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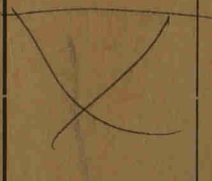
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Soviet and Cuban Intervention in  
Central America and the Third World.  
Soviet Foreign Policy

SOVIET UNION

February 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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mt

c: Kaifu

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

13 May 1991

LETTER TO THE PRIME MINISTER FROM  
PRIME MINISTER KAIFU

Thank you for your letter of 10 May enclosing a draft reply from the Prime Minister to President Kaifu's letter about the recent visit of President Gorbachev.

I enclose the Prime Minister's reply and would be grateful if you could arrange for it to be delivered.

J.S. Wall

Simon Gass Esq  
Foreign and Commonwealth Office



PRIME MINISTER'S

PERSONAL MESSAGE DOWNING STREET

SERIAL No. T139/91

LONDON SW1A 2AA

DAS  
cfo  
SUBJECT cc MASTER  
OPJ

THE PRIME MINISTER

13 May 1991

*1 For Prime Minister,*

Thank you for your letter of 26 April in which you gave an account of your meetings with President Gorbachev during his visit to Japan last month.

I entirely agree that the normalisation of Japan-Soviet relations would make an important contribution to peace and prosperity in the Asia-Pacific region. I am sorry that little progress was made on the Northern Territories issue during your talks. President Gorbachev has also written to me, acknowledging that the talks were complicated, but saying that he believed that they achieved all that was possible under the present circumstances, and that they provided a basis for continuing to search for a solution to the problem.

I hope that this will prove to be so. We have much sympathy with the Japanese position that the continued Soviet presence on these territories so long after the war is unjustified and that this issue should be resolved to the satisfaction of both sides. We will continue to do what we can to support you.

I am also grateful to you for sharing with me your impressions of your talks with President Gorbachev on wider international issues. I hope that this dialogue will continue.

Thank you for your good wishes for the London Summit. I look forward very much to meeting you in London in July.

Your Sincerely,  
John Negroponte

His Excellency Mr. Toshiki Kaifu, K.B.E.



*CLC*

Foreign &  
Commonwealth  
Office

10 May 1991

London SW1A 2AH

*Dear Stephen,*

Letter to the Prime Minister from  
Prime Minister Kaifu *top*

Thank you for your letter of 2 May enclosing one from the Prime Minister of Japan about President Gorbachev's recent visit.

/ I enclose a draft reply.

*Yours ever,*  
*S L Gass*

(S L Gass)  
Private Secretary

Stephen Wall Esq CMG LVO  
10 Downing Street

C: Ufarangi /  
Kaifu (200)  
10/5

DRAFT LETTER FROM THE PRIME MINISTER TO:

HE Mr Toshiki Kaifu KBE  
Prime Minister of Japan

Ime  
D.W

Thank you for your letter of 26 April in which you gave an account of your meetings with President Gorbachev during his visit to Japan last month.

I entirely agree that the normalisation of Japan-Soviet relations would make an important contribution to peace and prosperity in the Asia-Pacific region. I am sorry that ~~you thought that~~ little progress was made on the Northern Territories issue during your talks. President Gorbachev has also written to me, acknowledging that the talks were complicated, but saying that he believed that they achieved all that was possible under the present circumstances, and that they provided a basis for continuing to search for a solution to the problem.

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I am also grateful to you for sharing with me your impressions of your talks with President Gorbachev on wider international issues. I hope that this dialogue will continue.

Thank you for your good wishes for the London Summit. I look forward very much to meeting you in London in July.





10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

2 May 1991

LETTER TO THE PRIME MINISTER FROM  
PRIME MINISTER KAIFU

I enclose a letter to the Prime Minister from the Prime Minister of Japan about President Gorbachev's recent visit.

The Prime Minister will need to reply and I should be grateful for a draft by Friday 10 May.

(J. S. WALL)

Simon Gass, Esq.,  
Foreign and Commonwealth Office.

cc PC

EMBASSY OF JAPAN  
LONDON

1st May, 1991.

*Dear Prime Minister.*

I have been asked by Prime Minister Toshiki Kaifu,  
to forward the text of his message to you.

...

I have pleasure in enclosing this herewith.

*Yours sincerely,*



Hiroshi Kitamura

Ambassador

The Rt. Hon. John Major, MP  
Prime Minister and First Lord of the Treasury  
London

*SUBJECT TO OPS  
MATTER*

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 130891 April 26, 1991

Prime Minister John Major  
10 Downing Street  
London  
United Kingdom

Dear Prime Minister,

*copy attached*

I would like to repeat my heartfelt thanks for your very courteous letter regarding your visit to the Soviet Union. It was a pleasure to hear from you, and your letter was most informative. Following receipt of your letter, Soviet President Gorbachev was in Japan for a series of talks, and I would like to take this opportunity to give you some personal impressions of my meetings with him.

I am convinced that a full normalization of Japan-U.S.S.R. relations and the dramatic improvement in the relationship that would accompany such full normalization would not only be in the best interests of the Japanese and Soviet peoples but would also make a major contribution to the cause of peace and prosperity in the Asia-Pacific region; and I therefore looked forward to President Gorbachev's visit to Japan firm in the belief that the political leadership in both Japan and the Soviet Union has a responsibility to contribute to such full normalization and hence to the creation of a new international order befitting the post-Cold War era.

Yet there can be no full normalization of Japan-U.S.S.R. relations unless the territorial issue between us is resolved and a formal peace treaty signed. Throughout my discussions with President Gorbachev, I urged him most strongly to cooperate in making sure these discussions look at both the past and the future, I argued that political will was needed for a breakthrough on the territorial issue, and I proposed that the discussions be held in a candid and fruitful manner so as to open a new page in the history of relations between our two countries.

We had planned on having three sessions. We ended up having six. All told, there were more than twelve hours of talks, some of the exchanges quite heated. The results were summarized in the Joint Statement that we released subsequent to our discussions. This Joint Statement marks the first time ever that the Habomais, Shikotan, Kunashiri, and Etorofu have been officially enumerated as the subject of the unresolved territorial dispute that must be resolved in the negotiations on the peace treaty between Japan and the U.S.S.R.

