pursue the routine of regular exchanges approximately every other year by the minister responsible for Eastern European affairs. Visits by Ministers from other Departments should be promoted these on an ad hoc basis as and when suitable opportunities occur.

Economic Implications

10. The financial crisis in Eastern European will dominate our relations for the forseeable future. Poland and Romania have had to reschedule their hard currency debts. Yugoslavia, Hungary and even the GDR may follow suit. Western banks and Governments have adopted a more prudent attitude towards Eastern Europe in order to protect their investments. Eastern European Governments have reviewed their economic relations with the West: most - with the notable exception of Hungary - are moving towards closer trading links within the CMEA. In these straitened circumstances we must try to ensure that Western governments and banks do not treat all Eastern European countries alike, regardless of their economic situations and to the extent possible show sympathy to those whom for political reasons we wish to help.

11. There will still be commercial opportunities in Eastern Europe: a market of 130 million people should not be ignored. There may be few major projects, but we should not rule large scale investment out of court. We must gauge with care whether we shall be repaid: we are not in the business of subsidising Eastern Europe. Equally, financial chaos in Eastern Europe would sever those economic links which remain and would not be in our interests. We must therefore work to promote financial confidence and be prepared to be particularly helpful to countries such as Yugoslavia and Hungary, whose economic management is creating problems but whose economic policies and political significance justify continued encouragement for the more liberal aspects of their unique brands of socialism. We may no longer be able to look to commerce as the mainspring of our relations, but we should do our best to ensure that investments already made are not wasted and to preserve the basis for the

growth of fruitful commercial relationships where this has already been laid.

Culture

12. In present circumstances the cultural field still offers excellent opportunities to promote and foster fundamental Western concepts of freedom, and liberal ideas. Young people in particular watch the cultural scene in our countries with close attention. We have a tremendous advantage. These countries generally identify far more closely with the European tradition than does the Soviet Union. All are anxious to foster their own sense of historic independence: they each crave recognition of their own contribution to European culture. This was demonstrated recently by the Bulgarian drive to promote their 1300th Anniversary, and somewhat less effectively by the Romanians with their efforts to celebrate the memory of Titulescu. This is an opportunity we are well placed to exploit. It would be a pity if because of economy measures we were unable to maintain the links established in the late 60s and 70s. The British Council, the GB/East European Centre (GB/EEC), the British/Yugoslav Society and the BBC World and Vernacular Services can and do play an important role in promoting and retaining not merely contacts but ideas. In the absence of more substantive political relations these cultural exchanges take on a specially important significance.

Conclusion

13. In sum, we should continue our policy of positive discrimination, adapting our policies to each country in the light of its particular circumstances. In order that this policy should be more clearly recognisable and have a greater chance of success, we should try to keep in step with our European partners through consultation.

14. Yugoslavia by virtue of its independent and non-aligned stance retains pride of place. Yugoslavia needs economic help and is already being treated as a special case. If the current difficulties lead to rescheduling, we should promote the case for a generous settlement which will set the country back on the road

to early recovery. But we must back the IMF if it concludes that a stronger programme is necessary.

15. Hungary too deserves special consideration. The Hungarian economic experiment has taken them close to a market economy: this has important implications not only for socialist economic management but also for the credibility of orthodox socialist ideology. We can show sympathy for Hungary's current economic difficulties; support improvements in economic management in the context of an IMF programme; and maintain our political dialogue.

16. We are now more inclined than in the early 1970s to doubt the benefit to us of Romania's "independent" foreign policy. The unpleasant features of Ceausescu's personality cult and the repressive character of the Romanian regime counterbalance to some extent the arguments for discriminating in Romania's favour eg by helping her out of her economic difficulties. We should continue to maintain the contacts which exist and encourage the preservation of a degree of independence in Romanian foreign policy. But Romania does not deserve the degree of special treatment accorded in the past.

17. In the past we have tended to discriminate against the GDR, Berlin considerations and the GDR's rigid orthodoxy being the determining factors. But it is clear that the GDR now shares the general desire to maintain the current calm in Berlin. We should not ignore a country of relative economic strength and increasing international stature, even though aspects of both its domestic and foreign policy are distasteful to us.

18. Neither Bulgaria nor Czechoslovakia as loyal allies of the Soviet Union have provided grounds for differentiating in their favour eg in the matter of visits. But recent developments in our relations with Czechoslovakia, eg the solution of the gold problem, have created a very positive climate for the development of cultural relationships and the promotion of trade. We should exploit this without implying acceptance of the oppressive nature of the regime. To a lesser degree the recent assertiveness by the Bulgarians of their national identity has created a similar

opportunity in that country, although more recent indications suggest a step back from cultural progress there.

19. In the case of Poland the imposition of martial law forced us to discriminate in a negative sense in order to demonstrate disapproval. As the situation in Poland gradually settles down, we shall wish to maximise the UK's share of Poland's trade on a cash basis and to move towards the restoration of contacts. Poland's economic plight places strict constraints upon what we can do at present to maintain our economic relationship. But we shall wish to ensure that the political and cultural links which have distinguished Poland from her neighbours and kept alive her traditional ties with the West, are restored and strengthened in such a way as to consolidate the uniquely antipathetic character of the Polish state within the Soviet Empire.

EAST EUROPEAN AND SOVIET DEPARTMENT
17 September 1982

WP. SD3ABF

SECRET BURNING BUSH

14

Circular minute to
Selected Senior Officials

24/9

THE QUADRIPARTITE FORUM: RULES FOR HANDLING PAPERS

1. My predecessor's attached circular minute, distributed in June, set out revised instructions for handling papers which refer to the Quadripartite Forum. The PUS is concerned at the number of recent breaches of these instructions, including one occasion on which a telegram was under-classified and given a very wide distribution.

2. The need for secrecy is greater than ever. The Quadripartite forum is central to the management of the Western Alliance and the maintenance of Britain's role within it. Leaks jeopardise its existence and must be avoided at all costs. No recent leaks can be set at our door and this must remain the case. The PUS will take a serious view of any future breaches of the guidelines.

3. I should be grateful if all those who see papers relating to the Quadripartite forum could be shown this minute and the attached rules for handling papers. One cause of the recent breaches may be that more and more people are hearing of the forum, but not by any means all of them are aware of how sensitive it is. Heads of Department should ensure that as few people as possible know of it, and that all those who do are properly briefed about it.

MH Jay

23 September 1982

M H Jay
PS/PUS

Circular minute to
Selected Senior Officials

QUADRIPARTITE MEETINGS: RULES FOR HANDLING PAPERS

1. Quadripartite meetings are held regularly between the Political Directors of the Foreign Ministries of the United Kingdom, France, the Federal Republic of Germany and the United States, and less frequently between their Foreign Ministers. In addition there are Quadripartite Meetings of economic directors from time to time, and occasional meetings on specialised subjects. These meetings are of great value in coordinating policies among the major allies. The Secretary of State and our three partners consider it essential that the existence of these meetings is kept secret, since leaks could cause considerable embarrassment with other allies, particularly Italy. As more people in the FCO, in overseas posts, and in Whitehall Departments become aware of and are involved in Quadripartite Meetings, the risk of leaks grows.

2. The purpose of this minute is to draw attention to the continuing need for secrecy, and at the same time to up-date the ground rules for handling papers so as to take account of the increasing range of subjects discussed in quadripartite meetings.

3. Please ensure that the following revised rules are scrupulously observed:

(a) Any papers which refer explicitly to Quadripartite meetings of Foreign Ministers, Political Directors, or any other Quadripartite Ministerial or senior official grouping, should be classified no lower than Secret: and should normally be registered only in Planning Staff. They should in addition always be marked 'BURNING BUSH'. The only exception to this rule are papers for the Four Power Ministerial Talks which are held on the eve of the twice-yearly NATO Ministerial Council Meetings and are devoted to questions which relate to Berlin and Germany as a whole: the existence of these meetings is well known and need not be concealed, and papers relating to them are normally graded Confidential.

(b) FCO Departments may keep copies of 'Burning Bush' papers relating to subjects with which they are currently dealing, but Heads of Department are responsible for ensuring that the 'need to know' principle is strictly applied. In departments whose subjects are frequently dealt with at Quadripartite meetings and who therefore have a constant need to refer frequently to 'Burning Bush' papers, exceptionally, in addition to the top copy which will be registered in Planning Staff, copies

/may

may be registered in departments but must be kept in a separate file cover clearly marked 'Burning Bush'. There should be no reference to 'Burning Bush' papers in the main File Record sheets. All records relating to 'Burning Bush' should be kept separately and returned to Planning Staff for destruction, together with the file, when the papers are no longer needed. In other Departments whose dealings with Quadripartite meetings are less frequent, 'Burning Bush' papers should be kept in the Head of Department's own security press. Many 'Burning Bush' papers have been circulated recently and it would be useful if departments would now review the need to retain them. Any non-essential material should be returned to Planning Staff (Room W12A) for destruction.

(c) Our Embassies in Bonn, Paris, Rome and Washington, and also UKDEL NATO in Brussels, regularly receive 'Burning Bush' papers and are aware of the need for care in handling them. The need has arisen and will continue to arise from time to time for other Missions to receive papers, and in these cases it is the responsibility of the FCO Department concerned to make sure the need for secrecy is known, and the papers destroyed when no longer needed. If the Mission has not received such documents in the recent past a copy of this minute should accompany the document, or in the case of telegrams special handling instructions should precede or form part of the telegram. 'Burning Bush' documents should always be addressed Personal to the Head of Mission or his deputy and telegrams should in addition be DEDIP.

(d) 'Burning Bush' papers are sometimes sent to Number 10 and to senior officials in the Cabinet Office. Less often they will need to be sent also to other Whitehall Departments: certain officials in the Treasury, the MOD and the DOT are aware of Quadripartite Meetings. FCO departments should consult Planning Staff before sending 'Burning Bush' papers to other Departments, who must be told that papers should not be registered on departmental files but kept in the custody of a senior official and destroyed when no longer needed.

(e) The caveat 'Burning Bush' should never itself appear on an envelope: instead the classification SECRET AND PERSONAL should always be used.

/(f)

(f) In any papers likely to have more than a limited distribution, explicit reference to the Quadripartite forum should be avoided whenever possible so that the 'Burning Bush' classification need not be used. A reference to 'discussion with our closest allies' can often be used instead.

3. If you have any difficulties or questions about the application of these rules please consult Mr D G Manning (233 5605) or Mrs M E Blake-Pauley (233 3307) in Planning Staff.

Distribution:

PS
PS/All Ministers
All DUSs
All AUSs
Heads of all Geographical Departments

Heads of:

ACDD
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ESSD
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Security Department
COD
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Planning Staff
MAED
Research Department
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HM Ambassadors:

Bonn
Paris
Rome
Washington
UKDEL NATO
Moscow
UKREP Brussels
UKDIS Geneva
UKMIS New York

Mr A J Coles, No 10 Downing Street

THIS COPY FOR

Foreign Policy

GR 1130
CONFIDENTIAL
FM MOSCOW 301210 Z JUL 82
TO ROUTINE F C O
TELEGRAM NUMBER 447 OF 30 JULY
INFO WASHINGTON, UKDEL NATO.
SAVING FOR INFO ALL EC POSTS, UKDIS GENEVA, UKDEL VIENNA, UKMIS NEW YORK, TOKYO, PEKING

US/SOVIET RELATIONS

1. SINCE PRESIDENT REAGAN'S WESTMINSTER SPEECH THERE HAS BEEN A MARKED HARDENING IN SOVIET COMMENT ON U S POLICIES. THERE ARE ALSO SIGNS OF A GROWING CONSENSUS WITHIN THE SOVIET ESTABLISHMENT THAT TENDS TO DISCOUNT THE POSSIBILITY OF A CONTSTRUCTIVE US/SOVIET RELATIONSHIP DURING REAGAN'S TERM OF OFFICE. THE CURRENT MOOD WAS EXEMPLIFIED BY A TASS COMMENT ON 21 JULY THAT THE ONLY POSITIVE THING TO SAY ABOUT REAGAN WAS THAT HE HAD ALREADY COMPLETED ABOUT HALF HIS TERM. WE HAVE HEARD SIMILAR COMMENTS FROM SENIOR SOVIET OBSERVERS.

2. OTHER POINTERS INCLUDE :-

(A) THE NOW ROUTINE PRESENTATION IN THE SOVIET PRESS OF U S WORDS AND DEEDS AS INSPIRED BY AN ANTI-SOVIET CRUSADE AND EFFORTS TO ACHIEVE MILITARY SUPERIORITY OVER THE USSR (E.G. THE CREATION OF A MILITARY SPACE COMMAND AND RECENT U S ANNOUNCEMENTS ON CTB AND TTB):

(B) PESSIMISTIC COMMENTS ABOUT THE INF AND START NEGOTIATIONS. APART FROM REPORTS THAT MEETINS IN EACH SERIES HAVE TAKEN PLACE, LITTLE NOW APPEARS IN THE SOVIET PRESS BEYOND BRIEF COMMENTS, AS IN PRAVDA'S WEEKLY INTERNATIONAL REVIEW ON 25 JULY, THAT THE EXPERIENCE OF THE GENEVA TALKS SO FAR DOES NOT INDICATE ANY U S MOVEMENT TOWARDS ''MORE REALISTIC POSITIONS'', I.E. TO MOVE AWAY FROM U S OPENING POSITIONS. PRIVATELY RUSSIAN ACADEMICS AND JOURNALISTS INCREASINGLY TAKE THE LINE THAT THE PROSPECTS FOR AGREEMENT UNDER REAGAN ARE BLEAK:

(C) PARALLELS DRAWN IN PRESS COMMENT AND SPEECHES WITH THE 1930'S AND THE THREAT POSED BY HITLERITE GERMANY. THE DANGERS OF THE AMERICAN ARMS BUILD UP AND MILITARY DOCTRINES, AND THE IMPORTANCE OF THE LESSONS OF THE SECOND WORLD WAR, HAVE LONG BEEN REGULAR FEATURES OF SOVIET COMMENT. BUT THE PARALLELS HAVE RECENTLY BEEN GIVEN A SHARPER FOCUS, EG A LETTER FROM A WORKER CARRIED ON PRAVDA'S INTERNATIONAL AFFAIRS PAGE ON 24 JULY WHICH SPOKE OF A DANGEROUS SIMILARITY BETWEEN PRESENT U S FOREIGN POLICY AND THAT OF HITLERITE GERMANY. THE U S IS ALSO DAILY IMPLICATED IN THE ''FACIST'' ATTROCITIES OF THE ISRAELIS IN THE LEBANON. RESTRAINT HAS NOT, HOWEVER, BEEN COMPLETELY THROWN TO THE WINDS: A SOVIET ACADEMIC

 / TOLD ME

TOLD ME TODAY THAT A CAREFULLY RESEARCHED ANALOGY BETWEEN HITLER'S ''LEBENSRAUM''POLICY AND U S CLAIMS TO ''AREAS OF VITAL INTEREST'' HAD BEEN FIRMLY STRUCK OUT OF ONE OF HIS ARTICLES BY HIS EDITOR:

(D) MORE FREQUENT CRITICISM OF REAGAN BY NAME AND ABUSIVE COMMENTS SUCH AS PRAVDA'S (25 JULY) THAT THE LIE HAS BECOME THE GENERAL ATTRIBUTE OF U S POLICY.

3. MUCH OF THIS SEEMS DESIGNED AS USUAL TO CREATE A CLIMATE IN THE SOVIET UNION WHICH PUTS A PREMIUM ON IDEOLOGICAL VIGILANCE AND MILITARY PREPAREDNESS (SEE, FOR EXAMPLE, DEFENCE MINISTER USTINOV'S ARTICLE IN PRAVDA ON 12 JULY, REPORTED IN MY TEL NO 410). SOME OF IT IS NO DOUBT AIMED AT WESTERN, PARTICULARLY EUROPEAN, OPINION. THE RUSSIANS PUBLICLY CONTEND (AND PROBABLY BELIEVE) THAT ONLY FEARS EXPRESSED BY EUROPEAN AND, TO SOME EXTENT, US PUBLIC OPINION ABOUT THE ARMS RACE AND EAST-WEST RELATIONS FORCED THE U S ADMINISTRATION TO THE NEGOTIATING TABLE AT GENEVA. THERE IS ALSO THE NEED TO RAISE THE VOLUME TO MATCH WHAT IS PERCEIVED HERE AS A PROPAGANDA OFFENSIVE EMANATING FROM WASHINGTON. BUT BEHIND THIS A GENUINE, INCREASINGLY NEGAAMNIITAVMASSESSMENT OF US/SOVIET RELATIONS UNDER REAGAN IS DISCERNIBLE, TOGEHTER WITH A FREQUENTLY VOICED AND BY NOW PROBABLY REAL APPREHENSION THAT EAST/WEST RELATIONS ARE DRIFTING DANGEROUSLY.

4. PRESIDENT REAGAN'S ANNOUNCEMENT AT WESTMINSTER OF A ''CRUSADE'' AGAINST SOCILISM STUCK ESPECIALLY FIRMLY IN THE SOVIET GULLET. AMONG OTHER THINGS IT CONFIRMED SOVIET FEARS THAT PRESENT U S POLICIES WERE BEING DANGEROUSLY SHAPED BY STRONG IDEOLOGICAL CONVICTIONS, WHICH QUESTIONED, FOR EXAMPLE, POLAND'S PLACE IN THE SOCIALIST CAMP, RATHER THAN BY WHAT WAS IN RUSSIAN EYES DURING THE NIXON ERA A REALISTIC UNDERSTANDING AND ACCEPTANCE OF THE CURRENT BALANCE OF MILITARY POWER AND LEGITIMATE SOVIET, AS WELL AS AMERICAN, INTERESTS. THE CRUSADE IS NOW CONSTANTLY PRESENTED IN THE SOVIET PRESS AS THE MOTIVATING FORCE BEHIND AMERICAN ATTITUDES TO POLAND, EAST- WEST TRADE AND ARMS CONTROL. REAGAN'S SPEECH ON THE OCCASION OF CAPTIVE NATIONS WEEK HAS ADDED FUEL TO THE FLAMES. PRAVDA ON 22 JULY DESCRIBED IT AS THE NORM FOR THE REAGAN -ROUTINELY ANTI-SOVIET AND ANTI-COMMUNIST - BUT ALSO HYSTERICAL AND UNPRECEDENTED IN ITS CRUDENESS AND CYNICISM. PRAVDA'S WEEKLY INTERNATIONAL REVIEW ON 25 JULY ADDED THE COMMENT THAT THE SPEECH HAD PROBABLY BROKEN ALL WESTERN RECORDS, INCLUDING CHURCHILL'S, FOR ANTI-COMMUNISM AND ANTI-SOVIETISM. RUSSIANS TO WHOM WE SPEAK ARE IMPERVIOUS TO THE ARGUMENT THAT IF THEY SAY THE IDEOLOGICAL STRUGGLE IS AN OBJECTIVE REALITY THEY CAN HARDLY COMPLAIN ABOUT IDEOLOGICAL CRITICISM OF THEIR SYSTEM.

5. THERE ARE SIGNS NONETHELESS THAT THE RUSSIANS HAVE NOT ABANDONED ENTIRELY THE HOPE OF DEVELOPING A CONSTRUCTIVE US/SOVIET RELATIONSHIP UNDER REAGAN. THEY HAVE BEEN CAREFUL NOT TO PREJUDGE

SHULTZ PUBLICLY. OFFICIAL CONTACTS ON AFGHANISTAN, AGREED BY GROMYKO AND HAIG HAVE TAKEN PLACE AND THE RUSSIANS SEEM KEEN TO MAINTAIN A DIALOGUE WITH THE U S ON REGIONAL PROBLEMS GENERALLY. THEY HAVE ALSO BEEN CAUTIOUS ON THE LEBANON TO THE POINT OF LAYING THEMSELVES OPEN TO ARAB CHARGES OF INACTIVITY AND IN REGARD TO THE IRAN/IRAQ WAR AND CURRENT TROUBLES IN SOMALIA HAVE BEEN CIRCUMSPECT IN THEIR REACTIONS.

6. THIS IS BECAUSE AGREEMENT IN THE ARMS CONTROL FIELD REMAINS A FUNDAMENTAL SOVIET OBJECTIVE. PROGRESS OR OTHERWISE IN THIS DIRECTION WILL BE IN SOVIET EYES THE MAIN DETERMINANT OF US/SOVIET RELATIONS IN THE IMMEDIATE FUTURE AND OF THE USEFULNESS OF A REAGAN-BREZHNEV SUMMIT WHERE THEY WANT ARMS CONTROL TO BE AT THE CENTRE OF THE AGENDA. SUCH COMMENT AS HAS APPEARED ON THE TWO SETS OF TENEVA TALKS HAS BEEN PESSIMISTIC. IT IS NOT THEREFORE SURPRISING THAT, DOUBTS ABOUT BREZHNEV'S HEALTH APART, RUSSIANS NOW PREFER BOTH IN PUBLIC AND PRIVATE NOT TO DISCUSS THE QUESTION OF A SUMMIT (EXCEPTIONALLY GROMYKO MENTIONED IT IN HIS SPEECH AT UNSSOD II BUT NO LONGER SPOKE OF OCTOBER OR ANY OTHER SPECIFIC TIMING). THE PREVAILING MOOD IS PROBABLY REFLECTED BY THE IZVESTIA AND TELEVISION COMMENTATOR BOVIN WHO TOLD ME RECENTLY THAT ON PRESENT FORM A SUMMIT WOULD BE POINTLESS.

FCO PLEASE PASS SAVING TO ALL E.C. POSTS, UKDIS GENEVA, UKDEL VIENNA, UKMIS NEW YORK, TOKYO AND PEKING.

BROOKE TURNER

[THIS TELEGRAM WAS NOT ADVANCED]

FCO/WHITEHALL

EESD

Foreign Policy 13

Prime Minister

A useful summary of what the F.C.O. is doing, and could do, in this field.

A.J.C. 30/7

Foreign and Commonwealth Office

London SW1A 2AH

No further action as yet A.J.C. 30/7

B.U. 5 August

28 July 1982

MT 2/8.

Dear John,

I will have to consider further during the recess. MT

Report of Research Group under Mr Eldon Griffiths MP on the Projection of the Western Case

(attached)

Mr Pym has studied Mr Griffiths' Report and seen your minutes of 24 May and 15 July to Sir R Armstrong giving the Prime Minister's initial views and the result of her meeting on 13 July with Mr Griffiths. The following are our comments.

The Report's analysis of Soviet aims and methods is excellent. We agree with the description of the dangers of Soviet propaganda. While its success rate is far from perfect, we must acknowledge the vast resources used to promote it.

I attach at Annex A a summary of what we are already doing to combat this in the overt field, which must always be the main battleground. Within our existing resources we could if necessary concentrate even more on information work against the USSR, although this would have to be at the expense of other high priority work. We must clearly preserve the capability for dealing with other targets where the national interest is deeply involved: there will, for example, be a continuing need for a vigorous information effort in support of our fight against the IRA; and we need to be able to cope at short notice with new targets such as Argentina.

At Annex B I list some priorities for increased activity in the Information field if further resources were made available on the lines recommended in the Report. Taken together, these would enhance our capability in the area of most concern to Mr Griffiths and his group.

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

Mr Pym does not believe that a large new 'Information Projection Group' (IPG) in the Cabinet Office would be the

/best

best way of meeting the threat which the Griffiths Group describes. It might even be counter-productive. A more effective step might be to give the Lord President of the Council a special Adviser to help him coordinate the Government's information work in this field. It would be wrong for the FCO to take the lead in any anti-Soviet publicity aimed at the Report's main target, which is the UK domestic audience. The FCO's proper concern should be confined to the other targets mentioned - the West, the Warsaw Pact countries and the Third World. Our official information work can be particularly effective in the Third World. In the Warsaw Pact countries the BBC External Services have a major role to play.

Then why does the F.O. need to make an - year's reduction?

The FCO's Information work has suffered more than most activities from manpower and public expenditure cuts. We believe that it was right to make economies in this area, given that other aspects of our work often enjoyed higher priority. For the future, we believe that it is more productive to continue to get our message across discreetly through the media, and without the creation of new machinery, which would be likely to become conspicuous. The proposals at Annex B require additional manpower and money. Neither can be found from our existing resources. If we were to proceed on the basis of these proposals new resources would have to be made available.

I am sending copies of this letter to Sir R Armstrong and John Halliday (Home Office).

Yours ever,

(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street

ANNEX A

EXISTING INFORMATION WORK FOR WHICH FCO IS RESPONSIBLE

I. BBC External Services

Annual cost (1982/83) £68 million plus £13 million for Relay Stations operated by FCO = £81 million.

Total staff 3,180.

This is our main resource both in expenditure terms and in impact.

725 hours are broadcast weekly in English and 36 vernacular languages. The BBC Monitoring Service closely monitors Soviet and other broadcasts.

Though the Report speaks of 'recent cuts' in services to Western Europe, net expenditure on the External Services has substantially increased to improve audibility. Whilst the Report speaks of expanding services it also suggests the BBC has been infiltrated by 'committed denigrators of British and Western values', and says constant vigilance would be needed to combat this and to monitor the BBC's output. Given the BBC's fiercely guarded independence it would be likely to refuse to participate in any IPG in the way the Report hopes. Its reputation rests on its balanced reporting which is why the proportion of time given to our opponents' views sometimes seems excessive. The Report rightly stresses the BBC's obligation 'to plan programmes in the national interest', and in spite of its editorial freedom we could step up the briefing we offer on the Soviet threat and do more to monitor the BBC's output.

II. Central Office of Information (COI)

Who is responsible? Is this the FCO? i.e. what Minister.

About £13 million of the COI's total budget is sponsored by FCO and some 500 of its staff are concerned in the overseas information effort. Roughly two-thirds of this effort is devoted to export promotion, a ratio which could only be changed with Department of Trade agreement. The COI is mainly a technical agency which distributes factual material, eg Ministerial statements, and arranges exhibitions, visits to the UK etc. Apart from its five London press service correspondents it has traditionally done little direct 'political' work. But in the last three years it has produced two successful films on Afghanistan and others on Northern Ireland and the Falklands. It has also helped produce material on arms control (drafted in FCO and MOD) for distribution to schools etc. It commissions features for publication overseas which have become more political of late.

/III

P.S. informed — Lord Belstead.

AR 3/8.

III FCO Departments

Approximately 100 staff costing £1.2 million are directly involved in information work in FCO. The main work is done by News Department (12 staff), Information Department (80 staff) and Arms Control and Disarmament Research Unit (ACDRU - 4 staff). News Department deals with the press, by holding a daily on the record Press Conference, and conducting regular intensive background briefings. In Information Department there are 15 staff in the Special Producer Unit (SPU) - see Annex C; 12 dealing with sponsored visitors; 33 involved in servicing overseas posts, BBC and COI finances and clerical support; and 20 providing guidance to Posts including about 80 'background briefs' per year for distribution at home and abroad and about 20 unattributable papers, for abroad only. The majority of these papers are designed to combat Soviet propaganda and cover the themes listed on pages 19 and 20 of the Report. Information Department has a budget of £1.1 million per annum which covers the FCO's subscription to Reuters, the inward sponsored visits programme, information equipment for Posts and Wilton Park (where conferences are held involving opinion formers from other Western countries). ACDRU services the MOD/FCO Ministerial information effort over arms control.

IV. FCO Posts Abroad

All Heads of Mission are personally engaged in Information work (viz Sir N Henderson's many TV appearances during the Falklands crisis). There are 37 full-time information officers (of whom two are DS4 rank), 30 who spend half or more of their time on information and 76 who spend less than half. They are supported by nearly 400 locally-engaged staff. The total cost is about £3.9 million. More than half the work involves export promotion. There is a continuing need to portray the UK as an economically sound partner and to dispel false impressions about race relations, strikes, riots etc. Much use is made of FCO material exposing Soviet imperialism. There is increasingly less of a formal division between information work and the other work of a Post abroad. Information staff abroad have declined by about two-thirds since 1969.

ANNEX B

PROPOSALS FOR AN INCREASED OVERSEAS INFORMATION EFFORT

(corresponding proposals in Mr Griffiths' report in brackets)

Two DS4 Information Counsellors in Bonn and Brussels (NATO/ Embassy) to supplement existing DS5 and DS6 for better projection of Western case in allied countries; the Report stressed the need to coordinate action with the US (who are active in NATO) and the FRG (A(x) p 11 and B, foot of p 13).

Five DS5 Information Officers to publicise Soviet threat in selected other posts where grading is lower or part time; this follows up the previous proposal and the objective of loosening the hold of Moscow's propaganda in the Third World (B, p 13 and 14).

One DS5 officer to join Information Department Visits Section and organise 'Outward Visits' to Third World (B, p 14).

One DS officer to help and supervise the COI's 'London Correspondents' Service' in their arrangements for overseas press correspondents in London and in provision of briefing; we agree it is vital to provide more information to London-based media (B, p 14).

A £300,000 pa 'Contingency Fund' for FCO to sponsor increases in BBC language services on a temporary basis when required, eg to Poland: the sum would finance about 12 extra hours per week of programmes which the Report calls 'a vital element in the information war' (C(i), p 15).

Bringing forward the BBC capital programme by £1.5 million pa in each of the next 4 years would enable the Hong Kong and Seychelles relay stations mentioned in the Report to be completed by 1986/87 instead of 1988/89 as planned (c(i), p 15).

One DS5S 'BBC Liaison Officer' to coordinate briefing of External Services and monitor their output so as to report to Ministers on the BBC's success 'in planning and preparing its programmes in the national interest' (C(i), p 16).

Increase the present FCO Sponsored Visits allocation of £300,000 pa to £400,000 to allow a rise in Category I (fares-paid) visitors from 250 pa to 300 and permit up to 10 outward speakers visits; the main target would be Third World journalists who would be shown the 'philosophical and practical benefits of living in the West' as opposed to the 'failures and duplicities in Soviet policy' (D, p 18).

(The staffing proposals would cost about £200,000 pa.)

ANNEX C

THIS IS A COPY. THE ORIGINAL IS
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OF THE PUBLIC RECORDS ACT

Foreign Affairs E(W)

① M. Colg 22/7.
② File

NOTE FOR THE FILE (WITH C.F.)

PROJECTION OF THE WESTERN CASE

Eldon Griffiths Secretary rang today to say that when he saw the Prime Minister she suggested that there should be a lunch during the recess with his Committee members. The Secretary wanted us to know that Mr. Griffiths would be in the States between 18 August and 15 September. He would then be abroad again between 2 October and 13 October. Could we please bear these dates in mind if we arrange a lunch.

27 July 1982

Foreign Rel

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

REPORT OF RESEARCH GROUP UNDER MR. ELDON GRIFFITHS MP ON THE PROJECTION OF THE WESTERN CASE

Would you please refer to my minute of 24 May.

The Prime Minister held a meeting with Mr. Eldon Griffiths on 13 July to discuss his Report. No conclusions were reached. The Prime Minister said she would wish to reflect further on the Group's recommendations during the holiday period, and that she might wish to hold a lunch for a small number of people to discuss how the recommendations could be carried forward.

I am copying this minute to Mr. Halliday (Home Office) and Mr. Fall (Foreign and Commonwealth Office).

A. J. COLES

15 July 1982

RESTRICTED AND PERSONAL

GRS 2000

CONFIDENTIAL

FM WASHINGTON 240015Z JUN 82

TO PRIORITY FCO

TELEGRAM NUMBER 2220 OF 23 JUNE

INFO PRIORITY UKMIS NEW YORK, MOSCOW, MODUK, ALL NATO POSTS

HAIG/GROMYKO MEETINGS

1. HAIG AND GROMYKO MET FOR A TOTAL OF NINE HOURS ON 18 AND 19 JUNE. BURT GAVE A BRIEFING FOR NATO EMBASSIES ON 22 JUNE. THIS FOLLOWED CLOSELY THE ACCOUNT IN HAIG'S MESSAGE TO YOU OF 20 JUNE (FCO TELNO 72 TO LUXEMBOURG) AND MY TELEGRAM NUMBER 2206 (NOT TO ALL)

2. BURT SAID THAT THOUGH THE PRESS HAD REPORTED THE ATMOSPHERE AS TOUGH, THE DISCUSSION HAD BEEN SERIOUS. BOTH HAIG AND GROMYKO HAD BEEN FIRM, BUT THERE HAD BEEN NO MORE THAN THE USUAL AMOUNT OF POSTURING. THE CONVERSATION HAD BEEN CONSTRUCTIVE IN PARTS. EQUAL TIME HAD BEEN ALLOTTED TO STRATEGIC AND REGIONAL QUESTIONS.

PRINCIPLES OF US/SOVIET RELATIONS

3. IN REPLY TO GROMYKO'S COMPLAINTS THAT THE U S HAD ABANDONED THE CONCEPT OF QUOTE EQUAL SECURITY UNQUOTE IN FAVOUR OF MILITARY SUPERIORITY, HAIG REPLIED THAT THE PRESIDENT HAD SET FORTH A BROAD FRAMEWORK FOR STABILITY, DISARMAMENT AND IMPROVEMENT IN SOVIET/U S RELATIONS. BUT THE SOVIET UNION CONTINUED TO VIOLATE THE PRINCIPLES OF INTERNATIONAL CONDUCT WHICH HAD TO BE RESPECTED IF RELATIONS WERE TO IMPROVE. THE U S DEFENCE PROGRAMME WAS A RESPONSE TO THE CONTINUING SOVIET MILITARY BUILDUP, AND NOT AN ATTEMPT TO ACHIEVE SUPERIORITY. STRICT EQUALITY WAS THE ONLY BASIS FOR ARMS NEGOTIATIONS. (BURT EMPHASIZED THAT QUOTE EQUALITY UNQUOTE WAS THE ONLY POLITICALLY ACCEPTABLE OUTCOME OF THE VARIOUS ARMS CONTROL TALKS). HAIG HAD TOLD GROMYKO THAT QUOTE EQUAL SECURITY UNQUOTE WAS A NEBULOUS CONCEPT WHICH ALLOWED TOO MANY EXTRANEOUS ELEMENTS TO BE DRAGGED INTO NEGOTIATIONS AND MADE AGREEMENT VERY DIFFICULT.

INF

4. GROMYKO CRITICISED THE U S PROPOSALS AND RECALLED SOVIET PROPOSALS FOR A MORATORIUM ON DEPLOYMENTS, AND BREZHNEV'S UNILATERAL FREEZE ON SS20 DEPLOYMENT. HE SAID THE SOVIET UNION HAD TO CONSIDER PERSHING AND CRUISE MISSILES AS STRATEGIC SYSTEMS: THE BRITISH AND FRENCH SYSTEMS HAD TO BE TAKEN INTO ACCOUNT: THE U S WAS MANIPULATING DATA ON SOVIET AIRCRAFT TO DISPUTE THE FACTS ON THE MILITARY BALANCE IN EUROPE, IN WHICH THE U S CURRENTLY HAD AN ADVANTAGE. HE REITERATED THE SOVIET WARNING THAT THE DEPLOYMENT OF PERSHING AND CRUISE MISSILES WOULD ELICIT A SOVIET RESPONSE. HAIG SAID THE SS20 DEPLOYMENT HAD FURTHER WIDENED THE GAP IN FAVOUR OF THE SOVIET UNION. A MORATORIUM WAS UNACCEPTABLE, AS WAS ANY IDEA OF COMPENSATION FOR BRITISH AND FRENCH FORCES. SOVIET THREATS WOULD BE COUNTER

 / PRODUCTIVE.

PRODUCTIVE. HOWEVER HE WELCOMED SOVIET INDICATIONS OF WILLINGNESS TO INCLUDE SOME SS20S DEPLOYED BEYOND THE URALS AS AN EXAMPLE OF THE REALISM THAT WAS NECESSARY TO GET THE GENEVA TALKS MOVING.

START

5. GROMYKO CRITICISED THE U S PROPOSAL AS ONE-SIDED AND INCONSISTENT WITH PREVIOUS AGREEMENTS. HE SAID SALT II AND THE VLADIVOSTOK AGREEMENT OF 1974 SHOULD BE PRESERVED AND REMINDED HAIG THAT THE LATTER HAD PERMITTED THE DEVELOPMENT OF SOVIET ICBM'S IN RETURN FOR THE EXCLUSION OF U S FORWARD BASED SYSTEMS FROM SALT. GROMYKO SAID HE WAS IN FAVOUR OF REDUCTIONS BUT HAD NO PROPOSAL TO MAKE AT THIS STAGE. THE SOVIET UNION WOULD PRODUCE ONE AT THE APPROPRIATE MOMENT. HAIG SAID THE U S START PROPOSAL WAS A SERIOUS ONE. BURT THOUGHT THAT, THOUGH THIS WAS NOT REFLECTED IN SUBSEQUENT RUSSIAN COMMENT, HAIG HAD SUCCEEDED IN GETTING ACROSS THAT WHILE THE U S PROPOSAL CALLED FOR SIGNIFICANT REDUCTIONS IN THE AREA OF ICBM'S WHERE THE SOVIETS WERE PREDOMINANT, IT CALLED FOR SACRIFICES ALSO BY THE U S ON SLBM'S WHERE THE U S WAS PREDOMINANT. HAIG EMPHASIZED REAGAN'S COMMITMENT TO DEEP REDUCTIONS, AND THE MUTUAL INTEREST IN THE ELIMINATION OF THE MOST DE-STABILISING SYSTEMS, BUT REPEATED THAT IN THE AMERICAN VIEW NOTHING WAS EXCLUDED FROM NEGOTIATIONS, INCLUDING AIRCRAFT, CRUISE MISSILES AND FUTURE SYSTEMS. HE HOPED THE SOVIET UNION WOULD ADOPT THE SAME ATTITUDE. THE U S WAS PREPARED TO LISTEN SERIOUSLY TO THEIR PROPOSALS. HAIG SAID THAT SALT II WOULD NOT BE RATIFIED BUT ITS POSITIVE ELEMENTS WOULD BE PRESERVED, AND THE U S WOULD NOT UNDERCUT EXISTING AGREEMENTS SO LONG AS THE SOVIET UNION DID THE SAME. GROMYKO SAID THE SOVIET UNION WOULD ABIDE BY EXISTING AGREEMENTS. THEREFORE, BURT SAID, START WOULD PROCEED ON A BASIS OF MUTUAL RESTRAINT. BURT SAID THAT IN INF AND START, THE UNITS OF ACCOUNT IN BOTH NEGOTIATIONS WOULD BE THE SAME, AND THE TWO NEGOTIATIONS WOULD THEREFORE BE COMPATIBLE.

6. BURT SAID THAT THERE HAD BEEN NO SUBSTANTIVE DISCUSSION OF MBFR. ON NUCLEAR CONFIDENCE BUILDING (THE QUOTE BERLIN INITIATIVE UNQUOTE) THE AMERICANS WOULD BE GIVING MORE DETAIL ABOUT THEIR THINKING TO THE RUSSIANS. CSCE WAS NOT RAISED.

REGIONAL QUESTIONS

7. HAIG TOLD GROMYKO THAT, ALTHOUGH THE UNITED STATES WAS NOT APPLYING A POLICY OF MECHANICAL LINKAGE BETWEEN REGIONAL AND STRATEGIC ISSUES, SOVIET ACTIVITIES IN REGIONAL AFFAIRS COULD NOT BUT AFFECT THE PROSPECT IN OTHER AREAS, SPECIFICALLY ARMS CONTROL.

POLAND

8. GROMYKO HAD INSISTED THAT HE COULD NOT DISCUSS THE INTERNAL AFFAIRS OF POLAND, BUT REACTED STRONGLY AGAINST THE U S ECONOMIC MEASURES AGAINST THE SOVIET UNION AND POLAND. HE TOOK PARTICULAR UMBRAGE THAT THE DECISION ON THE PIPELINE WAS TAKEN AND ANNOUNCED

/ DURING HIS

DURING HIS TALKS WITH HAIG. HAIG SAID THAT THE DECISION HAD BEEN INDEPENDENT OF THE MEETING. HAIG ALSO REFERRED TO THE POSSIBILITY OF AN QUOTE EXPLOSION UNQUOTE INSIDE POLAND IN THE SUMMER OR AUTUMN, WHICH WOULD NOT BE IN THE SOVIET INTEREST. THE PATH TO STABILITY LAY THROUGH THE PROCESS OF RECONCILIATION, A DIALOGUE WITH SOLIDARITY RELEASE OF PRISONERS, AND THE LIFTING OF MARTIAL LAW. U S SANCTIONS WERE AIMED AT ACHIEVING MOVEMENT TOWARDS THESE OBJECTIVES, NOT AT ANY FORM OF ECONOMIC WARFARE AGAINST THE SOVIET UNION. HE REPEATED U S PREPAREDNESS TO RESPOND POSITIVELY TO DEVELOPMENTS IN POLAND, INCLUDING ECONOMIC ASSISTANCE.

CARIBBEAN

9. GROMYKO CALLED FOR A RELAXATION OF U S PRESSURE AGAINST CUBA AND NICARAGUA, SAYING THAT THE U S HAD NOTHING TO FEAR, AND SHOULD ESTABLISH NORMAL DIPLOMATIC RELATIONS WITH CUBA. HAIG SAID THAT HE WAS DEEPLY CONCERNED ABOUT LARGE SCALE SHIPMENTS OF SOVIET ARMS TO CUBA, BUT WAS PREPARED FOR A DIALOGUE. HE REFERRED TO THE CONTACTS THAT HAD ALREADY TAKEN PLACE AND SAID IT WAS NOW UP TO CUBA AND NICARAGUA TO SHOW BY THEIR ACTIONS THAT THEY WANTED TO IMPROVE RELATIONS WITH THE U S.