Unfortunately, however, President Gorbachev contended that this territorial issue should be resolved within the context of an improvement in Japan-U.S.S.R. economic and other relations, and he was unwilling to make any concessions on the territorial issue per se. If we are to achieve a new era in Japan-U.S.S.R. relations,

it is imperative that we achieve a just and reasonable resolution to this territorial issue and put an end to the war's aftermath. Yet this Summit Meeting proved to be far remote from transforming Japan-U.S.S.R. relations in a qualitative manner. Japan is not going to adopt an unprincipled policy of separating politics and economics, that is, to embark on economic cooperation towards the Soviet Union while seeing no substantive progress in the territorial issue. No specifics were mentioned in connection with economic cooperation during the course of my talks with President Gorbachev. Nevertheless, Japan intends to continue with its technical assistance in support of perestroika.

During the course of the negotiations, I could not help but feel that President Gorbachev's hands were somewhat tied by the political situation within the Soviet Union. While I intend to continue to build upon this Summit Meeting and to make every effort for the return of our Northern Territories, I think we need to consider most carefully what can be achieved during the next course of negotiations and how much progress we can make there. No dates have yet been set for the Foreign Minister or myself to visit the Soviet Union.

On the issue of peace and security in the Asia-Pacific region, President Gorbachev proposed five-nation consultations among China, India, Japan, the

Soviet Union, and the United States at the Summit Meeting. However, such proposal of big-power consultations is not compatible with Japan's basic position that peace and security in this region should be achieved in such a way as deemed best by the countries of the region, major characteristics of which are "diversity", regardless of their size, large or small. I was therefore very clear in conveying to President Gorbachev that, given the very complex situation in the Asia-Pacific region, I had serious reservations about the practicality of his proposal and could not myself go along with it.

In the sessions on international situations, we discussed East-West relations, the situation in the Gulf, the issues on the Korean Peninsula, and Cambodia. I noted the problems posed by Soviet arms exports to the Middle East and the shift of forces east of the Urals, and I asked the Soviet Union to use its good offices to get North Korea to conclude a safeguards agreement with the IAEA.

It is, I believe, noteworthy that the Soviet Union made an effort to assuage Japanese resentment over the issue of the many people who were detained in Soviet Siberia after the war.

The consultations that Japan had held with the United Kingdom on Soviet relations proved most valuable and the

exchange of views that we have held on the Northern Territories has proved highly significant for us in holding this Japan-U.S.S.R. Summit Meeting. I would therefore like to take this opportunity to express anew my appreciation for your support on this issue.

I know that the Soviet question will be taken up from a variety of connections at the London Summit.

I have every confidence in your chairmanship and trust that the London Summit will be a resounding success. I assure you I intend to cooperate in every way possible and look forward to meeting with you this summer in London.

Respectfully yours,

Toshiki Kaifu  
Prime Minister of Japan

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INFO PRIORITY ACTOR

MY TELNO 384 AND UKREP BRUSSELS TELNO 961: YELTSIN'S VISIT TO  
FRANCE, 14-17 APRIL

## SUMMARY

1. BRIEF MEETING BETWEEN YELTSIN AND MITTERRAND. EXTENSIVE PRESS  
COVERAGE, NOT ALL SYMPATHETIC.

## DETAIL

2. AFTER HIS VISIT TO STRASBOURG (SECOND TUR), YELTSIN WAS  
SCHEDULED TO VISIT GRENOBLE AS A GUEST OF MAYOR ALAIN CARIGNON.  
YELTSIN, HOWEVER, CANCELLED THIS LEG OF THE TRIP AT SHORT NOTICE.,  
MUCH TO CARIGNON'S IRRITATION.

3. IN PARIS, YELTSIN WAS RECEIVED FOR AN HOUR BY ELYSEE SECRETARY-  
GENERAL JEAN-LOUIS BIANCO. MITTERRAND JOINED THEM BRIEFLY AT THE  
END OF THE CALL. YELTSIN LATER TOLD THE PRESS THEY THEY HAD  
DISCUSSED RUSSIAN DOMESTIC PROBLEMS AND THE PROSPECTS FOR THE ENTRY  
OF RUSSIA INTO THE 'COMMON EUROPEAN HOUSE'. YELTSIN INVITED  
MITTERRAND TO VISIT RUSSIA.

4. YELTSIN ALSO ADDRESSED THE SENATE DEFENCE AND FOREIGN AFFAIRS  
COMMITTEE, AND MET FABIUS (PRESIDENT, NATIONAL ASSEMBLY) AND CHIRAC  
(MAYOR OF PARIS). CHIRAC AFTER SAID THAT YELTSIN HAD PAINTED A  
PESSIMISTIC PICTURE OF THE POLITICAL AND ECONOMIC SITUATION IN THE  
USSR, AND AT ANOTHER MOMENT, HAD EXPRESSED HIS TOTAL OPPOSITION TO  
THE RETURN OF THE NORTHERN TERRITORIES TO JAPAN.

5. YELTSIN SOUGHT, BUT WAS REFUSED, A MEETING WITH MAUROY (PS  
SECRETARY-GENERAL). BEFORE LEAVING PARIS, YELTSIN PRONOUNCED  
HIMSELF 'SATISFIED' WITH THE VISIT, AND CLAIMED THAT IT'S  
'OBJECTIVES HAD BEEN ATTAINED'

6. THE VISIT RECEIVED EXTENSIVE PRESS COVERAGE, MUCH OF IT FOCUSED  
ON YELTSIN'S RECEPTION IN STRASBOURG AND HIS REACTION TO IT, AND ON



THE UNUSUAL NATURE OF THE CALL ON MITTERRAND (FIGARO - 'IMPROVISED MEETING': QUOTIDEN 'YELTSIN IN BY THE SIDE DOOR').

## COMMENT

7. YELTSIN'S VISIT HAD PLACED THE ELYSEE IN A QUANDARY. ON THE ONE HAND MITTERRAND HAS NO WISH TO BE SEEN TO ABANDON GORBACHEV. ON THE OTHER, YELTSIN IS CONSIDERED TO HAVE A LEGITIMATE POLITICAL STATUS AND MAYBE AN IMPORTANT POLITICAL FUTURE. MORE TELLING IN TERMS OF DOMESTIC PRESSURES, HE HAS SUBSTANTIAL ECONOMIC CONTRACTS (FOR WHICH THE FRENCH ARE COMPETING) AT HIS DISPOSAL. SO THERE WAS NO WISH TO SNUB HIM, DESPITE HIS BARNYARD TACTICS (USING THE MEDIA TO PROMOTE HIS REQUEST TO SEE MITTERRAND). IN THE END, HONOUR SEEMS TO HAVE BEEN MORE OR LESS SATISFIED ON BOTH SIDES. A FRONT PAGE EDITORIAL IN LE MONDE ON 17 APRIL CRITICIZING COT'S CHURLISH WELCOME TO YELTSIN IN THE EP (SECOND TUR) MAY HAVE TIPPED THE BALANCE IN FAVOUR OF A SHORT MEETING WITH MITTERRAND.

FERGUSON

YYYY

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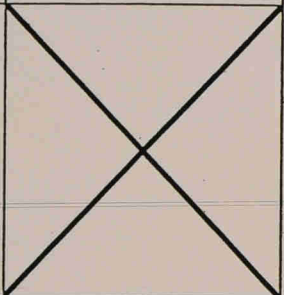
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MR P J WESTON  
MR TAIT  
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MY TELNOS 1302, 1311 AND 1315 : GORBACHEV'S VISIT TO PARIS

## SUMMARY

1. QUAI BRIEFING GIVE A LITTLE BACKGROUND ON THE FRANCO-SOVIET TREATY AND AGREEMENT SIGNED ON 28 OCTOBER.

## DETAIL

2. JAQUES BLOT (QUAI DIRECTOR FOR EUROPE) GAVE A COMMUNITY BRIEFING ON 30 OCTOBER ON GORBACHEV'S VISIT, AT WHICH HE HANDED OUT A RESUME AND EXTRACTS OF THE FRANCO-SOVIET TREATY, A LIST WITH SUMMARIES OF THE AGREEMENTS SIGNED, A PRECIS OF LETTERS EXCHANGED BY DUMAS AND SHEVARDNADZE ON COOPERATION IN PRIORITY FIELDS (ENERGY AND CIVIL NUCLEAR POWER, TRANSPORT, HDTV, ADMINISTRATION AND LAW, SCIENTIFIC AND TECHNICAL RESEARCH, TRAINING AND THE ENVIRONMENTS), AND 'TERMS OF REFERENCE' FOR BILATERAL ECONOMIC RELATIONS (COPIES BY BAG TO FCO AND MOSCOW). BLOT HAS SUBSEQUENTLY GIVEN US, ON A CONFIDENTIAL BASIS (THERE IS A PARLIAMENTARY APPROVAL SENSITIVITY) A COPY OF THE TREATY. THIS WAS FAXED TO WESTON THIS AFTERNOON. WE WILL TRY TO OBTAIN FULL TEXTS OF THE OTHER AGREEMENTS.

3. BLOT SAID THAT THE VISIT WAS PART OF THE REGULAR SERIES OF HIGH-LEVEL CONTACTS. MITTERRAND AND GORBACHEV HAD AN HOUR'S TALK BEFORE DINNER (WITH WIVES ONLY) ON 28 OCTOBER, WHILE THE SIGNATURE OF THE VARIOUS AGREEMENTS WAS FOLLOWED BY A DINNER FOR DELEGATIONS AT THE QUAI. ON 29 OCTOBER THERE WERE SIMULTANEOUS TETE-A-TETES BETWEEN HEADS OF STATE AND FOREIGN MINISTERS, FOLLOWED BY A JOINT SESSION AND A PRESS CONFERENCE. THESE HAD OVERRUN, AND THE SIGNING OF THE TREATY TOOK PLACE AT 2 PM, BEFORE LUNCH. GORBACHEV'S DEPARTURE WAS DELAYED BY SOME THREE HOURS.

4. DISCUSSIONS COVERED : THE MIDDLE EAST, INCLUDING THE GULF AND THE LEBANON, (BLOT REFUSED TO GO BEYOND THE TEXT OF THE PRESS CONFERENCE): EUROPE, INCLUDING THE CSCE SUMMIT, CFE AND EUROPEAN CONSTRUCTION : AND THE SOVIET INTERNAL SITUATION.

## BILATERAL TREATY

5. THE DEPARTMENT NOW HAS THIS TEXT. BLOT WENT LITTLE FURTHER WITH THE 12 THAN TO MENTION THE HEADINGS OF THE MAIN SECTIONS, AND THE TREATY'S DURATION. HE UNDERLINED THAT IT WOULD NOT BE PUBLISHED BEFORE ITS RATIFICATION BY THE NATIONAL ASSEMBLY. REFERRING TO THE SECTION ON EUROPE, BLOT EXPLAINED THAT IT COVERED THE TRANSITION FROM BILATERAL TO COLLECTIVE RELATIONS AND THE CONSTRUCTION OF EUROPE A 12. THE SOVIET SIDE HAD AGREED TO TAKE INTO ACCOUNT THE EVOLUTION OF THE COMMUNITY TO POLITICAL UNION, WHILE THE FRENCH HAD AGREED TO WORK FOR THE DEVELOPMENT OF DEEPER RELATIONS AND THE CONCLUSION OF AGREEMENTS BETWEEN THE SOVIET UNION AND THE COMMUNITY. BLOT EMPHASISED HOWEVER THAT THE FRENCH HAD BEEN CAREFUL TO ENSURE THAT COMMUNITY COMPETENCE WOULD BE RESPECTED. BLOT CONFIRMED THAT THE REFERENCE TO THE SETTLEMENT OF OUTSTANDING FINANCIAL AND MATERIAL DIFFICULTIES COVERED THE TSARIST BONDS ISSUE, BUT SAID THAT NEGOTIATIONS HAD NOT YET BEGUN ON THIS, AND RATES OF REPAYMENT HAD NOT BEEN TOUCHED ON.)