SOUTHERN AFRICA

10. BURT SINGLED OUT SOUTHERN AFRICA AS THE MOST CONSTRUCTIVE ITEM IN THE DISCUSSION. GROMYKO SAID THE SOVIET UNION WANTED A SETTLEMENT AND WOULD BE PREPARED TO SEE CUBAN TROOPS RETURN ONCE NAMIBIA HAD BEEN GRANTED ITS INDEPENDENCE, WHEN INTERNAL THREATS HAD BEEN REMOVED AND IN RESPONSE TO A REQUEST FROM THE ANGOLAN GOVERNMENT. HAIG SAID THAT SUCCESS MIGHT BE WITHIN REACH IF A MEANS COULD BE FOUND TO REMOVE CUBAN COMBAT FORCES SIMULTANEOUSLY WITH IMPLEMENTATION OF NAMIBIAN INDEPENDENCE. THE U S INTENDED TO CONTINUE ITS EFFORTS TO ACHIEVE A SETTLEMENT. IF THE SOVIET UNION STOOD IN THE WAY THEY WOULD BE ISOLATED INTERNATIONALLY. GROMYKO ASKED WHAT WOULD HAPPEN TO SAVIMBI IN SUCH A SETTLEMENT. HAIG INDICATED THAT THIS WAS A PROBLEM WHICH WOULD HAVE TO BE LOOKED AT.

AFGHANISTAN

11. BURT WAS ASKED WHETHER THE IDEA OF CONTINUING TALKS AT OFFICIAL LEVEL ON AFGHANISTAN WAS A NEW OPENING, OR SIMPLY A MEANS OF DISPOSING OF THE SUBJECT. BURT SAID IT WAS NEITHER. HE DID NOT EXPECT GREAT PROGRESS BUT IT WAS WORTH DISCUSSING THE QUESTION, AND HE EXPECTED THAT TALKS AT EXPERT LEVEL WOULD BE HELD NEXT MONTH IN MOSCOW (FCO TELNO 1204 TO WASHINGTON).

MIDDLE EAST

12. GROMYKO BLAMED THE AMERICANS FOR THE ISRAELI INVASION OF LEBANON, WHICH HE SAID WAS GROSS PROVOCATION. HE SAID THAT A MIDDLE EAST CONFERENCE AS PROPOSED BY THE SOVIET UNION WAS THE ONLY MEANS TO

/ DEAL WITH

DEAL WITH THE EXPLOSIVE SITUATION IN THE MIDDLE EAST. HAIG REJECTED CHARGES OF U S COMPLICITY, AND SAID HE HAD BEEN WORKING HARD TO PREVENT THE TRAGEDY. THE SOVIET UNION HAD CONTRIBUTED TO THE BREAKDOWN OF THE CEASEFIRE BY ITS SUPPLIES OF ARMS TO THE PLO. THE U S SUPPORTED SCR'S 508 AND 509, AND FAVOURED THE WITHDRAWAL OF ALL FORCES FROM LEBANON. GROMYKO RESPONDED THAT THE SOVIET UNION COULD NOT ACCEPT AN ISRAELI OCCUPATION OF LEBANON: THE PALESTINIANS MADE NO CLAIM ON LEGITIMATE ISRAELI TERRITORY, AND THEIR DESIRE FOR STATEHOOD WAS JUSTIFIED.

13. BURT SAID HAIG HAD BEEN REPEATEDLY STRUCK BY THE CONTINUING CAUTION OF THE SOVIET UNION'S ATTITUDE TOWARDS DEVELOPMENTS IN THE MIDDLE EAST. THEY HAD USED SOME GENERAL LANGUAGE ABOUT THEIR CONCERN IN EVENTS SO CLOSE TO THEIR BORDERS, BUT THEIR OVERALL ATTITUDE WAS VERY CAUTIOUS.

14. ON IRAN/IRAQ, HAIG HAD CRITICISED GROMYOKO FOR SUPPLYING ARMS TO BOTH SIDES. GROMYKO HAD RETORTED THAT THE SOVIET UNION HAD SOLD ONLY A SMALL QUANTITY OF SPARE PARTS, BUT BOTH SIDES HAD SPREAD RUMOURS OF MAJOR SOVIET SUPPLIES TO THE OTHER.

KAMPUCHEA

15. GROMYKO HAD CALLED ON THE U S TO STOP SUPPORTING POL POT FOR THE KAMPUCHEAN SEAT AT THE UN. HAIG REPLIED THAT THE U S HAD NO INTENTION OF IMPOSING ANY REGIME ON KAMPUCHEA, BUT THAT VIETNAM WAS ILLEGALLY OCCUPYING THE COUNTRY. THE U S FAVOURED SELF-DETERMINATION BY KAMPUCHEANS, AND WOULD DEAL WITH HANOI ONLY IF IT WITHDREW ITS FORCES AND PERMITTED SELF-DETERMINATION TO TAKE PLACE.

CHINA

16. GROMYKO SAID THAT U S ARMS SALES TO CHINA WOULD AFFECT SOVIET SECURITY INTERESTS AND WOULD BE MONITORED CAREFULLY. HAIG SAID THAT THE U S INTENDED TO MAINTAIN GOOD RELATIONS WITH CHINA. THEY WOULD NOT PLAY THE QUOTE CHINA CARD UNQUOTE, BUT WOULD NOT PERMIT A SOVIET VETO OVER U S RELATIONS WITH CHINA.

/ SUMMIT

SUMMIT

17. AFTER EXPRESSING REGRET THAT BREZHNEV HAD NOT COME TO UNSSOD AND MET REAGAN, HAIG SAID THAT HE WAS NOT IN FAVOUR OF A SUMMIT FOR ITS OWN SAKE AND THAT MUCH WOULD DEPEND ON DEVELOPMENTS OVER THE COMING MONTHS. GROMYKO SHARED HIS VIEW ON THE NEED FOR CAREFUL PREPARATION.

HENDERSON

[REPETITION TO REYKJAVIK REFERRED FOR DEPARTMENTAL DECISION, REPEATED AS REQUESTED TO OTHER POSTS]
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PRIME MINISTER

THE PROJECTION OF THE WESTERN CASE

You are seeing Mr. Eldon Griffiths on Thursday.

He wrote to you on 14 December, enclosing his Report (Flag A). Sir Robert Armstrong gave you some preliminary observations on 22 December (Flag B) and more considered comments on 5 April (Flag C). You wrote to Mr. Griffiths on 10 April (Flag D).

A.J.C.

21 June 1982

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FOLLOWING FOR PRIVATE SECRETARY FROM RESIDENT CLERK: HAIG/GROMYKO.

1. THE AMERICAN EMBASSY HAVE JUST DELIVERED THE FOLLOWING LETTER ADDRESSED TO THE SECRETARY OF STATE FROM MR HAIG:-

DEAR FRANCIS:

MY MEETINGS WITH GROMYKO ON JUNE 18 AND 19 LASTED FOR MORE THAN NINE HOURS AND ADDRESSED THE FULL RANGE OF ISSUES -- INTERNATIONAL SECURITY AND ARMS CONTROL, REGIONAL QUESTIONS, BILATERAL PROBLEMS -- WHICH WE HAD COVERED IN OUR PREVIOUS MEETINGS. AGAINST THE BACKGROUND OF THE PRESIDENT'S TRIP, THE IMPRESSIVE DEGREE OF ALLIED UNITY AT VERSAILLES AND BONN, AND THE COMPREHENSIVE ARMS CONTROL PROGRAM WE HAVE PUT ON THE TABLE, GROMYKO SEEMED TO BE ON THE DEFENSIVE. HE COMPLAINED FORCEFULLY AND AT LENGTH THAT OUR ARMS CONTROL PROPOSALS ARE ONE-SIDED AND HAVE NOT TAKEN INTO ACCOUNT THE SOVIET INSISTENCE ON ''EQUAL SECURITY.'' AS IN OUR PREVIOUS MEETINGS, HE TRIED TO EVADE SOVIET RESPONSIBILITY FOR THE DETERIORATION OF OUR BILATERAL RELATIONS AND INCREASED INTERNATIONAL TENSIONS GENERALLY BY SHIFTING THE BLAME TO US. MY RESPONSE FORCEFULLY REITERATED OUR CONVICTION THAT IT IS THE

/SOVIETS

SOVIETS THEMSELVES WHO HAVE CONSISTENTLY VIOLATED THE PRINCIPLES OF INTERNATIONAL CONDUCT WHICH ARE THE ONLY HOPE FOR A PEACEFUL WORLD. I REITERATED THE PRESIDENT'S SINCERE DESIRE FOR A STABLE AND CONSTRUCTIVE EAST/WEST RELATIONSHIP, BUT THAT THIS DEPENDS ON SOVIET WILLINGNESS TO EXERCISE INTERNATIONAL RESTRAINT.

THE JUNE 18 DISCUSSION, WHICH LASTED FIVE HOURS, WAS HEAVILY DEVOTED TO ARMS CONTROL ISSUES. GROMYKO STRONGLY CRITICIZED OUR PROPOSALS WHILE PRESSING HARD FOR THE RESUSCITATION OF INADEQUATE ARMS CONTROL AGREEMENTS OF THE PAST, ESPECIALLY THE 1974 VLADIVOSTOK UNDERSTANDING AND THE SALT II TREATY. HE REITERATED THE SOVIET NUCLEAR NON-FIRST-USE PLEDGE HE MADE AT THE UN ON TUESDAY.

IN RESPONSE, I TOLD HIM IN NO UNCERTAIN TERMS THAT STRICT EQUALITY IS THE ONLY BASIS FOR AGREEMENTS BETWEEN US: THAT PREVIOUS AGREEMENTS WERE INADEQUATE BECAUSE THEY DID NOT PROVIDE FOR SUCH EQUALITY AND BECAUSE THEY FAILED TO LIMIT THE MOST DESTABILIZING STRATEGIC SYSTEMS: AND THAT EQUITABLE AND SIGNIFICANT REDUCTIONS IN SUCH SYSTEMS ARE THE ONLY MEANS OF ENSURING STRATEGIC STABILITY AT LOWER LEVELS OF FORCES. AT THE SAME TIME, I MADE CLEAR THAT WE WILL CONSIDER SERIOUSLY SOVIET PROPOSALS AND THAT NOTHING IS RULED OUT OF THE NEGOTIATIONS. I TOLD HIM THAT THE NUCLEAR NON-FIRST-USE PLEDGE IS ENTIRELY SELF-SERVING GIVEN THE TREMENDOUS SOVIET CONVENTIONAL ADVANTAGE AND REITERATED THAT NATO WOULD NEVER BE THE FIRST TO USE FORCE OF ANY KIND IN EUROPE. IN SUM, I CHALLENGED GROMYKO TO STOP POSTURING AND GET DOWN TO SERIOUS NEGOTIATIONS WITH US IN THE INTEREST OF PEACE.

OUR SECOND DAY OF DICSUSSIONS WAS DEVOTED ALMOST ENTIRELY TO REGIONAL ISSUES. GROMYKO LISTENED IMPASSIVELY TO MY PRESENTATION ON THE URGENT NEED FOR POSITIVE MOVEMENT IN POLAND. HE REACTED STRONGLY TO THE PRESIDENT'S DECISONS ON POLISH SANCTIONS, BUT I REMINDED HIM THAT WE HAD REPEATEDLY MADE CLEAR THAT OUR ECONOMIC RELATIONS COULD NOT BE INSULATED FROM THE IMPACT OF IRRESPONSIBLE SOVIET INTERNATIONAL BEHAVIOR. GROMYKO DISCUSSED AFGHANISTAN IN FAMILIAR TERMS BUT DID AGREE THAT WE WOULD CONTINUE WITH INTENSIFIED

/DISCUSSIONS

DISCUSSIONS OF THIS ISSUE THROUGH OUR RESPECTIVE EMBASSIES. I UNDERSCORED AGAIN THAT THE SOVIET OCCUPATION REMAINS A MAJOR IMPEDIMENT TO IMPROVEMENT OF OUR BILATERAL RELATIONSHIP.

GROMYKO PRESSED HARD ON THE MIDDLE EAST AND SEEMED ANXIOUS TO CLAIM A SOVIET ROLE IN MIDDLE EAST DIPLOMACY. HE PUSHED THE SOVIET PROPOSAL FOR AN INTERNATIONAL CONFERENCE, LINKING IT TO RECENT EVENTS IN LEBANON. I REPLIED THAT WE INTEND TO CONTINUE ENERGETICALLY WITH OUR OWN EFFORTS IN THE REGION, WHICH OFFER THE MOST PROMISING AVENUE TO PEACE.

PERHAPS GROMYKO'S MOST POSITIVE COMMENTS ON REGIONAL ISSUES CONCERNED SOUTHERN AFRICA. HE HINTED THAT THE SOVIET UNION MIGHT BE WILLING TO STEP ASIDE AND PERMIT THE CONTACT GROUP INITIATIVE TO PROCEED, BUT HE ALSO EXPRESSED CONCERN FOR THE FUTURE OF THE MPLA REGIME IN ANGOLA IF IT WERE FORCED TO CONSIDER A RECONCILIATION WITH SAVIMBI. I MADE CLEAR THAT, IF THE SOVIETS CONTINUE THEIR DISRUPTIVE TACTICS, THEY WILL ONLY ISOLATE THEMSELVES. I ALSO RAISED CUBAN DESTABILIZING ACTIVITIES IN LATIN AMERICA AND THE VIETNAMESE OCCUPATION OF KAMPUCHEA, BUT GROMYKO'S REPLIES WERE STANDARD SOVIET FARE.

AT THE CLOSE OF OUR SECOND MEETING, GROMYKO ASKED FOR MORE PRECISE DETAILS ON OUR COMMITMENT NOT TO UNDERCUT EXISTING STRATEGIC ARMS AGREEMENTS AS LONG AS THE SOVIETS EXERCISE SIMILAR RESTRAINT. I REPLIED THAT WE ARE COMFORTABLE WITH EXISTING POLICY, AND THAT SPECIFIC QUESTIONS SHOULD BE DEALT WITH AT GENEVA.

GROMYKO ALSO RAISED THE POSSIBILITY OF A SUMMIT. I EXPRESSED REGRET THAT BREZHNEV HAD NOT BEEN ABLE TO MEET WITH PRESIDENT REAGAN HERE, AND REPEATED THE PRESIDENT'S STATEMENT THAT HE LOOKED FORWARD TO SUCH A MEETING IN THE FUTURE WHEN POSITIVE RESULTS MIGHT BE EXPECTED.

FINALLY, I RAISED WITH GROMYKO A NUMBER OF HUMANITARIAN ISSUES, INCLUDING THAT OF SOVIET JEWISH EMIGRATION AND REMINDED HIM OF THE

PRESIDENT'S PERSONAL INTEREST IN EARLY PROGRESS IN THIS AREA.

OVERALL, I CAME AWAY IMPRESSED HOW WORRIED AND DISTURBED GROMYKO WAS AT THE DEGREE TO WHICH WE HAVE SEIZED THE HIGH GROUND AND THE INTIATIVE IN EAST/WEST RELATIONS. I AM CONVINCED THAT THIS IS IN LARGE MEASURE DUE TO THE COMPREHENSIVE ARMS CONTROL PROGRAM WE HAVE PROPOSED AND THE IMPRESSIVE DEGREE OF UNITY AMONG US ON IT. AT THE SAME TIME, GROMYKO'S ATTITUDE TOWARDS OUR PROPOSALS INDICATE CLEARLY THAT THE NEGOTIATIONS AHEAD WILL BE DIFFICULT. I BELIEVE THE MEETING WAS USEFUL IN MAKING ABSOLUTELLY CLEAR TO THE SOVIETS THAT OUR FULL AGENDA IS INTACT, AND THAT WE ARE PREPARED TO MOVE FORWARD ON A BROAD FRONT IF THE SOVIET UNION IS PREPARED SERIOUSLY TO ADDRESS THE FULL RANGE OF OUR CONCERNS.

BEST REGARDS,
SINCERELY,
ALEXANDER M. HAIG, JR.

PYM

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FM WASHINGTON 172218Z JUN 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 2168 OF 17 JUNE

INFO PRIORITY UKMIS NEW YORK, UKDEL NATO, PARIS, BONN, MOSCOW AND WARSAW

MT.

HAIG/GROMYKO

1. HAIG WILL MEET GROMYKO TOMORROW IN NEW YORK. THERE MAY BE A FURTHER MEETING ON SATURDAY OR MONDAY IF THE RESULTS OF THE FIRST ONE JUSTIFY THIS. THE STATE DEPARTMENT EXPECT THE FOLLOWING SUBJECTS TO BE COVERED.

(A) START. GROMYKO IS EXPECTED TO QUESTION WHETHER THE AMERICAN PROPOSAL IS QUOTE SERIOUS UNQUOTE, ARGUING THAT THE 50 PERCENT SUB-LIMIT ON LAND-BASED ICBMS AND THE EXCLUSION OF BOMBERS AND CRUISE MISSILES REPRESENTS AN ATTEMPT BY THE UNITED STATES TO GAIN UNILATERAL ADVANTAGES. HAIG WILL POINT OUT THAT, AS HE AND THE PRESIDENT HAVE ALREADY STATED, THE AMERICANS WILL BE PREPARED TO DISCUSS BOMBERS AND OTHER ISSUES.

(B) POLAND. HAIG WILL PLACE A GREAT DEAL OF EMPHASIS ON THIS, ARGUING THAT IF THE SOVIET AND POLISH AUTHORITIES CONTINUE ON THEIR PRESENT COURSE, THIS WILL NOT LEAD TO ECONOMIC, POLITICAL OR SOCIAL RECOVERY. THERE WILL BE NO THREATS OF FURTHER US MEASURES AND HAIG DOES NOT EXPECT TO GO INTO DETAIL ABOUT A POSSIBLE AID PACKAGE FOR POLAND IF ALLIANCE CONDITIONS ARE MET (THOUGH THERE IS SOME FURTHER THINKING GOING ON HERE ABOUT THIS). GROMYKO WILL BE LEFT IN NO DOUBT THAT THERE IS NO CHANGE IN THE US ATTITUDE AND CONCERN ABOUT POLAND: NOTWITHSTANDING THE DECISIONS TO PROCEED WITH START AND OTHER ARMS CONTROL INITIATIVES.

(C) HAIG WILL READ GROMYKO THE USUAL LECTURE ABOUT THE NEED FOR SOVIET QUOTE RESTRAINT UNQUOTE. THE STATE DEPARTMENT CONFESS, HOWEVER, THAT ON THIS OCCASION HE IS LIKELY TO HAVE A BUMPY RIDE AS GROMYKO WILL CERTAINLY DRAW ATTENTION TO THE NEED FOR THE UNITED STATES TO EXERCISE QUOTE RESTRAINT UNQUOTE OVER ISRAELI ACTIONS IN THE LEBANON.

(D) HAIG IS NOT EXPECTED TO SAY MUCH ABOUT CENTRAL AMERICA, THOUGH HE WILL EXPRESS CONTINUING US CONCERN ABOUT THE ARMS BUILDUP IN CUBA AND CUBAN SUPPORT FOR LIBERATION MOVEMENTS. HE ALSO PROPOSES TO WARN GROMYKO THAT SOVIET ATTEMPTS TO EXPLOIT THE SITUATION IN ARGENTINA WOULD CAUSE FURTHER SERIOUS DAMAGE TO THE US/SOVIET RELATIONSHIP.

(E) HAIG WILL ALSO BE TRYING TO PROBE GROMYKO FURTHER ABOUT THE POSSIBILITY OF PERSUADING THE RUSSIANS TO ENCOURAGE CUBAN WITHDRAWAL FROM ~~NAMIBIA~~ ANGOLA AS PART OF THE PROCESS OF SECURING A NAMIBIA SETTLEMENT AND TO BRING HOME TO GROMYKO THE DANGERS OF BLOCKING ATTEMPTS TO REACH SUCH A SETTLEMENT.

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HENDERSON

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Miss Stephens

10 DOWNING STREET

From the Private Secretary

Caroline

June – by 30 minutes.

AR 25/5

Mr Coles.

(1) How urgent is the meeting with Eldon?

(2) How long did it last?

cl.

SIR ROBERT ARMSTRONG

REPORT OF RESEARCH GROUP UNDER MR. ELDON GRIFFITHS, MP ON THE PROJECTION OF THE WESTERN CASE

The Prime Minister has now been able to consider your minute of 5 April.

With regard to your paragraphs 15-17, the Prime Minister has decided that as a first step she will discuss the report with Mr. Eldon Griffiths. She may then wish to discuss it with the Home Secretary and the Foreign and Commonwealth Secretary. In her comments on your minute the Prime Minister indicated that she was not altogether content with the line suggested in the last sentence of your paragraph 15.

I am copying this minute to Mr. Halliday (Home Office) and Mr. Fall (Foreign and Commonwealth Office).

A. J. COLES

24 May 1982

CR

arranged for 15.45 on June 22nd at HC.

cl. 25/5

RESTRICTED

10 DOWNING STREET

Duty Clerk

There was a minute from Sir R. Armstrong, suggesting a reply from the PM to Mr. Elder Fitzpatrick — I submitted it to the P.M.

Pl. attend.

A.J.C. 13/5

The above was submitted to the PM on 30/4/82 and according to our records is still with her.

Alan 13/5

Caroline

Can you help pl?

AR 13/5

John Coles

THE PROJECTION OF THE WESTERN CASE -
PROFESSOR LORD THOMAS AND MR ELDON GRIFFITHS MP

1. The above Report was sent to the Prime Minister in November or December 1981.

2. I had the impression (I may be wrong about this) that you had asked the Foreign Office and the Ministry of Defence to comment on the Report.

3. Would you be kind enough, please, to let me know the position?

13th May 1982

IAN GOW

John ✓ Could you let Ian know about this?

Tessa 21/6

Thomas

Duty Clerk

Please attach previous

Mr. A.J.C. 21/6

John Coles

THE PROJECTION OF THE WESTERN CASE - PROFESSOR LORD THOMAS AND MR ELDON GRIFFITHS MP

1. The above Report was sent to the Prime Minister in November or December 1981.

2. I had the impression (I may be wrong about this) that you had asked the Foreign Office and the Ministry of Defence to comment on the Report.

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13th May 1982

IAN GOW

HL

Foreign Policy

MR. GOW
MR. HOWE

John Coles assures me that the attached letter is nothing to do with him. It has neither been replied to nor dealt with. Could whoever submitted the Study Group Paper from Hugh Thomas to the Prime Minister please cope?

CAROLINE STEPHENS

5 May 1982

G. R. Urban
18 Palmeira Court
14 Palmeira Square
Hove, Sussex
England
Tel. (0273) 773601

2nd May 1982

Dear Prime Minister,

Permit me to congratulate you on your superb leadership in the Falklands' crisis. Britain's readiness to stand up for freedom, self-determination and democracy has been challenged and not found wanting. Not since the Second World War has our reputation in the world stood so high. What defeatist rhetoric exists inside the country comes from the unrepresentative quarters of Anthony Wedgewood Benn and, on a different level, from BBC Television - as you did, I think, yourself experience in terms of the questions you were asked in last week's 'Panorama' interview.

Some weeks ago Hugh Thomas submitted to you, on behalf of our Study Group at the Centre for Policy Studies, a paper on Information Policy which I had originally drafted. When the present crisis is over, it would be a privilege to have your reactions, if any, and perhaps to explore with you whether we could be of any further assistance.

Yours sincerely

(George Urban)

The Right Hon. Margaret Thatcher, MP, PC,
10 Downing Street,
London SW1.

Foreign Policy 1989
cc CO
HO
FCO

10 DOWNING STREET

THE PRIME MINISTER

10 April 1982

Dear Eldon,

I am sorry that it has taken me so long to reply to the letter which you wrote to me on 14 December, enclosing the report of a Research Group under your chairmanship on the projection of the Western case.

I am very grateful to you and your colleagues on the Group for all the work that has gone into the report and I have read it with much interest. You will not be surprised to hear that there is much in the analysis with which I agree. The specific proposals you have made are not so straightforward, however, and require careful thought. We are still studying them, and I will get in touch with you again, I hope before too long, when I am able to give you a considered comment on them.

Yours ever

Margaret

Eldon Griffiths, Esq., M.P.

JR

Ref: A08020

I will see Eldon Griffiths myself first.

Prime Minister
You have sent an interim reply to Mr. Griffiths (attached). FLAG A
2. Do you want to have a meeting with Mr. Whitelaw and Mr. Pym (para. 17 below) — or would you like to postpone till next month?
AJC 29/4

SECRET

MR. COLES

A Research Group under Mr. Eldon Griffiths MP made proposals to the Prime Minister on 14th December for improving the United Kingdom's contribution to the countering of Soviet propaganda and disinformation, and to the projection of the Western case.

2. I am very sorry that it has taken me so long to follow up my preliminary comment (my minute of 22nd December 1981, Ref. A06998).

The Report of the Research Group

3. The introduction to the report (pages 1-4) analyses the problem: the volume of resources and the high degree of co-ordination of the Soviet propaganda effort, as against the "fragmented and feeble manner" in which the Western case is projected. The next sections describe the Soviet challenge (pages 4-7) and the Western response (pages 7-9). That section regrets the disbandment in 1977 of the Information Research Department of the Foreign and Commonwealth Office (of which one member of the Group, Mr. Ray Whitney MP, was at one time the head). It suggests that our existing information services are on the defensive, where what is needed is a positive and sustained counter-offensive.

4. The Group's proposals (pages 9-23) envisage the establishment, preferably in the Cabinet Office rather than the Foreign and Commonwealth Office (FCO), of a new Information Projection Group (IPG), consisting of a Research Adviser (Under Secretary), about a dozen high-quality staff seconded from Whitehall, and some people from outside the Civil Service as non-executive directors. It would draw on governmental and non-governmental sources of information; it would supply helpful information to the domestic media; and it would collaborate both with non-governmental organisations in the United Kingdom and with comparable agencies in other Western countries, notably in the United States and West Germany.

5. Mr. Griffiths's Group reluctantly recognises that the existence of the IPG could not be kept secret, and therefore propose a low-key announcement of the setting up of the IPG "as part of a routine reorganisation of the information functions of the Cabinet Office machinery under the auspices of the Lord President of the Council".

6. The proposal is followed by a discussion of targets:

(i) United Kingdom domestic institutions, notably the media.

(ii) Other Western countries.

(iii) Public opinion in the Eastern bloc and the Third World.

In the second and third of these targets the IPG would be in support and under control of the FCO.

7. There is a long discussion (pages 14-18) of the "information technology" which is or is becoming available and should be used. Finally, there is a discussion of themes: briefly to emphasise the philosophical and practical benefits of living in the West, and to demolish the tenets of Marxist doctrine and policy and counter Soviet propaganda in the United Kingdom and elsewhere.

Comment on the Report

8. I have discussed these proposals with Foreign and Commonwealth Office and Home Office officials. There is general agreement that the analysis of Soviet aims and methods is sensible and the objectives are commendable; the question is how much the Government can or should try to do in this regard.

9. The Griffiths Group dismisses too lightly what is already being done. The Information Research Department of the FCO was disbanded as such in 1977, but a lot of information work continues to be done, both at home and abroad, through Ministerial and diplomatic briefings, FCO background briefs and the BBC External Services (for the improvement of whose audibility there is, as the Prime Minister knows, a capital programme). The FCO and MOD are undertaking a comprehensive programme of briefings and publications on arms control and disarmament questions, aimed particularly at the "peace movements" and related organisations.

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

10. No doubt we could do more than we do, if the Government thought that radically increased effort of this kind was needed and would be a good use of public money, and was prepared to face the political criticism to which such an overtly propaganda effort would give rise. Even if funds were available, benefits could not be reaped quickly, since careful preparation of new outlets would be necessary.

11. As to finance, an IPG of the size and sort proposed would not come cheap. With a staff of about 12 high-quality civil servants, and a group of outside consultants and advisers, manpower costs could be upwards of £200,000; management costs - commissioning material and so on - and the exploitation of the instruments of information technology could easily take the total cost up to £1 million, even for a quite modest effort, and an effort on the scale envisaged by the Griffiths Group could cost substantially more than that. Unless the money were to come out of the Contingency Reserve, on which there are already plenty of competing claims, there would have to be countervailing reductions elsewhere in public expenditure. We certainly could not find sums of this order from the Cabinet Office vote; nor could the FCO find them from theirs.

12. As to political criticism, the old IRD was disbanded because, in the wake of the exposure of the operations of the CIA, some of the IRD's clandestine activities became the subject of probing by investigative journalists; because the resulting disclosures were embarrassing, and as part of the reductions in public expenditure which were then being enforced, the then Government decided to close down the IRD as such and discontinue much of its work. The resumption of work on the lines suggested would excite a great deal of critical political and journalistic interest and attention, particularly if the new IPG was operating in the domestic field more extensively than the old IRD did.

13. If such a Group were to be set up, careful consideration would be needed as to where to locate it. If in the FCO, it would have to be presented as aimed at overseas opinion. Any FCO work aimed at domestic opinion needs to be overt and low profile if it is to avoid sales resistance and the attention of investigative journalists. If it was in the Cabinet Office, it would

be widely seen as linked to the Cabinet Office's intelligence and security interests, and that would intensify speculation and suspicion about the involvement of the intelligence and security agencies in collecting information for propaganda activities rather than for intelligence and security purposes.

Conclusions

14. There is (as the Griffiths Group expected) hesitation over this idea among officials. So far as the "home base" is concerned, there is room for doubt about the need for and value of a greatly increased effort by the Government: British public opinion and the media are not such gullible victims of Soviet propaganda as all that. So far as effort overseas is concerned, clearly it would be possible to do more, if the Government was so minded; but it is arguable that the combination of cost and political vulnerability makes this a relatively low priority for additional Government expenditure on the scale that would be implied.

15. The Prime Minister will want not to return a totally negative reply to the Griffiths Group. Mr. Griffiths's letter of 14th December asks her to let the Group come and see her to discuss the subject: I do not know whether she will wish to do so. Whether she responds orally or in writing, the Prime Minister might say that the Government agrees with a great deal of the Group's analysis and recognises the importance of the objectives, that (as the Group recognises) there is already a certain amount of effort in Government, which is not (as they imply) solely defensive, that the Government does not feel able to embark on a scheme so ambitious and expensive as the Group has proposed, but that she has asked the Ministers concerned to consider whether more can be done within what is budgetarily feasible to reinforce the Government's efforts both on the exposure of Soviet propaganda and on the presentation of the Western, and specifically the British, case.

Yes

No

16. If the Prime Minister decided to respond accordingly, this could be worked up either into a speaking brief (if she agreed to see the Group) or into a letter to be sent to Mr. Griffiths in reply.

17. The Prime Minister may like to discuss this with the Home Secretary and the Foreign and Commonwealth Secretary, to whose Private Secretaries this minute is being copied; and the Foreign and Commonwealth Secretary could well be with the Prime Minister, if and when she decides to meet the Group.

18. As this minute has been so long delayed, for which I once again apologise, the Prime Minister may feel that she should send an interim reply to Mr. Griffiths. I attach a draft.

19. I am sending copies of this minute to the Private Secretaries to the Home Secretary and the Foreign and Commonwealth Secretary.

RTA

Robert Armstrong

5th April 1982

CONFIDENTIAL

JR

10 DOWNING STREET

From the Private Secretary

5 April 1982

EAST/WEST ECONOMIC RELATIONS

Correspondence on this subject began with your letter of 26 March and ended with Jonathan Rees' letter of 1 April.

The Prime Minister has now signed a letter to President Reagan. I should be grateful if you could deliver the signed version which is enclosed with this letter. I also enclose copies for the other recipients of this letter.

I am copying this letter to Private Secretaries to members of OD, and to David Wright (Cabinet Office).

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office.

SUBJECT

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 62A/82

TMP

cc OD
CO

10 DOWNING STREET

THE PRIME MINISTER

5 April 1982

Dear Ron

Thank you for your message of 8 March about the visit to Europe of Under-Secretary Buckley.

As you will have heard, Mr. Buckley and his team spent 17 March in London. They met Peter Carrington and had talks with a team of British officials which filled most of the day. I understand that they gave a detailed account of your concerns about the granting of Western credit to the Soviet Union and made a number of suggestions about how these might be met. We have since been studying these suggestions and Peter Carrington is writing to Al Haig to give our views about some of them.

I share your concern about the manner in which Western Governments and banks have built up increasing credit exposure in the Soviet Union. There is a problem here that we must consider carefully. I look forward to discussing it with you personally during your visit to London in June.

For future work on this subject I think we must find a framework which will allow the necessary analytical work to be done and which will also link action with the outstanding action on East/West economic relations which was commissioned in the North Atlantic Council Declaration of 11 January. Operationally, we must ensure that all the countries which matter in terms of granting credit to the Soviet Union, including Japan, are associated with the work. We also need to avoid action which may cause greater damage to the West collectively than to the Soviet Union or disproportionate difficulties for particular Western countries.

/I also

I also attach great importance to the subject raised in my message of 29 January - that of existing contracts between British companies and Soviet importers affected by the measures which you announced on 29 December. It is now more urgent, as the companies concerned will soon have to make decisions about their manufacturing programmes in relation to these contracts. The most important of the companies concerned, John Brown Engineering, has held decisions in suspense for three months, but time is now running short for them. It would therefore be most helpful to know whether you can accept the arrangement about reciprocal commitments which I suggested in my message.

Kind regards

Yours ever

Margaret

The President of the United States of America

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SW1H 0ET Telephone 01-215 7877

CONFIDENTIAL

From the Secretary of State

F N Richards Esq
Private Secretary
Foreign and Commonwealth Office
London SWIA 2AH

1st April 1982

MR 5/4
L.a.

Dear Francis,

EAST/WEST ECONOMIC RELATIONS

Thank you for your letter of 31 March suggesting amendments to the proposed message to Mr Haig. I am writing to confirm my telephone conversation that these meet my Secretary of State's concern about too enthusiastic support for the US line on credit, and he is therefore content with the revised draft.

I also mentioned that the original final paragraph on existing contracts seems to have been omitted by oversight, and you agreed that it would be included in the final version. Subject to that, my Secretary of State is content for the message to be sent.

Yours Sincerely,

Jonathan Rees

JONATHAN REES
Private Secretary

1 APR 1982

010

Foreign and Commonwealth Office

London SW1A 2AH

31 March 1982

Dear Jonathan,

DR 5/4
p.a.

East/West Economic Relations

Thank you for sending me a copy of your letter of March 29 to John Coles, which contained your Secretary of State's comments on the draft messages to President Reagan and Mr Haig, enclosed with my letter to Coles of March 26.

As regards Lord Carrington's proposed message to Mr Haig, and Mr Biffen's request that the tone should be made less sympathetic to the American request, this might be done by deleting the last sentence in the second paragraph, substituting the following: -

"As I told Mr Buckley, I believe that you have drawn attention to an important issue which needs to be carefully considered."

We learn from consultation which took place earlier this week, among those attending the European Council in Brussels, that the French and Germans are likely to oppose rather strongly our suggestion that the multilateral discussion which the Americans have in mind might take place primarily in NATO. Their preference is that this should be done in the preparation for the Versailles Summit. While we think this is not quite so satisfactory, we would not object to that forum if it is likely to lead to thorough discussion and analysis: the prospect of this is more likely to lead to progress over the pipeline contracts, on which your Secretary of State (and we) are anxious to obtain an early modification of the US attitude. With this in view, I attach a revised version of the second half of the message, and should be grateful if you and the other recipients of this letter could let me know by 1800 hours on Thursday April 1 if you see any difficulty.

I note that your Secretary of State would prefer the Prime Minister to write to President Reagan about the existing contracts even more robustly. No doubt the Prime Minister will make her wishes known about the terms in which she judges it best to address President Reagan on this matter.

/I am sending

I am sending a copy of this letter to the Private Secretaries of all other members of OD, and to David Wright (Cabinet Office).

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

J N Rees Esq
Private Secretary
Department of Trade

SUGGESTED PASSAGE FOR SECRETARY OF STATE'S LETTER TO MR HAIG

[to replace pages 2 and 3 of earlier draft, line 8: " In my view . . . ." to end.

I do not have any fixed preference about the forum in which the analysis and examination of policy options should take place. My original idea had been to suggest NATO, where confidential discussion of our relations with the Communist countries presents no problem, and where there is already a starting point in the communiqué issued by the North Atlantic Council on 11 January. But if you attach most importance to engaging all the nations prominent in East/West trade, there would be advantages in using the preparation for the Economic Summit, and thus involving the Japanese. I think that France and Germany would both like to use that route, and I would have no objection. Perhaps the answer is to accept that talks will be taking place in parallel in several organisations including of course the OECD. As you may have noticed, the European Council referred to this important issue in the statement issued in Brussels on March 30, and it is agreed that a contribution must be made to this work by the European Community.

As far as the immediate next steps are concerned, I do not know whether you still intend, as Mr Buckley suggested to hold further bilateral soundings. If not, we should for our part be prepared to attend any collective meeting you may wish to call.

1 MAR 1982

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UNCLASSIFIED
DESKBY 010900Z
FM WASHINGTON 010310Z APR 82
TO IMMEDIATE F C O
TELEGRAM NO 1055 OF 31 MARCH
INFO PRIORITY MODUK (DUS(P) AND DS 17), BONN, PARIS, MOSCOW,
UKDEL NATO, TEL AVIV (FOR S OF S PARTY), ROUTINE UKDEL VIENNA,
UKDIS GENEVA, UKMIS NEW YORK, ROME, UKREP BRUSSELS
INFO SAVING OTHER NATO POSTS, DUBLIN, PEKING, TOKYO

M I P T (NOT TO ALL): REAGAN STATEMENT ON NUCLEAR ARMS POLICY AND EAST-WEST RELATIONS

1. THE PRESIDENT OPENED TONIGHT'S PRESS CONFERENCE WITH THE FOLLOWING STATEMENT:

''TWICE IN MY LIFETIME I HAVE SEEN THE WORLD PLUNGED BLINDLY INTO GLOBAL WAR THAT INFLICTED UNTOLD SUFFERING UPON MILLIONS OF INNOCENT PEOPLE. I SHARE THE DETERMINATION OF TODAY'S YOUNG PEOPLE THAT SUCH A TRAGEDY, WHICH WOULD BE RENDERED EVEN MORE TERRIBLE BY THE MONSTROUS INHUMANE WEAPONS IN THE WORLD'S NUCLEAR ARSENALS, MUST NEVER HAPPEN AGAIN. MY GOAL IS TO REDUCE NUCLEAR WEAPONS DRAMATICALLY, ASSURING LASTING PEACE AND SECURITY.

LAST NOVEMBER I STRESSED OUR COMMITMENT TO NEGOTIATE IN GOOD FAITH FOR THE REDUCTION OF BOTH NUCLEAR AND CONVENTIONAL WEAPONS. I MADE A SPECIFIC PROPOSAL TO ELIMINATE ENTIRELY INTERMEDIATE-RANGE MISSILES. WE REMAIN COMMITTED TO THOSE GOALS. IN GENEVA WE HAVE PROPOSED A TREATY WITH THE SOVIET UNION WHICH EMBODIES OUR PROPOSALS. IN VIENNA, ALONG WITH OUR ALLIES, WE ARE NEGOTIATING REDUCTIONS OF CONVENTIONAL FORCES IN EUROPE. AND HERE IN WASHINGTON WE ARE COMPLETING PREPARATIONS FOR TALKS WITH THE SOVIETS ON STRATEGIC WEAPONS REDUCTIONS. WE KNOW ALL TOO WELL FROM PAST EXPERIENCE THAT NEGOTIATIONS WITH THE SOVIET UNION MUST BE CAREFULLY PREPARED. WE CANNOT AFFORD TO REPEAT PAST MISTAKES, TO ARRIVE HASTILY AT AN ARMS CONTROL PROCESS WHICH SENDS HOPES SOARING ONLY TO END IN DASHED EXPECTATIONS.

LAST WEEK A DISTINGUISHED GROUP OF SENATORS AND CONGRESSMEN SUBMITTED RESOLUTIONS TO THE SENATE AND HOUSE CALLING FOR MAJOR, VERIFIABLE REDUCTIONS OF US AND SOVIET NUCLEAR WEAPONS TO EQUAL FORCE LEVELS. THIS IS AN IMPORTANT MOVE IN THE RIGHT DIRECTION, AND THESE POINTS ARE ESSENTIAL ELEMENTS OF A TRULY EFFECTIVE ARMS CONTROL AGREEMENT, ELEMENTS WHICH ARE CONSISTENT WITH THE VIEWS OF THIS ADMINISTRATION. I COMMEND SENATORS JACKSON AND WARNER AND CONGRESSMAN CARNEY AND ALL THOSE WHO JOINED WITH THEM IN THIS IMPORTANT INITIATIVE.