## FRENCH CREDIT

6. BLOT SAID THAT SOME OF THE 5 BILLION FRANCS WOULD BE USED TO PAY ARREARS ON BILATERAL CONTRACTS AND LOANS (MY THIRD TEL UNDER REFERENCE), AND THAT FRANCE WOULD ALSO PLEASE THE SOVIET UNION'S CASE IN MULTILATERAL FORA, PRIMARILY, BUT NOT EXCLUSIVELY THE COMMUNITY. HE ALSO ADMITTED THAT THE AGREEMENT ON CONTACTS BETWEEN PUBLIC SECTOR ENTERPRISES EFFECTIVELY ONLY COVERED THE ALREADY EXISTING LINKS BETWEEN ELECTRICITE DE FRANCE AND ITS SOVIET COUNTERPARTS.

## SOVIET INTERNAL

7. ON SOVIET INTERNAL AFFAIRS, BLOT SAID THAT GORBACHEV SEEMED MUCH MORE WORRIED BY EVENTS IN THE UKRAINE THAN IN THE BALTIC STATES. HE ADDED THAT THE PRESIDENT OF KAZAKHSTAN HAD BEEN IN THE PARTY (NOT AT FRENCH REQUEST, BUT HE HAD NOT HAD ANY MEETINGS.

## PRESS CONFERENCE

8. A VERBATIM TEXT OF THE PARTS OF THE PRESS CONFERENCE CONCERNING THE GULF HAS ALREADY BEEN FAXED TO THE FCO. OTHER AREAS TOUCHED ON WERE PERIPHERAL, INCLUDING THE NATURE OF SOCIALISM (MITTERRAND DISCUSSED ITS VARIOUS NATIONAL ASPECTS AND EXPRESSED SYMPATHY FOR THE CHANGES IN THE SOVIET UNION, WHILE GORBACHEV SAID LENINISM HAD BEEN DISTORTED) AND EUROPEAN CONFEDERATION WHICH MITTERRAND DEFINED AS ''COMMON POWERS SHARED A NUMBER OF PARTNERS LINKED BY A CENTRAL POINT''.

## COMMENT

9. THE BRIEFING CONFIRMED THE SURFACE IMPRESSIONS THAT THE VISIT, FOR ALL THE AGREEMENTS SIGNED, WAS LONGER ON FORM THAT SUBSTANCE. HOWEVER, THE FRENCH, WHOSE INSTINCT IS TO PREFER TO OPERATE IN A CONCEPTUAL FRAMEWORK, CLEARLY REGARD THE EXERCISE AS HAVING CLARIFIED THE RETURN OF THEIR RELATIONS FOR THE 90S. WE SHALL TRY TO GET A MORE INSIDER PICTURE OF THE BILATERAL FROM THE ELYSEE, WHICH MAY PRODUCE SOME MORE REVEALING INSIGHTS THAT THE ABOVE.

FERGUSSON

YYYY

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GORBACHEV'S VISIT TO FRANCE: COMMENT.

## SUMMARY

1. FRENCH GOVERNMENT HIGHLY SATISFIED WITH THE VISIT, THOUGH LITTLE OF NEW SUBSTANCE ON INTERNATIONAL QUESTIONS. PERSONAL ATMOSPHERE BETWEEN MITTERRAND AND GORBACHEV GOOD. GORBACHEV CONFIDENT AND IMPRESSIVE IN PRIVATE, LESS SURE IN HIS PUBLIC APPEARANCES.
2. IMPROVED STRUCTURE FOR BILATERAL RELATIONS WITH A WIDE RANGING SET OF AGREEMENTS, THOUGH NOT ALL OF MUCH SUBSTANCE. IN THE RESTRICTED TALKS GORBACHEV SHOWED CONTINUING UNCERTAINTY ABOUT US POLICY IN EUROPE. LITTLE ON ARMS CONTROL BEYOND HIS PUBLIC STATEMENTS. GORBACHEV EMBARRASSED OVER CHINA.

## DETAIL

3. BLOT (QUAI DIRECTOR FOR EUROPE) GAVE REPRESENTATIVES OF THE TWELVE AN UNUSUALLY SWIFT BRIEFING YESTERDAY ON THE VISIT. MINISTER HAS ALSO SPOKEN TO VEDRINE (ELYSEE) AND PETIT (MATIGNON) ABOUT GORBACHEV'S PRIVATE CONVERSATIONS WITH MITTERRAND AND ROCARD. MORE DETAIL MAY EMERGE OVER THE NEXT FEW DAYS, AND NO DOUBT MITTERRAND AND DUMAS WILL GIVE IMPRESSIONS AT NEXT WEEK'S PARIS MEETINGS. THE FOLLOWING SUMMARISES THE MAIN POINTS OF SUBSTANCE IN THE TALKS. DETAILS OF PROGRAMME, BILATERAL AGREEMENTS AND MEMBERSHIP OF THE SOVIET TEAM BY BAG TODAY TO SOVIET DEPARTMENT AND MOSCOW.

## ATMOSPHERE

4. FRENCH OFFICIALS ARE NOT WORRIED BY THE SCEPTICAL TONE OF THE FRENCH AND INTERNATIONAL REPORTING ON THE VISIT. THEY DID NOT EXPECT OR WANT IT TO MATCH THE VISIT TO BONN IN TERMS OF PUBLIC RESPONSE. THEY SAY THAT THE PERSONAL RAPPORT BETWEEN THE TWO LEADERS HAD BEEN EXCELLENT. CONTRARY TO THE IMPRESSION GIVEN BY THE PRESS, GORBACHEV HIMSELF HAD BEEN VERY MUCH ON FORM AND SURE OF HIMSELF IN THE PRIVATE TALKS, MORE SO THAN WHEN MITTERRAND WENT TO MOSCOW LAST NOVEMBER. GORBACHEV WAS KEEN FROM THE START TO TAKE UP A FULL AGENDA OF BUSINESS: THE TWO WERE IN EACH OTHER'S COMPANY FOR MANY HOURS.

## BILATERAL RELATIONS

5. THE FRENCH SUCCEEDED IN ESTABLISHING A FIRMER STRUCTURE FOR BILATERAL RELATIONS, WITH EMPHASIS ON THE ECONOMIC AND CULTURAL SPHERES. THEY BELIEVE THEY HAVE SET AN AGENDA FOR THE FUTURE WHICH WILL CARRY A GOOD DEAL OF BUSINESS, IN ALL SENSES. SOME OF THE AGREEMENTS UPDATED ARRANGEMENTS THAT HAD BEEN RUNNING SINCE THE 1960S: OTHERS ARE NEW FOR FRANCE (HIGH DEFINITION TV, FORESTS, YOUTH EXCHANGES, DRUGS, INCIDENTS AT SEA, ARCHIVES ETC). VEDRINE PICKED OUT THE AGREEMENT ON MANAGEMENT TRAINING AS THE MOST IMPORTANT OF ALL THE 22 IN THE EYES OF THE ELYSEE, BECAUSE OF ITS EVENTUAL IMPACT ON ECONOMIC REFORM AND ATTITUDES. THIS MAY BE AN INDICATION THAT FRENCH HOPES OF A MARKED INCREASE IN COMMERCIAL BUSINESS, AT WHICH BLOT HINTED, DO NOT EXTEND VERY FAR. WE ARE NEVERTHELESS LIKELY TO SEE AN INCREASE IN NUMBER AND RANGE OF FRANCO-SOVIET JOINT ENTERPRISES.

## THE FUTURE OF EUROPE

6. THIS WAS THE MAIN PUBLIC THEME OF THE VISIT, SET OUT MOST FULLY IN GORBACHEV'S SPEECH IN STRASBOURG (UKDEL STRASBOURG TELNO 48). IN THE FRENCH VIEW, THE NEW SOVIET APPROACH WAS MORE BALANCED THAN IN THE PAST, WHEN SECURITY AND ARMS CONTROL ISSUES HAD BEEN GIVEN BY FAR THE GREATEST WEIGHT. THERE WAS NOW A BETTER EMPHASIS ON ECONOMIC DEVELOPMENT AND ON HUMANITARIAN ISSUES. THE FRENCH NOTE THE REFERENCES BY GORBACHEV TO SELF-DETERMINATION AND PEOPLES' RIGHT TO CHOOSE THEIR OWN WAY (CF IN PARTICULAR THE APPARENT RENUNCIATION OF THE BREZHNEV DOCTRINE IN THE STRASBOURG SPEECH). THIS WAS INTERPRETED BY GERASIMOV AT ONE PRESS CONFERENCE AS AMOUNTING TO A STATEMENT THAT THERE WERE NO CIRCUMSTANCES IN WHICH THE SOVIET UNION WOULD INVADE EASTERN EUROPEAN COUNTRIES TO PREVENT POLITICAL CHANGE. BUT THERE WERE SOME QUALIFICATIONS: GORBACHEV REPEATED ON SEVERAL OCCASIONS THAT THE PROCESS OF CHANGE MUST NOT LEAD TO DESTABILISATION, AND THAT ACCOUNT MUST BE TAKEN OF THE NEED FOR PEOPLES TO CO-EXIST. HE ALSO REFERRED IMPLICITLY TO THE IMPORTANT ROLE OF THE COMMUNIST PARTIES OF EASTERN EUROPE.

7. IN HIS TALKS WITH MITTERRAND GORBACHEV HAD SHOWN NO CONCERN ABOUT DEVELOPMENTS IN POLAND AND HUNGARY. IMMENSE CHANGES WERE UNDER WAY WHICH THE SOVIET UNION WELCOMED AND ENCOURAGED. BUT HE HAD SEVERAL TIMES SAID THAT THE WEST MUST KEEP A SENSE OF RESPONSIBILITY IN RELATION TO THESE DEVELOPMENTS AND NOT EXPLOIT THEM.

8. GORBACHEV IN PRIVATE AND PUBLICLY PURSUED THE IDEA OF A PAN-EUROPEAN SUMMIT. THE FRENCH SAID THAT THEY WERE NOT HOSTILE TO



THE IDEA, SO LONG AS IT MARKED PROGRESS IN ALL THE VARIOUS HELSINKI BASKETS AND WAS NOT JUST A GESTURE.

#### SOVIET INTERNAL

9. ACCORDING TO VEDRINE, GORBACHEV SPOKE FRANKLY WITH MITTERRAND OF THE GREAT DIFFICULTIES HE FACED. HE GAVE THE IMPRESSION THAT HE WAS APPROACHING THEM IN A DETERMINED AND POSITIVE WAY. THE SOVIET SIDE WAS PLEASED WITH MITTERRAND'S STRONG PUBLIC REFERENCES TO THE NEED FOR THE WEST TO SUPPORT PERESTROIKA.

#### US POLICY

10. GORBACHEV TOLD BOTH MITTERRAND AND ROCARD EMPHATICALLY OF HIS CONCERN ABOUT THE BUSH ADMINISTRATION THEIR INTENTIONS AND THEIR ALLEGED SLOWNESS IN GETTING TO GRIPS WITH THE ARMS CONTROL NEGOTIATIONS. THE SOVIET UNION COULD ONLY HOPE THAT THIS SLOWNESS DID NOT INDICATE A WISH TO INCREASE GORBACHEV'S INTERNAL DIFFICULTIES. GORBACHEV SAID THAT HE KNEW BUSH WELL AND HAD A GOOD PERSONAL RAPPORT WITH HIM: HE HOPED TO MEET HIM SOON. BUT HE WAS UNCERTAIN HOW AMERICAN POLICY WOULD DEVELOP. HE HAD BEEN PARTICULARLY UNHAPPY ABOUT BUSH'S SUGGESTION THAT SOVIET TROOPS SHOULD WITHDRAW FROM POLAND. GORBACHEV HAD ALSO REACTED FIERCELY TO THE SUGGESTION THAT EUROPE MIGHT EVENTUALLY RETURN TO THE 1939 FRONTIERS: HE WOULD NOT ACCEPT ANYTHING THAT PUT THE STATUS QUO IN QUESTION. THE POSITION OF THE TWO GERMANIES COULD NOT BE TOUCHED FOR THE TIME BEING. A CERTAIN EVOLUTION WAS POSSIBLE EVEN WITHIN THESE LIMITS, SO LONG AS IT DID NOT AMOUNT TO DESTABILISATION. (JIM HOAGLAND'S PIECE IN THE HERALD TRIBUNE OF 6 JULY, BASED ON ELYSEE BRIEFING, GIVES A GOOD ACCOUNT OF THE FRENCH VIEW OF EAST-WEST ASPECTS OF THE PRIVATE TALKS.)