I HAVE AND I WILL CONTINUE TO SEEK REALISTIC ARMS CONTROL AGREEMENTS ON NUCLEAR AND CONVENTIONAL FORCES. I WANT AN AGREEMENT ON STRATEGIC NUCLEAR WEAPONS THAT REDUCES THE RISK OF WAR, LOWERS THE LEVEL OF ARMAMENTS, AND ENHANCES GLOBAL SECURITY. WE CAN ACCEPT NO LESS. AMERICA'S NATIONAL SECURITY POLICY IS BASED ON ENDURING

/ PRINCIPLES.

PRINCIPLES. OUR LEADERS AND OUR ALLIES HAVE LONG UNDERSTOOD THAT THE OBJECTIVE OF OUR DEFENCE EFFORTS HAS ALWAYS BEEN TO DETER CONFLICT AND REDUCE THE RISK OF WAR, CONVENTIONAL OR NUCLEAR. TOGETHER WITH OUR PARTNERS IN THE ATLANTIC ALLIANCE EVERY PRESIDENT IN THE POST-WAR PERIOD HAS FOLLOWED THIS STRATEGY AND IT HAS WORKED. IT HAS EARNED THE OVERWHELMING BIPARTISAN SUPPORT OF THE CONGRESS AND THE COUNTRY AT LARGE AND IT HAS KEPT WORLD PEACE.

YESTERDAY WITH THE SUCCESSFUL COMPLETION OF THE COLUMBIA SPACE SHUTTLE'S LATEST MISSION I THINK WE WERE ALL REMINDED OF THE GREAT THINGS THE HUMAN RACE CAN ACHIEVE, WHEN IT HARNESSES ITS BEST MINDS AND EFFORTS TO A POSITIVE GOAL. BOTH THE UNITED STATES AND THE SOVIET UNION HAVE WRITTEN PROUD CHAPTERS IN THE PEACEFUL EXPLORATION OF OUTER SPACE.

SO I INVITE THE SOVIET UNION TO JOIN WITH US NOW TO SUBSTANTIALLY REDUCE NUCLEAR WEAPONS AND MAKE AN IMPORTANT BREAKTHROUGH FOR LASTING PEACE ON EARTH. THERE HAVE BEEN FOUR WARS IN MY LIFETIME. I BELIEVE THE PEOPLE WANT TO RETURN TO A LEVEL OF CIVILISED BEHAVIOUR WE ONCE KNEW. MOST OF ALL THEY WANT PEACE. AND SO DO I.''

2. IN ANSWER TO SUBSEQUENT QUESTIONS THE PRESIDENT MADE THE FOLLOWING POINTS. ASKED WHY HE DID NOT FAVOUR A FREEZE NOW, TO BE FOLLOWED BY REDUCTIONS AT A LATER STAGE, HE SAID THAT THE RUSSIANS HAD A DEFINITE MARGIN OF SUPERIORITY, WHICH PRODUCED A WINDOW OF VULNERABILITY FOR THE US. A FREEZE WOULD NOT ONLY BE DANGEROUS FOR THE US, IT WOULD MILITATE AGAINST ANY NEGOTIATION FOR REDUCTIONS, SINCE THE RUSSIANS WOULD HAVE NO INCENTIVE (AS DEMONSTRATED BY THE HISTORY OF INF) TO NEGOTIATE. US VULNERABILITY TO A SOVIET ATTACK, WITHOUT THE CAPABILITY TO RETALIATE, WAS POSSIBLE IN THE CURRENT STATE OF THE US TRIAD. THE MAIN SOVIET ADVANTAGE LAY IN THEIR ABILITY TO ABSORB A RETALIATORY BLOW FROM THE US AND STRIKE AGAIN. HOWEVER, IN A NUCLEAR WAR THERE WOULD BE NO WINNERS. EVERYBODY WOULD BE A LOSER.

3. THE US WOULD BE READY TO OPEN START WITH THE RUSSIANS THIS SUMMER. SETTING THE PRECISE DATE WOULD DEPEND ON THE INTERNATIONAL SITUATION, BUT HE HOPED IT WOULD BE POSSIBLE TO DO SO THIS SUMMER. HE HAD NOT CHANGED HIS BASIC VIEWS (AS EXPRESSED AT HIS FIRST PRESS CONFERENCE) ABOUT THE RUSSIANS BUT HE NOTED THAT THEY WERE NOW IN DESPARATE ECONOMIC STRAITS, AS A RESULT OF THEIR MILITARY BUILD-UP.

/ THIS WAS

THIS WAS ONE OF THE REASONS FOR THE PROPOSED CUT-OFF OF CREDIT TO THE SOVIET UNION, WHO WERE RESPONSIBLE FOR EVENTS IN POLAND. THE US WERE WORKING WITH THE ALLIES ON SUCH A CUT-OFF, BUT WERE CONTINUING EFFORTS TO HELP THE POLISH PEOPLE. THE POLISH GOVERNMENT SHOULD UNDERSTAND THAT ''THERE COULD BE A CARROT ALONG WITH THE STICK IF THEY STRAIGHTEN UP AND FLY RIGHT''.

4. THE US WERE STILL ANALYSING BREZHNEV'S LATEST STATEMENT ON INF. PERSONALLY THE PRESIDENT BELIEVED THAT IT WAS PART OF THE SOVIET PROPAGANDA CAMPAIGN TO IMPROVE THEIR PEACEFUL IMAGE, WHICH WAS BELIED BY THE FACTS. ASKED ABOUT THE US RESPONSE TO A POSSIBLE SOVIET THREAT TO STATION NUCLEAR WEAPONS IN THE WESTERN HEMISPHERE, REAGAN NOTED THAT AT THE MOMENT THIS COULD ONLY MEAN IN CUBA, ALTHOUGH LATER IT MIGHT MEAN IN NICARAGUA. SUCH AN ACTION WOULD BE A TOTAL VIOLATION OF THE 1962 AGREEMENT. OPTIONS WOULD BE OPEN TO THE US WHICH HE WAS NOT PREPARED TO DISCUSS IN PUBLIC.

FCO PASS SAVING: ANKARA, ATHENS, BRUSSELS, COPENHAGEN, LISBON, LUXEMBOURG, OTTAWA, OSLO, REYKJAVIK, THE HAGUE, DUBLIN, PEKING, TOKYO

HENDERSON

[REPEATED AS REQUESTED]

FCO/WHITEHALL

NAD

GPS 720

CONFIDENTIAL
FM WASHINGTON 302333Z MAR 82
TO PRIORITY FCO
TELEGRAM NO 1036 OF 30 MARCH
INFO PARIS, BONN, ROME, VIENNA, BUDAPEST, MOSCOW, WARSAW

CREDITS FOR EASTERN EUROPE

1. LOEHNIS (BANK OF ENGLAND) ACCOMPANIED BY COUNSELLOR (ECONOMIC) CALLED TODAY ON LELAND (ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, US TREASURY).

2. ON THE BUCKLEY MISSION, LELAND SAID THAT THE US TEAM HAD STRESSED TO EUROPEAN GOVERNMENTS THAT CURRENTLY ECONOMIC RESOURCES WERE FLOWING TO THE EAST SOLELY BECAUSE OF THE FINANCIAL GUARANTEES OF WESTERN GOVERNMENTS. PRIVATE BANKS WERE NOT AT PRESENT WILLING TO LEND WITHOUT GOVERNMENT GUARANTEES. IF IT WERE NOT FOR OFFICIAL CREDITS, THE EASTERN BLOC WOULD HAVE TO PAY FOR IMPORTS IN HARD CURRENCY. IN THE CASE OF THE SOVIET UNION, THIS WOULD REDUCE THE AMOUNT OF RESOURCES AVAILABLE FOR THEIR MILITARY BUILD-UP.

3. LELAND MENTIONED TWO ASPECTS OF US ATTEMPTS TO TIGHTEN UP ON OFFICIAL CREDITS TO THE SOVIET UNION. THE FIRST WAS THAT, WHEN THE OECD EXPORT CREDIT CONSENSUS MEETING RECONVENED IN MAY, THERE SHOULD BE A REALLOCATION OF COUNTRIES TO CATEGORIES, WITH THE SOVIETS MOVED UP TO THE TOP CATEGORY. THE TOP CATEGORY CONSENSUS INTEREST RATE SHOULD ALSO BE RAISED TO AS NEAR MARKET RATES AS POSSIBLE, WHICH HE THOUGHT MIGHT INVOLVE AN INCREASE OF 1 AND A HALF PERCENTAGE POINTS.

4. THE SECOND WAS THE AMOUNT OF OFFICIAL CREDITS. THE GERMANS WERE BEING THE MOST DIFFICULT ABOUT THE POSSIBILITY OF CUTTING THESE BACK (ALTHOUGH THE FRENCH HAD NOW REVEALED THAT THEY HAD A PROTOCOL COMMITTING THEM TO MAKING GENEROUS CREDITS AVAILABLE TO THE SOVIETS AT CONSENSUS INTEREST RATES). A PARTICULAR DIFFICULTY WAS THAT THE GERMANS BELIEVED THAT THE NATIONALISED FRENCH BANKS COULD MAKE LOANS TO FINANCE FRENCH EXPORTS TO THE SOVIET UNION WITH WHAT COULD BE REGARDED AS AN IMPLICIT GOVERNMENT GUARANTEE. TO CONSTRAIN THE AMOUNT OF EXPLICIT GOVERNMENT GUARANTEES FROM OTHER COUNTRIES WOULD THEREFORE LEAVE THE FRENCH AT AN ADVANTAGE. LELAND SAID THAT LAUTENSCHLAGER WOULD BE IN WASHINGTON LATER THAT WEEK, AND THAT HE HOPED TO MAKE PROGRESS ON THE GERMAN POSITION THEN.

5. ON THE PIPELINE, LELAND HOPED THAT THERE WOULD BE A RE-EXAMINATION OF THE FUTURE GAS REQUIREMENTS OF EUROPEAN COUNTRIES.

CONTRACTS INCORPORATING AMERICAN TECHNOLOGY TO PROVIDE EQUIPMENT FOR THE PIPELINE CONTAINED RE-EXPORT RESTRICTIONS. UNLESS AGREEMENT WAS REACHED ON THE ENDING OF SUBSIDISATION AND REDUCTIONS IN GOVERNMENTS GUARANTEES ON CREDITS TO THE SOVIET UNION, THE UNITED STATES WAS LIKELY TO TAKE ALL THE ACTION OPEN TO IT TO MAKE THE CONSTRUCTION OF THE PIPELINE DIFFICULT.

6. LOEHNIS OUTLINED THE DANGERS FOR THE WESTERN FINANCIAL SYSTEM IF THE MAIN EASTERN EUROPEAN DEBTORS WERE ALLOWED TO GO INTO DEFAULT. LELAND SAID THAT THE WESTERN BANKS HAD MADE LOANS TO EAST EUROPE WITH THEIR EYES OPEN, AND HE WOULD HAVE WISHED THAT THEY HAD NOT DONE SO ON SUCH A LARGE SCALE. HE AGREED, HOWEVER, THAT IT WAS DESIRABLE TO MAXIMISE THE REPAYMENTS OF THESE CREDITS.

7. ON HUNGARY, LELAND SAID THAT HE THOUGHT THAT THE NEED FOR A DOLLARS 500 MILLION BIS LOAN WAS NOW LESS URGENT. HIS VIEW WAS THAT THE US SHOULD NEITHER CONTRIBUTE NOR STAND IN THE WAY OF THE LOAN, BUT HE DOUBTED WHETHER WEINBERGER WOULD WISH TO BE NEUTRAL. SUBJECT TO PRESIDENT REAGAN'S APPROVAL, THE UNITED STATES WOULD VOTE IN FAVOUR OF HUNGARY'S APPLICATION TO THE IMF AT THE MEETING OF THE BOARD OF EXECUTIVE DIRECTORS LATER THAT WEEK. THE PROVISION OF IMF FINANCIAL ASSISTANCE TO HUNGARY WOULD HOWEVER BE TREATED AS A SEPARATE QUESTION. THE US WOULD EXAMINE THIS IN THE LIGHT OF A NUMBER OF FACTORS, INCLUDING ANY EVIDENCE THAT HUNGARY WOULD PASS ON CREDITS TO THE SOVIET UNION AND THE PROGRESS THAT HAD BEEN MADE TOWARDS RESTRICTING OFFICIAL EXPORT CREDITS TO THE SOVIET UNION.

8. LELAND'S REMARKS CONFIRMED WHAT BAILEY (DIRECTOR OF PLANNING AND EVALUATION, NATIONAL SECURITY COUNCIL) TOLD MINISTER (COMMERCIAL) YESTERDAY, TO THE EFFECT THAT THE CABINET COUNCIL ON ECONOMIC AFFAIRS, CHAIRED BY TREASURY SECRETARY REGAN, HAD DECIDED TO AGREE TO HUNGARY'S MEMBERSHIP OF THE IMF WITHOUT PREJUDICE TO THE US POSITION ON AN IMF CREDIT FOR HUNGARY.

9. FCO PLEASE PASS TO CAREY (TREASURY), TWYFORD (ECGD), D LE B JONES (D/ENERGY) AND MCMAHON AND GILCHRIST (BANK OF ENGLAND).

HENDERSON

[ADVANCED AS REQUESTED]

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AJC(ov)

From the Secretary of State

CONFIDENTIAL

John Coles Esq
Private Secretary
10 Downing Street
London, SW1

29th March 1982

Dear John,

EAST WEST ECONOMIC RELATIONS

My Secretary of State has seen Francis Richards' letter to you of 26 March 1982 and the accompanying draft messages to President Reagan and Secretary Haig. He is concerned that these messages are appreciably more supportive of the American point of view than the line accepted by colleagues when preparing for the Buckley Mission's visit to London. Thus while he accepts that we should indicate willingness to exchange information and take part in the further discussions which the Americans have proposed, he is firmly of the view that this should be in an entirely open-minded and strictly neutral manner. What the United States now appear to have in mind over credit policy would be an important change of policy. The implications of any such change would first need careful consideration by Ministers. He is therefore concerned that both the draft messages to President Reagan and Secretary Haig should not imply that the United Kingdom is unduly sympathetic to United States proposals.

My Secretary of State also considers that the references to existing contracts in the draft message to President Reagan needs to be expressed even more robustly. We should make clear to President Reagan that we are not negotiating from a position of weakness. If the United States of America remains intransigent on exempting existing contracts, my Secretary of State believes that the other European countries involved - France, Italy and West Germany - would be prepared to take an independent line. Thus it is in the United States of America's interests, as well as ours, to come to an urgent accommodation on this issue. My Secretary of State is not certain that these consequences are brought out sufficiently strongly in the existing draft to President Reagan.

I am copying this to the Private Secretaries to all other OD members, and to Sir Robert Armstrong.

Yours Ever,

Jonathan Rees

J N REES
Private Secretary

CONFIDENTIAL

29 MAR 1982

Foreign and Commonwealth Office

London SW1A 2AH

26 March 1982

Dear John,

East/West Economic Relations

As you know, OD did not have time to discuss this subject yesterday.

OD will not be able to take the subject again until the end of next week, at the earliest. The Foreign and Commonwealth Secretary believes, however, that it would be right for the Prime Minister to reply to President Reagan's message to her of 8 ~~12~~ March early next week. This is partly because some time has now elapsed since the message was received, but mainly because John Brown will soon face difficult decisions about their manufacturing programme for the supply of turbines to the Soviet Union. (The Prime Minister has received a copy of Mr Biffen's letter to Lord Carrington of 23 March on this subject).

Lord Carrington also believes that it would be right for him to reply soon to the three messages he has received from Mr Haig about the Buckley Mission, the latest on 26 March. He thinks that it is very much in our interest to reaffirm to the Americans that we are concerned about the granting of Western credit to the Soviet Union and to respond to Mr Haig's invitation for suggestions as to how the problem might be handled. When it comes to this handling, he would like to persuade the Americans that the right forum for most of the work is NATO. There is no institutional structure which would allow the necessary analytical work to be done as part of the preparatory process for the Versailles Summit; and we would not wish the discussion of other important subjects to be crowded out there by East/West economic relations.

// I enclose two draft messages accordingly.

I am sending copies of this letter to the Private Secretaries of all other members of OD and of Sir Robert Armstrong. I should be grateful for any comments they may have by 1200 hrs on 30 March.

Yours ever,

(F N Richards)
Private Secretary

Frances Richards

A J Coles Esq
10 Downing St

MESSAGE

DS[illegible] (Revised)

DRAFT: ~~Minute/Letter/Telex/Despatch/Note~~

TYPE: Draft/Final 1+

FROM:

Prime Minister

DEPARTMENT: TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

President Reagan

Your Reference

Copies to:

PRIVACY MARKING

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CAVEAT.....

Enclosures—flag(s).....

SUBJECT:

Thank you for your message of 8 March about the visit to Europe of Under-Secretary Buckley. ~~and his team~~.

As you will have heard, Mr Buckley and his team spent 17 March in London. They met Peter Carrington and had talks with a team of British officials which filled most of the day. I understand that they gave a detailed account of your concerns about the granting of Western credit to the Soviet Union and made a number of suggestions about how these might be met. We have since been studying these suggestions and Peter Carrington ~~will be~~ is writing to Al Haig to give our views about some of them.

~~Let me say that~~ I share your concern about the manner in which Western Governments and banks have built up increasing credit exposure in the Soviet Union. There is a problem here that we must consider carefully. I look forward to discussing it with you personally during your visit to London in June.

~~I attach considerable importance to the framework in which work on the subject is to be taken forward.~~ For future work on this subject I think we must find a framework which will allow the necessary analytical work to be done and which will also link action with the outstanding action on East/West economic relations which was commissioned in the North Atlantic Council Declaration of

/11 January

11 January. Operationally, we must ensure that all the countries which matter in terms of granting credit to the Soviet Union, including Japan, are associated with the work. We ~~must~~ also need to avoid ~~ensure that any ideas for~~ action which may cause ~~emerge do not imply~~ greater damage to the West collectively than to the Soviet Union or disproportionate difficulties for particular Western countries.

I also attach great importance ~~I should also like to recall the importance which I attach~~ to the subject ~~which I~~ raised in my message of 29 January - that of existing contracts between British companies and Soviet importers affected by the measures which you announced on 29 December. It is now more urgent, as the companies concerned will soon have to make decisions about their manufacturing programmes in relation to these contracts. The most important of the companies concerned, John Brown Engineering, has held decisions in suspense for three months, but time is now running short for them. It would therefore be most helpful to know whether you can accept the arrangement about reciprocal commitments which I suggested in my message.

AR 4/4

DSR 11

CONFIDENTIAL

Registry No

DRAFT MESSAGE

Type 1 +

SECURITY CLASSIFICATION

Top Secret,
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Unclassified.

PRIVACY MARKING

..... In Confidence

Flag F

To:- Mr Alexander Haig
State Department

From
Secretary of State

Telephone No. Ext.

Department

Thank you for your messages about Under-Secretary Buckley's Mission. Your message of 26 March has just reached me.

I hope the group took away from their talks in London the view that we acknowledged the importance and serious nature of the questions they were raising. It seems clear to me that we have not given this problem sufficient thought hitherto. As I told Mr Buckley, I personally have some sympathy with the general proposition he advanced.

In our follow-up to the discussions with Mr Buckley and his team on 17 March, we have kept the points in your message of 19 March very much in mind. We agree on the need for more transparency and are prepared to exchange with you and the others concerned as much information as we have about officially-supported and commercial credits. I also agree with you that the only way to achieve results and to avoid damaging Allied unity is to proceed jointly and on the basis that in any agreed solution no one should be unfairly disadvantaged. We would be prepared to attend any talks that you might wish to call to carry forward our discussions of these questions.

You asked for my views on what should be done next. I believe that with a question as important as this there can be no short cuts. We should compare our analyses of the

/Soviet

Soviet economy and the role played by East/West trade and financial flows. I understand your people have already done a good deal of work on this; and, although the questions are difficult, I do not see why it should not be possible to get agreement relatively soon on a factual assessment of the current situation and some ideas about future developments. On that basis, we should be able to identify our policy options. In my view, NATO is probably the best forum in which to pursue discussion. It is there that the political and strategic implications of the problems you have identified will be given their full weight. Thereafter, if (as was the case in the contingency planning for a Soviet invasion of Poland) policy conclusions are reached, these could be used as guidelines for action in the other groups to which members of the Alliance belong, eg OECD and the European Community. My preference for NATO is also based on the fact that, in our Declaration of 11 January, we specifically looked forward to a study of the long-term issues in East/West trade, of which export credit was only one of the areas we mentioned.

I recognise that the questions you have raised are also likely to come up at the Versailles Summit. And, to the extent that discussion there will help to keep the Japanese in step with the rest of us, such discussions will be very useful. But I do not think, because of its ad hoc and relatively unstructured nature, that the Seven is a group in which the essential analytical work can be tackled.

/To

As far as the immediate next steps are concerned, I do not know whether you intend, as Mr Buckley suggested, to hold any further bilateral soundings. If not, we should for our part be prepared to attend any collective meeting you might wish to call. I would suggest that, if such a meeting is called, the composition might be slightly different from that of the Economic Seven, to avoid speculation that it was part of the preparatory process for the Versailles Summit. You could call the meeting an ad hoc meeting of the countries principally concerned with the problem. Thereafter, we would like to see work proceeding urgently in NATO.

The subject which is to be discussed at the European Council, at the suggestion of the Belgian Presidency, is Eastern European debt. But I am sure that the question of Western credit for the Soviet Union, and the proposals you have put to us about it, will be at the centre of the debate. We shall do all we can to get the Ten to join you in serious study of the problem.

The Prime Minister will be replying separately to the message she has received from the President on this subject, and will take the occasion to emphasise the importance we attach to the increasingly urgent question of existing contracts between certain British companies and Soviet importers.

27 MAR 1982

Foreign Policy (2)

MT

10 DOWNING STREET

Prime Minister

I think you have the paper from Dr. George Urban.

2. You saw the earlier one from Eldon Griffiths over Christmas. We are awaiting Sir Robert Armstrong's considered advice on it.

A. J. C. 12/3

Caroline

C.W. 5/3

A. J. C. 15/3

HOUSE OF LORDS

Mar. 10, 1982.

My dear Caroline,

I wonder if you could arrange to give the enclosed minute to the Prime Minister.

Yours ever

Hugh

Prime Minister

HOUSE OF LORDS

Information policy; countering Soviet propaganda etc

You have received, I think, a paper from Dr. George Urban about the desirability of a sustained new look at information policy, principally in consequence of increased investment in this zone of operations by the Soviet Union.

Dr. Urban's paper, written after consultation with our group at the Centre (Leonard Schapiro et al.) echoes the recommendations of the study group of the Research Dept., which was chaired by Eldon Griffiths, & whose report you also saw.

All concerned, in both these ctees, look on something along these lines as really important.

We must anticipate a new wave of "peace" propaganda from Easter onwards, deriving from those who are the unconscious or willing tools of Soviet policy.

President Reagan's visit will obviously be a target for demonstrations.

As you know, U.S. opinion can be excessively influenced by televised showings of European rows - e.g. the riots against Secretary of State Haig.

I do hope that you will tell me if I can help any further in the development of the ideas contained in these two papers.

Hugh Thomas
March 10, 1982.

T 39/82

SUBJECT

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 39/82

SECRET

AJC

Prime Minister
Received from President Reagan today. Advice will follow.

A.J.C. 5/3

cc Marks file

Dear Margaret:

You will recall that during our meeting last July in Ottawa, I expressed my strong concern over the way in which we had allowed the Soviet Union to use its economic/commercial relations with the West to build up its military/industrial capability in a manner which was profoundly threatening to Western interests. I called particular attention to the problem of the flow of advanced technology to the Soviet Union.

Since then, we have followed up on our discussions in Ottawa with the high-level meeting on COCOM in January. I am hopeful that the process established by that meeting will result in much more effective control of the flow of advanced technology to the Soviet Union.

Another subject which is of grave concern to me is the manner in which Western governments and banks have, through the competitive granting of credits to the Soviet Union, built up increasing credit exposure there, much of which is government subsidized. The net effect of this process is that the West is subsidizing the economic development of the USSR and allowing the Soviets to divert additional resources into military projects. I believe we should act jointly to halt or restrict this flow of resources to the USSR and limit our exposure. Such a step would be particularly appropriate now given the Soviet Union's increasingly threatening international behavior and its ongoing armaments programs, as well as the precarious financial condition of the Soviet bloc as a whole.

To initiate a process of consultations which we hope will lead to agreement among us on this subject, I have asked Under Secretary of State James L. Buckley to lead a small team of senior officials from Departments of State, Treasury, Defense, Commerce and the NSC staff to visit Western Europe for talks with our key allies and the European Commission. Our Embassy has been in touch with your government directly regarding specific timing and arrangements for this visit. My purpose in writing to you today is to express my hope that the mission headed by Under Secretary Buckley will be well received in Britain and that you will join with us in achieving this most important objective.

Sincerely,

/S/ Ronald Reagan

SECRET

MFJ

8 March 1982

I write to acknowledge receipt of your letter of 8 March enclosing a letter to the Prime Minister from President Reagan. This has been placed before the Prime Minister.

JC

His Excellency the Honourable John J. Louis Jr.

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

8 March 1982

United States/Soviet Union

I enclose a copy of a message which the Prime Minister has just received from President Reagan and which relates to the forthcoming visit to Western Europe by Under Secretary of State Buckley.

I should be grateful in due course for advice on whether or not the Prime Minister should reply to this message.

I am sending a copy of this letter and enclosure to John Kerr (HM Treasury), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

Francis Richards, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

EMBASSY OF THE UNITED STATES OF AMERICA
LONDON

March 8, 1982

Dear Prime Minister:

I enclose a letter to you from President Reagan which we received by telegram early this morning.

Sincerely,

John J. Louis, Jr.
Ambassador

Enclosure

SECRET

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London

Foreign Policy

GRS 600
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TELEGRAM NUMBER 55 OF 1 FEBUARY
INFO PRIORITY BANGKOK, JAKARTA, KUALA LUMPUR, SINGAPORE, HANOI
INFO ROUTINE PEKING, WASHINGTON, UKMIS NEW YORK, HONG KONG.

SECRETARY OF STATE'S VISIT: OFFICIAL TALKS ON 1 FEBUARY

FOLLOWING FROM PRIVATE SECRETARY

1. LORD CARRINGTON HAD A FORMAL SESSION OF TALKS WITH GENERAL ROMULO LASTING FOR TWO HOURS, FOLLOWED BY A CALL ON PRESIDENT MARCOS WHICH PROVIDED THE OCCASION FOR A FURTHER ONE HOUR DISCUSSION OF FOREIGN AFFAIRS. MAIN SUBJECT WAS CAMBODIA/VIETNAM, FOR WHICH PLEASE SEE MIFT. FOLLOWING IS SUMMARY OF OTHER POINTS.

EAST-WEST RELATIONS

2. LORD CARRINGLON REVIEWED AT ROMULO'S REQUEST, WITH PARTICULAR EMPHASIS ON US/SOVIET RELATIONS AND POLAND. ROMULO ASKED WHETHER THE EUROPEANS HAD BEEN CONSULTED BEFORE THE AMERICANS INTRODUCED SANCTIONS ALDINST THE SOVIET UNION, AND HOW THE ALLIANCE WAS LIKELY TO REACT IF THE SOVIET UNION INTERVENED DIRECTLY OR IF THE SITUATION IN POLAND IMPROVED. LORD CARRINGTON REPLIED ON STANDARD LINES AND CONCLUDED THAT HE WAS NOT HOPEFUL ABOUT POLAND, WHICH WAS LIKELY TO BEDEVIL EAST-WEST RELATIONS FOR SOME TIME.

AFGHANISTAN.

3. ROMULO SAID THAT THE PHILIPPINES AGREED THAT THE SOVIET UNION NEEDED A WAY OF ESCAPE. THEY HAD THEREFORE SUPPORTED THE EC PROPOSAL. HE DID NOT REACT WHEN LORD CARRINGTON SUGGESTED THAT IT WOULD BE USEFUL IF SOMEONE WERE TO CALL A CONFERENCE ON AFGHANISTAN REFUGEES.

CHINA.

4. ROMULO SAID HE SAW NO DANGER OF CHINA TURNING TO THE SOVIET CAMP IN THE NEAR FUTURE, BUT IT WAS IMPORTANT THAT OTHER COUNTRIES SHOULD DO NOTHING TO PUSH THEM IN THAT DIRECTION. THE CHINESE HAD BEEN VERY BITTER ABOUT PRESIDENT REAGAN'S POLICY TOWARDS TAIWAN AND GGODNESS KNOWS WHAT LINE THEY WOULD TAKE IN FOREIGN POLICY IN FIFTEEN OR TWENTY YEARS. THEY HAD A LONG TIME HORIZON AND REGARDED TAIWAN AS A FRUIT WHICH WOULD DROP INTO THEIR HANDS WHEN IT WAS RIPE.

5. PRESIDENT MARCOS EMPHASISED THE SIGNIFICANCE FOR THE FUTURE DEVELOPMENT OF CHINA OF THE POLICY OF ENCOURAGING SMALL FIRMS AND SMALL BUSINESSES (IN INCENTIVES). ON AMERICAN POLICY TOWARDS TAIWAN, HE ARGUED THAT REAGAN WAS IN FACT RESISTING PRESSURE FROM SOME OF HIS ADVISERS TO MOVE FURTHER TOWARDS TAIWAN. LORD CARRINGTON ASKED HIM WHETHER HE THOUGHT THE CHINESE PROPOSALS ABOUT TAIWAN WERE SERIOUSLY MEANT. MARCOS SAID THAT HE THOUGHT

 / THEY WERE

THEY WERE. LORD CARRINGTON ALLUDED TO THE POSSIBLE RELEVANCE OF THIS TO THE FUTURE OF HONG KONG: THE CHINESE WOULD NO DOUBT WANT THEIR SOVEREIGNTY TO BE ACKNOWLEDGED, BUT THEIR PRESENT ''HEARTS AT EASE'' LINE WOULD NOTBE SUFFICIENT TO MAINTAIN BUSINESS CONFIDENCE.

GLOBAL NEGOTIATIONS.

6. LORD CARRINGTON REHEARSED TO ROMULO THE EFFORTS THE TEN HAD MADE TO REACH A COMPROMISE IN NEW YORK. ROMULO THOUGHT THAT THIS HAD BEEN HELPFUL BUT AGREED (AS DID MARCOS LATER) THAT THE AMERICANS WERE SHOWING LITTLE INTEREST. MARCOS SAID THAT THE MEETING IN NEW DELHI WOULD LOOK FOR A POSSIBLE COMPROMISE,EBUT HE DID NOT APPEAR OPTIMISTIC. BOTH DISCUSSIONS OF THIS SUBJECT WERE IN A CONSPICUOUSLY LOW KEY.

MIDDLE EAST.

7. NOT DISCUSSED WITH ROMULO . LORD CARRINGTON EXPRESSED TO MARCOS HIS CONCERN ABOUT THE ALIENATION OF MODERATE ARABS FROM THE UNITED STATES AND BRIEFED HIM ON SHE SITUATION IN THE LIGHT OF FEZ AND THE ISRAELI ACTION OVER GOLAN. BEGIN HAD WON TACTICAL VICTORIES, BUT HIS STRATEGY WAS A VERY DANGEROUS ONE FOR ISRAEL. MARCOS LISTENED WITH INTEREST AND SUMMED UP SUCCINCTLY: ''WHAT A MESS''.

BILATERALS.

8. ROMULO AGREED WITH LORD CARRINGTON THAT RELATIONS WERE GOOD. IMMIGRANTS AND DOGS WERE DISPOSED OF QUICKLY AND WITH GOOD HUMOUR. ROMULO, READING FROM HIS BRIEF, EXPRESSED CONCERN ABOUT EXPORTS OF ARMS FROM BRITAIN ON THE BASIS OF FALSE DOCUMENTATION. LORD CARRINGTON REPLIED THAT THE TELEVISION PROGRAMME ON WHICH THIS AND OTHER ALLEGATIONS HERE BASED WAS FULL OF INACCURACIEM. HE COULD CATEGORICALLY DENY THE ALLEGATIONS ABOUT ARMS.

MORGAN

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IN CONFIDENCE

Foreign Policy

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~930 7022~~ 218 6169

D/S of S/20/82

29th January 1982

A.S.C. 2/2
p.a.

Dear Mike,

I enclose a copy an exchange of correspondence which my Secretary of State has had with Eldon Griffiths MP who had sent Mr Nott a copy of the report of the committee he chaired to consider ways of improving the presentation of the Western case. My Secretary of State did not, of course, comment on the report which has been submitted formally to the Prime Minister but has asked me nonetheless to draw your attention to this personal exchange.

I understand that the Secretary of the Cabinet has been asked to advise the Prime Minister on the form of reply she should send to Mr Griffiths, and I am, therefore, copying this letter and enclosures to David Wright.

Yours ever,

Derek Piper

(D T PIPER)

M A Pattison Esq

IN CONFIDENCE

PERSONAL

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 6169

D/S of S/20/82

27th January 1982

Dear Eldon.

Thank you so much for sending me a copy of the report prepared under your chairmanship into ways of better projecting the Western case.

I entirely agree with you that this is a vitally important subject and, for my part, I welcome much of what you have said. Your report quite rightly goes well beyond purely defence issues but of particular concern to me - and your report mentions this - has been the re-emergence of the CND with the implication that it and it alone is out to promote peace and that everything we and our Allies have been doing is designed to promote war. Peter Blaker has, as you know, made considerable headway in countering the CND fallacies, and we have produced some, I think, very valuable information fact sheets and brochures. I expect you have seen many of them but I attach a complete set. The Central Office of Information are also close to finishing an audio-visual presentation, which we commissioned and which our supporters up and down the country could use when speaking to groups about our nuclear defence policy. We are also hard at work on a film which would explain our policy in a way which the ordinary man in the street would readily understand.

Eldon Griffiths Esq MP

PERSONAL

I note that you have formally submitted your report to the Prime Minister and I must, of course, leave it to her to comment on it and the recommendations it makes. I am, however, showing your report to Peter Blaker and my other Ministers here in case we can learn something from it ourselves.

Yours ever

John.

John Nott

FROM: Eldon Griffiths, M.P.

HOUSE OF COMMONS
LONDON SW1A 0AA

Dear John,

January, 1982.

Last March Research Department asked me to form a Research Group to report to the Prime Minister on why the Soviet Union appears to be doing so much better than the NATO countries in the propaganda war, and to make proposals as to how Britain can improve its "projection of the Western case".

This work has now been completed and sent to Number 10. I attach a copy of our Report and Recommendations, together with a number of technical annexes, background papers etc. for your information.

My Research Group included military, diplomatic, industrial and technical experts, as well as academics and politicians. I believe the subject is vital and I hope you may feel able to read our paper through.

Yours

Eldon

The Rt. Hon. John Nott, M.P.
Secretary of State,
Department of Defence,
Main Building,
Whitehall, S.W.1.

11 FEEB 1980

Foreign Policy 10

GRS 600

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FM WASHINGTON 230117Z JAN 82
TO IMMEDIATE F C O
TELEGRAM NUMBER 205 OF 22 JANUARY 1982
INFO IMMEDIATE UKDEL NATO, PARIS, BONN, MOSCOW.

HAIG/GROMYKO MEETING.

1. SCANLAN (DEPUTY ASSISTANT SECRETARY FOR SOVIET AND EAST EUROPEAN AFFAIRS), WHO WILL BE ACCOMPANYING HAIG TO GENEVA, TELLS US THAT HAIG WILL SEE NITZE BEFORE HE SEES GROMYKO, BUT HAS NO INTENTION OF GETTING INTO THE SUBSTANCE OF THE INF NEGOTIATIONS UNLESS THERE IS SOME NEW SOVIET MOVE, OF WHICH THERE IS AT PRESENT NO INDICATION. AS ALREADY REPORTED (RENWICK'S LETTER OF 14 JANUARY TO WESTON), WHEREAS THE INTENTION BEFORE THE POLISH CRISIS HAD BEEN TO USE THE MEETING TO DECIDE A DATE FOR THE OPENING OF START, HAIG DOES NOT NOW CONSIDER IT POSSIBLE OR APPROPRIATE TO DO SO. HAIG WILL INDICATE TO GROMYKO THAT THE U.S. IS PROCEEDING WITH THE PREPARATIONS AND WILL BE READY TO OPEN THE NEGOTIATIONS WHEN THESE ARE COMPLETED AND THE TIMING IS SUITABLE. (WORK WITHIN THE BUREAUCRACY IS CONTINUING ACTIVELY ON THE U.S. NEGOTIATING POSITION, WITH THE STATE DEPARTMENT AND ACDA AIMING FOR THE OPENING OF NEGOTIATIONS IN APRIL PROVIDED THE OVERALL INTERNATIONAL CLIMATE PERMITS.)

2. HAIG WILL REMIND GROMYKO THAT IN THEIR MEETING IN SEPTEMBER HE HAD MADE CLEAR THAT U.S/SOVIET RELATIONS WOULD DEPEND ON RESTRAINT AND RECIPROCITY. SINCE SEPTEMBER THE RUSSIANS HAD MOVED MORE TROOPS INTO AFGHANISTAN: MIG23S HAD BEEN SUPPLIED TO CUBA: THERE WAS TALK OF MIG21S FOR NICARAGUA: THEY HAD INCREASED THEIR ACTIVITIES IN ANGOLA AND THEY HAD PRESSED THE JARUZELSKI GOVERNMENT TO CRUSH SOLIDARITY. IN THE ABSENCE OF SOVIET RESTRAINT, THE UNITED STATES HAD DECIDED ON MEASURES VIS-A-VIS THE SOVIET UNION AND WAS RE-EXAMINING ALL ASPECTS OF U.S/SOVIET RELATIONS. SUCH MEASURES WERE ALL REVERSIBLE, DEPENDING ON AN IMPROVEMENT IN THE INTERNATIONAL SITUATION. HAIG WOULD NOT THREATEN FURTHER MEASURES. HE WOULD LEAVE GROMYKO TO DRAW HIS OWN CONCLUSIONS.

3. GROMYKO, SCANLAN COMMENTED, COULD BE EXPECTED TO ARGUE ON STANDARD LINES THAT THE UNITED STATES HAD CREATED TROUBLE IN POLAND BY SUPPORTING SOLIDARITY AND WAS NOW BLAMING THE SOVIET UNION. THE UNITED STATES WAS ANTI-SOVIET AND AGAINST ARMS CONTROL AND WAS SEEKING TO USE POLAND TO AVOID LAUNCHING NEGOTIATIONS ON STRATEGIC ARMS, WHICH THEY WISHED TO AVOID.

SECRET

/4.

4. ON FURTHER U.S. MEASURES, SCANLAN ACKNOWLEDGED THAT, APART FROM TIGHTENING UP THE MEASURES ALREADY DECIDED, THE ONLY REAL LEVERAGE AVAILABLE TO THE AMERICANS WAS OVER (A) DEBT AND (B) GRAIN. ON DEBT, HE SAID THAT THE POLES WERE NOW TELLING THE COMMERCIAL BANKS THAT THE ARREARS OF PAYMENT ON THE 1981 DEBT WOULD BE MET BY FEBRUARY. THE AMERICANS FROM INTELLIGENCE SOURCES BELIEVED THAT THESE SUMS WERE BEING PROVIDED BY THE SOVIET UNION, REFLECTING OFF-SETTING BORROWING BY THE SOVIET UNION FROM WESTERN BANKS. IT WAS CLEAR THAT THE RUSSIANS WANTED THE POLES TO MAINTAIN SOME SEMBLANCE OF CONTINUED CREDIT-WORTHINESS (AND IT LOOKED AS IF THEY WOULD WANT THEM TO PROCEED WITH THE IMF APPLICATION). SCANLAN ACKNOWLEDGED THAT THERE WERE SOME HERE WHO WERE TOYING WITH THE IDEA OF INVOKING THE ''TANK'' CLAUSE. THE TREASURY SECRETARY HAD MADE CLEAR IN DISCUSSIONS WITHIN THE ADMINISTRATION THAT ANY MOVE TO FORCE THE POLES TO DEFAULT WOULD HAVE SERIOUS AND UNPREDICTABLE CONSEQUENCES WITHIN THE WESTERN BANKING SYSTEM.

5 SCANLAN SAID THAT THE POSSIBLITY OF A FURTHER HAIG/GROMYKO MEETING WOULD BE KEPT OPEN THOUGH NO DATE WOULD BE SET FOR THIS. HAIG IS LIKELY TO SEND YOU A FURTHER MESSAGE BEFORE THE MEETING.

HENDERSON

POLAND SPECIAL
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FILE

MR. WRIGHT
CABINET OFFICE

Proposal for a New "Information Projection Group"

The Prime Minister has seen Sir Robert Armstrong's minute to John Coles of 22 December, reference A06998. She notes that Sir Robert will be discussing Mr. Eldon Griffiths' letter with the Permanent Under Secretary of State, Foreign and Commonwealth Office, and that he will submit considered advice and a draft reply to Mr. Griffiths after that discussion.

w f s rickett

24 December 1981

cc.

(4).

10 DOWNING STREET

Prime Minister

"Information Projection Group".

The letter from Mr. Elden Griffiths at Flag A asks you to look at the report prepared by his group on improving the presentation of the Western case in the propaganda war with the Soviet Union.

2. As the report is long, the recess may be your best opportunity.

3. I attach at Flag B a preliminary comment by the Cabinet Secretary. We will let you have a fuller comment and a reply to Mr. Griffiths in the New Year.

A.L.C. 23/12.

Ref. A06998

MR. COLES

Proposal for a New "Information Projection Group"

Thank you for your minute of 17th December, enclosing a copy of a letter which the Prime Minister has received from Mr. Eldon Griffiths MP together with an accompanying report.

2. It will not have escaped your notice that what the report recommends is in fact the reconstitution of the old Information Research Department in the Foreign Office. That did very much the job now proposed for the Information Projection Group. As the report indicates, that particular aspect of the Information Research Department was virtually disbanded in the mid-1970s because, following the exposures of the Central Intelligence Agency in the United States following Watergate, there was unwelcome attention from certain elements in the media and elsewhere which persuaded the then Government that the activities in question had become a liability and should be largely discontinued. There has recently been a revival of that interest, as you will have seen from articles in last Sunday's Observer and in The Guardian of 18th December (copy attached), about which Mr. Fall wrote to you on 18th December.

3. As the report suggests, any activity of this kind, and the existence of a Group to undertake it, is best kept secret. It is something of a tribute to the measures that have been taken by this Government to reinstate some of this activity that it has not come to the attention of any of the members of this Group. But of course the measures taken have been on a relatively small scale.

4. It would no doubt be possible to do more. The limitations are twofold: financial and manpower, and political. Is the Government prepared to find the additional resources required for this kind of activity - which is not cheap - if necessary at the expense of other things? And is the Government prepared to run the political risks of being seen to engage in this kind of activity?

5. As to the next steps, I propose to show Mr. Griffiths's letter and the accompanying report to the Permanent Under Secretary of State, Foreign and Commonwealth Office. In the light of that I will discuss the matter with him; and I will see that, in the light of that discussion, considered advice both on the substance and on a reply to Mr. Griffiths is submitted.

RWA

ROBERT ARMSTRONG

22nd December, 1981

How the secret service shaped the news

Few issues of press freedom have aroused so much dissent in the West as UNESCO's current efforts towards a World Information Order. But, at least in the past, there have been instances of Western governments intervening in the running (and in the foundation) of supposedly independent news organisations.

One such instance—involving the British government after the second world war—is reported here by RICHARD FLETCHER who is carrying out research on the media at the North East London Polytechnic. His study was commissioned by UNESCO and submitted to the organisation in an as yet unpublished report.

The Guardian now presents Mr Fletcher's findings, not because it considers the events he chronicles an amazing scandal (many of the people involved believe with reason that they acted patriotically and honourably) but because the story of the British secret intelligence service's involvement in news coverage over three decades, casts light on the UNESCO debate.

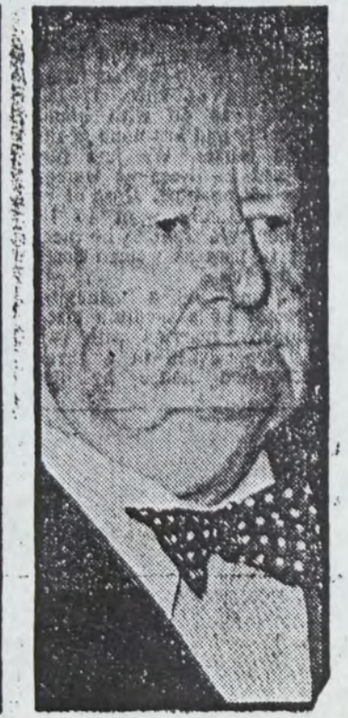
Guardian 18/12/81.

Bickham Sweet-Escott ■ left skeletons in every country"

Maurice Macmillan ■ thought they were rather a good idea"

Christopher Chancellor ■ terminated as a matter of principle"

Gerald Long ■ a perfectly normal contract"



Edward Hulton ■ agreed lend his name

FOR MORE than 30 years the British Secret Intelligence Service (SIS, otherwise known as MI6) controlled a world-wide network of news agencies which, at their peak, had some 250 employees. For 15 years one of these agencies acted as sole agents for Reuters in the Middle East. The whole operation was funded from the Secret Vote, and was latterly controlled by the Information and Research Department (IRD) of the Foreign Office. It must have cost many millions of pounds, and overshadows any comparable CIA propaganda activities so far revealed. Most of the agencies had been closed by the time the IRD itself was shut down in 1977.

While SIS may occasionally have used the network for its own purposes, it is not claimed that the agencies deliberately distorted the news they put out. But secret government support enabled the British point of view to the heard in areas of the world from which it might otherwise have been absent.

The story — as told for the first time by many of those involved — begins in 1938 when a Daily Mirror journalist, Leslie Sheridan, joined the newly-formed D-Section (D for destruction) of SIS to organise its press operations against the Nazis. Later he was transferred to the organisation set up by Churchill to create havoc behind enemy lines — the Special Operations Executive (SOE) and is credited by Philby and other writers on the subject with recruiting Kim Philby to SIS in 1940.

Starting in the Balkans — according to the late Bickham Sweet-Escott (with Sheridan a deputy head of SOE) and other sources — Sheridan built up a network of agents in the principal neutral cities. By 1941 these included Stockholm, Lisbon, New York and Istanbul. He used old Fleet Street contacts — either given cover by British newspapers of accredited to a bogus news agency, Britanova Ltd. The same sources say that Britanova itself was launched by Sheridan, using secret government funds. Sir Edward Hulton, then editor of Picture Post, told us that he agreed to lend his name as chairman of the agency.

It was an axiom of British propaganda always to tell the truth — but the truth was presented to give the British point of view. Sheridan's agents were primarily journalists — often working 10 or 12 hours a day — and only occasionally were they required to pass on intelligence or plant so-called "sibs." These were strategic rumours cleared at the highest level in London to deceive the Axis powers.

To cover the Middle East and Central Europe, Britanova established the Arab News Agency (ANA) as a branch office in Cairo. Later, the ANA was to grow into one of the largest and most effective news organisations in the Middle East.

The company secretary who filed ANA's annual returns from 1943 to 1970 was Sheridan's secretary at SOE, Adelaide Maturin, whom he married. Nearly all SOE secretaries were demobilised at the end of the war but, according to senior SOE officers, Adelaide Maturin was among those who stayed on and subsequently acted as company secretary of all the news agencies associated with ANA.

Former ANA journalists and directors say that in this capacity she attended board meetings of the news companies, and supervised the preparation and auditing of their accounts for filing at Companies House. She approved budgets for offices at home and in the field and sanctioned expenditure. She arranged senior appointments and was present at some staff interviews, dealing with the contracts of new and retiring employees, and occasionally arranging for the transfer of staff from government departments. An ANA manager in the field said "in money matters Adelaide Maturin was the boss."

At the end of the war, Bickham Sweet-Escott (who died in November 1981) was given the job of winding up SOE operations in the Middle East. This "thankless task," he said, took him two years, during which time he was attached to MI6 "for pay and rations." He went on to say that, acting on instructions, he left "a skeleton in the cupboard" in every country of the Middle East.

These "skeletons" were handed over to SIS and included the Arab News Agency and Sharq al Adna, one of the most powerful radio stations in the area. Renamed the Near East Arab Broadcasting Station, it beat a hasty retreat from Palestine to Cyprus in 1948. It was a leading instrument of anti-Nasser propaganda in the months before the Suez invasion in 1956 (immediately after which it was wound up).

Sharq al Adna was not part of the news agency network, though it was a subscriber to ANA. It was described recently by a former ANA journalist in Beirut as "a very dirty operation."

Between 1948 and 1953 (as documents at Companies House indicate) the news agency companies were reconstructed. A number of new ones were formed under the umbrella of an organisation called the Near and Far East News Ltd (NAFEN). The secretary of NAFEN was Adelaide Maturin, and the chairman was Tom Clarke, a former editor of the News Chronicle and the deputy director of the news division of the Ministry of Information in 1939-40. Adelaide Maturin is still alive, but Tom Clarke died in 1957.

From 1948 on, the companies' legal papers were filed by Victor Cannon Brookes, a solicitor who had worked with SOE during the war. With Leslie Sheridan, he was also a director of Ampersand Ltd which specialised in publishing cheap books for the Third World. Ampersand is now known also to have been funded from the Secret Vote through IRD. According to one of Sheridan's fellow directors in Ampersand, IRD's operations were funded by the Secret Vote so as to prevent their being discussed in Parliament.

According to SOE sources, both the Britanova office in Istanbul as well as the Globe News Agency (an offshoot in India) were taken into the NAFEN group. After the partition of India in 1948, the group went on to set up the Star News Agency in Pakistan. This is confirmed by a detailed account of the NAFEN group published in a Unesco survey of the news agencies in 1953. By that time these companies performed the more innocent role of gathering and distributing news.

Unlike Reuters, which was struggling to establish itself in the Middle East after the war, the ANA "skeleton" expanded rapidly. By 1953 the entire NAFEN group (which included the ANA) had some 250 employees. The great majority of them were local nationals, with a handful of Britons in controlling positions. Most employees had no reason to doubt that they were working for bona fide news organisations.

All of these organisations had corporate structures and their records are available at Companies House. Some of the directors and shareholders were well-known public figures. They included Maurice Macmillan (1948-1971), Conservative MP and son of Prime Minister Harold Macmillan; Alan Hare (1948-1969) who worked for the Foreign Office 1947-1961 and is now Chairman of the Financial Times; Conservative and Labour MPs, Cranley Onslow (to 1972) and

Woodrow Wyatt [illegible] and R. P. [illegible] 1952)—now Lord Gibson, Chairman of the huge holding company, Pearson Longman Ltd.

How were the news agencies funded? The accounts for the various companies—which are available only after 1966—show that total losses up to 1970 amounted to over £100,000 and this was about equal to the total share capital—on which no dividends were ever paid.

But the total amount spent over thirty years must have been very much greater than

Agencies	Established	Dissolved
Britanova	1940	1965
Arab News Agency	1943	1972
Near and Far East News Agency (NAFEN)	1948	*
NAFEN (Asia) — including Globe and Star	1949	1978
Arab News Agency (Cairo)	1952	*
Regional News Services (Middle East)	1963	1972
International News, Rights and Royalties	1963	1972
Regional News Services (Latin America)	1964	1973
World Feature Service	1971	*
Africa Features	1970	*

* Date unknown.

this. The accounts show that in some years individual companies spent nearly £50,000 each—for example, on teleprinter equipment alone.

Asked about his shareholding in NAFEN, which had been increased to 21,500 before the group ceased operations about 1970, Maurice Macmillan said he had put up only a small part of the money himself, adding "why should I pry into who chose to provide it."

Commenting on the role of news agencies Mr Macmillan said that he had always [illegible] that they were [illegible] in government policy. He had thought they were "rather a good idea and would help to get news about Britain into the Middle East."

Nearly every director we spoke to said that he did not pay for his shares. Some said they thought the money had been put up by IRD, others by SIS.

ANA operated the most comprehensive service in English and Arabic available in the Middle East. It had branch offices in Damascus, Beirut, Baghdad, Jerusalem and Amman, and representatives in some 15 other cities, including Paris and New York. It was taken by nearly every Arabic newspaper, as well as Sharq al Adna, All-India Radio and the BBC. NAFEN (Asia) had about 100 employees, with a central news office in Bombay, sub-offices in Delhi, Calcutta and Madras and correspondents throughout the Far East. The Star News Agency had a similar spread within Pakistan.

Tom McFadden an American diplomat writing in Journalism Quarterly in 1953 says that ANA charged very little for its service and frequently gave it away free. It is not surprising that Reuters found it difficult to compete.

Christopher Chancellor, then General Manager of Reuters, told the Royal Commission on the Press in 1948 that Reuters had received a "disguised subsidy" from the British Government during World War II. This had been terminated as a matter of principle by the board after the war, he said, and Reuters received no preferential treatment from the government.

By 1954 Reuters had made little headway in the Middle East and its losses were mounting. According to Gerald Long (until recently, Reuters Chief Executive, and now Managing Director of Times Newspapers Ltd), Christopher Chancellor negotiated an arrangement with the Foreign Office whereby ANA was appointed sole agent for distribution of the Reuter service in the Middle East. ANA initially paid Reuters a fee of about £28,000 per annum, which increased over the years.

In addition to the fee, there were further advantages to Reuters. They were spared the costs of distribution in the region. They were also able to draw on ANA staff for the collection of news to be sent to London. The total savings, therefore, were substantial.

Some Reuters staff were transferred to ANA which was then run by Tom Little, an experienced Middle East journalist who was a personal friend of Nasser and other leading personalities in the region. Little was credited with setting up the first teleprinter news service in Arabic.

In 1956, just before the Suez invasion, the ANA office manager in Cairo, James Swinburn was arrested on charges of spying for the British on Egyptian troop movements. He admitted his involvement and was subsequently gaoled. One of his Egyptian accomplices was given life imprisonment. Tom Little was able to persuade President Nasser that ANA itself was not involved, and it was allowed to function in Egypt for some years longer. But its head office moved that year to Beirut.

After Suez, ANA changed its name to Regional News Service (Middle East) to avoid difficulties with the Arab League which was considering setting up a truly Arab news service. At the same time the NAFEN group moved their head offices to an annexe of the Reuter building in Fleet Street, and three further news companies were launched by Adelaide Maturin and Victor Cannon Brookes.

Gerald Long said recently (when still at Reuters) that he only became aware of the arrangement with the British Government when he became general manager in 1963. "I didn't like it," he said, "and determined to put an end to it as soon as possible." But Reuters needed the money so he did not terminate the contract until six years later.

"We weren't in a particularly brilliant financial position in those years," Long recalled, "as any reference to the public record of our finances will show you.

"It was a contract," Mr Long went on, "and, as far as I was concerned, a perfectly normal business contract, and we earned money from it." The reason why he didn't like the arrangement was, he said, a simple one. "There was in it no element of subsidy. There was no attempt or suggestion of an attempt at influence on Reuters. However—and we sell to governments all over the world—I think that since our main headquarters is in London, and given our history as a whole, contracts with the British Government are a little more sensitive than contracts with other governments."

Finally, in July 1969, as a result of negotiations between Long himself and officials at the IRD, Reuters abandoned the link with the Arab News Agency and resumed direct trading in the Middle East. It took over some key ANA personnel, the principal ANA offices in the region, and the teleprinter equipment which had been paid for by the British Government. Reuters also received a sum of money from the Foreign Office, but Gerald Long has not revealed how much. "We relieved the British Government of a heavy loss-making operation," he said.

Tom Little opposed the transfer. He claimed that he had built up a successful service in the Middle East where Reuters had failed, and he did not trust them to maintain his full network. He took no part in the negotiations and resigned soon after saying that ANA had got a very poor deal.

After the Reuter contract ended in 1969 the NAFEN group collapsed and most of its staff were sacked, though some small companies registered by Cannon Brookes lingered on until 1979. These operated primarily in India and Africa.

Reuters and the IRD over the Arab News Agency took place in a grey area of government responsibility. The IRD itself, which by this time had for long controlled the operations of the news agencies, was originally set up by Christopher Mayhew (then a junior minister at the Foreign Office) in 1948. As a result of the Philby affair and other similar incidents, the Foreign Office had lost confidence in the SIS administration which had previously run the news agencies and had begun increasingly to rely on the IRD.

As can now be discovered from many official documents now available (both British and American), the IRD was engaged in covert press and publishing operations throughout the world. And its work, as a note from the British Embassy in Singapore to the State Department in January 1949 makes clear, was from the start "very largely the collecting of anti-communist material and such propaganda and psychological warfare items as have bearing on the Communist effort."

IRD used some of the secret methods of World War Two to fight the Cold War. With Britain's decline as a world power and the growth of detente, IRD's brand of militant anti-communism became increasingly inappropriate. Its operations and its news agencies were gradually run down and it was officially closed by Foreign Secretary David Owen in 1977.

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vb

Foreign Policy

17 December 1981

I write to acknowledge receipt of your letter of 14 December to the Prime Minister. The Report and Recommendations on "Projection of the Western Case" will be brought to the Prime Minister's attention, together with your letter. I am sure that the Prime Minister will want to send you a substantive reply in due course.

AJC

Eldon Griffiths, Esq., M.P.

CONFIDENTIAL

file VB

10 DOWNING STREET

From the Private Secretary

MR. WRIGHT
CABINET OFFICE

Proposal for a new "Information Projection Group"

I enclose a copy of a letter which the Prime Minister has received from Mr. Eldon Griffiths, MP. I also enclose a copy of the report and recommendations and other papers to which he refers.

You will see that the main proposal in this report is contained in the paragraph at the end of page 9. It is that an "Information Projection Group" should be established, perhaps under the aegis of the Cabinet Office.

I have acknowledged Mr. Griffiths' letter. I propose to suggest to the Prime Minister that she looks at the report during the Christmas recess. But I think it would be helpful if it could be accompanied by at least a preliminary comment from the Cabinet Office (which I should need to receive by close of play on 22 December).

It would then be helpful to receive a more considered comment in early January so that the Prime Minister can write to Mr. Griffiths and comment on his suggestion that he should bring the members of the Group to discuss the report with the Prime Minister.

May I leave it to you, in the light of such preliminary advice as the Cabinet Office may wish to offer, to decide when to bring the document to the attention of the Departments concerned.

AJC

17 December 1981

CONFIDENTIAL

Covering: SECRET FROM: Eldon Griffiths, M.P.

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HOUSE OF COMMONS
LONDON SWIA OAA

Dear Margaret

14th December, 1981.

Last March, Alan Howarth and Hugh Thomas asked me to form a Research Group to study why the Soviet Union appears to be doing so much better than the NATO countries in the propaganda war, and to make proposals to you as to how Britain can improve its "projection of the Western case".

This work has now been completed. I attach our Report and Recommendations, together with a number of technical annexes, background papers etc. My Research Group included military, diplomatic, industrial and technical experts, as well as academics and politicians.

I hope you may have time, possibly during the recess, to read these proposals. The subject is vital and I hope you may feel able to let us come and see you to discuss it.

Yours ever
Eldon

Rt. Hon. Margaret Thatcher, M.P.
House of Commons,
LONDON, S.W.1.

James Hamilton
Carole-Whitehead

F.C.
K.J.
Ralph H
Hugh T
Alfred S.
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Cecil Parkinson
Anthony Buckton
Douglas Hurd
Peter Blaker

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THE PROJECTION OF THE WESTERN CASE

- Proposals for a new Information Projection Group -

Members of the Group

Eldon Griffiths, Esq., MP (Chairman)

Michael Clark, Esq., CBE
Professor William Gosling
Norman Reddaway, Esq., CBE
Lord Thomas of Swynnerton
General Sir Harry Tuzo, GCB, OBE, MC
Ray Whitney, Esq., OBE, MP

Robin Turner, Esq. (Secretary)
(Lord Chalfont also advised)

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11th December, 1981

THE PROJECTION OF THE WESTERN CASE

"Upon my tongues continued slanders ride,
The which in every language I pronounce,
Stuffing the ears of men with false reports.
I speak of peace while covert enmity
Under the smile of safety wounds the world."
Rumour. Henry IV. Part II

(1) INTRODUCTION

The Western world is losing the propaganda war inside as well as outside the frontiers of most Western nations. The United States and NATO are being projected by Soviet propagandists as the aggressive forces in international affairs, even though the Soviet Union has invaded Afghanistan and is massing its forces to intimidate the Poles.

A quarter of a million Germans demonstrate in Bonn against cruise missiles, two years before they are due to be deployed. Yet they appear to be largely unmoved by the Soviet SS20s, which already have been deployed against the West for several years.

The CND assemble 150,000 people in London ostensibly to promote peace and disarmament. Yet their demonstration, or large parts of it, turns out in practice to be almost wholly anti-NATO and anti-American.

Cuban forces in Angola attract little attention. By contrast, the handful of American advisers in El Salvador are represented not only by the Soviet but by the Western media, as a major "imperialist" intervention, thanks to skilful Cuban-inspired disinformation.

.../These

These double standards of perception and portrayal by no means are accidental. They are a measure of the success of Soviet propaganda and its adeptness at exploiting Western society's proclivity to believe the worst of itself. So while the facts of international life are that the Russians talk peace but make war, the impression too often created - and accepted by wide sections of the population of Western Europe and the Third World - is that it is U.S. arms, Western policies, and free market economics that constitute the biggest obstacle to peace, disarmament and the progress of the Third World.

A major reason for this disparity is the disproportionate amount of effort and skill deployed by the Western allies and the Soviet bloc in the battle of ideas and information. The Western case is projected in a fragmented and feeble manner. The propaganda of the Communist powers deploying vastly greater resources and inspired by an unremitting political and ideological will, too often is able to prevail, if only by the West's default.

The Soviet Union enjoys major advantages in the battle of ideas. In spite of its vast territorial annexations during the 19th Century and its surrogate imperialism after the Second World War, it is not associated with a colonialist past in Africa or South Asia, nor with economic dominance in Latin America and the Caribbean. It enjoys a primacy, even among those Marxists who dissent from Soviet policies, as the first - pioneering - revolutionary state. Many leaders of developing countries were attracted in their student days by the ideological appeal of Marxism and now, as political managers anxious to maintain themselves in power, are impressed by the organizational advantages they see in Leninism.

.../Soviet

Soviet propaganda similarly benefits from the nature of a Communist society. Because they can suppress dissent, the Soviets are able to present an unambiguous and single minded set of policies, doctrines and ideals. The Western case, by comparison, is at best a kaleidoscope and, more often, a cacophony. The ideological basis of the Communist party provides an evangelical, missionary zeal which, despite the manifest failures of the Soviet system, continues to have a wide appeal, especially to young people and emerging nations. By contrast, the Western world's diverse and sceptical free society inevitably (and properly!) makes it impossible for Western governments to match the relentless quality and ruthless methods of Soviet propaganda. Western parliaments and public opinion tend to regard any Western "propaganda" effort as, at best, of small importance and at worst, as not quite cricket. No such inhibitions restrain the Soviet Union's Agitprop.

The authors of this paper believe that the West, if it is to stay free, must not go on losing the propaganda battle. Unless the contest of ideas is more vigorously fought and won, no amount of armaments and industrial power will save us.

This paper therefore examines first the Soviet propaganda machine and some of its successes, contrasting this with the limits placed by a free society on the Western response.

Secondly, it puts forward recommendations for improvement of the current British effort, specifically by the establishment of a compact and highly professional Information Projection Group (IPG).

.../Thirdly,

Thirdly, it defines the targets to which our revitalised effort should be directed; identifies a number of new developments in information technology which we suggest be mobilised to assist the better projection of the Western case; and finally suggests a number of themes which should be given precedence in the battle of East/West ideas.

(2) THE SOVIET CHALLENGE

The strength of Soviet propaganda is based on two simple premises.

First, that it is preaching revolution against the entrenched privilege of classes or bourgeois States, in the interest of the masses.

Second, that Marx and Lenin between them discovered "the laws of history" and that these make capitalist collapse and Communist triumph inevitable.

Recently, these doctrines have been supplemented by a propaganda offensive designed to appeal to the desire of most people for peace. Though the Soviet Union is the nation most actively increasing its war potential, its propagandists successfully project the peace-loving democracies as brutal and hawkish. Simultaneously by generating hatred of the United States, Soviet propaganda justifies the Kremlin's own policies and shields its own regime from criticism.

.../Mechanics:

Mechanics: From the earliest days of the Russian Revolution the Communist leadership has given the highest priority to propaganda. Policies are determined with an eye to their propaganda impact. Those responsible for Agitprop hold senior positions in the appropriate ministries and are involved in key decisions from the start. The principal instrument of overt Soviet propaganda is the International Information Department of the Communist Party Central Committee. This consists of several units, each responsible for a specific sector of the media. The IID's main purpose is to decide what aspects of Soviet policy should be discussed openly and to plan the presentation of these policies to the various international audiences. (See Footnote.)

Since IID was established in 1978, Soviet propaganda campaigns have been better co-ordinated; its reactions to world events have been faster. Its principal direct public instruments are Soviet radio, the extensive foreign language Soviet press and the TASS and Novosti newsagencies. Radio Moscow broadcasts over 2,000 hours a week, more than any other country, in 84 languages. Moscow Radio's English language service is now on the air 24 hours a day. Novosti's role in placing Soviet propaganda in the western and third world media is no less significant.

A second and sinister layer of Soviet propaganda consists

.../of covert

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*Footnote. The Head of the Department is Leonid Zamyatin, a diplomat, whose last job was Director General of TASS. His Deputy is Valentin Falin, a former ambassador. They both travel widely in the Western world, explaining the reasonableness and peaceful objectives of Soviet policy.

of covert propaganda and disinformation orchestrated by Service A of the KGB. This frequently makes use of people with influence in reputable sections of the Western media and non-Communist political parties. Such agents no doubt operate within the present day Labour Party. Universities continue to be a focus for propaganda, agitation and probably Communist talent-spotting.

A third layer of propaganda is provided by a network of Communist front organizations, who receive money from the Soviet Union. There are about a dozen principal front organizations (of which the World Peace Council is the most well-known) and about fifty subsidiary organizations, linked to one of the principal groups. Among these are such disparate bodies as the World Federation of Teachers Unions, the Interpress Graphic Club, and the International Liaison Forum of Peace Forces. For a full list of these front organizations, see Appendix A.

Western Susceptibilities: Soviet propaganda is adept at making use of the rich veins of guilt, fear, naivety and Christian idealism that permeate western society. Communist propaganda has tapped these for all they are worth, for example over Vietnam, Chile, South Africa and Zionism. But the softest underbelly in the West is the yearning of its people for peace, their widespread fear of war. Hence Soviet propaganda's heavy concentration on the West's military forces, especially on its nuclear weapons.

In this field one great achievement of Soviet propaganda was to pressurize President Carter into suspending production of the neutron bomb in 1978. Since then, President Reagan's decision to resume development and to stockpile neutron weapons in the

.../United

United States has obliged Moscow to start its campaign all over again. Simultaneously, every organ of Soviet propaganda is now beamed against NATO's decision to deploy cruise missiles in Europe. This campaign could well succeed in preventing these missiles from being installed in Belgium, the Netherlands and possibly in West Germany. Should the Labour Party win the next General Election the same could happen in Britain.

The Soviets have invested huge sums in these anti-weapon campaigns. The CIA estimates the total Soviet budget for propaganda and covert action at not less than $3,000 million per year, and that in 1979, $200 million were spent in special propaganda campaigns, including opposition to NATO theatre nuclear force modernisation.

The Soviet Union is also constantly seeking to manipulate Western public opinion and to undermine confidence in the institutions and traditions of the Free World. The Soviet Union has exploited books and plays designed to denigrate such pillars of Western society as the Pope, the Royal Navy, Winston Churchill etc. Forgeries are regularly produced as a means of influencing opinion in favour of Soviet policies; for example, when the Kremlin was seeking to prevent German accession to NATO, the staff working in East Germany on the forging and dissemination of documents designed to alarm the rest of Europe was estimated at 1,000. For some examples of such Soviet efforts to subvert Western opinion, see Appendix B.

(3) THE WESTERN RESPONSE

Inevitably, the United States with its vastly greater resources, including USICA and a reformed CIA, is bound to play the largest part

.../in the

in the West's response to Soviet propaganda. But Britain has long enjoyed a high reputation among its allies for projecting the Western case in an effective manner, and the authors believe that we can, and should, play a more active role in doing this.

One of the main obstacles is that there no longer exists in Whitehall any structure capable of supplementing our existing mainly responsive set-up. This has been the case since the disbandment of the Information Research Department of the FCO (see Appendix C for details of the contribution of IRD).

To project the British and the western case we seem to rely almost exclusively on traditional methods - diplomatic briefings and contacts, COI publications, cultural activities and the BBC External Services. Supplementing these there is the hope that the British Council and our UK aid programme also help our cause. Our European partners, who in the past regarded us as the unrivalled specialists in the sphere of unorthodox information, do little more. Soviet Agitprop therefore enjoys a more or less clear field.

We do not in any way wish to decry the valuable <u>defensive</u> work performed by our existing information services. It may be that special information operations are still mounted on particular occasions, and that, sometimes, these efforts can bring valuable results. But such ventures are no substitute for methodical and sustained work by specialists in the face of the Soviets' increasingly successful efforts to force the West onto the defensive, and to suborn the people of Western Europe as well as those in the Third World. The present British effort simply does not measure up to the scale of the challenge,let alone to the needs of the hour. The Western case needs to be, and in our view can be, projected in a much more

.../effective

effective manner - by a positive, sustained and selectively hardhitting counter-offensive.

PROPOSALS FOR IMPROVEMENT

A) Organization

The first need is for the Government to accept that when Soviet leaders say that during detente "the ideological struggle must continue", they mean it. It follows, in our view, that Ministers should commit themselves to providing the willpower and the resources to revive and maintain a positive counter-attack - against the Soviets, in favour of Western values.

The basis for any sustained projection of the western position by the United Kingdom must be a specialist group in Whitehall. We see no need to re-establish the large research element of the former IRD; but the thirty years experience of that body provides valuable evidence of the organization that is required, and which ought to be brought back into use.

Accordingly we recommend:

i) That a new Information Projection Group (IPG) be established. Since its activities would have to be inter-departmental, it would be preferable for the new group to be placed under the aegis of the Cabinet Office, rather than the Foreign Office, particularly as its work must extend to the home base.

.../ii)

ii) An official with a proven track record in this sort of work and with considerable experience of Whitehall should be appointed to take charge. He should be an Assistant Under Secretary and might be known as the Research Adviser.

iii) The Research Adviser would need the patronage of a senior Minister (presumably the Minister responsible for Information) and the continuing interest, stimulus and support of a suitable junior minister. He would maintain close contact with the No. 10 Press Office.

iv) About a dozen staff should initially be assembled by secondment of existing personnel in Whitehall at minimal additional cost.

v) Some personnel from outside the Civil Service should be co-opted as helpers in association with relevant organizations. For convenience we describe these as non-executive directors. Where possible these should be under 35 and not marked by the failures of recent years. They should be knowledgeable about the peace movements, arms control/weapons, Soviet propaganda methods, public relations and the new communications technology (see below).

vi) The IPG must consist of high quality personnel. It is essential to avoid mistakes which would discredit the operation at any early stage.

vii) The IPG would need authority to draw on research and information facilities within different ministries and from outside bodies.

.../viii)

viii) Apart from working for ministers the IPG would have the task of ensuring that the right information reached the right publicists in the right form at the right speed. Particularly, we have in mind the need to ensure that helpful information reaches our domestic media and hence is reflected abroad.

ix) The IPG would collaborate with individual and non-governmental organizations anxious to act in the public interest - foundations, business associations, research institutes and other groups.

x) The IPG would seek to co-ordinate joint action with relevant agencies in those Western countries, prepared to act in this field - notably the United States (which has shown a much greater concern with countering Soviet propaganda in recent months) and West Germany.

xi) Ideally, it would be best if the existence of this group were kept secret, but this is probably impractical. Therefore we suggest an initial low-key announcement, preferably in connection with other changes in Whitehall organization, presenting the new appointments as part of a routine reorganization of the information functions of the Cabinet Office machinery under the auspices of the Lord President of the Council. (These proposals are further set out in Appendix D.)

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There is some precedent for these proposals. During the 'Approach to Europe' from June 1970 to October 1971, Mr. Whitelaw and Sir Anthony Royle provided the political authority for a highly

.../successful

successful effort on behalf of EEC membership. The proposal for a Research Adviser in the Cabinet Office was ministerially approved in late 1973. But it was discarded when the election of February 1974 was announced.

We expect that there will be hesitation over this idea from those who believe that what is now being done in the propaganda field is adequate. Even the suggestion of stepping up, or institutionalizing our effort may well provoke opposition. There will be attacks on the project, organized by fellow travellers to whome something about it, sooner or later, is almost bound to be leaked. But in our view the necessity for action is acute and should be overriding. Moreover, there is nothing inherently difficult or costly about reviving or recasting arrangements which have proved effective in the past. If ministers are prepared first to establish a Research Adviser and a small team and second to ensure that Ministries co-operate, the IPG could be assembled within three months of a decision being taken. Specific and beneficial results would begin to be felt both internationally and domestically within 6 months to a year.

B) Targets

Given the right organization the task of the IPG would be to support Ministers in two related fields of information projection. One of these necessarily would be defensive - to help secure our home base against propaganda and intellectual subversion. We must be able to counter-punch - to feed to the appropriate communications media crisp, well-argued, and, above all, evocative material which will rebut lies and distortions - quickly. But this defensive work must be supplemented - by an information offensive, aimed

.../mainly

mainly at the outside world. This offensive campaign should primarily be directed at the weak points of the Soviet bloc.

Dealing first with the home base, IPG's main target should be those parts of our domestic institutions, notably the media, the professions, voluntary organizations and industrial groupings, which most influence the opinions of the large mass of the British public. Because they too often are bewildered by claim and counter-claim, large numbers of British people, in our view, are falling prey to the propaganda we seek to defeat; they will continue to do so unless we can provide much more firm factual and demonstrably believable reassurance. Hence the need for IPG to project detailed information (most of which can only be assembled from within Government) that will:

a) attract the attention; and

b) command the confidence of the opinion formers.

Among these are the Press, radio and television; the advertising and public relations industry; universities and the teaching profession; professional associations covering such groups as civil servants and journalists; leaders of industry and trade unions. The Research Adviser and his staff, including the "non-executive directors" from outside Government would need to develop links with all these "target" figures. The IPG's approach would not in all cases be direct; we see advantage in its information, in many cases, being filtered through other bodies e.g. the British Chapter of the Committee for a Free World.

A second set of targets is to be found in other Western countries. Here we should need to work with our allies, not

.../only

only in projecting the overall Western case but in underlining the particularly British aspects of it. Counter-propaganda vis à vis the IRA plainly comes into this category. The IPG's work, in other Western countries, would necessarily take the form of support to Foreign Office Ministers.

A third target is public opinion in the Eastern bloc and the Third World. Here again IPG's services would be available only at the discretion of the FCO whose own Information Department, needless to say, would be invited to serve on IPG. The objective would be to loosen the hold of Moscow's propaganda within both the Eastern bloc and the Third World.

In our view it is vital that IPG should be able to provide more and better information to the London-based media, not least because what is printed or broadcast here is frequently picked up, and widely disseminated to the rest of the world. IPG should assist in preparing background papers - as distinct from daily press briefings - for Ministers and officials who deal with the large corps of foreign journalists and opinion formers who make their headquarters in London.

C) Techniques

A more effective projection of our case will need to make use of all types of public persuasion - Press, radio and television; books, pamphlets and plays; video cassettes; professional and business organizations. The techniques in each case are well-known but special attention henceforth needs to be paid to broadcasting and to a number of new developments in information technology.

.../i)

i) Broadcasting. We believe that the BBC and to some extent our other broadcasting agencies have experienced a small measure of infiltration, if not of apologists for the Soviet regime at least of committed denigrators of British and Western values and institutions. We think it best to elaborate this orally; for the moment it is enough to say that those in the television industry who wish stoutly to defend the "Western case" are less well-organised, and certainly less inclined to pursue their cause unrelentingly. Frequently the friends of freedom in our broadcasting media appear to lack clear, coherent and immediately relevant information that would encourage and assist them to maintain a broadly pro-Western posture against those who wish to demolish it.

So far as the BBC's External Services are concerned, we regret the recent cuts. While broadcasts to Western Europe are of less importance in propaganda terms, the BBC's programmes to Third World and Eastern bloc countries are a vital element in the information war. These are areas where Britain enjoys a unique advantage, largely because of the BBC's international reputation for truth and integrity.

The plan to improve the audibility of the External Services is welcome. As soon as funds are available, we recommend the construction of new relay stations in the Seychelles and Hong Kong. Masirah, Ascension and Singapore should also be considered. If necessary this money should come from the contingency reserve. Improvements in audibility need to be combined with increases in broadcasting hours to countries in areas of tension (e.g. Southern Africa and the Near East).

.../The IPG

The IPG should try to make better use of the External Services. This is a sensitive matter. We recommend that the IPG should actively cultivate links with the Head of the External Services, who should be asked to advise on improving co-operation with other Allied radio services. Conceivably, the Head of the External Services could serve as one of the Group's "non-executive directors".

Constant vigilance would also be needed to ensure that the External Services are not penetrated by anti-Western elements. IPG should occasionally monitor selected portions of its overseas broadcasts so as to be able to report to Ministers on the BBC's success, or otherwise,"in planning and preparing its programmes ... in the national interest". These are the words of the Licence and Agreement of the BBC.

ii) New Information Technology. The IPG must be ready to exploit recent breakthroughs in communications systems. The latter should be given a very high priority since developments in satellite and optical fibre broadcasting offer opportunities which the Soviets are bound to exploit. We must be prepared to match their efforts.

Satellite broadcasting. Technical breakthroughs in this field could transform the East/West Information battle. It is now technically possible to broadcast directly from the satellite to the individual home, which will receive good television signals with an aerial dish only a metre across, linked to an appropriate television. It is possible for governments to aim such programmes, not only at neighbouring countries, but even at countries in different continents. Authoritarian regimes will probably wish

.../to use

to use the new medium outside their own borders for propaganda on behalf of their ideology.

Direct satellite television could be a boon to poorer countries, enabling them to establish nationwide television services at lower cost than otherwise possible. However, the Soviet bloc countries could offer to provide "education and cultural" television services by satellite to their poorer neighbours. To accept such an offer could spell the end of all cultural, and perhaps in the end political, independence.

The Optical Fibre. A different and still more revolutionary means of communication is the optical fibre, a long filament of special glass of hair-like thickness, which traps and conveys pulses of light. It is possible for a single fibre to bring into the home a dozen television programmes, the entire telephone service and a computer data channel.

The 'wired city' with all the information, communications and entertainments services brought to each house over a single fibre would have an obvious attraction to authoritarian regimes, enabling them to regulate precisely what information their populations received, access to the fibre network being strictly controlled. However, it would be an expensive system to establish on a wide scale, hence probably only suitable for urban use.

The new technology offers us a choice between closed television broadcasting systems using optical fibre, and unprecedently open ones based on the technology of space. Those who regard the media as weapons to be deployed in an ideological struggle will probably

.../not scruple

not scruple to use both, in the situations and ways that best suit their purposes. It is essential that we do not concede dominance of international satellite broadcasting to the Communist bloc. The developments in Communication technology are described in detail in Appendix E.

D) Themes

The authors emphasize that IPG on no account should become involved in Party politics. It will be sufficient to provide material for home front consumption that clearly demonstrates the failures and tyranny of the Soviet system - for example by keeping in the forefront of opinion details of such episodes as Russian aggression in Afghanistan, Communist collapse in Poland, Soviet brutalities against the Sakharovs etc. The more these failures are driven home to the British public the more effectively we shall be countering Soviet propaganda in this country.

The external aims of IPG should be both positive and negative. Positive in the sense that we emphasize the overwhelming philosophical and practical benefits of living in the West. This can be represented by some simple and unanswerable slogans. For example, the West provides Food and Freedom; the East provides Hunger and Prisons.

The "negative" aim should be to demolish the fundamental tenets of Marxist doctrine and policy as practised in the Soviet bloc; and point to failures and duplicities in Soviet policy. One objective of this activity would be to oblige the Politburo to attend increasingly to pressure and strains within their home structure and, however unwillingly, to modify its present dangerous policies.

.../Events

Events in Poland over the last 18 months have probably already had this effect on Moscow and this advantage should be followed up.

There never was a time when the Soviet Union was more potentially vulnerable to such counter-action than it is today. Russia's internal difficulties, the growing restiveness of its Warsaw Pact allies, notably Poland, the increasing realism in many parts of the Third World about Communist pretensions, all combine to present the West with a chance to maximise its overseas information effort. In particular we should counter-attack in the key field of defence and weapons, exposing the gaps in Moscow's credibility in this area. President Reagan's 'zero option' speech has enabled the West to regain the initiative in this field. This opportunity needs to be systematically exploited.

The main themes we suggest are as follows:

Group 1 - General - Soviet Union

a) Hammer home the fundamental point that the Soviet Union talks peace, but makes war.

b) Underline the naked imperialism and moral and legal invalidity of the Brezhnev doctrine; likewise the "illegitimacy" of the Communist system of government.

c) Highlight the links between the Soviet bloc and terrorism.

.../d)

d) Repeatedly draw attention to the incompetence of Soviet agriculture and their need to import food from the West. Communism has diminished the world's food supply. After 60 years of absolute control, the Soviet leadership still cannot feed, clothe or house its people decently.

e) Publicize the puniness of the Soviet aid programme in comparison with those of the West. Russian "aid" has concentrated on weapons and showpiece projects; Russian goods often go wrong because of bad quality, lack of durability, delay in shipment; Russian aid frequently involves bullying at the points of delivery.

f) Stress the continuing Soviet hostility to religious groups inside the USSR. This includes persecution of certain Christian groups, the barriers against Jewish emigration and repressive measures against the Muslims. In the latter context, we need to demonstrate that the Soviet threat - not the Israeli - is the principal long-term menace to the Islamic world.

g) Illustrate racial discrimination against black students in the Soviet Union, and other 'reactionary' attitudes, e.g. to the status of women and pollution of the environment.

h) Point out, neverendingly, the elaborate system of privileges which exist for the Communist Party elite - how does this accord with Communist theory?

i) Highlight the completely subservient role of trade unions in Soviet society.