#### ARMS CONTROL

11. THE FRENCH REGARD GORBACHEV'S REFERENCE IN HIS ELYSEE BANQUET SPEECH ON 4 JULY (VIZ TO TACTICAL NUCLEAR WEAPONS BECOMING A BRAKE ON THE DISARMAMENT PROCESS) AS THE MINIMUM HE COULD HAVE SAID. GORBACHEV HAD RAISED WITH THE PRESIDENT, BUT NOT PRESSED, THE QUESTION OF BRINGING FRENCH (AND BRITISH) NUCLEAR WEAPONS INTO THE ARMS CONTROL PROCESS. (HE HAD SAID MERELY THAT THERE MIGHT COME A TIME, LATER IN THE NEGOTIATIONS, WHEN FRENCH AND BRITISH NUCLEAR WEAPONS WOULD HAVE TO BE INCLUDED.) MITTERRAND HAD RE-STATED THE STANDARD FRENCH POSITION. THE SOVIET DEFENCE TEAM IN TALKS WITH THE FRENCH DEFENCE MINISTER PRESSED MUCH HARDER ON SNF AND INVOLVEMENT OF FRENCH NUCLEAR WEAPONS IN ARMS CONTROL.

12. BLOT COMMENTED THAT THE EXCHANGE BETWEEN MILITARY STAFFS HAD

BEEN USEFUL AND INTERESTING: THE FRENCH HAD EXPLAINED CLEARLY THEIR DOCTRINE THAT TACTICAL NUCLEAR WEAPONS WERE NOT SIMPLY A PART OF THE FRENCH ARMOURY, BUT HAD A SPECIFIC ROLE AS A WARNING BEFORE FRENCH STRATEGIC WEAPONS WERE USED. THE FRENCH CLAIM THAT THE RUSSIAN SIDE SEEMED NOT TO HAVE RECOGNISED BEFORE THAT THEIR OWN DOCTRINE WAS IN CONTRAST.

#### CHINA

13. GORBACHEV HAD APPEARED EMBARRASSED ABOUT CHINA AND UNWILLING TO SAY MORE THAN A MINIMUM IN PUBLIC (JOURNALISTS REPORTED WIDELY GORBACHEV'S NERVOUSNESS ON THIS SUBJECT). IN PRIVATE HE HAD MADE CLEAR THAT HE WAS ABSOLUTELY AGAINST WHAT HAD HAPPENED. BUT HE CLEARLY DID NOT WISH, BY SAYING TOO MUCH IN PUBLIC, TO UNDO ANY OF THE DIFFICULT WORK ACHIEVED IN RESTORING AND IMPROVING SOVIET-CHINESE RELATIONS.

#### INTERNATIONAL QUESTIONS

14. THE SOVIET SIDE, IN PRIVATE, INCLUDING THE MILITARY, ACKNOWLEDGED THAT THE SOVIET INVASION OF AFGHANISTAN HAD BEEN A MISTAKE. THEY STARTLED THE FRENCH BY TRYING TO DRAW A COMPARISON WITH FRANCE/ALGERIA. ON CAMBODIA, THE TWO SIDES AGREED THAT IT WAS NECESSARY TO RESPOND QUICKLY TO THE VIETNAMESE TROOP WITHDRAWAL AND TO PREPARE INTERNATIONAL CONTROL MEASURES IN ADVANCE. THE SOVIET UNION WOULD COME TO THE PARIS CONFERENCE AND PLAY A FULL PART (BUT THEY DO NOT SEEM TO HAVE SPECIFIED THEIR LEVEL OF REPRESENTATION). THEY WERE OPTIMISTIC THAT THE CHINESE WOULD PLAY A POSITIVE AND RESPONSIBLE ROLE IN INTERNATIONAL ACTION ON CAMBODIA. ON ARAB-ISRAEL, THE ANALYSIS OF THE TWO SIDES WAS VERY CLOSE (THOUGH, BLOT SAID, NOT IDENTICAL). THEY AGREED ON THE IMPORTANCE OF PALESTINIAN INVOLVEMENT IN AN INTERNATIONAL CONFERENCE. MY TELNO 889 (NOT TO ALL) REPORTS SEPARATELY ON THE FRANCO-SOVIET DECLARATION ON LEBANON: THE SOVIET SIDE WERE CAREFUL NOT TO MAKE A LINK BETWEEN THE LEBANESE SITUATION AND THE WIDER MIDDLE EAST ISSUES, WHEREAS THE FRENCH WERE CONCERNED TO ENSURE THAT LEBANON DID NOT BECOME LOST AS A MINOR PART OF WIDER ISSUES - HENCE THE IMPORTANCE THEY PLACED ON A RE-AFFIRMATION OF LEBANESE SOVEREIGNTY.

#### COMMENT

15. THE VISIT CAN BE RATED AS SATISFACTORY FOR THE FRENCH IN ITS PRIVATE ASPECTS - THOUGH HOW MUCH OF THE DETAIL OF MITTERRAND'S TETE-A-TETE CONVERSATIONS WILL FILTER DOWN THROUGH THE MACHINE IS VERY UNCERTAIN. THE FRENCH CAN BE SATISFIED THAT THEY HAVE CAUGHT UP WITH GORBACHEV, AND THAT THEY HAVE BEEN ABLE TO SHOW THAT THEY HAVE A COHERENT VIEWPOINT TO TRANSMIT ON THE DEVELOPMENT OF EUROPE.