.../Group 2

Group 2 - Disarmament and East/West Relations

a) The Cold War has not come to an end. The Russians will not let it.

b) The Red Army has been unilaterally deploying SS20s for years; the future deployment of cruise missiles is only a defensive reaction.

c) MBFR was a western initiative. Progress on the subject has been blocked at Vienna by the Russians for the last 8 years. In the light of the current debate on a nuclear free zone in Northern Europe, we could suggest that this might be acceptable - provided the Kola peninsula was included in it.

d) Whereas western countries have lived up to the CSCE accords, the Russians have flagrantly abused the provisions on human rights.

Group 3 - Positive Western arguments

a) Contrast benefits of life in the West with the grimness of that in Russia. Our system works; theirs is breaking down (e.g. Poland).

b) Keep on reasserting that democracy provides choice in government; there is no such choice in Russia.

c) Insist that the West, especially in the UK, values truth and fair dealing. Can that be said of the Soviets?

.../d)

d) Underline the fact that in Britain the Rule of Law is fundamental. The inhabitants of the Soviet bloc can count on no such thing.

(4) CONCLUSION

The fact that we now have a Government that is firmly committed to resisting Soviet encroachment, provides an opportunity that may not recur, to put our information efforts, in the years to come, onto a new and more decisive footing, which we hope would survive any future changes of government. The United States, too, has shown a heightened awareness of the need to counter Soviet propaganda since the Reagan administration has been in office. Provided we work together, the authors of this paper have no doubt that our democratic values can be - as they need to be - far more effectively projected than the stale and brittle theories of Soviet Marxism.

It is difficult to overemphasize the urgency of tackling this issue boldly. There is no need for the West to lose the propaganda battle. For all its imperfections, the cause of the Free World is overwhelmingly strong, and can be no less persuasive, when objectively compared with the Communist alternative.

But we must not allow ourselves any longer to be persistently wrong-footed by the Soviet Union: Britain, in particular, ought to stop apologizing and denigrating itself for real or imagined sins in the past. Instead, the West needs to demonstrate its belief in its own values: its pride in its own accomplishments; its

.../faith

faith in its own future. There has never been a better time, nor more pressing reasons, for doing this than NOW!

11th December, 1981

Appendix A

MAIN INTERNATIONAL FRONT ORGANISATIONS

WORLD PEACE COUNCIL (WPC)

INTERNATIONAL INSTITUTE FOR PEACE (IIP)

WORLD FEDERATION OF TRADE UNIONS (WFTU)

WORLD FEDERATION OF DEMOCRATIC YOUTH (WFDY)

INTERNATIONAL UNION OF STUDENTS (IUS)

WOMEN'S INTERNATIONAL DEMOCRATIC FEDERATION (WIDF)

INTERNATIONAL ASSOCIATION OF DEMOCRATIC LAWYERS (IADL)

WORLD FEDERATION OF SCIENTIFIC WORKERS (WFSW)

INTERNATIONAL ORGANISATION OF JOURNALISTS (IOJ)

CHRISTIAN PEACE CONFERENCE (CPC)

INTERNATIONAL FEDERATION OF RESISTANCE FIGHTERS (FIR)

AFRO-ASIAN PEOPLES' SOLIDARITY ORGANISATION (AAPSO)

ORGANISATIONS CONNECTED WITH THE MAIN FRONT ORGANISATIONS.

African Workers University, Conakry	WFTU
Agricultural, Forestry and Plantation Workers Trade Union International (TUI)	WFTU
Building, Wood and Building Materials' Industries TUI	WFTU
Centre for Professional Education of Journalists	IOJ
Committee for Engineers, Managerial Staffs and Technicians	WFTU
Conference of Non-Governmental Organisations in Consultative Status with ECOSOC	WPC
Continuing Liaison Council of the World Congress of Peace Forces	WPC
Chemical, Oil and Allied Workers TUI	WFTU
Commercial, Office and Bank Workers TUI	WFTU
Food, Tobacco, Hotel and Allied Industries TUI	WFTU
Fritz Heckert Trade Union College, Bernau	WFTU
Georgi Dimitrov Trade Union School, Sofia	WFTU
International Bureau of Tourism and Exchanges of Youth (BITEJ)	WFDY
International Campaign for a Just Peace in the Middle East	WPC
International Club of Agricultural Journalists	IOJ
International Club of Science and Technology	IOJ
International Commission of Enquiry into the Crimes of the Chilean Junta	WPC
International Commission of Enquiry into Israeli Treatment of Arab People	WPC
International Commission of Children's and Adolescents' Movements (CIMEA)	WFDY
International Commission for the Investigation of American War Crimes in Vietnam	IADL
International Commission of Enquiry into the Crimes of the Racist Regimes in Southern Africa	AAPSO
International Committee of Solidarity with Cyprus	WPC
International Committee for European Security and Cooperation	WPC
International Committee Against Apartheid, Racism and Colonialism in Southern Africa (ICSA)	WPC and AAPSO
International Committee of Lawyers for Democracy and Human Rights in South Korea	IADL

International Committee for the UN Decade for Women	WIDF
International Committee for the Cooperation of Journalists	IOJ
International Federation of Women in Legal Careers	
International Liaison Forum of Peace Forces	WPC
International School of Journalism and Agency Techniques, Prague	IOJ
International School of Solidarity for Journalists, Havana	IOJ
International Trade Union College, Moscow	WFTU
International Trade Union Committee for Social Tourism and Leisure	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Africa	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Chile	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Korea	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Palestine	WFTU
International Voluntary Service for Friendship and Solidarity of Youth (SIVSAJ)	WFDY
Interpress Graphic Club	IOJ
Interpress Motoring Club	IOJ
Journalists School of Solidarity, Bucharest	IOJ
Journalists School of Solidarity, Sofia	IOJ
Latin American Federation of Journalists	IOJ
Latin American Information Centre, Lima	IOJ
Metal and Engineering Industries TUI	WFTU
Miners TUI	WFTU
Public and Allied Employees TUI	WFTU
School of Solidarity of the GDR Journalists Union, East Berlin	IOJ
Textile, Clothing, Leather and Fur Workers TUI	WFTU
Transport, Port and Fishery Workers TUI	WFTU
World Federation of Teachers' Unions (FISE)	WFTU

Appendix B

Soviet Disinformation Operations

The Soviet Union is constantly striving to manipulate western public opinion and to undermine confidence in the institutions and traditions of the Free World. For decades the Kremlin has used communist news media, communist parties, Front Organizations and fellow travellers to this end.

Forgeries. These have long been regularly produced as a means of enhancing the Kremlin's efforts to influence opinion in favour of its policies. Defectors and the evidence of our own eyes have revealed the massive scale on which forgeries have been produced and circulated. For example, when the Kremlin was opposing German rearmament and accession to NATO in the fifties, the staff working in East Germany on these sophisticated techniques was estimated at 1,000. A 1980 CIA estimate of the cost to the Kremlin of propaganda and covert action etc. was put at three thousand million dollars per year (House of Representatives document on Soviet Covert Action dated February 1980).

The forgeries change their subjects as the Kremlin's preoccupations change. In the fifties thousands of forgeries attacked West German rearmament etc. In the late fifties and early sixties 'neo-Colonialism' became a main theme, with Britain and America as main targets. The star turns were forgeries in 1960/1 of a British Cabinet paper describing the value of our trade unions in preserving British influence in emerging countries, and a thirteen page letter, ostensibly from Duncan Sandys to a friend in Rhodesia describing subtle British tactics to preserve our dominance while apparently reducing it.

In the 70's the main thrust of Soviet propaganda including forgeries was against America and NATO (less in the mid 70's when detente was the fashion), particularly in the nuclear field. Dozens of these forgeries are reproduced in the House of Representatives document mentioned above.

.../The

The main outlets for these forgeries were East Germany, India and Egypt, with Tass and notional or actual Front Organizations playing a major role.

Recently forgeries have been produced in the context of the anti-Neutron bomb and anti-cruise missile campaigns, designed to discredit the United States in the eyes of the public, and especially the public of the smaller NATO countries, notably Belgium, the Netherlands, Norway and Denmark. One set of forgeries uses US Defence Department papers, operational contingency plans drafted 18 years ago and obtained by the KGB then,which have been altered to look like up-to-date "war plans", showing targets for attack by US nuclear weapons. The original documents on which these forgeries are based were obtained by the Soviet Union in the early 1960s through an American KGB agent based in Paris, US Army Sergeant Robert Lee Johnson. Some attempts were made by the Russians in the late 1960s to exploit the information in their publicity, but these were not pursued in the event.

The first serious attempt to use KGB forgeries based on these originals was in London in June 1980. This was then reported by the British Press. Although most Western Press accounts made their dubious origins clear, the Soviet media reported the case as if the Press had uncovered genuine secret US military documents.

After a gap of several months, another spate of KGB forgeries based on these same original documents began to surface in Western Europe. First, in December 1980, packages of documents were posted from Guildford in Surrey to addresses in the Netherlands. Similar documents were sent to British MP's and newspapers in the first week of 1981. At least one British newspaper carried the story at the time.

.../Yet

Yet another forgery based on the same documents has also been sent to Denmark, in the form of a cheaply printed book entitled "Top Secret Documents on the American forces' headquarters in Europe". A report in the Danish Press said that the book had been received by several politicians, editors and other prominent persons, in envelopes postmarked Birmingham, England.

A more recent example occurred, when, according to Die Welt of 12th October last, a German newspaper received a photocopy of a letter allegedly written by the Secretary-General of NATO, Joseph Luns, to the American Secretary of State, Alexander Haig. Dr. Luns identified this as a forgery. The aim of the letter, written on the official notepaper of the Secretary-General, was to publicise the untrue suggestion that Dr. Luns had told Haig that there was to be no discussion in public about the Federal Government's plan to go ahead with the first phase of the deployment of Pershing II medium-range cruise missiles.

Front Organizations. A technique often used in major campaigns is for events to be staged by subsidiary organizations, or "fronts for fronts" whose links with Moscow are once further removed. One such body is the Brussels-based International Committee for European Security and Co-operation (ICESC). This body sounds as if it has something to do with the official inter-governmental Conference on Security and Co-operation in Europe (CSCE) which led to the Helsinki Agreement in 1975. As such it endeavours to attract a wider spectrum of opinion than is usually present at a WPC gathering. Another such "front of a front" is the International Liaison Forum of Peace Forces. This is also WPC controlled, and holds annual meetings in Vienna. In recent years these have gone under the title "Dialogue on Disarmament and Detente". The next one planned for 29 January - 1 February 1982, is expected to be a fairly large-scale event, for which there have

.../already

already been three preparatory meetings this year.

Western Groups. As well as using international front organizations, the Soviet experts in covert operations seek to use the non-Communist "peace movements" in Western Europe, and especially in the smaller NATO member countries. Recent expulsions of Soviet personnel from the Netherlands and Denmark have highlighted this.

In April a Tass correspondent Vadim Leonov was expelled after the Dutch authorities had discovered his extensive links with anti-nuclear groups such as Christians for Socialism (CVS) (and through them with the Inter-Church Peace Council (IKV)), and the initiative group "Stop the Neutron Bomb/Stop the Nuclear Arms Race" led by Nico Schouten, a Dutch Communist. Schouten is known to have received funds from Moscow.

Similarly, in early November, the Danish authorities expelled Vladimir Merkulov, a Third Secretary at the Soviet Embassy in Copenhagen. He had been in close touch with peace groups in Denmark who, among other things, organized two lecture tours last year of Danish schools and colleges by Sovet "disarmament experts".

Denigration. The Soviet Union has exploited books and plays designed to undermine pillars of Western society (the Pope, Winston Churchill, The Royal Navy, etc.) The playwright Hochhuth, for example, produced plays attacking the wartime Pope (for condoning the murder of Jews), Winston Churchill (for murdering General Sikorski) while his collaborator Irving attacked the Navy in 'PQ17'. The anti-Churchill play was based on alleged documents conveniently committed to a Swiss Bank for fifty years!

Appendix C

The contribution of the Information Research Department

By 1946, Mr. Bevin appreciated that the Soviet Union was using a vast armoury,of media, front organizations and fellow travellers to undermine the West. Being a tough minded anti-Communist, he was disposed to take firm counter-action. His task was made easier by the fact that members of the war-time Political Welfare Executive (and associated bodies) were available, and that, in official circles, there was familiarity with (and approval) of their techniques.

Accordingly, Mr. Bevin set up the Information Research Department in the Foreign Office. Officers of the Foreign Service were put in charge, but most of the staff were recruited from journalists and people who had worked in the Political Warfare Executive. IRD had access to the information available throughout the Government machine and had the duty of supplementing the normal information effort. It specialised in supplying Ministers with well researched material designed to promote British interests and to counter hostile propaganda. Most of IRD's work was concerned with overseas affairs. A capability was also developed to deal with communists, fascists and front organizations working in Britain.

IRD helped Ministers and publicists to expose Soviet Imperialism, deportations and forced labour. It also developed expertise in supporting a range of activities relevant to the international ideological arguments of the time but not provided for by the existing Information set-up. It encouraged the

.../publication

publication of suitable books, provided support for "good" organizations, and provided research material for responsible people willing to write well informed letters, articles and speeches.

The Soviet Government paid IRD the compliment of emulating its successful activities by setting up the semi-official Novosti newsagency and by stepping up efforts to make the best of the western media by supplying information and support. Encouraged by the success of exposing American unattributable cultural efforts (e.g. the "Ramparts Scandal" of late 1966), the Russians sought steadily to erode the credibility of IRD. Under left wing and liberal pressure, and in the anti-cold war atmosphere pertaining in the mid-seventies, it was virtually disbanded by the Labour Government in 1977.

Appendix D

INFORMATION PROJECTION GROUP

a) The nature of the existing and developing threat to the national interest requires a much more co-ordinated information effort and one which operates both overseas and in the United Kingdom and is able to focus on all areas of government activity. Much of the information which is currently available either within Whitehall or from non-governmental sources and which should be brought into play is at present used ineffectively or not used at all. There is an urgent need for it to be more efficiently collated and more purposefully disseminated.

b) This work should be carried out by an Information Projection Group (IPG), operating under the Cabinet Minister charged with overall responsibility for the Government's information effort. In order to ensure that the IPG works under clear political direction and is given the necessary support in its inter-departmental relations, it should be under the day to day control of a junior minister. Arguments could be deployed in favour of giving this responsibility to a minister at either the Foreign Office or the Home Office or the Ministry of Defence. But a possible and original alternative would be to give this task to the Minister of State responsible for Information Technology.

c) The IPG would be headed by an Assistant Under Secretary and comprise a small team (about a dozen people) of experienced and trained officers who could be seconded from existing staffs. New recruitment would probably be unnecessary or minimal. In addition to the full-time officials, however, the IPG would have on call a few specialist helpers. Where possible, these should be young and not marked by the scar tissue of recent years. They could include experts on peace movements, arms control, Soviet propaganda methods, public relations and the new communications technology.

d) There would be regular meetings (probably weekly), attended by the two information ministers, the advisers, the Head of IPG, the Director of the BBC External Services, the Chief Press Officer at No. 10 and (possibly), the Director of COI. This might be called the Information Committee.

e) Working under the guidance of the Information Committee, the tasks of the IPG would be to:

i) make medium and longer-term plans for information work based on assessments of threats to the national interest at home or abroad and on the need to support national policies;

ii) arrange for the production of the necessary research-based information material from inside or outside the government machine; where necessary IPG would task and co-ordinate the work of government departments and other agencies;

iii) arrange for the most effective dissemination of the Information produced;

iv) collaborate with individuals and non-governmental organizations anxious to act in the public interest - foundations, business associations, research institutes and groups.

f) For operational purposes, the IPG would be part of the Cabinet Office staff.

THE INFORMATION BATTLE AND THE NEW TECHNOLOGY

In the battle of wills today being fought out between the competing ideologies, it is now the electronic media - radio and television - which are the favourite weapons. Because they reach larger audiences and communicate to the least sophisticated, they have pushed film and the printed word into a subordinate place. The radio receiver is far and away the commonest electronic equipment, available alike to the urban dweller and the poorest peasant. Television, once the prerogative of wealthy nations, is now spreading to the poorest, even if only on the basis of one receiver per village. No need to apologise, then, for concentrating attention on likely further developments in the information revolution which the new electronics is driving forward - for the majority of human kind these are the dominant communication media of our time.

SATELLITE BROADCASTING

Already the communications satellite has made a major impact on sound and vision broadcasting. Stationary each over its own unique spot on the equator and distant twenty three thousand miles from the earth, the communication satellites receive signals from a ground station in one continent and instantaneously retransmit them to a receiving station in another. Thus our present capacity for immediate world wide diffusion of sound and television programmes is achieved.

To date, however, the terrestrial vision broadcasting network has always intervened between the transmissions from space and the viewer. The satellite signals from far away are captured by the expensive and complex earth stations, and then passed by cable or microwave to the network of conventional transmission sites. All this is changing, because it is becoming technically possible to broadcast directly from the satellite to the individual home.

It will be appreciated that the geostationary satellite is necessarily placed in an orbit remote from Earth. The laws of celestial mechanics dictate that if it were nearer it could not hang over a fixed point on the earth's surface (as it must to serve its function) but would move across the sky. However the remoteness of the satellite means that the beam of radio energy it directs towards the earth is spread over a wide area. If a satellite of the first generation were to direct its signals at Britain, for example, they would be distributed from Rekjavik to Naples.

What is more, energy available on the satellite to power radio transmissions is strictly limited, being derived from solar cells, the dimensions of which are constrained by practical considerations. It necessarily follows that because the radio power radiated is not large yet is distributed over such an extensive part of the earth's surface, the power falling on any particular area is exceedingly small. For this reason, the existing earth stations are equipped with very large "dish" aerial systems, up to ten metres in diameter, to "catch" as much incident radio energy as possible. The need for aerials of this kind has so far prevented domestic use of satellite reception.

Now all is changing. Improvements in satellite design make it possible greatly to reduce the width of the beam of radio waves passing to earth, so that the area of the earth irradiated is confined to no more than one country or even a smaller geographical region. The energy is spread over far less total area, and this, together with improvements in the power output of the satellite, makes it possible to receive good television signals with an aerial dish only a metre in diameter. The home installation becomes immediately practicable.

To receive direct satellite broadcasts all that is needed is one of these aerials and a television receiver designed to the correct standard - different from that for terrestrial television - or a conventional receiver preceeded by an inexpensive converter. The total cost of a colour television installation would be pushed up by no more than about a half, and in real terms the cost of any kind of television is certain to continue to fall, as it has done for some years. Thus few who receive television in their homes today will not be able to afford satellite television in the future. France and West Germany are already well ahead with plans for direct broadcast satellite television. HMG recently outlined proposals for a service, and a joint UK company has been established to this end by British Aerospace and N M Rothschild.

There is, however, no technical reason limiting countries to beaming transmissions to their own territory, and they could aim their programmes at neighbouring countries or even those in the next continent. World wide television entirely outside the control of authorities in the receiving country constitutes an entirely new component in the spectrum of information media. In some free world countries it is likely that commercial interests may establish advertising stations beamed at other countries. By contrast, authoritarian regimes will find irresistable the temptation to use the new medium both within and, more significantly, outside their own borders for propaganda on behalf of their chosen ideology.

Direct satellite television has been described as a boon to poorer countries, because it could enable them to establish nation-wide television services at lower cost than would be possible using a terrestrial service. As well as providing a medium of information and entertainment, such a service could also give an invaluable boost to education in the many countries where facilities are limited by the supply of suitably trained teachers. The potential for good is undeniable. Alongside it, though, there is a no less important hazard. The real probability exists that television equipments meant to give access to a national service will also make available programmes originating far beyond the national boundaries. It is also entirely possible that the more ideologically aggressive powers could offer to provide "educational and cultural" television services by satellite to their poorer neighbours. To accept such an offer would spell the end of all cultural, and perhaps in the end even political, independence.

THE OPTICAL FIBRE

Alongside the evolution of satellite television broadcasting, which can be regarded as the natural extension of radio broadcasting, equally revolutionary developments are in train in what could fairly be described as the next development along the technical path of the telegraph and telephone cable.

One of the things which gives electronics technology great power is its immense versatility. It is, for example, quite easy to convert the sound of a human voice or a television picture into a series of binary numerical codes, which are the native language of the computer. These zeros and ones can be represented in our equipments in any two contrasting ways and notably by the presence or absence of light. Thus, if the programme to be sent out is converted into digital form in this way, it can be transmitted as a sequence of inconceivably fleeting pulses of light, at a rate of perhaps a hundred million per second.

To turn this into a practicable information medium, two things are needed: a source of light which can emit flashs of this duration and rate, and some means for conveying the pulses of light from point of origin to that of destination without them becoming so enfeebled that they fall below the level at which photoelectric devices can reliabily detect them. To both of these problems solutions have now been found. The light source used is a semiconductor light emitting diode, and the means of guiding the light pulses is the optical fibre.

It has long been known that under certain circumstances it is possible for light to be trapped within a glass medium through which it is passing. In the optical fibre a long filament of special glass of hair-like thickness traps within it pulses of light and conveys them to their destination, virtually without loss. Transmission over distances of tens of kilometres is now possible, and competent authorities agree that a hundred kilometres range may be confidently expected. As remarkable as the distance over which the optical fibres are effective is their message carrying capacity. A single fibre into the home could easily carry a dozen television programmes,

the entire telephone service and, if desired, a computer data channel as well. The concept of the "Wired City" with all the information, communication and entertainment services brought to each house or workplace over a single optical fibre has grown from the perception of this possibility. Such an idea obviously provides a complete alternative to both present day television broadcasting and also to the promise held out by the satellite. Rarely has technology been so clearly at the crossroads. A choice must be made between conflicting possible futures which lead us in manifestly different directions.

Optical fibre broadcasting, which could be seen as the logical next step from the cable television services already established commercially in the United States, is relatively more expensive than terrestrial or satellite broadcast television. However, it can give a more varied service, is even more reliable, and is capable of literally total coverage of the whole population. If the same fibres are also used to provide telephone services and for other purposes, such as remote reading of gas and electricity meters, the overall economics looks promising, and this is what is generally proposed. Even so, the wired city concept is, as its name suggests, best suited to the sophisticated urban environment, where it can economically serve complex needs in a closely packed population. In this respect it is quite different from the satellite, which cannot give so elaborate a service, but gives it equally cheaply in town or country.

The other significant distinguishing feature of fibre dissemination of radio and television is that it is not an "open" system as conventional broadcasting is. Access to the fibre network can be strictly controlled, and a subscriber does not have the facility to receive programmes from outside his own network, it cannot therefore easily be "penetrated" from outside by elements unsympathetic to the network proprietors, except perhaps by subversion.

It seems plausible to suppose that authoritarian governments may prefer that the broadcasting services they provide should be by fibre distribution, since this will enable them to regulate precisely what their population is exposed to. It will be ironic if at the same time they use satellite broadcasting in the attempt to achieve subversion of their neighbours.

VIDEO RECORDINGS: TAPE AND DISC

There are a number of other developments which we can foresee in parallel with the two already discussed. Perhaps the most important is the advance in television recording, particularly the video disc.

A full colour television programme can now be recorded either on a magnetic tape cassette or on a simple plastic disc, not too different from the conventional sound record with which we are all familiar, except that it has very many more, and much finer, grooves. These are "read" by a fine beam of laser light rather than a mechanical stylus.

Widely diffused and presenting professionally pre-recorded material, video recordings could replace films, books and magazines in the electronic age. Books and films have probably played a diminishing role in the propaganda struggle, however, since the new technology began to exert its full impact. There is no obvious reason why video recordings should change this position. Tentatively, therefore, they must be assigned a significant but secondary role.

SOUND BROADCASTING

Despite all the other developments, the transistor radio will remain the commonest means of access to the electronic media, and for the very poorest people perhaps the only one. Although in the sophisticated areas there is a tendency today towards VHF-FM broadcasting, for the less developed world it is the long, medium and short wave AM bands which will continue to be used. These are strictly terrestrial services, because the layers of electrically charged gas in the upper atmosphere - the ionosphere - would prevent any satellite radio signals at those wave lengths from reaching the earth.

The principal recent development in these bands stems from the falling size and, above all, cost of transmitting equipments, as a result of the advance of electronics technology. It is now economic for small local radio transmitters to be set up. In some cases this has been with official sanction, but in many countries the new broadcasters have appeared as "pirates". Indeed, in places control of the radio spectrum by law has become unenforceable, as in Italy for a time.

A proliferation of small unregulated radio stations has resulted, in some cases radiating propaganda for extremism of the political right or left. The wise use of radio is such an important social resource that this evidence of the breakdown of law has to be taken very seriously. In the UK, pirate broadcasting has been largely suppressed since an outburst in the sixties, but we have no grounds for complacency. Illegal use of citizens' band radio and the spread of illegal two-way radios and cordless telephones demonstrates that the law in this area is under pressure which it is not wholly able to withstand.

CONCLUSIONS

The new electronics technology gives us a choice between relatively closed television broadcasting systems using optical fibres, and unprecedently open ones based on the technology of space. Those who regard the media as weapons to be deployed in an ideological struggle will probably not scruple to use both, in the situations and ways that best suit their purposes.

From open communication the free world surely has nothing to fear, provided that it is as accessible to us as to our opponents. The great campaign by the West to present its case fairly through the medium of radio over the last few decades may well have to continue and be matched, in the years to come, by an equally determined new effort. Our task will be to ensure that we do not concede dominance of international satellite television broadcasting to those whose publicly announced intention is to bury us.

16.11.81

Brian Connell
Tom Shepherd
Bryan Forster
Hugh Green
Robert Kee.

Jeremy Isaacs - 13 to T.U.C.

JS

cc FCO
MOD

10 DOWNING STREET

From the Private Secretary

PERSONAL AND CONFIDENTIAL

SIR ROBERT ARMSTRONG

The Prime Minister has seen and noted your minute of 11 December about your conversation with Herr Lahnstein.

I am sending copies of this minute to Brian Fall (FCO) and David Omand (MOD)

A. J. COLES

14 December 1981

Prime Minister

To see.

Neill Mitchell
(Duty Clerk) 11/12/81

2

Ref: A06907

PERSONAL AND CONFIDENTIAL

MR. COLES

As the Prime Minister knows, I had a visit today from Herr Lahnstein, the State Secretary in the Federal Chancellor's Office.

2. What was said about NATO infrastructure funding is being reported separately.

3. Amongst the other subjects about which Mr. Lahnstein talked was Mr. Brezhnev's visit to Bonn. He said that one of Mr. Brezhnev's objectives was to try to find out more about the general posture of the United States Administration. It was apparent from what Mr. Brezhnev had said that the Russians were irritated with the United States Administration - more irritated than with any of its predecessors. Herr Lahnstein thought that the Federal Chancellor had convinced Mr. Brezhnev that President Reagan's readiness to negotiate on arms control was genuine.

4. Herr Lahnstein thought that Mr. Brezhnev's visit had provided the Federal Chancellor with a useful opportunity to improve Mr. Brezhnev's understanding of the reality of the international situation and prospect, and of the positions of the American and other Western Administrations. Mr. Brezhnev depended very much on contacts of this kind for that purpose; and the Leaders of some of the satellite countries in Eastern Europe looked to Bonn for guidance as to what they should be saying to Mr. Brezhnev about international events. These contacts were an important corrective to the partial and distorted picture which it was thought Mr. Brezhnev probably got from inside the Soviet Administration.

5. Herr Lahnstein said that it was very clear from the discussions on arms control that the Russians were including British and French submarine-based nuclear missiles (and their own submarine-based nuclear missiles in the Baltic) in their calculations on "balance" in Europe.

6. The Federal Chancellor had the impression that Mr. Brezhnev's physical condition was, if anything, better than two years ago. But he was under heavy medical treatment, and his "mental" presence was only partial.

He dealt only in very simple and basic concepts, and constantly deferred to the advice and judgment of Mr. Gromyko or whatever adviser was with him. It appeared that Mr. Gromyko had never been stronger, and there was no sign whatever of any diminution of his powers or his influence.

7. I am sending copies of this minute to Mr. Fall and Mr. Omand.

RWA

Robert Armstrong

11th December 1981

00 F C O

PP BONN

PP PARIS

PP WASHINGTON

PP MOSCOW

GRS985

IMMEDIATE

ADVANCE COPY

D E D I P
SECRET
BURNING BUSH
FROM UKDEL NATO 100257Z DEC 81
TO IMMEDIATE F C O
TELEGRAM NUMBER 457 OF 10 DECEMBER
INFO PRIORITY (PERSONAL FOR AMBASSADOR/MINISTER)
BONN PARIS WASHINGTON AND MOSCOW

FOLLOWING FROM PRIVATE SECRETARY.
QUADRIPARTITE DINNER 9 DECEMBER: US/SOVIET RELATIONS.

1. HAIG, ASKED ABOUT THE PROSPECTS FOR HIS TALKS WITH GROMYKO IN GENEVA ON 26-27 JANUARY, MADE SOME ALMOST RANDOM POINTS IN REPLY:

I. HE HAD TALKED TO GROMYKO IN NEW YORK ABOUT THE VERY HEAVY FLOW OF SOVIET ARMS INTO CUBA, WHICH WAS RUNNING AT THREE TIMES THE LEVEL IN RECENT YEARS. THE RUSSIANS CLAIMED THEY WERE DESIGNED TO MODERNISE THE CUBAN FORCES BUT THE AMERICANS SUSPECTED THAT ARMS WERE GOING TO OTHER DESTINATIONS.

II. HAIG AND GROMYKO HAD ALSO TALKED ABOUT NAMIBIA, AND GROMYKO HAD NOT APPEARED RIGIDLY OPPOSED TO THE IDEA THAT A NAMIBIA SETTLEMENT AND CUBAN WITHDRAWAL SHOULD BE DEALT WITH TOGETHER (QUOTE THE OMELETTE FORMULA UNQUOTE RATHER THAN CHICKEN AND EGG). HAIG SAID THAT THE US INTENDED TO GIVE THIS SUBJECT PRIORITY IN THE TALKS IN JANUARY. THEY FOUND THE ANGOLANS AND THE FRONT-LINE STATES INCREASINGLY INTERESTED IN THIS APPROACH, AND THERE WERE SOME SIGNS THAT THE CUBANS MIGHT BE TOO. HAIG ADDED IN THIS CONTEXT THAT SOUTH AFRICAN INCURSIONS INTO ANGOLA HAD GIVEN THE CUBANS CAUSE FOR THOUGHT.

III. ON AFGHANISTAN, HAIG SAID THAT HE THOUGHT THAT THE RUSSIANS WERE LOOKING FOR A WAY OUT. GROMYKO HAD SAID NOTHING NEW IN NEW YORK BUT HE HAD DISCUSSED THE MATTER SUBSEQUENTLY WITH DOBRYNIN. HE SUSPECTED THAT THE RUSSIANS MIGHT COME FORWARD IN JANUARY WITH SOME SPECIFIC PROPOSALS INCLUDING SOVIET WITHDRAWAL, ASSURANCES OF NO MORE BORDER CROSSINGS OR DIFFICULTIES FROM THE PAKISTAN SIDE, THE RETURN OF REFUGEES AND THE INCUMBENT REGIME. THE LAST WAS THE HARDEST FOR THE RUSSIANS AND THEY MIGHT SEEK TO LEAVE THE IDEA OF A REFERENDUM OR SELF-DETERMINATION UNTIL QUOTE LATER UNQUOTE. THE AMERICANS WERE STUDYING THE WHOLE QUESTION AND HAIG WOULD BE IN TOUCH WITH HIS COLLEAGUES BEFORE HE MET GROMYKO. MEANWHILE THE SOLID ATTITUDE OF THE TEN HAD BEEN AS MUCH A SOURCE OF STRENGTH AS THAT OF THE ISLAMIC COUNTTRIES.

IV. ON ARMS CONTROL, HAIGH SAID HE HOPED THAT HE WOULD BE ABLE TO MAKE SPECIFIC PROPOSALS TO GET THE START TALKS UNDER WAY IN EARLY SPRING (HAIG MENTIONED THAT DATE AND VENUE WOULD BE INCLUDED IN THE US PROPOSALS, BUT GAVE NO INDICATIONS OF WHAT IF ANY SUBSTANCE MIGHT BE INVOLVED). ON INF HAIG EMPHASISED THE IMPORTANCE OF ALLIANCE SUPPORT FOR THE US NEGOTIATING POSITION AND POINTED TO THE BRIEFING THAT NITZE WOULD BE GIVING THE NORTH ATLANTIC COUNCIL ON 10 DECEMBER. IT MIGHT BE NECESSARY TO HAVE ANOTHER DISCUSSION IN THE ALLIANCE BEFORE THE MEETING WITH GROMYKO, BUT THE AMERICANS WERE NOT LOOKING FOR DEPARTURES FROM THEIR NEGOTIATING POSITION.

V. ON US-SOVIET BILATERAL QUESTIONS, HAIG SAID THAT SOME POSSIBLE AGREEMENTS HAD BEEN DELIBERATELY KEPT ON THE BACK BURNER (HE CITED THE LONG TERM GRAIN AGREEMENT). WORK WAS GOING AHEAD ON A MARITIME AGREEMENT. (EAGLEBURGER PROMPTED THAT THE SAME WAS TRUE OF THE KIEV CONSULATE.) IT MIGHT BE TOO EARLY AT THE JANUARY MEETING TO OPEN THE DOOR TO A SUMMIT, AND PRESIDENT REAGAN WANTED SOMETHING MEANINGFUL AND NOT ANOTHER VIENNA. BUT THE MEETING MIGHT NEVERTHELESS QUOTE GIVE US A BETTER BRACKET UNQUOTE ON THE RIGHT TIME TO FIX A DATE. HAIG ADDED THAT THE AMERICANS WERE VERY CONSCIOUS OF BREZHNEV'S HEALTH AND THAT AMERICAN EXPERTS GAVE HIM A YEAR OR TWO AT THE OUTSIDE (GENSCHER, AFTER DESCRIBING BREZHNEV'S PERFORMANCE DURING HIS VISIT TO BONN, CONCLUDED THAT IF THE AMERICANS DECIDED AFTER THE JANUARY MEETING THAT THEY WANTED A SUMMIT THEY SHOULD GO AHEAD SOON. HE EMPHASISED BREZHNEV'S LIMITED CONCENTRATION SPAN - AT ONE STAGE IN A MEETING HE HAD APPARENTLY COMPLAINED TO GROMYKO THAT HE DIDN'T UNDERSTAND A POINT AND THAT HIS HEAD WAS SPINNING - AND GENSCHER ASKED HIMSELF WHETHER BREZHNEV WAS NOT NOW OPEN TO INFLUENCE BY THOSE SELECTING THE PAPERS WHICH WERE PUT TO HIM).

IN CONCLUSION, FINALLY, HAIG CONCLUDED FROM HIS SEPTEMBER MEETING WITH GROMYKO, FROM HIS SUBSEQUENT TALKS WITH DOBRYNIN AND FROM THE EXCHANGES OF MESSAGES BETWEEN REAGAN AND BREZHNEV THAT THE TONE WAS GOOD AND VERY MUCH IN FAVOUR OF DIALOGUE AND A CONSTRUCTIVE APPROACH. ON THE OTHER HAND, THE RUSSIANS HAD SHOWN NO GIVE ON POINT S TO WHICH THE AMERICANS ATTACHED IMPORTANCE.

2. LORD CARRINGTON SAID HE HOPED THAT HAIG AND GROMYKO WOULD MEET ON A REGULAR BASIS IN ORDER TO DEMONSTRATE THAT THE DIALOGUE EXISTED. SUMMITS WERE A DIFFERENT MATTER AND WOULD NEED CAREFUL PREPARATION: DID THE AMERICANS THINK ONE FEASIBLE OR DESIRABLE IN THE NEXT TWELVE MONTHS? HE ALSO EXPRESSED THE HOPE THAT HAIG WOULD USE HIS TALKS WITH GROMYKO TO MAKE CLEAR TO THE RUSSIANS WHAT THE AMERICANS SAW AS THE LIMITS OF ACCEPTABLE ACTIVITY. IN RETROSPECT, THE LACK OF SUCH A CLEAR SIGNAL MIGHT HAVE CONTRIBUTED TO THE SOVIET INVASTION OF AFGHANISTAN. IN RESPONSE, HAIG SPOKE OF FURTHER MEETINGS BETWEEN HIM AND GROMYKO AS INEVITABLE AND STRONGLY ENDORSED THE POINT ABOUT CLEAR SIGNALS. HE EXPRESSED SOME UNEASE AT THE WAY IN WHICH PUBLIC OPINION (AND THE RUSSIANS) FORCED ARMS CONTROL IN TO THE CENTRE OF US/SOVIET DISCUSSION AND SAID THAT HE WOULD PREFER TO CONCENTRATE ON REGIONAL PROBLEMS WHICH WERE REAL THREATS TO THE PEACE. HE IMPLIED THAT PROGRESS MIGHT BE POSSIBLE ON QUESTIONS WHERE NO LOSS OF FACE WAS INVOLVED FOR THE RUSSIANS, AND CITED CUBANS IN ANGOLA AS A PRIME EXAMBPLE. ON SUMMITRY, HAIG SEEMED RELUCTANT TO ANSWER BUT EVENTUALLY SAID THAT THE AMERICANS WERE THINKING IN TERMS OF THE PROSPECTS FOR A CONSTRUCTIVE OUT-COME RATHER THAN ANY PARTICULAR TIME-SCALE AND WERE LOOKING FOR THE FIRST OPPORTUNITY WHEN SUCH PROSPECTS MIGHT BE REALISABLE.

ROSE

NNNN

Foreign Policy

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

2 December 1981

NBPM

Dear Willie

... John Nott and Peter Carrington have agreed that it would be helpful to circulate to colleagues the attached guidance note on President Reagan's arms reduction initiative. A copy goes to our other Cabinet colleagues with the request that they draw it to the attention of other Ministers in their Departments, to the Chief Whip, and to John Nott and Peter Carrington for information. A copy has been sent separately to Central Office.

Yours ever
Francis

FRANCIS PYM

The Rt Hon William Whitelaw CH MC MP

PRESIDENT REAGAN'S PROPOSALS ON ARMS REDUCTIONS

Line to Take

Speaking in the House of Commons on the 18th November the Prime Minister said:

> "I welcome the great initiative by President Reagan in proposing that there should be not merely a limitation of nuclear arms but a reduction of nuclear arms and of conventional forces. He has seized the initiative and I hope we shall find a response from the Soviet Union ..... we unreservably welcome this initiative and sincerely hope a response will be forthcoming."

If Further Guidance Required

Proposals have full support of the UK and Alliance. UK has played a major role in agreeing the negotiating position for the 30th November talks. Following the reference to the zero option by NATO Defence Ministers at the Gleneagles meeting last month and President Reagan's speech on 18th November, the Allies unanimously agreed that the zero option should be the main objective of the negotiations. Formal Russian response awaited. Initial Tass comment condemned initiative out of hand as propaganda. Their response will demonstrate how serious their commitment to meaningful negotiations is, and their desire for peace.

BACKGROUND

In his address to the National Press Club in Washington on 18th November, President Reagan announced that he had proposed to President Brezhnev a plan aimed at increasing peace and security by restricting both conventional and nuclear forces.

These are the four points of the plan:

i. At the forthcoming negotiations in Geneva on theatre nuclear forces in Europe, the United States would be prepared to cancel its deployment of Pershing II and ground launched cruise missiles (agreed by NATO in 1979) if the Soviets dismantle their long range SS4, SS5 and SS20 missiles. (This is the so-called zero option).

ii. The United States intends to open negotiations on strategic arms with the Soviet Union as soon as possible next year. The talks would be known as START (Strategic Arms Reductions Talks) rather than SALT, to signify a desire to achieve substantial reductions, as opposed to limitations, in strategic weapons.

iii. A call for equality at a lower level of conventional forces in Europe.

iv. A renewal of the proposal for a conference to develop effective measures to reduce the risks of surprise attack, and the chance of war arising out of uncertainty or miscalculation.

All these proposals were based on the same principles: substantial, militarilysignificant reductions in forces, equal ceilings for similar types of forces, and adequate provision for verification.

Speaking about his first point (the so-called "zero-option") President Reagan said: "This would be a historic step. With Soviet agreement, we could together substantially reduce the dread threat of nuclear war which hangs over Europe. This would be a giant step for mankind".

Initial Soviet reaction has been unfavourable and Russia has claimed that an approximate party already exists in theatre nuclear forces in Europe. This is not the case - a balance can only be arrived at by very selective inclusion of NATO forces and exclusion of comparable Warsaw Pact systems. A more objective comparison shows a considerable Warsaw Pact superiority (see attached Ministry of Defence Fact Sheet).

WORLD POLITICAL SCENE: GLOBAL TRENDS AND PROSPECTS

Without - this is not perceptive enough - and we must give more attention to the Pacific. How can we get the most from the United Nations. Let's meeting here so that we may remind ourselves of what he will say.

DRAFT STATEMENT BY THE PRIME MINISTER

It is now almost 35 years since the independence of India marked the beginning of the modern Commonwealth. In that period the number of members of the United Nations has risen from 51 to 155 and of the Commonwealth itself from 5 to 45. The world and our Commonwealth association have been transformed. So have the range and complexity of the problems which face the international community.