PUBLIC OPINION REMAINED INTERESTED BUT DETACHED, AND THE PARIS PRESS WERE NOT ENTHUSIASTIC ABOUT GORBACHEV'S PERFORMANCE. THE MITTERRAND-GORBACHEV CHEMISTRY WAS GOOD AND THE BILATERAL SHOP-WINDOW NOW HAS A NICE NEW DISPLAY.

16. THE SUBSTANCE OF THE TALKS, AS SO FAR REVEALED TO US, REVEALS INTERESTING GLOSSES ON SOVIET EUROPEAN POLICY AND GORBACHEV'S VIEW OF THE US. THE FRENCH INTERPRET GORBACHEV'S REPEATED WARNINGS ABOUT THE US EXPLOITING DEVELOPMENTS IN EASTERN EUROPE AS BETRAYING CONCERN THAT HIS OPPONENTS AT HOME COULD USE SUCH ATTEMPTS AGAINST HIM. THEY SEE SOVIET SECURITY AND CONTINUED MEMBERSHIP OF THE WARSAW PACT AS THE LAST REMAINING LIMITS ON POLITICAL EVOLUTION IN EASTERN EUROPE, AND SYMPATHISE WITH GORBACHEV'S VIEW THAT THE WEST MUST BE VERY CAREFUL - AGAINST THIS BACKGROUND - IN ITS APPROACH.

17. THE STRABSOURG SPEECH WILL REPLY STUDY, PARTICULARLY FOR WHAT IT REVEALS OF SOVIET ATTITUDES TO EASTERN EUROPE, AND THE BREZHNEV DOCTRINE.

18. THERE WAS NEVER ANY QUESTION OF THIS VISIT MATCHING IN IMPORTANCE GORBACHEV'S VISIT TO BONN. THE FRANCO-SOVIET RELATIONSHIP IS LESS VOLATILE THAN THAT OF GERMANY WITH THE SOVIET UNION. SINCE DE GAULLE'S TIME IT HAS BECOME MORE QUOTE NORMAL UNQUOTE. THE FRENCH TEMPTATION TO POINT-SCORING AS SHOWN IN DUMAS'S MISTAKEN CLAIM TO A PRIVILEGED RELATIONSHIP WITH THE SOVIET UNION GOES ALONG WITH A HEALTHY STREAK OF PUBLIC AND OFFICIAL SCEPTICISM. GORBOPHORIA DOES NOT RULE HERE.

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MY TELNO 880: GORBACHEV'S VISIT TO FRANCE: DAY TWO.

### SUMMARY

1. GORBACHEV TACKLES THE FRENCH INTELLIGENTZIA AND DOES NOT WHOLLY CONVINCe. MORE AGREEMENTS SIGNED. JOINT STATEMENT ON LEBANON. ATMOSPHERE SUMMED UP BY PRESS HEAD-LINE: A SUMMIT WITHOUT GORBIMANIA. ACTION NOW MOVED TO STRASBOURG.

### DETAIL

2. AFTER LAYING A WREATH AT THE ARC DE TRIOMPHE AND TALKS WITH CHIRAC, GORBACHEV ADDRESSED AN AUDIENCE OF PARISIAN INTELLECTUALS AND (A FEW) STUDENTS AT THE SORBONNE. A LARGE SELECTION OF THE FRENCH POLITICAL AND MEDIA ESTABLISHMENT MANAGED TO BE THERE. GORBACHEV'S PREPARED SPEECH, LARDED WITH REFERENCES TO THE FRENCH REVOLUTION, WAS AN ORTHODOX DEFENCE OF MARXISM-LENINISM AND PANEGYRIC ON THE OCTOBER REVOLUTION, AND AN EXPLANATION OF PERESTROIKA. GORBACHEV RIDICULED THE IDEA THAT SOCIALIST COUNTRIES MIGHT JOIN THE CAPITALIST SYSTEM. THE ANSWER WAS LIVE AND LET LIVE IN THE COMMON EUROPEAN HOUSE.

### QUESTIONS

3. THERE WAS TIME FOR ONLY FOUR QUESTIONS (WITH LENGTHY ANSWERS) FROM THE FLOOR. ON CHINA GORBACHEV CALLED FOR DIALOGUE BETWEEN THOSE IN POWER, THE PEOPLE, YOUTH AND THE INTELLECTUALS, BUT ADDED THAT HE DID NOT WANT TO INTERFERE IN OTHERS' INTERNAL AFFAIRS. HE GAVE A BLAND ANSWER TO A QUESTION ABOUT THE SIMULTANEOUS HOLDING OF THE POSTS OF PRESIDENT AND GENERAL SECRETARY (IE WHICH OFFICE IS SUBORDINATE TO WHICH?), ADDING THAT HE DID NOT KNOW HOW THIS QUESTION WOULD BE RESOLVED AT THE REPUBLICAN AND LOCAL LEVELS.

### PROGRAMME

4. AFTER HOSTING A LUNCH FOR THE ROCARDS, GORBACHEV HAD A FURTHER WORKING SESSION AT THE ELYSEE, FOLLOWED BY A SHORT MEETING WITH MARCHAIS, GENERAL SECRETARY OF THE PCF. THERE WAS A JOINT PRESS

CONFERENCE WITH MITTERRAND BEFORE DINNER AT THE MITTERRANDS' FLAT (PARA 4 OF TUR).

#### MILITARY DOCTRINE

5. IN A FAIRLY BLATANT ATTEMPT AT WEDGE-DRIVING, MOISEEV, SPEAKING TO THE ECOLE MILITAIRE, PRAISED FRENCH STRATEGIC DOCTRINE, WHICH HE CLAIMED REGARDED NUCLEAR WEAPONS AS A QUOTE POLITICAL UNQUOTE INSTRUMENT, AND CONTRASTED IT WITH NATO DOCTRINE.