One of the greatest virtues of the Commonwealth is that it permits us to discuss these world problems dispassionately and realistically. Rhetoric can be set aside. We can examine issues with the seriousness that they ~~deserve~~ need.

Have made a few suggestions. PS N.B. Are the 'brains' in the F.O. on leave or are they back in harness? If so can they be mobilised, not

The Threats to Peace

Today, I see three main kinds of threat to peace.

(a) Deep-seated crises.

First, there are a small number of long-running problems whose origins are historical, and whose resolution will take time , perseverence and restraint.

Of greatest concern to many in the Commonwealth is the situation in Southern Africa. The crisis has

/ two aspects:

(1) Ideological conflicts E-W.

(2) This is not an issue for non-aligned to determine on a desire. U.N. can't protect them.

(3) Conflicts within communist world Vietnam / Cambodia. Poland. China / Vietnam. Boat people from Vietnam

two aspects: how to achieve a negotiated settlement which will bring independence to Namibia and how to contribute to the emergence of a just society in South Africa itself. In the case of Namibia, Britain remains convinced that the Contact Group of Five must continue to play a central role in progress towards a solution on the basis of the agreed UN Plan. As regards South Africa itself, our abhorrence of apartheid is clear. So is that of the international community as a whole. We must all continue to press for peaceful change, for a Government based on the consent of the South African people as a whole. I shall say more on this subject when we reach it later in our agenda.

The origins of the Arab-Israeli dispute are also historical. Both Israelis and Palestinians point to the past to justify their present views and policies. It is not the responsibility of the international community to adjudicate on these conflicting claims. Our aim must be to help to find a way forward which will enable all the peoples of the area to achieve justice and security.

Britain and the other members of the European Community have set out some principles on which we believe a lasting settlement could be based. The essence of these principles is two-fold: first, the acceptance of the right of all states in the area, including Israel, to existence and security; and, second, the acceptance of / the legitimate

the legitimate rights of the Palestinians, including their right to self-determination. We believe that an approach on this basis, in which neither side attempts to deny to the other the rights it claims for itself, offers a prospect of real progress towards the comprehensive settlement which is so urgently needed. We are working for acceptance of these principles, not only by the parties directly involved but by the rest of the world as well. This may not be an issue of direct concern to the Commonwealth as such, but I hope that the countries represented here will accept that these are the basic principles on which a negotiated settlement can be built.

The problems of Cyprus have frequently been discussed at our meetings. Over the past few months there have been encouraging signs, which suggest that it may be possible, with determination and goodwill, to make progress towards a just settlement. I do not wish to trespass on ground which President Kyprianou will wish to cover. But I would hope that we could all agree to offer those involved in the intercommunal talks our support in their efforts.

(b) East-West tension.

The second danger to peace arises from the deterioration of relations between East and West. The situation in Eastern Europe has been giving rise to much

/ concern.

concern. It would, of course, become much more acute if there were to be a military intervention to extinguish the internal Renewal in Poland. So long as the Soviet Union continues to amass armaments, we in the West must maintain the strength to deter aggression. But we are also working to reduce the dangers of conflict through the pursuit of balanced limits and reductions in nuclear and conventional arms. We want communication with the Soviet Union, to explain our foreign policies and to ask about theirs. We are willing to exercise restraint and shall try to impress the need for this upon the Soviet Union.

That restraint was not in evidence when the Soviet Union invaded Afghanistan. The Soviet Union has shown no inclination to withdraw. Only continued pressure from the world as a whole has any chance of achieving Soviet withdrawal and the restoration of Afghanistan to independent and non-aligned status. The European proposal for a two-stage Conference is designed to facilitate such an outcome while satisfying any genuine security concerns felt by the Soviet Union. We are grateful for the support so many of you have already expressed, and hope you will continue to back our efforts for a just solution.

The Soviet occupation of Afghanistan is paralleled by the continued Vietnamese occupation of Cambodia.

/Each reflects

Each reflects ambition on the party of one country to control its neighbours. The countries of ASEAN, represented here by Malaysia and Singapore, have been making great efforts to promote a negotiated settlement. Britain will continue to support these efforts. I am sure that they deserve support from the Commonwealth as a whole.

(c) Local conflicts.

The third threat to peace arises from local conflicts between neighbouring states. The world is learning to cope with these somewhat better than in the past. There is general acceptance of the need first to isolate such conflicts and prevent them spreading, and then to put in hand the necessary machinery for mediation and peace-making. The war between Iran and Iraq remains regrettable and dangerous; but it is satisfactory that it has not spread. Likewise a number of conflicts in Africa have been rendered less dangerous through the efforts of the Organisation of African Unity.

4) Funding of terrorist organisations by Libya - Communism and collaboration between terrorist movements. Their anti-country or the prelude to personal power.

Conclusion

Inevitably a brief survey of this kind has to concentrate on trouble spots. But there are other important and positive trends. There is the continuing emergence of China and Japan on the world political scene. There is the growing importance of the Pacific area generally, as exemplified by the roles of various Commonwealth countries there. In other parts of the

/developing

developing world, new powers are rising to positions of importance and responsibility. Several of them are members of the Commonwealth. These are welcome developments.

The world is troubled and dangerous. But the problems I have mentioned do not seem to me to be insuperable. Time and determination will be needed: moderation rather than extremism. On that basis there is hope. And the contribution of the Commonwealth can be considerable. The Rhodesia settlement was proof of this. The range of our experience and the ease of communication among us make our capacity for analysis unique. In some cases there will be a direct contribution which the Commonwealth either generally or regionally can make. In others the Commonwealth's very existence as a channel of contact and a forum for reason is itself a sign of hope, just as its history is a demonstration that progress can come through discussion and co-operation without conflict.

MODBA

I presume you have seen this

18 NOV 1981

With the compliments of

THE PRIVATE SECRETARY

Mike Pattison.

WTRG from Francis Richards.

18.11.81.

FOREIGN AND COMMONWEALTH OFFICE

SW1A 2AH

GRS 1000

SECRET

Foreign Rel

SECRET
DESKBY 171900Z
FROM UKREP BRUSSELS 171711Z NOV 1981
TO IMMEDIATE FCO
TELEGRAM NUMBER 4313 OF 17 NOVEMBER 1981
INFO IMMEDIATE BONN WASHINGTON
PRIORITY THE HAGUE ROME UKDEL NATO

MIPT: TNF

1. FOLLOWING IS TEXT OF MR HAIGS LETTER TO YOU OF 16 NOVEMBER.

DEAR PETER:

THE UNITED STATES AND THE SOVIET UNION WILL OPEN NEGOTIATIONS ON INTERMEDIATE RANGE NUCLEAR FORCES AT THE END OF THIS MONTH. THIS WILL BE AN EVENT OF GREAT IMPORTANCE TO MY COUNTRY, AS I KNOW IT IS TO YOURS, AND TO THE ATLANTIC ALLIANCE AS A WHOLE. OVER THE PAST TEN MONTHS OUR GOVERNMENTS HAVE BEEN WORKING CLOSELY TO FORMULATE AN APPROACH TO THESE NEGOTIATIONS WHICH WILL ENHANCE ALLIANCE SECURITY. I BELIEVE THAT WE HAVE SUCCEEDED IN THIS TASK, OWING LARGELY TO THE UNITY OF THE ALLIANCE.

THE BASIC US APPROACH TO THESE NEGOTIATIONS HAS BEEN DEVELOPED THROUGH AN INTENSIVE AND PRODUCTIVE PROCESS OF ALLIANCE CONSULTATIONS. IN THE SPECIAL CONSULTATIVE GROUP (SCG) WE HAVE REFINED AND STRENGTHENED THE BASIC ARMS CONTROL APPROACH OF THE DECEMBER 1979 DECISION. IN THE LAST FEW DAYS MY GOVERNEMENT HAS REVIEWED AND REAFFIRMED THAT APPROACH AT THE HIGHEST LEVEL, AND HAS REACHED CONCLUSIONS ON THE UNRESOLVED QUESTIONS IN THE LIGHT OF ALLIED COMMENTS.

ASSISTANT SECRETARY EAGLEBURGER NOTED AT THE LAST SCG THAT TWO MAJOR ISSUES WERE STILL UNDER STUDY. THE FIRST WAS HOW TO FORMULATE A PROPOSAL FOR REDUCTIONS. THE SECOND WAS HOW TO DEAL WITH SHORTER RANGE MISSILE SYSTEMS.

IN CONSIDERING THE FIRST OF THESE POINTS, WE HAVE GIVEN GREAT WEIGHT TO THE VIEWS EXPRESSED BROADLY BY THE ALLIES REGARDING THE CRITICAL NEED TO SECURE PUBLIC SUPPORT BY ADVANCING A POSITION WHICH DRAMATIZES THE FACT THAT OUR MODERNIZATION PROGRAM IS A DEFENSIVE RESPONSE TO THE SOVIET BUILD-UP. ACCORDINGLY , WE INTEND TO PROPOSE, IN THE FIRST ROUND OF TNF NEGOTIATIONS, THE DISMANTLING OF THE SS-20'S , AND THE RETIREMENT OF THE SS-4'S AND SS-5'S, IN EXCHANGE FOR WHICH WE SOULD CANCEL PLANS TO DEPLOY GLCM AND PERSHING II MISSILES.

SECRET

/THE

THE RIGHT HONORABLE SECRET
LORD CARRINGTON KCMG MC PC MP
SECRETARY OF STATE FOR FOREIGN AND
COMMONWEALTH AFFAIRS AND OVERSEAS DEVELOPMENT
LONDON

REGARDING SHORTER RANGE MISSILES, RECENT SCG MEETINGS HAVE PRODUCED A CONSENSUS THAT THESE SYSTEMS COULD SUBSTITUTE FOR LONGER-RANGE MISSILES AND COVER MANY OF THE SAME TARGETS IN WESTERN EUROPE, AND THEREFORE SHOULD BE LIMITED SOMEHOW BY ANY AGREEMENT WHICH CONSTRAINED LONGER-RANGE SYSTEMS. THE ALLIES FELT STRONGLY, HOWEVER, THAT WE SHOULD NOT SEEK TO LIMIT THESE SYSTEMS WITH THE AGGREGATE LIMITS ON LONGER-RANGE MISSILES. WE HAVE OURSELVES NOW CONCLUDED THAT IT IS BEST TO SEEK SEPARATE CONSTRAINTS ON THESE SHORTER-RANGE SYSTEMS.

WE BELIEVE THAT, WITH THESE ELEMENTS, OUR NEGOTIATING POSITION IS STRONG AND CONVINCING. I WANT TO STRESS, IN THIS CONTEXT, THAT WE WILL APPROACH THESE NEGOTIATIONS IN GOOD FAITH. THUS, WE WILL BE PREPARED TO EXPLORE ANY CONSTRUCTIVE IDEAS PUT FORWARD BY THE OTHER SIDE, AS WELL AS TO ELABORATE OUR OWN. AS THE NEGOTIATIONS DEVELOP, WE WILL, OF COURSE, CONTINUE THE INTENSE PROCESS OF CONSULTATIONS WITH YOU THROUGH WHICH WE HAVE FORMULATED OUR POSITION TO DATE.

IN ADDITION TO OFFERING THE POSSIBILITY OF REDUCING THE NUCLEAR THREAT TO THE ALLIANCE, THE CONDUCT OF THESE NEGOTIATIONS MUST BE A PART OF A BROADER EFFORT TO SHOW THAT THE ALLIANCE IS COMMITTED TO ADVANCING THE CAUSE OF PEACHE AND IS ACTIVELY PURSUING SOLUTIONS TO THE PROBLEMS CREATED BY SOVIET BEHAVIOUR AND MILITARY PROGRAMS.

IN THIS CONNECTION, PRESIDENT REAGAN WILL MAKE A MAJOR FOREIGN POLICY ADDRESS IN THE VERY NEAR FUTURE. HE WILL PRESENT OUR BASIC AIMS IN THE NEGOTIATIONS ON INTERMEDIATE RANGE NUCLEAR FORCES, INCLUDING A REFERENCE TO OUR OFFER TO CANCEL OUR MODERNIZATION PROGRAM IF THE SOVIETS ELIMINATE THEIR CORRESPONDING CAPABILITIES, AS I HAVE EXPLAINED ABOVE. HE WILL EMPHASIZE THE US COMMITMENT TO NEGOTIATE IN GOOD FAITH, AND OUR GENUINE DESIRE FOR PROGRESS. THE PRESIDENT , THROUGH HIS PERSONAL ENDORSEMENT OF OUR NEGOTIATING OBJECTIVE, WILL PROVIDE THE BEST POSSIBLE EVIDENCE OF THE SERIOUSNESS WITH WHICH WE EMBARK UPON THIS ENDEAVOR.

/I HAVE

I HAVE ASKED LAWRENCE EAGLEBURGER AND RICHARD BURT TO MAKE THEMSELVES AVAILABLE TO YOU TO LAY OUT IN GREATER DETAIL OUR APPROACH TO NEGOTIATIONS, AND RESPOND TO ANY INQUIRIES YOU MAY HAVE. I TRUST YOU WILL FIND THAT THE CONCLUSIONS WE HAVE REACHED ARE RESPONSIVE TO YOUR VIEWS AND WILL EARN YOUR FULL SUPPORT. THESE NEGOTIATIONS CAN ONLY SUCCEED IF WE HAVE SOLID ALLIANCE BACKING FROM START TO FINISH. NO LESS CRITICAL FOR SUCCESS WILL BE THE CONTINUED STRONG SUPPORT OF THE ALLIES FOR IMPLEMENTATION OF THE MODERNIZATION PROGRAM, WHICH WE MUST ALL MAKE ABSOLUTELY CLEAR CAN BE ALTERED ONLY AS THE RESULT OF A CONCRETE AGREEMENT.

THESE NEGOTIATIONS WILL NO DOUBT TEST OUR RESOLVE AS WELL AS OUR INGENUITY . WITH YOUR SUPPORT I AM SURE THE CHALLENGE WILL BE MET.

SINCERELY
ALEXANDER M HAIG JR

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SIR A ACLAND
MR GILLMORE

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SECRET

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DESKBY 171900Z
FM UKREP BRUSSELS 171710Z NOV 81
TO IMMEDIATE FCO
TELNO 4312 OF 17 NOVEMBER
INFO IMMEDIATE WASHINTON BONN PRIORITY BRUSSELS THE HAGUE ROME
UKDEL NATO

YOUR TELNO 926 (NOT TO ALL): TNF

1. MIFT CONTAINS THE TEXT OF MR HAIG'S LETTER TO YOU DATED 16 NOVEMBER, GIVEN TO YOU IN BRUSSELS TODAY BY EAGLEBURGER.

2. EAGLEBURGER EXPLAINED THAT THE SAME LETTER HAD BEEN GIVEN TO GENSCHER IN BONN AND WAS BEING PASSED TO THE FOREIGN MINISTERS OF ITALY AND THE NETHERLANDS. PRESIDENT REAGAN'S SPEECH TOMORROW WOULD CONTAIN A PASSAGE ON THE SAME THEME, AFTER WHICH THE UNITED STAGES HOPED THAT THERE WOULD BE STATEMENTS OF SUPPORT FROM ITS ALLIES. GENSCHER, AFTER CONSULTING SCHMIDT, HAD TOLD EAGLEBURGER THAT THE FRG COULD ACCEPT AND BACK THE POSITION WHICH THE UNITED STATES WAS NOW TAKING UP.

3. YOU SAID THAT YOU RECOGNISED THE STRONG POLITICAL CASE FOR THE ''ZERO OPTION'' APPROACH, ALTHOUGH THIS COULD LEAD TO DISAPPOINTMENT IF PUBLIC HOPES WERE NOT REALISED. THERE WERE ALSO CERTAIN OBJECTIONS OF STUBSTANCE. EAGLEBURGER SAID THAT THESE POINTS WERE WELL UNDERSTOOD IN WASHINGTON, NOT LEAST BY HAIG. AGAINST THIS, THERE WAS THE RISK OF A DEFEAT FOR THE DECISION TO DEPLOY A NEW LRTNF ON THE NATO SIDE. THE UNITED STATES TOOK THIS RISK SO SERIOUSLY THAT IT HAD DECIDED TO MAKE THE MOVE OUTLINED IN THE PRESIDENT'S LETTER.

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MR GILLMORE

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For Pol

SECRET
FM UKDEL NATO 221515Z OCT 81
TO IMMEDIATE FOREIGN AND COMMONWEALTH OFFICE,
TELEGRAM NUMBER 375 OF 22 OCTOBER 1981,
INFO PRIORITY UKDEL CANCON (FOR PRIVATE SECRETARY), WASHINGTON,
MOSCOW, BONN, PARIS.

BREZHNEV MESSAGE TO PRESIDENT REAGAN.

1. BENNETT (US) INFORMED THE COUNCIL TODAY OF THE MAIN POINTS IN A LETTER FROM BREZHNEV HANDED OVER BY DOBRYNIN IN WASHINGTON ON 16 OCTOBER, IN REPLY TO REAGAN'S LETTER OF 22 SEPTEMBER TO BREZHNEV (TEXT IN UKMIS NEW YORK TELNO 884 TO FCO OF 22 SEPTEMBER).

2. BENNETT SAID THAT BREZHNEV'S LETTER PREDICTABLY REJECTED MANY OF THE CHARGES IN REAGAN'S LETTER, BUT WAS RELATIVELY RESTRAINED IN ITS OVERALL TONE, AND SEEMED INTENDED TO CONVEY MOSCOW'S DESIRE FOR A MORE BUSINESSLIKE RELATIONSHIP WITH THE U S.

3. THE MAIN POINTS OF THE LETTER, AS SET OUT BY BENNETT WERE AS FOLLOWS:
QUOTE.
BREZHNEV ACKOWLEDGES THE PRESIDENT'S EXPRESSION OF INTEREST IN A MORE STABLE AND CONSTRUCTIVE RELATIONSHIP, HIS COMMITMENT TO A U S - SOVIET DIALOGUE, AND HIS SUPPORT FOR ARMS CONTROL. HE ASSERTS, OF COURSE, THAT THESE HAVE ALWAYS BEEN SOVIET GOALS AS WELL.

BREZHNEV CHARACTERIZES THE RESULTS OF THE HAIG/GROMYKO MEETINGS AS POSITIVE QUOTE IN A CERTAIN SENSE UNQUOTE, POINTING TO THE AGREEMENT TO BEGIN NEGOTIATIONS ON QUOTE NUCLEAR ARMS IN EUROPE UNQUOTE AS THE MAIN POSITIVE ELEMENT. HE ARGUES THAT U S AND SOVIET INTERESTS COULD BE ADVANCED BY THE TNF TALKS.

HE ALSO NOTES THAT THE QUOTE MOST IMPORTANT QUESTION UNQUOTE, THE CONTINUATION OF STRATEGIC ARMS NEGOTIATIONS, REMAINS OPEN. THIS MAKES CLEAR THAT, FOR THE SOVIETS, SALT REMAINS A KEY LITMUS TEST OF U S INTEREST IN IMPROVED U S - SOVIET RELATIONS.

BREZHNEV, AS COULD BE EXPECTED, REJECTS PRESIDENT REAGAN'S SUGGESTION THAT SOVIET POLICY IS THE OBSTACLE TO IMPROVED RELATIONS AND REDUCED INTERNATIONAL TENSIONS, AND HE REPEATS THE STANDARD DENUNCIATION OF LINKAGE AS A RECIPE FOR DEADLOCK IN EAST-WEST RELATIONS.

NOTING THAT THE USSR HAS MANY OBJECTIONS TO U S POLICY, BREZHNEV SUGGESTS THAT THE SIDES ESCHEW MUTUAL RECRIMINATIONS AND CURTAIL THE PUBLIC POLEMICS, IN FAVOUR OF A QUOTE QUIET, BUSINESS-LIKE UNQUOTE AND QUOTE RESPECTFUL UNQUOTE DIALOGUE.

BREZHNEV GOES ON AT LENGTH IN DECRYING THE QUOTE DOUBLE STANDARD UNQUOTE WHICH HE ALLEGES UNDERLIES OUR CALL FOR RESTRAINT AND MUTUAL RESPECT OF EACH OTHER'S INTERESTS.

HE QUESTIONS WHETHER U S INTERESTS ARE SERIOUSLY THREATENED BY CUBA'S ACTIONS OR BY VIETNAM'S OCCUPATION OF KAMPUCHEA. BUT HE DOES NOT, INTERESTINGLY, DISPUTE THE PRESIDENT'S WARNING OF THE THREAT TO EAST-WEST RELATIONS OF POSSIBLE SOVIET INTERVENTION IN POLAND (RESPONDING, INSTEAD, WITH SILENCE). THE LETTER, IN GENERAL, REFLECTS A CERTAIN SOVIET DEFENSIVENESS OVER CUBA.

HE TRIES TO TURN OUR LOGIC OF RESTRAINT BACK ON US BY REPEATING THE SOVIET GOVERNMENT'S PROPAGANDISTIC CHARGE THAT PURPORTED U S QUOTE PRESSURE UNQUOTE ON EGYPT IS A DIRECT THREAT TO SOVIET INTERESTS.

BREZHNEV QUESTIONS HOW THE PRESIDENT'S STRATEGIC FORCE MODERNIZATION DECISIONS SQUARE WITH OUR CALLS FOR RESTRAINT, AND THREATENS THAT MOSCOW WILL RESPOND TO U S PROGRAMS.

BREZHNEV ALSO TAKES GREAT PAINS TO CONVINCE US THAT THE USSR DOES NOT BELIEVE THAT NUCLEAR WAR IS WINNABLE, POINTING TO HIS OWN PUBLIC STATEMENTS ON THIS SCORE, AND TO THE SOVIET GOVERNMENT'S EFFORTS TO EDUCATE THE SOVIET PEOPLE IN THIS SPIRIT.

WHILE AVOWING THE SOVIET COMMITMENT TO NEGOTIATED SOLUTIONS OF REGIONAL CONFLICTS, BREZHNEV OFFERS ONLY THE AFGHAN GOVERNMENT'S WARMED-OVER PROPOSALS BY WAY OF EXAMPLE.
UNQUOTE.

4. BENNETT SUMMED UP BY SAYING THAT BREZHNEV'S RESPONSE COULD ONLY BE DESCRIBED AS MIXED. WHILE THE SOVIETS SEEMED TO HAVE UNDERSTOOD THE PRESIDENT'S MESSAGE THAT THE UNITED STATES WAS SINCERELY INTERESTED IN A MORE STABLE AND CONSTRUCTIVE US-SOVIET RELATIONSHIP, THEY WERE INSISTING, AS A MATTER OF PRINCIPLE, THAT THEY WOULD NOT FUNDAMENTALLY ALTER THEIR BEHAVIOUR TO OBTAIN IMPROVED TIES. THIS LINE WAS, OR COURSE, TO BE EXPECTED. BUT AS HAIG MADE CLEAR TO GROMYKO, THEY WERE NOT LOOKING TO HUMILIATE THE SOVIET UNION, BUT WERE SEEKING RESTRAINT IN ITS FOREIGN POLICY. THEY WERE LOOKING FOR SPECIFIC PROGRESS ON SPECIFIC PROBLEMS. THEY HAD AN AGENDA AND THE SOVIETS KNEW WHAT IT WAS. THE REAT TEST OF SOVIET READINESS TO WORK FOR IMPROVED RELATIONS WOULD BE IN SOVIET ACTIONS, NOT WORDS, ON THAT AGENDA OVER THE COMING MONTHS.

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SECRET
BURNING BUSH
DESKBY 231800Z
FM FCO 231530Z SEP 81
TO IMMEDIATE UKMIS NEW YORK
TELEGRAM NUMBER 558 OF 23 SEPTEMBER
INFO IMMEDIATE UKDEL NATO,
INFO PRIORITY WASHINGTON, PARIS, BONN, MOSCOW.

FOR PRIVATE SECRETARY FROM APS
YOUR TELNOS 883 AND 884: REAGAN'S MESSAGE TO BREZHNEV
1. WE HAVE BEEN CONSIDERING REAGAN'S LETTER IN THE LIGHT OF US REQUESTS FOR SUPPORTING ACTION BY THE ALLIES, MOST RECENTLY REPEATED BY EAGLEBURGER IN THE NATO COUNCIL ON 16 SEPTEMBER AND BY STREATOR IN HIS LETTER OF 22 SEPTEMBER CONVEYING THE TEXT OF REAGAN'S LETTER TO YOU HERE.
2. THE LETTER IS A SKILFULLY BALANCED PRESENTATION OF US READINESS TO BEGIN A CONSTRUCTIVE DIALOGUE WITH THE SOVIET UNION COMBINED WITH A CALL FOR SOVIET ACCEPTANCE OF THE NEED FOR MORE RESPONSIBLE INTERNATIONAL BEHAVIOUR. THE FORCEFUL STATEMENT OF THE MAIN REASONS FOR INSTABILITY IN INTERNATIONAL RELATIONS IS PREFACED BY AN EXPRESSION OF INTEREST IN CONSTRUCTIVE US/SOVIET RELATIONS AND THE SAME THEME IS REPEATED IN THE TWO CONCLUDING PARAGRAPHS. BILATERAL ISSUES, NOTABLY ARMS CONTROL NEGOTIATIONS, ARE PRESENTED IN A POSITIVE LIGHT WITH THE EMPHASIS ON GENUINE REDUCTIONS. MULTILATERAL ISSUES CONTAIN WHAT THE RUSSIANS WILL SEE AS MAXIMALIST DEMANDS ON AFGHANISTAN AND CAMBODIA. BUT LINKAGE IS IMPLIED RATHER THAN STATED. NO PRECONDITIONS ARE SET FOR A BEGINNING TO THE SEARCH

FOR BETTER US/SOVIET RELATIONS AND THE MESSAGE ENDS WITH A COMMITMENT AT THE HIGHEST LEVEL TO DISCUSSIONS ON THE WHOLE RANGE OF BILATERAL AND MULTILATERAL ISSUES.

3. WHILE TOUGH IN SUBSTANCE, THE RUSSIANS ARE LIKELY TO REGARD THIS MESSAGE AS MORE CONSTRUCTIVE THAN ANY WHICH THE US ADMINISTRATION HAS YET SENT THEM. IT IS CLEARLY INSPIRED BY THE SAME LINE OF THOUGHT AS THAT IN HAIG'S RECENT SPEECHES.

4. THERE IS NOTHING IN THE LETTER WHICH WE COULD NOT SUPPORT. ITS MAIN THEMES ARE THOSE WHICH WE HAVE BEEN EMPHASISING FOR SOME TIME.

5. AS FOR SUPPORTING ACTION, THE SECRETARY OF STATE'S GENERAL ASSEMBLY SPEECH HAS ALREADY GIVEN GOOD EXPOSURE TO OUR ROLE AS EC PRESIDENCY, AND THE SPEECH ITSELF IS CONSISTENT WITH THE REAGAN LINE. IT WOULD BE POSSIBLE TO STAND PAT ON THAT. SOME ALLIES MIGHT INDEED ARGUE THAT THERE IS LITTLE REASON TO LAUNCH A MAJOR HIGH LEVEL MESSAGE WRITING EXERCISE FROM EUROPE AT THIS JUNCTURE OTHER THAN THAT OF RESPONDING TO THE US REQUEST FOR SUPPORT. IF, HOWEVER, IT IS DECIDED THAT SUPPORTING ACTION WOULD ON BALANCE BE APPROPRIATE, NOT LEAST BECAUSE IT COULD BE HELPFUL IN THE POLISH CONTEXT (MOSCOW TELNO 587 NOT TO ALL) THERE ARE THREE ALTERNATIVES, EACH OF WHICH HAS PROCEDURAL AND PRACTICAL DIFFICULTIES.

6. SUPPORTING LETTERS COULD TAKE THE FORM OF

A) COORDINATED MESSAGES FROM ALL MEMBERS OF NATO:

B) MESSAGES BY INDIVIDUAL HEADS OF STATE OR GOVERNMENT:

C) A MESSAGE FROM UK ON BEHALF OF THE TEN.

7. THE MAIN POINT OF THIS EXERCISE IS TO DEMONSTRATE SUPPORT FOR THE AMERICANS AND UNITY VIS-A-VIS THE RUSSIANS. IT WOULD BE PREFERABLE IF ALL OR AT LEAST MOST OF EITHER THE TEN OR NATO WERE TO SEND MESSAGES. WHILE IT SHOULD ONLY BE NECESSARY TO COORDINATE THEMES IN NATO A COMMON TEXT WOULD HAVE TO BE AGREED BY THE TEN. WE THINK IT UNLIKELY THAT THE FRENC WOULD AGREE TO SEND A LETTER ON THEIR OWN ACCOUNT NOW THAT THE AMERICANS HAVE PUBLICISED THEIRS. WHAT, HOWEVER, WE SHOULD AVOID AT ALL COSTS IS THE UK ACTING ALONE OR WITH SUPPORT ONLY OF A FEW MINOR NATO PARTNERS. IF AFTER DISCUS-

SIONS IN THE ALLIANCE SOME BUT NOT ALL MEMBERS DECIDED TO SEND LETTERS, THE AMERICANS WOULD HAVE BEEN TREATED TO A DISPLAY OF QUALIFIED SUPPORT AND DIVISIONS BETWEEN THE ALLIES WOULD PROBABLY BECOME PUBLIC KNOWLEDGE.

8. THE FRENCH MIGHT, HOWEVER, AGREE TO A MESSAGE FROM THE TEN WHICH WOULD IN ANY CASE HAVE GREATER WEIGHT THAN A SERIES OF SEPARATE MESSAGES. A PRESIDENCY MESSAGE ON THE WIDE RANGE OF SUBJECTS COVERED IN THE REAGAN LETTER WOULD BE A USEFUL DEMONSTRATION OF POCO IN ACTION. BUT IT WILL BY NO MEANS BE EASY TO AGREE A TEXT WITHIN THE TEN, AND TO MEET IRISH SUSCEPTIBILITIES THE TEN MESSAGE WOULD PROBABLY HAVE TO CONCENTRATE ON POLITICAL (AFGHANISTAN, CAMBODIA, CSCE, ETC) RATHER THAN POLITICO-MILITARY ISSUES. A LETTER ON BEHALF OF THE TEN WOULD NOT NECESSARILY PRECLUDE OTHER NON-TEN MEMBERS OF NATO SENDING BROADLY SIMILAR MESSAGES IF THEY SO WISHED.

9. OUR INCLINATION IS THEREFORE TO GO FOR A MESSAGE FROM THE TEN. FOLLOWING LAST NIGHT'S DINNER YOU MAY HAVE MORE UP TO DATE IMPRESSIONS OF THE LIKELIHOOD OF THE TEN AGREEING. THE SUBJECT MAY ALSO COME UP AT THIS EVENING'S DINNER OF FOREIGN MINISTERS.

10. THIS TELEGRAM AND TEXT OF REAGAN'S MESSAGE ARE BEING COPIED TO NUMBER TEN. WHEN WE HAVE THE SECRETARY OF STATE'S VIEWS ON THE ABOVE, WE SHALL PREPARE RECOMMENDATIONS FOR THE PRIME MINISTER.

CARRINGTON

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PS/LPS
PS/PUS
PS/LORD TREFGARNE
MR GILLMORE
MR FERGUSSON

SECRET

GR 950
SECRET
FM UKMIS NEW YORK 221334Z SEP 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 884 OF 22 OF SEPTEMBER 1981
INFO IMMEDIATE MOSCOW PRIORITY BONN, PARIS, UKDEL NATO.

MIPT
1. FOLLOWING IS TEXT OF MESSAGE. (from Pres Reagan to Mr. Brezhnev)

AS WE BEGIN THE FALL SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY AND APPROACH THE MEETINGS BETWEEN OUR FOREIGN MINISTERS, I THOUGHT IT WOULD BE USEFUL FOR ME TO DESCRIBE TO YOU SOME OF MY THOUGHTS ON THE FUTURE DIRECTION OF U.S.-SOVIET RELATIONS.

LET ME SAY AT THE OUTSET THAT THE UNITED STATES IS VITALLY INTERESTED IN THE PEACEFUL RESOLUTION OF INTERNATIONAL TENSIONS AND IN A MORE CONSTRUCTIVE AND STABLE RELATIONSHIP WITH YOUR COUNTRY. I AM OF COURSE CONCERNED BY THE SITUATION IN POLAND, AS I AM SURE YOU ARE. IT IS A SITUATION WHICH CAN ONLY BE DEALT WITH BY THE POLES THEMSELVES. ANY OTHER APPROACH WOULD HAVE SERIOUS CONSEQUENCES FOR US ALL. BUT THE UNITED STATES COMMITMENT TO PEACEFUL RESOLUTION OF TENSIONS EXTENDS FAR BEYOND POLAND. WE HAVE REPEATEDLY DEMONSTRATED OUR WILLINGNESS TO SETTLE DISAGREEMENTS BY NEGOTIATIONS AND TO OBSERVE SCRUPULOUSLY OUR INTENATIONAL COMMITMENTS.

I BELIEVE, HOWEVER, THAT A GREAT DEAL OF THE PRESENT TENSION IN THE WORLD IS DUE TO ACTIONS BY THE SOVIET GOVERNMENT. AS WE AND OUR ALLIES HAVE REPEATEDLY STATED, TWO ASPECTS OF SOVIET BEHAVIOR ARE OF PARTICULAR CONCERN TO US:

--FIRST, THE SOVIET UNION'S PURSUIT OF UNILATERAL ADVANTAGE IN VARIOUS PARTS OF THE GLOBE AND ITS REPEATED RESORT TO THE DIRECT AND INDIRECT USE OF FORCE IN REGIONAL CONFLICTS. THE ROLE OF CUBA IN AFRICA AND LATIN AMERICA IS PARTICULARLY DISTURBING AND UNACCEPTABLE TO US.

--SECOND, THE USSR'S UNREMITTING AND COMPREHENSIVE MILITARY BUILDUP OVER THE PAST 15 YEARS, A BUILDUP WHICH IN OUR VIEW FAR EXCEEDS PURELY DEFENSIVE REQUIREMENTS AND CARRIES DISTURBING IMPLICATIONS OF A SEARCH FOR MILITARY SUPERIORITY.

DESPITE THESE TRENDS, WE ARE COMMITTED TO A DIALOGUE WITH THE SOVIET UNION. WE ARE DEEPLY CONCERNED OVER THE THREAT TO MANKIND IN THE AGE OF NUCLEAR WEAPONS. I HAVE STATED PUBLICLY THAT THE UNITED STATES IS READY TO ENGAGE IN DISCUSSIONS WITH THE USSR THAT WOULD LEAD TO GENUINE ARMS REDUCTIONS. THE EXISTING STOCKPILES OF THESE WEAPONS AND ONGOING PROGRAMS ARE SUCH THAT ONLY A SERIOUS EFFORT AT ARMS REDUCTIONS WOULD CONTRIBUTE TO THE OBJECTIVE WHICH WE BOTH SHARE, NAMELY, LIFTING THE THREAT OF NUCLEAR ANNIHILATION WHICH HANGS OVER MANKIND.

SECRET / WHILE

WHILE THE UNITED STATES IS COMMITTED TO A STABLE AND PEACEFUL WORLD, IT WILL NEVER ACCEPT A POSITION OF STRATEGIC DISADVANTAGE. BECAUSE THE SOVIET UNION HAS, OVER THE PAST YEARS, EMBARKED ON A MAJOR PROGRAM TO IMPROVE ITS STRATEGIC FORCES, THE UNITED STATES MUST ALSO UPGRADE ITS FORCES. WE HAVE NO DESIRE TO TAX OUR SOCIETIES WITH A COSTLY, BURDENSOME, AND DANGEROUS BUILD-UP OF ARMAMENTS. THE UNITED STATES, HOWEVER, WILL INVEST WHATEVER IS NEEDED TO MAINTAIN A SECURE STRATEGIC POSTURE.

THE MEETINGS THIS MONTH BETWEEN OUR FOREIGN MINISTERS WILL, I ASSUME, SET THE TIME AND PLACE FOR NEGOTIATIONS BETWEEN OUR TWO COUNTRIES ON WHAT WE TERM ''THEATER NUCLEAR FORCES.'' WE ARE DEEPLY COMMITTED TO ACHIEVING A MILITARY BALANCE IN THIS AREA -- A BALANCE WHICH HAS BEEN UPSET BY THE UNPRECEDENTED BUILDUP OF MILITARY FORCES BY YOUR COUNTRY IN RECENT YEARS, ESPECIALLY THE DEPLOYMENT OF THE SS-20 MISSILES. FURTHERMORE, AS WE HAVE STATED AT THE MADRID MEETING OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE, WE ARE PREPARED TO PARTICIPATE IN NEGOTIATIONS TO FASHION A COHERENT SYSTEM OF COMMITMENTS ON EUROPEAN SECURITY THAT ARE VERIFIABLE AND MILITARILY SIGNIFICANT.

WITH OUR ALLIES AND OTHER CONCERNED NATIONS, THE UNITED STATES IS WILLING TO PURSUE NEGOTIATED SOLUTIONS TO THE PROBLEMS THAT THREATEN WORLD PEACE, INCLUDING THE PRESENCE OF OCCUPATION FORCES IN AFGHANISTAN AND KAMPUCHEA. SOVIET READINESS TO RESOLVE THE AFGHANISTAN PROBLEM ON THE BASIS OF A PROMPT WITHDRAWAL WOULD GO FAR TOWARD RESTORING THE INTERNATIONAL CONFIDENCE AND TRUST NECESSARY FOR THE IMPROVEMENT OF EAST-WEST RELATAIONS. THE VIETNAMESE INVASION AND OCCUPATION OF KAMPUCHEA HAS EARNED WIDESPREAD CONDEMNATION FROM THE INTERNATIONAL COMMUNITY AS A BREACH OF ACCEPTED NORMS OF CONDUCT AND A THREAT TO PEACE. I CALL ON YOUR GOVERNMENT TO EXERT ITS INFLUENCE OVER THE GOVERNMENT OF VIETNAM TO WITHDRAW ITS TROOPS FROM KAPUCHEA.

IN SUM, THE UNITED STATES IS MORE INTERESTED IN ACTIONS WHICH FURTHER THE CAUSE OF WORLD PEACE THAN IN WORDS. WE ARE FULLY COMMITTED TO SOLVING OUTSTANDING DIFFERENCES BY PEACEFUL MEANS, BUT WE ARE NOT WILLING TO ACCEPT DOUBLE STANDARDS OF INTERNATIONAL BEHAVIOR. WORDS AND PUBLIC STATEMENTS ARE, HOWEVER, IMPORTANT. A MAJOR CONTRIBUTION TO THE REDUCTION OF WORLD TENSIONS WOULD BE FOR YOUR COURTRY TO CURB THE ESCALATING CAMPAIGN OF ANTI-AMERICANISM AND DISINFORMATION BOTH INSIDE THE SOVIET UNION AND ABROAD, A CAMPAIGN WHICH ONLY SERVES TO POISON THE POLITICAL ATMOSPHERE.

 / MR.PRESIDENT

MR. PRESIDENT, MY COUNTRY STANDS READY TO BEGIN THE SEARCH FOR A BETTER U.S.-SOVIET RELATIONSHIP. WE ARE PREPARED TO DISCUSS WITH THE SOVIET UNION THE FULL RANGE OF ISSUES WHICH DIVIDE US, TO SEEK SIGNIFICANT, VERIFIABLE REDUCTIONS IN NUCLEAR WEAPONS, TO EXPAND TRADE, AND TO INCREASE CONTACTS AT ALL LEVELS OF OUR SOCIETIES. I AM HOPEFUL THAT THE MEETINGS BETWEEN SECRETARY OF STATE HAIG AND FOREIGN MINISTER GROMYKO WILL START A PROCESS LEADING TOWARD SUCH A RELATIONSHIP.

FOR SUCH A PROCESS TO BEAR FRUIT, YOUR COUNTRY MUST UNDERSTAND THE NEED FOR GREATER RESTRAINT IN THE INTERNATIONAL ARENA. AT THE SAME TIME, LET ME ADD THAT THE UNITED STATES IS FULLY PREPARED TO TAKE YOUR INTERESTS INTO ACCOUNT, IF YOU ARE PREPARED TO DO THE SAME WITH OURS. IF WE CAN SUCCEED IN ESTABLISHING A FRAMEWORK OF MUTUAL RESPECT FOR EACH OTHER'S INTERESTS AND MUTUAL RESTRAINT IN THE RESOLUTION OF INTERNATIONAL CRISES, I THINK WE WILL HAVE CREATED A MUCH MORE SOLID AND ENDURING BASIS FOR U.S.-SOVIET RELATIONS THAN WE HAVE EVER HAD BEFORE.

PARSONS

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PS/PUS
MR BULLARD
SIR A ACLAND
MR DAY
MR GOODISON
MR FERGUSSON
MR GILLMORE

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MR ALEXANDER 10 DOWNING ST

For Policy
Subject filed on France
Pt 3: Visit of Mitterrand

Extract NFR. PM/Mitterrand 'tête à tête' 10.9.81

solid. Latterly its attitude had seemed, if anything, to become harder. It had given new commitments to the Soviet Government. So long as it continued to resist Solidarity, military intervention was not a real possibility. This was a harsh paradox. The Prime Minister commented that the Party still seemed to be in charge but Solidarity had been suggesting that the Party was not representative of the Polish people. President Mitterrand agreed but added that the Party still held the levers of power. It might, of course, have already been more undermined than he knew. If it were to collapse, that would be the moment when an adventure might take place. It would be the alarm signal. If Solidarity's bold appeal to workers in other East European countries had not triggered Soviet intervention, it was because the Russians still thought the Communist Party had a stranglehold on the situation. He did not want the Party to grow stronger. That was the dilemma.

The Prime Minister said that it was a very ironic situation. Meanwhile, the economy declined and the West kept pouring in money and food. Perhaps before more was done, there should be an examination of Poland's long-term prospects and of the consequences of giving more aid. President Mitterrand agreed that the right moment had come to do this. We could not refuse Poland the means of survival. But we might end by giving the Soviet system nourishment. One should not exaggerate but there were obvious contradictions in the situation.

The Soviet hesitations about intervening in Poland also owed something, President Mitterrand considered, to Moscow's doubts about the international situation. They were still concerned about the situation in Afghanistan. They were holding forces in reserve because of the confused position in Iran. They were anxious to open arms control negotiations with the West. All these preoccupations would be greatly complicated by an invasion of Poland. Moreover, the Soviet economy was in a worse position than those of Western countries.

The West should engage in a more precise examination of the reality of the East/West military balance. We needed to know how far to push our re-armament. President Mitterrand said that

 / he approved

he approved the American intention to modernise their defences and to re-establish the military balance. But to what degree? In both Luxembourg and Ottawa there had been a lack of precision in our analyses. He had been conscious of the same lack of precision in a long discussion he had recently had with Herr Brandt. He (President Mitterrand) was not simply the partisan of war and Herr Brandt that of peace. Nor was he the partisan of re-armament and Herr Brandt of negotiation. It had emerged like this because the analysis was inexact. He was due to discuss all these matters with the Bureau of the International Socialist Movement on 25 September. Chancellor Schmidt would be doing the same on 8 October. He was anxious that the Prime Minister should be kept in the picture about this evolving discussion.

The Prime Minister said she would be very grateful if President Mitterrand could do this. She was much preoccupied with the attitude of certain members of the SPD. President Mitterrand said that the evolution of West German opinion was one of the principal uncertainties in Europe today. One leading member of the SPD had said to him recently that the Russians were more in favour of rearmament than was the United States. Another had said it was better to be red than dead. It was important to bear in mind the Germans' particular position. They had no nuclear weapons. Their country was full of arms and explosives. They did not wish to be a battlefield. This was a subject which would have to be dealt with. The Prime Minister commented that the Russian propagandists had been very active. The arguments of the West had not been advanced with sufficient vigour. President Mitterrand said that the West's willingness to negotiate once our defence capability had been updated was an important element in our propaganda. We must of course be certain that the military situation was in balance or even that we were stronger than the other side. But, that said, we should never refuse negotiations. To refuse negotiations was to play into Soviet hands. The Prime Minister said that she fully agreed.

President Mitterrand said that he had been very happy with his talk with the Prime Minister. A good start had been made.

/ The two partners

CONFIDENTIAL

The two partners were advancing. The process must continue but with more precision. The members of the two Governments should now continue to explore the various fields with a view to taking rapid decisions in the Community. The Prime Minister agreed.

The meeting ended at 1800 hours.

11 September 1981

CONFIDENTIAL

USA 6

Foreign and Commonwealth Office

London SW1A 2AH

1 September 1981

Dear Michael,

Message from Mr Haig about East-West Relations

// I enclose copies of FCO telnos 1279 and 1280 to Washington about a message from Secretary Haig to Lord Carrington about East-West relations, together with
/ a copy of Lord Carrington's reply.

Yours ever,

(B J P Fall)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

Mr. Rusk

(2)

10 DOWNING STREET

Prime Minister.

I am not sure that Mr Haig's ideas will cut much ice. Western 'propaganda' initiatives can never, in the nature of things, be as well co-ordinated as those of the Soviet Union. It is our results - economic, technological etc - which impress. Nevertheless it is good to see the US Administration trying to give a lead. We should certainly back them.

Rusk

GR 290
DEDIP SECRET

SECRET

BURNING BUSH

FM F C O 291557Z AUG 81

TO PRIORITY WASHINGTON

TELEGRAM NUMBER 1279 OF 29 AUGUST

INFO PRIORITY PARIS, BONN, UKDEL NATO

MESSAGE FROM SECRETARY HAIG : EAST/WEST RELATIONS.

M.I.F.T. CONTAINS THE TEXT OF A MESSAGE DELIVERED BY U.S. EMBASSY YESTERDAY AFTERNOON FRIDAY 28 AUGUST, DATED THAT DAY, CALLING FOR A REPLY BY 1 SEPTEMBER. FERGUSSON ASKED U.S. MINISTER TO EXPLAIN THE DIFFICULTY OF MEETING THIS DEADLINE OVER THE AUGUST BANK HOLIDAY WEEKEND (STREATOR SUMMISED THAT THAT DATE HAD BEEN PUT IN THE DRAFT MESSAGE SOMETIME AGO AND HAD NOT SUBSEQUENTLY BEEN NOTICED) AND HAS ALSO SUGGESTED (TELEPHONE CONVERSATIONS FERGUSSON/PETRIE AND FERGUSSON/TAYLOR) THAT FRENCH AND FRG POLITICAL DIRECTORS MIGHT WISH TO CONSIDER A MORE MEASURED TIMETABLE FOR RESPONDING. WE MAY BE ABLE TO GIVE U.S. A PRELIMARY INDICATION OF OUR REACTIONS IN THE COURSE OF NEXT WEEK, BUT WE SHOULD NOT EXCLUDE THE POSSIBILITY THAT LETTER COULD BE DISCUSSED BY THE THREE DURING THE INFORMAL EC FOREIGN MINISTERS' MEETING AT BROCKET HALL NEXT WEEKEND.

2. FOR YOUR OWN INFORMATION, OFFICIALS' INITIAL REACTION TO THE SUGGESTION OF COORDINATED HIGH-LEVEL MESSAGES BY THE SEVEN IS CAUTIOUSLY WELCOMING: THE CONFERENCE PROPOSAL, HOWEVER, HAS POTENTIALLY SENSITIVE IMPLICATIONS FOR THE COMMUNITY (ENLARGEMENT, TURKEY ETC.) AND FOR THE U.K. ITSELF (NATIONALITY, VISAS, IMMIGRATION POLICY ETC.) AS WELL AS FOR OUR NEGOTIATING STANCE AT MADRID. THE PROPOSAL WILL NEED TO BE LOOKED AT VERY CAREFULLY. IT WOULD BE HELPFUL IF WASHINGTON COULD GIVE A FULLER INDICATION OF STATE DEPARTMENT THINKING ON BOTH PROPOSALS, AND IF PARIS AND BONN COULD REPORT ON ANY PRELIMINARY REACTIONS, ON SUBSTANCE AND ON THE TIMING OF REPLIES.

3. AS FOR THE SUGGESTION OF A REINFORCED NAC MEETING, IF THIS WERE TO PROMISE AN OPPORTUNITY FOR FULLER U.S. CONSULTATION OF THE ALLIANCE IN ADVANCE OF THE HAIG/GROMYKO MEETINGS, WE SHOULD BE INCLINED TO WELCOME IT, ASSUMING THAT DATES CAN BE FOUND. BUT WILL BE HARD FOR US TO MATCH EAGLEBURGER'S ATTENDANCE, WITH POLITICAL COMMITTEE MEETING IN LONDON ON 8/9 SEPTEMBER, ANGLO-FRENCH SUMMIT ON 10/11 SEPTEMBER AND A POLITICAL COOPERATION MINISTERIAL DURING THE FOREIGN AFFAIRS COUNCIL ON 14/15 SEPTEMBER. THE FOUR POLITICAL DIRECTORS ARE MEETING IN WASHINGTON ON 18 NOVEMBER.

CARRINGTON

LIMITED	PS	MR GILLMORE
HD/PLANNING STAFF	PS/LPS	SIR J GRAHAM
HD/EESD	PS/PUS	
HD/WED	MR BULLARD	
HD/ECD(E)	MR FERGUSSON	SECRET

GR 900 SECRET

D E D I P

SECRET
BURNING BUSH
FM F C O 291545Z AUG 81
TO PRIORITY WASHINGTON
TELEGRAM NUMBER 1280 OF 29 AUGUST.
INFO PRIORITY PARIS BONN UKDEL NATO.

M I P T.
FOLLOWING IS TEXT OF MESSAGE FROM SECRETARY HAIG.

BEGINS.

DEAR PETER,

YOU AND I HAVE DISCUSSED THE PRESSING NEED TO DO A MUCH BETTER JOB OF PROMOTING OUR POLICIES AND COUNTERING SOVIET PROPOGANDA. I ALSO HAVE DISCUSSED THIS WITH HANS-DIETRICH AND CLAUDE. I WANT TO SHARE WITH YOU HERE SOME SUGGESTIONS ABOUT LAUNCHING A MAJOR EFFORT. IN MY VIEW, THE STRONG POLITICAL DECLARATION ADOPTED BY THE SEVEN HEADS OF STATE AND GOVERNMENT AT THE OTTAWA SUMMIT PROVIDES AN EXCELLENT BEGINNING FOR THE KIND OF BROAD-GAUGED EFFORT WHICH WE NEED TO UNDERTAKE.

TO TAKE THE INITIATIVE, WE NEED BOTH TO EDUCATE AND TO INSPIRE. WE MUST BE CANDID ABOUT THE SOVIET THREAT, AND GO ON THE POLITICAL OFFENSIVE WITH POSITIVE WESTERN PROPOSALS. TO TURN AROUND A SOMEWHAT DEFENSIVE AND RESPONSIVE WESTERN POSTURE, WE NEED TO PURSUE THE SAME COMBINATION OF PRESSURE AND PROMISE WHICH THE SOVIETS HAVE DEVELOPED TO SUCH A FINE ART.

WE ALREADY HAVE UNDERTAKEN THIS COMBINATION OF STEPS IN A NUMBER OF MAJOR AREAS : AFGHANISTAN, CSCE/CDE AND TNF. OUR EFFORTS TO FOCUS PUBLIC ATTENTION ON WESTERN INITIATIVES AND POLICIES IN EACH OF THESE AREAS, AND TO EDUCATE OUR PEOPLE ABOUT SOVIET INTRANSIGENCE AND THREATS, MUST BE CONTINUED AND INTENSIFIED. IN ADDITION, TO HELP ON THE EDUCATIONAL SIDE, WE INTEND TO MAKE PUBLIC A NUMBER OF STUDIES ON THE SOVIET MILITARY THREAT, SOVIET COVERT ACTIVITY, AND ACTIVITIES OF SOVIET PROXIES AND SURROGATES IN THE DEVELOPING WORLD.

AS ESSENTIAL AS THESE EXISTING PROGRAMS ARE, THEY WILL NOT BE SUFFICIENT BY THEMSELVES TO INFUSE OUR PUBLICS WITH A NEW SENSE OF PURPOSE AND CONFIDENCE. OUR PUBLICS OF COURSE DIFFER, AND WE WILL EACH NEED TO SHAPE OUR EFFORT SO AS TO MAKE IT MOST EFFECTIVE AT HOME. AND THIS MUST BE A CONTINUING PROCESS. BUT I HAVE TWO SUGGESTIONS FOR PARALLEL ACTIONS FOR THE NEAR-TERM.

I PROPOSE WE CONSIDER RECOMMENDING THAT THE SEVEN HEADS OF STATE AND GOVERNMENT WHO MET AT OTTAWA SEND PRIVATE LETTERS TO BREZHNEV, WITH THE UNDERSTANDING THAT THE BROAD THEMES ADDRESSED IN THE LETTERS WOULD BE MADE PUBLIC. LOOKING TOWARD THE UNGA, THE LETTERS WOULD STRESS THAT THE INDUSTRIAL DEMOCRACIES DESIRE A CONSTRUCTIVE RELATIONSHIP WITH THE SOVIET UNION AND A REDUCTIONS OF THE INTERNATIONAL TENSIONS WHICH ARE SO PROMINENT TODAY. THEY WOULD REITERATE THAT WE ARE PREPARED TO TAKE APPROPRIATE STEPS TO MEET LEGITIMATE SOVIET CONCERNS, BUT THAT PROGRESS IN EAST-WEST RELATIONS DEPENDS UPON THE WILLINGNESS OF THE U S S R TO EXERCISE GREATER RESTRAINT IN ITS INTERNATIONAL BEHAVIOUR.

SPECIFICALLY, WE WOULD MAKE CLEAR THAT THE SOVIET UNION MUST RESTRAIN AN ARMS BUILD-UP WHICH HAS ALREADY GONE FAR BEYOND REQUIREMENTS FOR LEGITIMATE SELF DEFENCE, AND DEMONSTRATE GENUINE SERIOUSNESS ABOUT ARMS CONTROL. EQUALLY IMPORTANT WOULD BE A SOVIET DECISION TO ENTER INTO SERIOUS NEGOTIATIONS TO ADDRESS GEOPOLITICAL PROBLEMS WHICH THREATEN PEACE AROUND THE WORLD, INCLUDING THE PRESENCE OF FOREIGN TROOPS IN AFGHANISTAN AND KAMPUCHEA, AND TO TAKE STEPS TO CEASE EXTERNAL STIMULATION OF VIOLENCE AND INSTABILITY IN AFRICA, CENTRAL AMERICA AND ELSEWHERE. THE LETTERS WOULD STATE THAT THE WEST IS READY TO SEEK SOLUTIONS TO THESE PROBLEMS BUT THAT THE U S S R MUST NOW DECIDE WHETHER IT IS WILLING TO PARTICIPATE IN BUILDING A MORE RESTRAINED AND HUMANE INTERNATIONAL COMMUNITY.

THE SOVIETS HAVE USED SUCH HIGH-LEVEL LETTERS CONTINUALLY AND OFTEN TO GOOD EFFECT. TAKING THE INITIATIVE TO SEND LETTERS FROM WESTERN LEADERS WOULD PROVIDE BOTH THE SOVIETS AND OUR PUBLICS WITH A HIGH PROFILE DEMONSTRATION OF OUR APPROACH, INVITING AND CHALLENGING THE SOVIETS TO JOIN IN AN EFFORT TO SET EAST-WEST RELATIONS ON A MORE CONSTRUCTIVE AND DURABLE BASIS.

MY OTHER SUGGESTION IS THAT WE FIND WAYS TO FOCUS MUCH GREATER ATTENTION ON WESTERN VALUES. WE HAVE FOR TOO LONG PERMITTED THE SOVIET UNION TO PORTRAY ITSELF AS REVOLUTIONARY AND PROGRESSIVE, WHEN WE ARE THE MOST INNOVATIVE AND GENUINELY PROGRESSIVE SOCIETIES. WE MUST DEMONSTRATE HOW THE WESTERN VALUES OF INDIVIDUAL FREEDOM AND INITIATIVE MEET MATERIAL AND SPIRITUAL NEEDS BETTER THAN TOTALITARIAN REGIMES. AND WE MUST TRANSLATE THESE VALUES INTO SPECIFIC PROPOSALS IN THE INTERNATIONAL ARENA WHICH COULD HELP CREATE A BETTER WORLD.

/THIS

THIS WILL BE THE OVERALL THEME OF A SPEECH I AM GIVING IN BERLIN NEXT MONTH. I AM CONSIDERING FLOATING A GENERAL IDEA TO HELP ELIMINATE THE HUMAN DIVISIONS ON THE EUROPEAN CONTINENT. I MIGHT SUGGEST THAT AT AN APPROPRIATE STAGE A CONFERENCE BE HELD AS PART OF THE CSCE PROCESS TO EXAMINE THE LIMITATIONS ON FREEDOM OF MOVEMENT IN EUROPE, AND TO PROPOSE MEANS OF DEALING WITH THEM. THIS WOULD COMPLEMENT OUR EXISTING PROPOSAL FOR A CONFERENCE ON DISARMAMENT, BUT WOULD NOT BE LINKED TO IT OR TO THIS STAGE OF CSCE, AND TIMING WOULD BE PURPOSEFULLY QUOTE IN THE FUTURE UNQUOTE IN ORDER NOT TO COMPLICATE OUR MADRID STRATEGY. YOU MAY HAVE ADDITIONAL SUGGESTIONS ON WAYS TO EMPHASIZE FREEDOM.

I WOULD WELCOME YOUR VIEWS ON THIS GENERAL APPROACH, AND PARTICULARLY YOUR REACTION OT THE SUGGESTIONS FOR LETTERS TO BREZHENEV. CLEARLY WE HAVE LIMITED TIME IF THIS IS TO BE DONE BEFORE OUR MEETINGS WITH GROMYKO AT THE UNGA. I ALSO HAVE WRITTEN TO HANS DIETRICH AND CLAUDE.

IF I CAN HEAR FROM EACH OF YOU BY SEPTEMBER 1ST, I THEN WOULD APPROACH THE OTHER THREE ON THE LETTER. WE ALSO NEED TO DISCUSS OUR GENERAL EFFORT WITH THE OTHER ALLIES. I SUGGEST A REINFORCED NAC IN MID-SEPTEMBER. I WOULD PLAN TO HAVE LARRY EAGLEBURGER JOIN TAP BENNETT TO LAUNCH THIS IMPORTANT AND POSITIVE OFFENSIVE.

WITH BEST WISHES

ALEXANDER M HAIG, JR

ENDS

CARRINGTON

LIMITED
HD/PLANNING STAFF
HD/EESD
HD/WED
HD/ECD(E)
PS
PS/LPS
PS/PUS
MR BULLARD
MR FERGUSSON
MR GILLMORE
SIR J GRAHAM

OUT TELEGRAM

Classification and Caveats	Precedence/Deskby
SECRET BURNING BUSH	IMMEDIATE

ZCZC
GRS
CLASS
CAVEATS
DESKBY
FM FCO
PRE/ADD
TEL NO

ZCZC
GRS
SECRET
BURNING BUSH - DEDIP

FM FCO 011800Z SEPTEMBER 1981
IMMEDIATE WASHINGTON
TELEGRAM NO
REPEATED FOR INFORMATION PRIORITY TO BONN PARIS UKDEL NATO
MY TELNO 1279: MESSAGE FROM SECRETARY HAIG: EAST WEST RELATIONS
1. Please pass following reply from me to Secretary Haig.
Open square brackets and insert A to B attached close square
brackets.
2. Paris and Bonn should inform Robin and Pfeffer to whom
Bullard spoke today.

CARRINGTON
NNNN

NNNN ends telegram	BLANK	Catchword
File number	Dept: SofS Office	Distribution: Limited, Hd Plannning Staff, Hd EESD, Hd WED, Hd ECD(E), PS, PS/LPS, PS/PUS, Mr Bullard, Mr Fergusson, Mr Gillmore, Sir J Graham
Drafted by (Block capitals): B J P Fall		
Telephone number: 233 5791		
Authorised for despatch: [illegible]		
Comcen reference	Time of despatch	

XY 48

SECRET BURNING BUSH

DSP 14 (Revised)

MESSAGE

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

The Secretary of State

DEPARTMENT: TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

Mr A Haig

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

A
BEGINS.

Thank you for your message of 28 August. As you know, I have always thought that the West should accept the Soviet challenge to a struggle of ideas. Our ideas are incomparably better than theirs and we should be more active in promoting them.

I see the attractions of your proposal for concerted Western messages to Brezhnev, of which the fact and the general contents would be made public. The question how best to organise such messages is more difficult. The seven countries which attend the annual economic summits have not hitherto made a concerted political move of this kind and it might raise questions in the Alliance if they were to do so. We might find in any case that messages from the seven could not go far beyond the Chairman's summary of political issues published at the end of the Ottawa Summit in July, although individual Heads of Government might be willing to add other points on a national basis. On the other hand I welcome your suggestion for a reinforced meeting of the North Atlantic Council, and ~~see possible advantage in holding this earlier than 15 September, which I understand is the date at present suggested~~. The Alliance would be a natural forum

would like to see this take place as soon as possible.

Enclosures—flag(s).....

in which to consider the proposal for messages to the Soviet Union in connection with the UN General Assembly.

On your second point, I was glad to know of your visit to Berlin and of the speech which you expect to be making there. The theme of Western values and liberties is one which British Ministers from the Prime Minister downwards have taken up more than once, and it is a natural one for Berlin. Incidentally I expect to be there myself at the end of October. I hope by the way that you will be able to agree that the Four Powers should make a statement on 3 September to mark the tenth anniversary of the Quadripartite Agreement: Berlin has benefitted greatly by its insulation from the general tension in Europe, and a new statement could help to limit Soviet troublemaking there for the future.

Your suggestion of a Conference at some future date to examine the limitations on freedom of movement in Europe raises certain questions in my mind and may perhaps need further thought. For very real reasons, complete freedom of movement does not exist at present even among the members of the European Community. I am sure you are also right to warn against any move which might complicate our negotiating problems in Madrid.

I shall be seeing Hans-Dietrich and Claude at one of our informal meetings of the Ten next weekend and may have more to say after that. Meanwhile I wanted to let you know that the general spirit of your ideas has my full support. ENDS

B

Pil/9

-1 SEP 1981

GRS 740

CONFIDENTIAL

Foreign

CONFIDENTIAL
FM UKDEL NATO 161005Z JUN 81
TO PRIORITY FOREIGN AND COMMONWEALTH OFFICE,
TELEGRAM NUMBER 244 OF 16 JUNE 1981,
INFO WASHINGTON, MOSCOW, UKDEL MADRID,
INFO SAVING BONN, PARIS.

BREZHNEV LETTER TO PRESIDENT REAGAN.

1. LUNS CALLED A PRIVATE MEETING OF PERMANENT REPRESENTATIVES YESTERDAY AT THE REQUEST OF BENNETT (US). THE LATTER BRIEFED US ON BREZHNEV'S REPLY TO REAGAN'S LETTER OF 24 APRIL. HE DESCRIBED THE LETTER AS FRANK AND CORRECT IN TONE BUT BREAKING NO NEW SUBSTANTIVE GROUND.

2. IN THE LETTER BREZHNEV DENIED SOVIET RESPONSIBILITY FOR INCREASED TENSION OR THAT THE RUSSIANS SOUGHT MILITARY SUPERIORITY. THEIR FORCES WERE APPROPRIATE TO THEIR DEFENCE AND REPRESENTED NO THREAT TO ANYONE ELSE. HE CRITICISED AMERICAN INSISTENCE ON QUOTE RESCINDING UNQUOTE EARLIER ARMS LIMITATION AGREEMENTS, INCREASED AMERICAN DEFENCE SPENDING, AND REVISION OF ITS MILITARY DOCTRINE TO CONTEMPLATE THE POSSIBILITY OF LIMITED NUCLEAR WAR. HE DENIED THAT THE SOVIET UNION SOUGHT UNILATERAL REGIONAL ADVANTAGE AND REPEATED SUPPORT FOR THE 1972 BILATERAL STATEMENT OF PRINCIPLES, THE HELSINKI FINAL ACT, AND THE UN CHARTER.

3. ON TNF THE LETTER REPEATED THE SOVIET POSITION IN STANDARD TERMS. BREZHNEV REGRETTED REJECTION OF HIS MORATORIUM PROPOSAL. ROUGH PARITY ALREADY EXISTED IN EUROPEAN TNF SYSTEMS, HIS PROPOSAL WOULD FREEZE THAT PARITY, THEREBY PROVIDING A BASELINE FOR SUBSEQUENT AGREEMENT. ON CSCE, HE ACCUSED THE WEST OF EVADING A RESPONSE TO HIS OFFER ON THE AREA OF APPLICATION, AND HOPED FOR A MORE CONSTRUCTIVE APPROACH ONA POST MADRID SECURITY CONFERENCE AND ON UNSPECIFIED OTHER ISSUES. ON POLAND BREZHNEV ASSERTED THAT THE SOVIET UNION HAD NO SINISTER PLANS AND WANRED THE U S AGAINST INTERFERENCE. ON AFGHANISTAN HE REPEATED THE STANDARD SOVIET POSITION WITH NO SIGN OF FLEXIBILITY AND CRITICISED THE AMERICANS FOR DISCOURAGING THE PAKISTANIS FROM NEGOTIATING WITH THE AFGHAN GOVERNMENT.

4. BENNETT SAID THAT THE AMERICANS ASSESSED THE LETTER, WITH THE TBILISI SPEECH, AS PART OF THE RUSSIANS' SO CALLED PEACE OFFENSIVE DESIGNED TO WEAKEN ALLIED RESOLVE. IN VIEW OF THE LETTER'S INFLEXIBILITY, THE U S HAD NO IMMEDIATE PLANS TO RESPOND, THOUGH FURTHER CORRESPONDENCE AT HEAD OF STATE LEVEL WAS NOT EXCLUDED. IN THE MEANTIME THE AMERICANS WOULD CONTINUE TO EXPRESS THEIR CONCERN TO MOSCOW IN ORDER TO SEEK A MORE CONSTRUCTIVE APPROACH

CONFIDENTIAL

/AND

AND TO GUARD AGAINST ANY POSSIBLE SOVIET MISCALCULATION OR MISPERCEPTION. HE DOUBTED WHETHER THE AMERICANS THEMSELVES WOULD TAKE ANY INITIATIVE TO PUBLISH THE LETTER. HE UNDERLINED THE IMPORTANCE OF CLOSE CONSULTATION IN THE ALLIANCE, AND OF SPEAKING WITH ONE VOICE, IF THE SOVIETS WERE TO BE BROUGHT TO ACCEPT GREATER FLEXIBILITY.

5. IN SUBSEQUENT DISCUSSION I COMMENTED THAT THE ALLIANCE HAD NOT YET ISSUED AN AUTHORITATIVE REBUTTAL OF THE SOVIET CLAIMS THAT ROUGH PARITY EXISTED AND THAT IMPLEMENTATION OF THE TNF DECISION WOULD RESULT IN A RATIO OF 1.5 TO 1 IN MEDIUM RANGE MISSILES IN FAVOUR OF NATO. DRAWING ON DISCUSSION AT THE ASPEN INSTITUTE CONFERENCE WHICH I ATTENDED IN BERLIN LAST WEEK, I UNDERLINED THE NEED FOR UNCLASSIFIED AND USEABLE MATERIAL ABOUT THE SOVIET MISSILE BUILD-UP TO HELP TO COUNTER THE PROPAGANDA CAMPAIGN AGAINST THE TNF PROGRAMME. GERMAN PARLIAMENTARIANS AND OFFICIAL AT THE CONFERENCE HAD BEEN GLOOMY ABOUT THE PROSPECTS OF MAKING PROGRESS IN THE PUBLIC DEBATE IN THE ABSENCE OF FIGURES AND PHOTOGRAPHS WHICH THEY COULD USE. IT WAS IMPORTANT THEREFORE TO FOLLOW UP SOON THE EXPRESSED U S WILLINGNESS TO DECLASSIFY ELEMENTS OF THE NPC AND DPC BRIEFING AND MAKE THEM AVAILABLE FOR PUBLIC USE. LUNS AND MY BELGIUM, DUTCH, GERMAN AND CANADIAN COLLEAGUES SPOKE IN SIMILAR TERMS. VON USSEL (BELGIUM) SAID THIS WOULD BE AN IMPORTANT POINT FOR THE SCG AT ITS MEETING LATER THIS WEEK AND EAGLEBURGER SHOULD UNDERSTAND THE IMPORTANCE ATTACHED TO IT IN THE ALLIANCE.

6. VIBE (NORWAY) REFERRED TO REPORTS THAT ARBATOV, IN SPEAKING TO MEMBERS OF THE PALME COMMISSION IN MOSCOW, HAD GIVEN THE IMPRESSION THAT A MORATORIUM ON DEPLOYMENT NEED NOT PRECLUDE THE ALLIANCE FROM GOING AHEAD WITH PREPARATIONS FOR IMPLEMENTATION OF THE TNF MODERNISATION PROGRAMME. BENNETT SAID THAT THE BREZHNEV LETTER GAVE NO INDICATION THAT THE MORATORIUM PROPOSAL COULD BE INTERPRETED IN THIS WAY. IN HIS VIEW ARBATOV HAD USED THE PALME COMMISSION'S PRESENCE AS A PROPAGANDA PLATFORM FROM WHICH TO SOW FURTHER UNCERTAINTY IN WESTERN MINDS: HE WAS PERSONALLY SOMEWHAT CRITICAL OF WESTERN POLITICAL FIGURES WHO WERE PREPARED TO LEND THEMSELVES TO THIS KIND OF EXERCISE. VIBE COMMENTED THAT THIS MADE IT IMPORTANT THAT THIS MISLEADING IMPRESSION OF THE SOVIET POSITION BE CORRECT. BENNETT AGREED THAT THE ARBATOV REPORT NEEDED TO BE INVESTIGATED.

FCO PLEASE PASS SAVING TO BONN, PARIS.

THIS TELEGRAM WAS NOT ADVANCED

ROSE.

FCO | WH
EESD

[PASSED AS REQUESTED]

Extract from a Record of Conversation between Prime Minister and Sec/General of the United Nations - House of Commons Tuesday 12 May at 1530hrs

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Subject copy: United Nations, May 79, Visits by Sec General

East/West Relations

Dr. Waldheim described the talks he had had with Mr. Brezhnev during his recent visit to Moscow. Brezhnev had seemed fit and mentally alert (more so than in 1977) and had spoken fluently. He had emphasised the Soviet desire for dialogue with the United States while expressing resentment of provocative American statements and the abandonment of positions taken by the previous Administration. Dr. Waldheim had told Mr. Brezhnev that President Reagan had told him that he was interested in a dialogue but was gravely concerned about Soviet expansionism. Mr. Brezhnev had "exploded" at the word 'expansionism'.

THE NUCLEAR BALANCE

DEFENCE FACT SHEET 4

PRINTED BY: CS(REP S)PP1/3/81

April 1981

THE NUCLEAR BALANCE

The table opposite gives a comparison of the nuclear strengths of NATO and the Warsaw Pact countries on the basis of nuclear weapon systems.

There is a great deal of argument about the best way of presenting this kind of comparison. The truth is that there is no ideal way of doing it. Most comparisons – like the one opposite – show the number of weapon systems (missiles, aircraft and artillery) which can deliver nuclear warheads. But this does not take account of the fact that many systems can deliver more than one warhead. If you try to show the number of warheads, however, you run into other problems. For example, with many systems the number of warheads can vary, and we do not know precisely how many warheads the Russians have altogether.

There are many aspects which just cannot be covered in a table of figures. These include the reliability, size and accuracy of the weapon system, the skill of the operating personnel and where the weapons are situated.

The table of nuclear balance is therefore necessarily limited and simplified. The figures should be taken as approximate, but with all their limitations they do provide a useful broad picture.

We have included French nuclear systems on the NATO side, although unlike UK and US systems they are not committed to the Alliance.

The figures show that in Strategic Forces there is very roughly an equality between the Soviet Union and NATO. But in Theatre Nuclear Forces in Europe the Soviet Union and her Warsaw Pact Allies have a substantial advantage. The gap has steadily widened in recent years as the Russians have introduced new systems.

STRATEGIC FORCES

	Warsaw Pact	NATO
Land-based Intercontinental ballistic missiles (ICBMs)	1400	1050
Submarine Launched ballistic missiles (SLBMs)	950	700
Heavy Bombers	160	570

THEATRE NUCLEAR FORCES (TNF) IN EUROPE

Longer Range TNF		
Land-based (aircraft and missiles)	900	280
Shorter Range TNF		
Missiles and artillery	about 1600	about 1400
Aircraft	about 2000	about 700

DEFINITIONS

Strategic forces comprise broadly very long range, intercontinental weapon systems, including land-based missiles, submarine-launched missiles and long-range bombers.

All nuclear weapons which are not strategic are called theatre nuclear forces. The table divides them into longer and shorter ranges. Systems in the former category are those with a maximum range over about 1000 kms; they can thus reach the Soviet Union from bases in Western Europe and vice-versa.

Shorter range theatre nuclear forces have a range of less than 1000 kms. There are many types of these, including missiles, aircraft, and artillery. Many of these can deliver non nuclear as well as nuclear warheads.

For Pol

GRS 1200 CONFIDENTIAL

CONFIDENTIAL

FM MOSCOW 290820Z NOV 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 747 OF 29TH NOVEMBER

FOR INFO IMMEDIATE WASHINGTON AND UKDEL NATO AND

INFO ROUTINE PARIS AND BONN.

Prime Minister

This was obviously an important visit: there are significant points in virtually every paragraph of this telegram.

Rus 30/XI

MT

SENATOR PERCY'S VISIT.

1. SENATOR PERCY BRIEFED MY FRENCH AND GERMAN COLLEAGUES AND MYSELF OVER BREADFAST THIS MORNING. IT WAS A RUSHED AND NOT ALWAYS COHERENT ACCOUNT. WE HAVE BEEN PROMISED FULL RECORDS OF HIS DISCUSSIONS BUT THE FOLLOWING SUMMARY WILL AT LEAST INDICATE THOSE POINTS WHICH ARE UPPER MOST IN HIS MIVGUND AND CONSEQUENTLY LIKELY TO RECUR IN SUBSEQUENT DISCUSSION.

2. PERCY INDICATED THAT HE WAS SPEAKING AS CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE RATHER THAT AS A PRESIDENTIAL EMISSARY, BUT IN PRACTICE HE WAS I THINK, GIVING THE RUSSIANS WHAT HE BELEIVED WAS A FAIR ASSESSMENT OF THE POLICIES OF THE REAGAN ADMINISTRATION AND THEY DEALT WITH HIM ON THAT BASIS. BREZHNEV, GROMYKO AND USTINOV HAD ALL TAKEN ESSENTIALLY THE SAME LINE AND WHEN HE HAD SPOKEN TO USTINOV ABOUT DIVERGENT VIEWS HE HAD BEEN ASSURED THAT THERE WAS COMPLETE UNANIMITY IN THE POLITBURO.

3. ARMS CONTROL. PERCY ASSURED THE SOVIET UNION THAT AN ARMS CONTROL AGREEMENT NEGOTIATED WITH REAGAN COULD BE CARRIED THROUGH THE SENATE. IT WAS A PRIORITY TASK TO SECURE A FAIR BALANCED EQUITABLE AND VERIFIABLE AGREEMENT. IN REPLY THE RUSSIANS HAD CONSISTENTLY SAID THAT WHAT WAS NECESSARY WABIRATIFICATION OF THE PRESENT SALT II TREATY. THIS PERCY SAID WAS ''DEAD AS A DOOR NAIL''. AFGHANISTAN HAD KILLED IT. LINKAGE HAD TO BE ACCEPTED AS FACT. THE REAGAN ADMINISTRATION WOULD BE PREPARED TO START ALMOST IMMEDIATELY WITH INFORMAL DISCUSSIONS DESIGNED TO LEAD UP TO NEGOTIATIONS FOR A NEW TREATY. SUCH DISCUSSIONS SHOULD TAKE ACCOUNT OF THE 23 RESERVATIONS EXPRESSED BY THE SENATE'S FOREIGN RELATIONS COMMITTEE. AFTER THE RUSSIANS HAD SPENT THE GREATER PART OF TWO DAYS REPEATING THE NEED FOR RATIFICATION OF THE TREATY AS IT STOOD, PERCY HAD SECURED WHAT HE CALLED ''AN ABSOLUTE COMMITMENT TO START NEGOTIATIONS ON ARMS CONTROL IMMEDIATELY''. ALTHOUGH IN SUBSTANCE THE SOVIET POSITION REMAINED THAT SALT II MUST BE RATIFIED THEY WOULD NOT INSIST ON RATIFICATION PRIOR TO NEGOTIATION (WATSON INTERVENED TO SUGGEST THAT THE COMMITMENT MAY HAVE BEEN LESS PRECISE THAN PERCY THOUGHT, BUT THAT AT LEAST THERE WAS A READINESS FOR SOME INFORMAL DISCUSSION).

/4. THE

4. THE RUSSIANS HAD MADE MUCH OF THE NATO TNF MODERNISATION PROGRAMMED. PERCY HAD REPLIED IN STANDARD TERMS ABOUT THE SS20 AND HAD COMMENTED THAT THE NATO PROGRAMME ''SCARES THE LIFE OUT OF THEM''. HE WENT ON TO STRESS TO US THE ESSENTIAL NEED TO SUSTAIN NATO UNITY AND WAS PARTICULARLY COMPLIMENTARY ABOUT THE BRITISH POSITION. HE DESCRIBED HIMSELF AS HAVING BEEN A DOVE OVER VIETNAM BUT A HAWK NOW OVER TNF MODERNISATION. HE REFERRED AT ONE POINT TO TNF ''AS A BARGAINING CHIP'' BUT DID NOT COMMENT ON THE GENEVA TALKS AND DID NOT SEEM TO HAVE FOCUSED ON THEM. PERCY DID NOT SEE A PROSPECT OF PROGRESS ON CTB, WHERE HE REGARDED THE BRITISH POSITION AS THE MAIN STUMBLING BLOCK, BUT SAID HE HAD SUGGESTED TO THE RUSSIANS THAT HE OUGHT TO BE ABLE TO SECURE RATIFICATION OF THE 1974 THRESHOLD TEST BAN AGREEMENT AND THE 1976 AGREEMENT ON PEACEFUL NUCLEAR EXPLOSIONS.

5. AFGHANISTAN. THE US HAD STUMBLED INTO VIETNAM. THEY HAD EXTRICATED THEMSELVES. TSCY WOULD MAKE THE SOVIET EXIT FROM AFGHANISTAN AS EASY AS POSSIBLE, BUT COULD NOT DEAL WITH THE PRESENT AFGHANISTAN REGIME. TO THIS THE SOVIET REPLY WAS MERELY THAT THE US SHOULD STOP THE HARRASSMENT AND THEN WITHDRAWAL WOULD BE POSSIBLE, BUT OVER DINNER MIKOYAN, OF THE LATIN AMERICAN INSTITUTE, HAD OPENLY ADMITTED THAT AFGHANISTAN HAD BEEN A TERRIBLE MISTAKE. PERCY COMMENTED THAT THE AMBIGUITY AND CONFUSION OF THE CARTER
ADMINISTRATION HAD PLAYED A PART IN BRINGING ABOUT THE AFGHANISTAN SITUATION AND THE RUSSIANS HAS SEEMED TO WELCOME BY CONTRAST REAGAN'S CLARITY OF PURPOSE. THE CLIMATE IN THE US ABOUT AFGHANISTAN WAS NOW ''NOT NEARLY SO BAD'' AND HE THOUGHT A NEW SALT TREATY COULD BE RATIFIECWITHOUT REQUIRING PRIOR SOVIET WITHDRAWAL FROM AFGHANISTAN PROVIED THERE WAS A PLANNED SCHEDULE FOR WITHDRAWAL.)

6. POLAND. PERCY HAD '' REALLY BORNE DOWN ON THEM'' ABOUT POLAND. IT WAS ON SCHMIDT'S ADVICE THAT HE HAD PRESSED TO SEE USTINOV ON THIS. ANY SOVIET USE OF FORCE WOULD BE A CATASTROPHE. IT WOULD CHANGE THE FACE OF THE GLOBE. HE HAD 800,000 POLES IN CHICAGO. ''IN MY LIFETIME AND YOURS WE SHALL NEVER NEGOTIATE ANOTHER AGREEMENT IF YOU MOVE INTO POLAND''. HE HAD PLEADED FOR JOINT ACTION TO HELP THE POLES OUT FO THEIR DEBT PROBLEMS AND AVOID A DEFAULT, BUT THE SOVIET REPLY HAD BEEN SIMPLY THAT IT WAS THE WEST THAT HAD GOT POLAND INTO THIS STATE. (IN PASSING, PERCY MENTIONED TO US SENATOR JACKSON'S RESOLUTE OPPOSITION TO ANY HELP FOR POLAND). PERCY SAID THAT AS ''AN ULTIMATE WEAPON'' HE HAD PUT DELICATELY, BUT HE THOUGHT EFFECWNTIVELY, THE IMPLICATION THAT ASOVIET MOVE INTO POLAND WOULD CAUSE A COMPLETE RE-ASSESSMENT OF THE AMERICAN RELATIONSHIP WITH CHINA INCLUDING THE POSSIBILITY OF MILITARY ALLIANCE.

/7. GRAIN.

7. GRAIN. THE RUSSIANS HAD DISMISSED ALL THE POST-AFGHANISTAN MEASURES AS DAMAGING ONLY THEIR ORIGINATORS. (PERCY COMMENTED TO US THAT HE THOUGHT THE GRAIN EMBARGO HAD BEEN USEFUL AND ASKED FOR OUR VIEWS ON THE DESIRABILITY OF MAINTAINING IT. I SAID THAT I THOUGHT IT COULD BE A USEFUL BARGAINING COUNTER, AT LEAST UNTIL THE NEXT SOVIET HARVEST, AND IT WOULD BE A PITY TO THROW IT AWAY).

8. CSCE. THERE WAS NO DISCUSSION OF MADRID. SUDHODREV HAD REMARKED AT DINNER THAT BREZHNEV HAD BEEN AMAZED AND PLEASED AT DA

THE ABSENCE OF ANY REFERENCE TO HUMAN RIGHTS. PERCY COMMENTED TO US THAT THIS HAD BEEN A HIGH PRIORITY FOR THE CARTER ADMINISTRATION BUT FOR REAGAN OTHER THINGS WERE MORE IMPORTANT. THERE WOULD BE NO MORALISING AND NO ATTEMPTS TO CURE ALL THE WORLD'S ILLS.

9. MIDDLE EAST. PERCY HAD SAID TO THE RUSSIANS THAT ANY EFFORT TO MOVE THROUGH BALUCHISTAN TO THE GULF WOULD BE AS DISASTROUS AS A MOVE INTO POLAND. VIETNAM HAD NOT BEEN VITAL TO THE AMERICAN NATIONAL INTEREST BU T THE GULF WAS A LIFE LINE TO THE AMERICAN ECONOMY AND THE US WOULD DO ANYTHING TO PROTECT IT. IN REPLY THE RUSQIANS HAD GIVEN AN ABSOLUTE ASSURANCE THAT THEY DID NOT INTEND SUCH A MOVE BUT PERCY HAD SAID THAT THIS WAS NOT ENOUGH. IT WAS THE PUBLIC PERCEPTION THAT MATTERED. (HE WENT ON TO COMMENT TO US ABOUT THE PRESSURE WHICH WITH HIS HELP WAS BEING PUT ON THE JAPANESE TO MAKE A MAJOR CONTRIBUTION TO MILITARY DEVELOPMENT COSTS IN KENYA, SOMALIA AND OMAN AND ALSO REFERRED TO THE NEED FOR A ''JAPANESE PL 480 PROGRAMME''.)

10. CUBA. PERCY COMMENTED TO US THAT THE SOVIET BRIGADE WAS NOT INTENDED TO INVADE THE US OR SOME LATIN AMERICAN COUNTRY BUT RATHER TO GIVE CASTRO A FEELING OF SUPPORT, (LIKE AMERICAN FORCES IN SOUTH KOREA) SO)7 HE WOULD FEEL FREE FOR OPERATIONS LIKE THOSE IN ANGOLA AND ETHIOPIA . IN THIS CONTEXT. HE HAD WARNED THE RUSSIANS THAT THE US WAS DEEPLY CONCERNED, FOR INSTANCE ABOUT NAMIBIA AND IF THE SOVIET UNION INDERTOOK MISCHIEVOUS ACTIVITIES IT COULD NOT EXPECT COOPERATION IN OTHER AREAS.

11. PERCY IS RETURNING HOME TODAY VIA BRUSSELS, WHERE HE WILL SEE GENERAL ROGERS.

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A useful summary.

FM UKDEL MADRID 241150Z
TO IMMEDIATE FCO
TELEGRAM NUMBER 058 OF 24 NOVEMBER 1980
PRIORITY PARIS WASHINGTON BONN MOSCOW LUXEMBOURG UKDEL NATO UKDEL BRUSSELS
SAVING VIENNA BRUSSELS SOFIA OTTAWA NICOSIA PRAGUE COPENHAGEN HELSINKI EAST BERLIN ATHENS HOLY SEE BUDAPEST REYKJAVIK DUBLIN ROME LIECHTENSTEIN VALLETTA MONACO THE HAGUE OSLO WARSAW LISBON BUCHAREST SAN MARINO STOCKHOLM BERNE ANKARA BELGRADE UKMIS GENEVA UKDEL VIENNA UKDEL STRASBOURG

FOLLOWING FROM UKDEL CSCE MADRID

MOD

CSCE REVIEW MEETING: GENERAL VIEW

1. IN THE OPENING STATEMENTS AND THE GENERAL DEBATE, ENDING THIS MORNING, THE WEST HAS SCORED A CLEAR DEBATING VICTORY (FOR WHAT THIS IS WORTH) OVER THE RUSSIANS AND THEIR ALLIES ON AFGHANISTAN AND HUMAN RIGHTS ABUSES. WESTERN ATTACKS MAY HAVE BEEN LESS AGGRESSIVE, BUT THE SPREAD OF NEUTRAL AND NON-ALIGNED SUPPORT FOR THE WESTERN VIEW GREATER, THAN THE RUSSIANS EXPECTED.

2. AFTER LETTING ALL THIS CRITICISM RUN OFF THEIR BACK, THE RUSSIANS FOR THEIR PART MUST BE SATISFIED WITH THEIR TACTICS OVER A EUROPEAN DISARMAMENT CONFERENCE. BUILDING ON THE APPARENTLY WIDE SUPPORT FOR SOMETHING WITH THIS KIND OF NAME, THE RUSSIANS HAVE SOUGHT TO OCCUPY A CENTRAL POSITION, ARGUING IN GENERAL TERMS FOR A CONFERENCE (WHICH MIGHT DEAL WITH CONFIDENCE-BUILDING MEASURES IN THE FIRST STAGE) WITH A BROAD AND FLEXIBLE MANDATE DRAWING FROM THE FINNISH, SWEDISH AND FRENCH AS WELL AS WARSAW PACT IDEAS. THIS LEAVES THE NATO COUNTRIES OUT ON A LIMB FOR SETTING QUOTE PRECONDITIONS UNQUOTE, OR SAYING NO.

3. THE WESTERN SOLIDARITY, WHICH IMPRESSED MR BLAKER, HAS BEEN MAINTAINED. OBVIOUS SOVIET WEDGE-DRIVING (BY COUNTER-ATTACKING SO FAR ONLY THE USA, AND FINDING OPPORTUNITIES FOR COMMENDATION OF SOME EUROPEAN ALLIES, THOUGH NOT OURSELVES) MAY PRESENT SOME AWKWARDNESS IN THE BASKET II CONTEXT OF POST-AFGHANISTAN SANCTIONS, BUT SHOULD NOT PROVE REALLY DANGEROUS SO LONG AS WE DO NOT START FALLING OUT AMONG OURSELVES FOR OTHER REASONS. THE HARD SOVIET TACTICS DURING THE PREPARATORY MEETING, WHICH HELPED TO CEMENT THIS WESTERN SOLIDARITY, HAS ALSO LEFT US WITH A BACKLOG OF WORK TO FINALISE THE COORDINATION OF WESTERN NEW PROPOSALS, WHICH SHOULD START BEING TABLED TWO WEEKS FROM NOW. THIS WORK, INCLUDING OUR OWN HUMAN RIGHTS PROPOSAL, IS IN HAND.

4. ESPECIALLY AFTER THE NAIL-BITING START TO THE MEETING, WESTERN MEDIA INTEREST WAS BOTH HIGH AND HELPFUL DURING THE FIRST WEEK, BUT DECLINED AS WE WENT INTO CLOSED PLENARY SESSION AFTER THAT. THERE WILL PROBABLY BE ANOTHER PEAK IN THE LAST WEEK(OF 15 DECEMBER) BEFORE THE RECESS, WITH THE FOCUS TENDING TO BE ON THE NEW PROPOSALS TABLED. IN BETWEEN, WITH MOST OF THE ACTION IN THE SUBSIDIARY WORKING BODIES, WE SHALL BE IN A TROUGH, WHICH IS UNHELPFUL IN TERMS OF OUR OVERALL POLITICAL PRESSURE ON THE RUSSIANS.

CONCLUSIONS

5. SO FAR SO GOOD. BUT ONCE THE RUSSIANS HAVE SAT COOLLY THROUGH OUR BARRAGE IN THE REVIEW OF IMPLEMENTATION, THEY WILL HAVE INTACT THEIR POSITION ON A DISARMAMENT CONFERENCE, AND ALSO THE PROSPECT OF VARIOUS AGREEMENTS ON SECONDARY ISSUES WHICH SUIT THEIR BOOK OF QUOTE BUSINESS AS USUAL UNQUOTE. THE WEST, ON THE OTHER HAND, AFTER MAKING ITS CRITICISMS, WILL LACK A POSITIVE AND UNIFYING THEME.

6. AT THE END OF LAST WEEK, I TRIED TO PROVIDE SUCH A THEME. I ARGUED BROADLY THAT THE ESSENTIAL POLITICAL POINT OF THE REVIEW MEETING WAS THAT (A) WE ALL HAD A COMMON INTEREST IN THE PEACEFUL MANAGEMENT OF CHANGE IN THE 1980S SEMI-COLON (B)THE FINAL ACT COULD PROVIDE THE FRAMEWORK SEMI-COLON (C) BUT WE NEEDED CONCRETE EVIDENCE FROM THE EAST THAT IT WOULD BE RESPECTED IN PRACTICE. I WILL CONTINUE, UNLESS INSTRUCTED OTHERWISE, TO WORK ON THESE LINES. BUT ANY THEME OF THIS KIND NEEDS TO BE PUT ACROSS IN THE NEXT FEW WEEKS BY THE EUROPEAN COUNCIL AND THE NATO MINISTERIAL MEETING (IF THE CHANGE OF US ADMINISTRATION ALLOWS) RATHER THAN JUST HERE.

7. IN SUPPORT, WE NEED TO HAVE NEW PROPOSALS TO FOLLOW THROUGH OUR MAIN POINTS IN THE REVIEW OF IMPLEMENTATION. WE ALREADY HAVE OUR HUMAN RIGHTS PROPOSAL UNDER ACTIVE CONSIDERATION IN THE NINE AND THE FIFTEEN. BUT I HAVE ALSO SUGGESTED IN THE NINE THAT WE NEED SOMETHING RELATED TO THE AFGHANISTAN ISSUE, WHICH WE CANNOT SIMPLY LET DROP AFTER CHRISTMAS. OUR DELEGATION HAS BEEN COMMISSIONED, WITH SOME SUPPORT, TO PRODUCE A DRAFT, WHICH ALL AGREE WOULD NEED TO BE SUBMITTED THROUGH THE POLITICAL DIRECTORS.

/FROM

FROM THE TACTICAL ANGLE, IF WE HAD APPARENTLY REASONABLE AND MODERATELY WORDED PROPOSALS RELATING TO HUMAN RIGHTS AND AFGHANISTAN, WHICH STILL STUCK IN THE RUSSIANS' GULLET, WE MIGHT BE LESS EXPOSED IN STICKING OUT OURSELVES FOR THE NATO POSITION ON A CDE MANDATE.

FCO PLEASE PASS SAVING AS ABOVE

WILBERFORCE

(REPEATED AS REQUESTED)

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ADDITIONAL DISTRIBUTION

CSCE GENERAL

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FM WASHINGTON 111743Z NOV 80

TO PRIORITY F C O

TELEGRAM NO 4542 OF 11 NOVEMBER

INFO MOSCOW, WARSAW, PRAGUE, EAST BERLIN, BUDAPEST, BUCHAREST, BELGRADE, SOFIA, PARIS, BONN, ROME, UKDEL NATO, UKREP BRUSSELS, UKDEL VIENNA

INFO SAVING OTHER NATO POSTS, MODUK (FOR DUS(P))

Read in full.

MIPT: THE REAGAN ADMINISTRATION'S LIKELY APPROACH TOWARDS EAST/WEST RELATIONS

INTRODUCTION

1. IN HIS IMMEDIATE POST-ELECTION STATEMENTS REAGAN HAS AVOIDED DETAILED POLICY COMMITMENTS. AT THE TIME OF WRITING, HIS CABINET OFFICERS WITH RESPONSIBILITY FOR FOREIGN AFFAIRS AND DEFENCE HAVE YET TO BE NOMINATED, AND HIS INTERIM FOREIGN POLICY BOARD AND ADVISERS CONTAIN A WIDE SPECTRUM OF OPINION. NOR ARE WE AWARE OF ANY SERIOUS PUBLISHED PAPERS CHARTING DIRECTIONS FOR PARTICULAR AREAS OF FOREIGN POLICY (SUCH AS THE BROOKINGS PAPER ON THE MIDDLE EAST BEFORE PRESIDENT CARTER CAME TO OFFICE IN 1976). WHAT FOLLOWS MUST THEREFORE BE LARGELY SPECULATIVE.

THE REPUBLICAN PARTY PLATFORM

2. THE REPUBLICAN PARTY PLATFORM PREPARED FOR THE GOP ELECTORAL CONVENTION PROVIDES ONE TEXT WITH SOME CLAIM TO AUTHORITY. WHAT IT HAS TO SAY ABOUT UNITED STATES NATIONAL SECURITY POLICY AND THE CONDUCT OF FOREIGN POLICY IN RESPECT OF US/SOVIET RELATIONS AND THE ALLIANCE IS SUMMARISED AT ANNEX A, WHICH SHOULD BE READ IN FULL TO GET THE FLAVOUR OF THE PROGRAMME. AFTER MAKING DUE ALLOWANCE FOR THE HYPERBOLE ASSOCIATED WITH CAMPAIGN RHETORIC, THERE ARE SOME IDENTIFIABLE THEMES THERE WHICH WILL PROBABLY FIND ECHOES IN THE ACTUAL FORMULATION AND EXECUTION OF POLICY - AS THEY HAVE ALREADY IN REAGAN'S EARLY POST-ELECTION PUBLISHED INTERVIEWS.

GENERAL APPROACH

3. REAGAN WILL WISH AT THE OUTSET TO STRIKE A DISTINCTIVE NOTE IN HIS CONDUCT OF RELATIONS WITH THE SOVIET UNION, WHILE PROFESSING BELIEF IN BIPARTISANSHIP. FIRMNESS, CONSISTENCY AND THE AVOIDANCE OF A PIECE-MEAL APPROACH WILL BE THE AIM. THE SUPER-POWER RELATIONSHIP WILL BE RESTORED AS THE CENTRAL PREOCCUPATION OF US FOREIGN POLICY FROM WHICH THE EARLY CARTER PERIOD SOUGHT TO DOWNGRADE IT. WIDER GLOBAL PERSPECTIVES WILL BE VIEWED MORE INTENTLY THROUGH THE LENS OF THE EAST/WEST CONFRONTATION. THE UNITED STATES WILL WANT TO BACK ITS FOREIGN POLICY WITH INCREASED MILITARY STRENGTH: THE COMMITMENT TO REGAIN MILITARY SUPERIORITY IS AN IMPORTANT, IF HIGHLY CONTROVERSIAL, FEATURE OF THE REPUBLICAN PARTY PLATFORM, AND IT IS IMPOSSIBLE TO SAY NOW HOW IT WILL BE PURSUED IN PRACTICE.

CONFIDENTIAL /STRATEGIC

STRATEGIC ARMS LIMITATIONS AND ARMS CONTROL POLICY

4. IN PRINCIPLE THE REAGAN ADMINISTRATION WILL CONTINUE TO FIND A PLACE FOR STRATEGIC ARMS LIMITATIONS IN ITS RELATIONSHIP WITH THE SOVIET UNION. HOW MUCH THIS COUNTS FOR IN PRACTICE DURING REAGAN'S FIRST YEAR IN OFFICE WILL DEPEND ON THE BALANCE OF INTERNAL DEBATE HERE ABOUT THE TREATY, THE WIDER PICTURE OF SOVIET POLITICAL, MILITARY AND DIPLOMATIC BEHAVIOUR GLOBALLY (REAGAN'S CONCEPT OF LINKAGE), AND THE DEGREE OF FLEXIBILITY SHOWN BY MOSCOW ON THE ARMS CONTROL FRONT.

5. ONCE IN OFFICE THE NEW ADMINISTRATION IS LIKELY TO REVIEW THE WHOLE AMERICAN APPROACH TO ARMS CONTROL AND ITS PLACE IN NATIONAL SECURITY POLICY. MEANWHILE, ON-GOING ARMS CONTROL NEGOTIATIONS (CTB, MBFR, TNF, CSCE/CDE) WILL ESSENTIALLY BE IN SUSPENSE, WHETHER OR NOT FORMAL TALKS CONTINUE. WITH A MORE CONSERVATIVE CONGRESS, THERE WILL BE NO DOMESTIC PRESSURE TO BRING THE SALT II TREATY OUT OF LIMBO. BUT REAGAN ALREADY SEEMS TO BE LEANING TOWARD SALVAGING WHAT IS USABLE FROM SALT II WITH A VIEW TO SOME INTERIM AGREEMENT WITH THE RUSSIANS, AS PEOPLE LIKE KISSINGER AND NUNN ADVOCATE, RATHER THAN DISCARDING THE PRESENT TREATY COMPLETELY. IT IS UNCLEAR FOR THE MOMENT HOW SUCH AN EXERCISE WOULD RELATE PRECISELY TO THE LONGER TERM QUESTION OF SALT III WHICH REAGAN SEES AS PART OF A WIDER POLITICAL NEGOTIATION WITH MOSCOW. ONE POSSIBLE ROUTE TO SUCH A NEGOTIATION WOULD BE TO PROPOSE A REVIEW OF THE 1972 NIXON/BREZHNEV DECLARATION OF BASIC PRINCIPLES OF RELATIONS BETWEEN THE UNITED STATES AND THE USSR.

OTHER ASPECTS OF US/SOVIET BILATERAL RELATIONS

6. THE ADMINISTRATION WILL SEEK TO TIGHTEN AND WIDEN CONTROLS ON SUCH CIVIL TECHNOLOGIES AS COULD BE USED TO ENHANCE THE SOVIET MILITARY MACHINE. ELECTION PLEDGES TO LIFT THE GRAIN EMBARGO AGAINST THE SOVIET UNION MAY COME TO BE QUALIFIED IN PRACTICE, BUT FOR SALES OF ALL OTHER US AGRICULTURAL PRODUCTS TO THE EAST THE FREE MARKET IS LIKELY TO PREVAIL. A REVIEW OF THE OPERATION OF OTHER BILATERAL FIELDS OF COOPERATION IN US/SOVIET RELATIONS IS ON THE CARDS, TO ENSURE STRICT RECIPROCITY OF BENEFITS.

THE ALLIANCE

7. THERE IS MARKED IMPATIENCE WITH THE ALLIES IN THE REPUBLICAN CAMP. THIS COULD CAUSE DIFFICULTY IF THE ADMINISTRATION IS MISLED INTO BELIEVING THAT SUBSTANTIVE ALLIANCE PROBLEMS ARE ONLY A RELIC OF UNCERTAIN CARTER LEADERSHIP AND CAN THEREFORE BE EXPECTED TO VANISH OVERNIGHT ONCE THE FIRM SMACK OF THE NEW ADMINISTRATION MAKES ITSELF FELT. REPUBLICANS MAY NOURISH EXAGGERATED EXPECTATIONS OF WHAT CAN BE ACHIEVED IN THE NAME OF ALLIANCE SOLIDARITY, PARTICULARLY IN REGARD TO PROBLEMS OUTSIDE NATO'S AREA OF COMPETENCE (E.G. THE MIDDLE EAST) WHERE THERE ARE DIFFERENCES OF INTEREST BETWEEN EUROPE AND THE UNITED STATES. EQUITABLE BURDEN-SHARING OF NATO'S DEFENCE EFFORT AND A WISH TO SEE EUROPE TAKE UP MORE OF THE SLACK AS AMERICA MOVES TO PROTECT VITAL INTERESTS IN SW ASIA WILL CONTINUE (AS THEY WOULD HAVE DONE UNDER A SECOND CARTER TERM) TO BE HIGH ON THE AGENDA.

/CHINA

CHINA

8. EARLY REAGAN POLICY TOWARD CHINA MAY BE COMPLICATED BY RHETORICAL COMMITMENTS TO THE TAIWAN LOBBY. BUT IF MEN LIKE BUSH AND JACKSON HAVE A SAY, THE WIDER STRATEGIC IMPERATIVES FOR A SOLID US/CHINA RELATIONSHIP ARE LIKELY TO PREVAIL. ALREADY THE TAIWAN ELEMENT SEEMS LESS PROMINENT. INDEED IN THE LONGER TERM A REAGAN ADMINISTRATION MAY EVEN BE PREPARED TO CONTEMPLATE FURTHER DEVELOPMENT OF RELATIONS WITH CHINA IN THE DEFENCE FIELD, IF THIS MAKES SENSE IN TERMS OF A ''A STRATEGY OF GLOBAL MANOEUVRE'' VIS-A-VIS THE SOVIET UNION. MORE GENERALLY IN EAST ASIA, A POLICY OF REGIONAL SECURITY INVOLVING JAPAN, KOREA, ASEAN, AUSTRALIA, AND NEW ZEALAND ALONG ROUGHLY THE SAME LINES SEEMS LIKELY TO CONTINUE, WITH THE FUNDAMENTAL OBJECTIVE OF CONTAINING SOVIET POWER IN THE FAR EAST.

CRISIS MANAGEMENT

9. ALTHOUGH IN THE NATURE OF THE SUBJECT IT IS EVEN MORE DIFFICULT TO MAKE A PROGNOSIS UNDER THIS HEADING, REAGAN'S VIEW OF THE NEED TO REASSERT AMERICAN POWER AND INFLUENCE WORLDWIDE SUGGESTS A MORE ABRASIVE APPROACH TO CRISIS MANAGEMENT AND REGIONAL TURBULENCE PARTICULARLY WHERE AMERICANS INTERESTS, PROPERTY, OR LIVES ARE DEEMED TO BE AT STAKE. THERE WILL BE A PREDISPOSITION TO LOOK FOR A SOVIET OR SOVIET-SURROGATE HAND AT WORK BEHIND THE SCENES. WHILE THERE IS NO INHERENT REASON TO SUPPOSE THAT REAGAN'S RESPONSES IN SUCH SITUATIONS WOULD BE TRIGGER-HAPPY OR UNDULY ESCALATORY, THERE WILL BE A PREMIUM ON SPEED AND FIRMNESS OF AMERICAN ACTION: AND, IN CASES WHERE SOVIET INVOLVEMENT IS SUSPECTED, A READINESS TO CONSIDER RIPOSTE AT OTHER POINTS OF SOVIET VULNERABILITY. INSOFAR AS A REAGAN ADMINISTRATION SETS HIGH STORE BY ALLIANCE SOLIDARITY THIS HAS IMPLICATIONS FOR THE MECHANICS OF ALLIED CONSULTATION.

10. IN THIS CONTEXT POSSIBLE SOVIET INTERVENTION IN POLAND COULD PROVE A PARTICULARLY AWKWARD EARLY TEST CASE. IT IS FOR HM AMBASSADOR MOSCOW TO SAY WHETHER THIS IN ITSELF AFFECTS THE ODDS THAT THE RUSSIANS WOULD RISK SUCH AN INTERVENTION. IF IT WERE TO HAPPEN DURING REAGAN'S FIRST SIX MONTHS IN OFFICE, THE TEMPTATION FOR HIM TO RESPOND DRAMATICALLY WOULD SEEM TO BE PARTICULARLY STRONG.

FCO PASS SAVING TO ANKARA ATHENS BRUSSELS COPENHAGEN LISBON LUXEMBOURG OSLO OTTAWA REYKJAVIK THE HAGUE MODUK (FOR DUS(P)).

HENDERSON

FCO/WHITEHALL
NAD

[REPEATED AS REQUESTED]

THIS TELEGRAM WAS NOT ADVANCED

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FM MOSCOW 171230Z OCT 80
TO ROUTINE F C O
TELEGRAM NUMBER 640 OF 17 OCTOBER
INFO WASHINGTON, UKDEL NATO, UKDEL VIENNA, UKMIS GENEVA,
CTB DELEGATION GENEVA, BONN, PARIS

Read in full.

US-SOVIET RELATIONS

1. IN HIS TELEGRAM NO 26 (NOT TO ALL) MR EDMONDS SUGGESTS THAT THE HARD LINE TAKEN BY THE RUSSIANS MAY REFLECT PLICY DECISIONS GOING BEYOND THE CTB NEGOTIATIONS. I THINK IT DOES. IN HIS SPEECH AT ALMA ATA ON 29 AUGUST BREZHNEV SET THE TONE FOR THE CURRENT LINE. AFTER SAYING THAT ''THOSE WHO DETERMINED AMERICAN FOREIGN POLICY EITHER DID NOT SEE OR DID NOT WANT TO SEE HISTORIC CHANGES IN THE WORLD AREN, THE NEW BALANCE OF FORCES IN THE WORLD'' HE ATTACKED US NUCLEAR STRATEGIC POLICY AND REFERRED TO ''ATTEMPTS AT BURYING DETENTE AND AT PLUNGING THE WORLD INTO ANOTHER COLD WAR''. HE TOOK THE SAME THEME FOR HIS SPEECH AT A DINNER FOR BABRAK KARMAL ON 16 OCTOBER, REFERRING TO ''FEVERISH MILITARY PREPARATIONS AND UNRESTRAINED PROPAGANDA.... EVEN EULOGY OF NUCLEAR WAR'' BY THE ADMINISTRATION AND (MAKING IT CLEAR THAT HE WAS REFERRING TO CARTER) CONCLUDING ''IN A WORD US IMPERIALSISM IS AGAIN APPARENTLY EMBARKING ON THE PATH OF A NEW COLD WAR AND CREATING A SITUATION THREATENING UNIVERSAL PEACE AND SECURITY OF ALL PEOPLES. WHATEVER THE TIME SERVING CALCULATIONS AND SUBJECTIVE INTENTION OF SOME OR OTHER STATESMAN OF THE USA AND THEIR ALLIES MAY BE, THE GAME WHICH THEY ARE PLAYING $ EXTREMELY DANGEROUS AND THEY MAY THEMSELVES FALL ITS FIRST VICTIMS''.

2. AN INTERVIEW WITH ARMAND HAMMER ON 14 OCTOBER WAS USED AS THE VEHICLE FOR A STATEMENT BY BREZHNEV THAT AMERICAN POLICY WAS ''LEADING TO AN INCREASED DANGER OF WAR''. IZVESTIA ON 16 OCTOBER FOLLOWED UP WITH AN ARTICLE ARGUING THAT WHATEVER THE OUTCOME OF THE PRESIDENTIAL ELECTION, ONE THING WAS CLEAR. UNDER THE OLD PRESIDENT OR A NEW ONE THE UNITED STATES WOULD INCREASE MILITARY EXPENDITURE, STRENGTHEN ITS MILITARY MUSCLES AND DISPLAY THEM IN VARIOUS PARTS OF THE WORLD. THE CAUSE OF THIS NEW ''WAVE OF MILITARISM'' WHICH WAS SWAMPING THOSE WHO UNDERSTOOD ITS DANGER, WAS THAT AMERICA HAD LOST ITS MILITARY SUPREMACY OVER THE SOVIET UNION. BUT THERE WERE MANYWHO DREAMED OF REGAINING IT AND THEY HAD TO BE CONVINCED THAT NO GOOD WOULD COME OF THIS.

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3. THE PUBLIC LINE WAS REINFORCED BY GROMYKO WHEN MY AMERICAN COLLEAGUE SAW HIM TO FOLLOW UP RECENT EXCHANGES BETWEEN DOBRYNIN AND MUSKIE. HE FOUND GROMYKO COLDER AND BLEAKER THAN EVER AND AT TIMES VERGING ON THE DOWNRIGHT OFFENSIVE.

4. WE MUST EXPECT MORE OF THE SAME. THE RUSSIANS ARE JITTERY ABOUT AMERICAN POLICY AND WORRIED ABOUT EASTERN EUROPE (MY TEL NO 632). MUCH THOUGH THEY MAY DISMISS REFERENCES TO AFGHANISTAN, THEY ARE NOW HAVING TO START COMING TO GRIPS WITH THE DAMAGE THEIR ACTION HAS DONE TO THE INTERNATIONAL FABRIC. THEY ARE DETERMINED TO SHOW THAT THEY WILL NOT YIELD TO PRESSURE. NEVERTHELESS ALTHOUGH THE PRESENT HOSTILE LINE HAS ITS DANGERS, THERE IS A SUBSTANTIAL TACTICAL ELEMENT IN IT. I WOULD NOT YET CHANGE THE ASSESSMENT IN MY DESPATCH OF 8 FEBRUARY THAT, WHILE THERE CAN BE NO EXPECTATION OF GENUINE COOPERATION WITH THE UNITED STATES, THE NEXT US PRESIDENT WILL BE DEALT WITH REALISTICALLY ACCORDING TO THE SOVIET PERCEPTION OF HIS STRENGTH OF PURPOSE AND THAT THE CONFRONTATION CAN BE CONTROLLED.

KEEBLE

THIS TELEGRAM
WAS NOT
ADVANCED

[C T B NEGOTIATIONS]

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MR. ALEXANDER

Rmd - 16/7

The Management of East-West Relations

A1

You wrote to Brian Norbury on 20th June to say that the Prime Minister wished to have a further discussion of the issues raised at the OD meeting on 5th June after officials had carried out a study of the problem. This work is now being undertaken by officials in MISC 42 in which all the Departments involved are represented. When their study is ready, it will be submitted for further discussion by the Prime Minister, Foreign and Commonwealth Secretary, Chancellor of the Exchequer and the Secretary of State for Defence.

2. Copies of this minute go to George Walden (Foreign and Commonwealth Office), John Wiggins (Treasury) and Brian Norbury (Ministry of Defence).

D.J. Wright

(D.J. Wright)

16th July, 1980

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10 DOWNING STREET

From the Private Secretary

20 June, 1980.

BF 4.7.80

The Management of East-West Relations

The Prime Minister has seen the Defence Secretary's minute to her of 17 June about the outcome of the OD Meeting on 5 June. She has asked that officials should carry out a study of the issues raised, and in particular of the problem of overlapping responsibilities in the conduct of the Government's foreign and defence policies. Once the study is ready, she would like to have a further discussion of the issues raised with the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Defence Secretary.

I am sending copies of this letter to George Walden (Foreign and Commonwealth Office), John Wiggins (HM Treasury) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

B.M. Norbury, Esq.,
Ministry of Defence.

SECRET

GB

Officials should study the degree of overlap first and then perhaps the relevant four ministers (Treasury, F.C.O, Defence, P.M) can discuss. MT

4 (1)

MO 13/7

Prime Minister,

I wondered at the time whether the O.D. would let the conclusions of O.D. go unchallenged. It is a great pity Mr Pym was not at the meeting. You may want to have a word with him at some stage. No doubt Lord Carrington will have a view.

MT 18/6

PRIME MINISTER

THE MANAGEMENT OF EAST-WEST RELATIONS

I read the minutes of OD's discussion of this subject in my absence on 5th June, and noted the reference to the use of resources and to the Government's military assistance training programme.

2. I agree fully that there should be a unity of purpose in the Government's foreign and defence policies - as there should be between industrial and defence policies. There is also a clear distinction between my responsibilities and those of the Foreign and Commonwealth Secretary (and indeed those of my other colleagues in charge of civil departments). It does seem to me that it is conducive to sound and economical administration for responsibility and funding to go together. Military measures for the defence of this country are my responsibility and a proper charge to the defence budget. FCO programmes (including the military training assistance programme) are not.

3. I agree there should be a discussion between senior officials but reserve my position about the concept of a "single pocket" to fund the Government's foreign and defence policies. This is a different approach from that which, on John Biffen's recommendation, we are adopting to the PES this year, and I believe it might blur management responsibilities and lead to less rather than more efficiency in our allocation of resources.

4. As regards the military training programme, I am of course very ready to have the arrangements for

financial adjustment with the FCO looked at (officials are already reviewing the programme and its financing), but so far as I am aware they are in accordance with the Treasury's prescriptions for charging which apply to MOD as to any other Department. Again, I would like to feel sure that responsibilities and principles march hand in hand.

5. I am sending copies of this minute to our colleagues on OD and to Sir Robert Armstrong.

Ministry of Defence

17th June 1980

18 JUN 1980

10 DOWNING STREET

Prime Minister

The Cabinet Office comments on the F.O. paper (particularly para 2 of Sir R. Armstrong's minute) seem to me rather beside the point. A discussion of the ~~general~~ broad aims of British foreign policy will either be so general as to add nothing to existing perceptions or so lengthy & multi-faceted as to be quite unmanageable. The present paper deals with the most important single ~~problem~~ foreign policy issue facing us; sets it in the context of your govt's overall policy; & makes some modest recommendations. I hope that they can be endorsed.

AT 4/6

2

Ref. A02276

PRIME MINISTER

The Management of East-West Relations

(OD(80) 43)

BACKGROUND

This paper by the Foreign and Commonwealth Secretary was originally intended to provide the basis for a general discussion of foreign policy at Chequers. OD has not had such a general discussion in the lifetime of the present Government, and it is a difficulty with the Foreign and Commonwealth Secretary's paper that it concentrates on the management of a particular (albeit important) aspect of foreign policy without first defining the more general considerations upon which British foreign policy as a whole is based. Thus the main concern of the note by officials (which means Foreign and Commonwealth Office officials: the paper has not been discussed with other Whitehall Departments) is the need to counter the spread of Russian economic, political and military power in the Third World, and the best methods for this country to employ. Inevitably this represents a somewhat negative approach to the problem of East-West relations as British reactions tend to be related to Soviet initiatives.

2. It might be better to adopt a more fundamental approach to the problem by first seeking to define the general aims of British foreign policy, then considering how far it is realistic in the light of the resources available and the various political considerations involved to pursue those aims either nationally or through the various international groupings of which we are members because the general aims of such groupings appear to correspond with our national interests. The conclusions which may emerge from such a general approach contain the risk that they may be too vague and rhetorical to lend themselves readily to application to particular situations in foreign policy. But the approach in OD(80) 43 runs the opposite risk of becoming so obsessed with checking Soviet initiatives at the grass roots that the overall aims of British policy become obscured.

HANDLING

3. You will wish to ask the Foreign and Commonwealth Secretary to introduce his paper. In the ensuing discussion you will wish particularly to invite the views of the Secretary of State for Trade on the scope for putting economic pressure on the Russians and the views of the Minister of State, Ministry of Defence (the Secretary of State for Defence is attending the Nuclear Planning Group in Norway) on the proposals for a long-range military intervention capability outside the NATO area.

4. The discussion might then cover the following points:-

(a) What are the basic aims of British foreign policy? The 1979 Manifesto summed them up as "a strong Britain in a free world". This implies a prospering economy and hence buoyant overseas trade. It also implies as powerful armed forces as we can afford to maintain.

(b) How far should Britain seek to pursue the aims of foreign policy through international groupings rather than on her own? NATO is fundamental to United Kingdom defence policy. The European Community is important to us not just as an economic but increasingly as a political grouping: where economic or political interests can be shown (or brought) to coincide within the Community, their expression as Community interests can strengthen their external impact. The Summits of the Seven are bringing this country into closer relationship with the Japanese, primarily on economic matters. The multiplicity of countries and the diversity of interests represented in the present-day Commonwealth makes it a less satisfactory vehicle for promoting British policy aims than it used to be; but it remains an international organisation of positive value to us. On the debit side the General Assembly of the United Nations is becoming increasingly dominated by the Third World, with the Western group in a small minority of 23 states; but the Nine are already the best co-ordinated sub-group within the United Nations.

(c) How far should the management of East-West relations be allowed to dominate other foreign policy issues in which Britain is interested? Within the United Nations the two issues which increasingly engage the attention of the Third World are a solution to the problem of Palestine, and the removal of the White minority regime in South Africa. In the Middle East Britain has a historical interest in the Palestine problem, and a special relationship with the United States which affects the international perception of our attitude to Israel, while our economic interests dictate a need to keep the Arabs as sweet as possible. In South Africa we have major economic interests, although our stake in Black Africa is becoming even more important to us. In both these cases East-West relations seem to be a subsidiary factor to more immediate British interests.

(d) What would be involved in strengthening our relationship with the French and Germans? (paragraph 10a) of the paper). The development of a Franco-German axis which excluded us would neither be in our own interests nor be good for the coherence of Europe. We need to develop our relationships with France and Germany, not just on East-West relations, so as to be accepted as an equal partner with them; and the development of quadri-partite consultation suggests that this need not be inconsistent with the strengthening of our links with the Americans urged in paragraph 10b) of the paper.

(e) Is a development in the political co-operation of the Nine likely to have any relevance to East-West relations in the foreseeable future? (paragraph 10c)). Surely such a development would only derive from a convergence of national views which would itself be a far more significant development? In other words, is not this simply "a strengthening of relationships" under another name?

(f) What are the chances of nudging NATO towards involvement in issues outside the Treaty area? (paragraph 10d)). NATO already suffers from the pacifist leanings and fuzzy idealism of some of its smaller members and finds it difficult to produce the military resources to meet its defence needs

in Europe. Furthermore the French regard NATO as being American-dominated. Is there any real chance of it playing a more useful part in East-West relations outside Europe? Do we want it to do so?

(g) What are the chances of devising better ways of involving the Japanese and Australasians? Is it in fact realistic to consider such involvement as a single issue? There are a host of economic and old Commonwealth links with Australia and New Zealand, but Japan is widely regarded as a former enemy and present trade rival.

(h) Military measures and military assistance? You will wish to hear the views of the Minister of State, Ministry of Defence, on paragraphs 17-21. OD seems likely to conclude that the contribution to East-West relations from this source although useful is likely to be modest. You may however like to seek the views of the Committee on whether it is logical to regard military aid as something separate and apart from the rest of the aid programme. In terms of East-West relations their aims appear do be the same.

CONCLUSION

5. The discussion arising from OD(80) 43 is likely to be general and wide-ranging. You may not wish to seek to guide the Committee to reach clear-cut conclusions. It should not be difficult to reach agreement on the general approach to the management of East-West relations proposed by the Foreign and Commonwealth Secretary, but you may wish to propose that OD should have a further general discussion on foreign policy at a later date, in which East-West relations will form part of a wider range of national interests, and Ministers are able to define the general considerations upon which foreign policy should be based.

RA

ROBERT ARMSTRONG

4th June, 1980

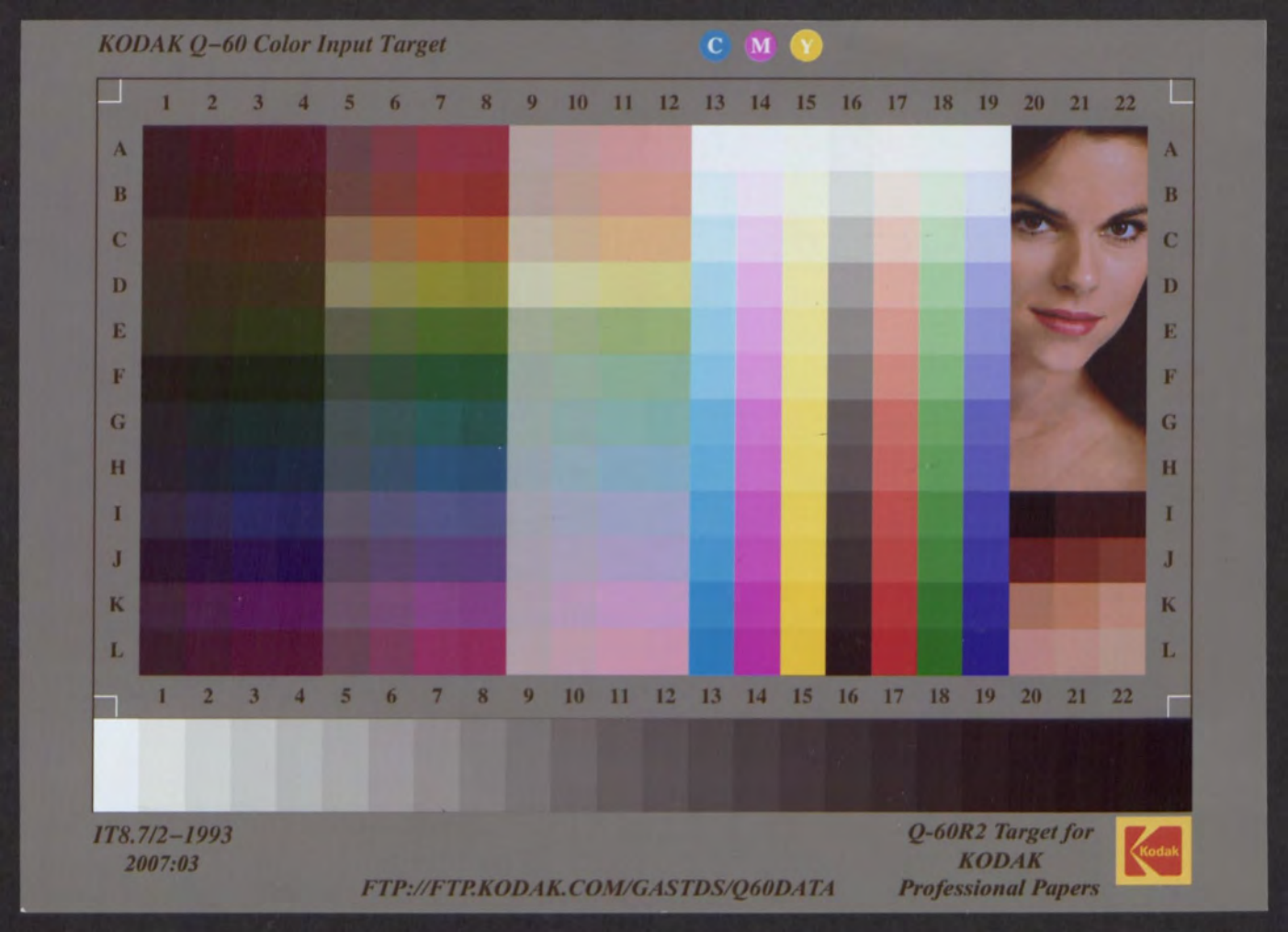
- 4 JUN 1980

PART 1 ends:-

JIC(80)(N)40 30.5.80

PART 2 begins:-

OD(80)43 2.6.80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