#### AGREEMENTS

6. AMONG THE AGREEMENTS SIGNED, NOW NUMBERING TWENTY-TWO RATHER THAN TWENTY-ONE, WERE:

(A) A FRAMEWORK AGREEMENT ON MANAGEMENT TRAINING:

(B) MILITARY EXCHANGES, BROKEN OFF AFTER THE INVASION OF AFGHANISTAN:

(C) CULTURAL COOPERATION, INCLUDING THE OPENING OF CULTURAL CENTRES

(D) PREVENTION OF INCIDENTS AT SEA

(E) TRANSPORT

(F) YOUTH EXCHANGES

(G) ACCESS TO PUBLIC ARCHIVES

(H) DRUG TRAFFICKING

#### LEBANON

7. AS FORECAST, THERE WAS A JOINT STATEMENT ON THE LEBANON, WHICH CALLED FOR AN IMMEDIATE CEASE-FIRE AND STATED THAT URGENT STEPS SHOULD BE TAKEN TO STOP THE SUPPLY OF ARMS TO ALL GROUPS IN THE LEBANON. FRANCE AND THE SOVIET UNION WERE READY TO HELP EFFORTS FOR PEACE IN ANY WAY, PARTICULARLY IN THE SECURITY COUNCIL. (WE ARE REPORTING SEPARATELY IN MORE DETAIL.)

#### PRESS CONFERENCE

8. DURING THE JOINT PRESS CONFERENCE, GORBACHEV SAID THAT THE BUILDING OF A COMMON HOME DID NOT MEAN ELIMINATION OF ANY PARTICULAR SYSTEM, BUT RESPECT FOR EACH OTHER'S VALUES. AS AT THE SORBONNE, HE DEFENDED MARXISM-LENINISM AGAINST THE CHARGE THAT COMMUNISM WAS IN CRISIS. IT WAS ALIVE AND VITAL. BUT THE WAY THE POLES AND HUNGARIANS SETTLED THEIR PROBLEMS WAS THEIR BUSINESS. HE SAW NO OBSTACLE TO A POSSIBLE MEETING WITH REPRESENTATIVES OF SOLIDARITY. ON SOLZHENITSYN'S REHABILITATION, HE COMMENTED WOODENLY THAT HE HAD CONFIDENCE IN THE WRITERS' UNION: THIS WAS A CONCRETE QUESTION AND QUOTE THE PROCESS WOULD TAKE PLACE IN A CONCRETE WAY UNQUOTE. HE CONFIRMED HE HIMSELF HAD BEEN BAPTISED: QUOTE NOTHING UNUSUAL IN

THAT UNQUOTE.

## COMMENT

9. THE IMPRESSION GIVEN IS OF SATISFACTION ON BOTH SIDES WITH THE CONTENT OF MITTERRAND'S TALKS WITH GORBACHEV, COMBINED WITH A DEGREE OF SCEPTICISM ON THE PART OF THE MEDIA ABOUT THE PUBLIC ASPECTS OF THE VISIT. GORBACHEV'S PERFORMANCE AT THE SORBONNE DID NOT GREATLY IMPRESS SOME OF THOSE WHO WERE THERE. OFFICIALS HAVE EMPHASISED THE GOOD PERSONAL RELATIONSHIP BETWEEN MITTERRAND AND GORBACHEV, AND HAVE CLAIMED THAT RELATIONS BETWEEN THE TWO COUNTRIES ARE IMPROVING

ACROSS THE BOARD. DUMAS, IN A RADIO INTERVIEW, CLAIMED THAT FRANCE WAS THE SOVIET UNION'S PRIVILEGED PARTNER IN WESTERN EUROPE, NOT ONLY FOR HISTORICAL REASONS, BUT ALSO BECAUSE FRANCE FACED A LONGER PERIOD OF POLITICAL STABILITY WITHOUT ELECTIONS THAN THE UK OR GERMANY. BUT FOR ALL THE ARITHMETIC OF BILATERAL AGREEMENTS, FEW HERE WOULD AGREE WITH THIS ANALYSIS.

10. THE ACTION IS NOW IN STRASBOURG. I SHALL SEND FURTHER COMMENT ON THE VISIT AS A WHOLE WHEN WE HAVE OBTAINED A READ-OUT FROM THE FRENCH AND OTHERS.

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GORBACHEV'S VISIT TO FRANCE: DAY ONE

SUMMARY

1. TETE-A-TETE MEETINGS BETWEEN GORBACHEV AND MITTERRAND COVER MAINLY EUROPEAN THEMES AND ARMS CONTROL. SEVERAL AGREEMENTS SIGNED. ATMOSPHERE WARM, BUT THE FRENCH ARE NOT GOING OVERBOARD.

DETAIL

2. PREVISIT MEDIA COVERAGE HAS BEEN EXTENSIVE. COMMENTATORS HAVE CONCENTRATED ON THE SOVIET UNION'S ECONOMIC DIFFICULTIES AND NATIONALITIES PROBLEMS, LIKELY TO DIVERT GORBACHEV'S ATTENTION FROM HIS PARIS VISIT, WHILE RECALLING HIS RECORD OF SUCCESSFUL OVERSEAS VISITS, INCLUDING FRANCE IN 1985, HIS FIRST TRIP TO THE WEST AS GENERAL SECRETARY. LE MONDE NOTES THAT, AGAINST HIS USUAL PRACTICE, GORBACHEV HAS NOT GIVEN ANY PRE-VISIT INTERVIEWS. THIS HAS BEEN AMPLY MADE UP FOR BY A BATTERY OF SOVIET PUBLICISTS FROM THE INSTITUTES ETC. WHO HAVE BEEN GIVING INTERVIEWS AROUND TOWN TO ALL WHO WANT THEM.

PROGRAMME

3. GORBACHEV'S FIRST ENGAGEMENT WAS LUNCH WITH MITTERRAND, WITH WIVES ONLY PRESENT, AT THE ELYSEE, FOLLOWED BY A TETE-A-TETE WITH THE PRESIDENT. HE WAS THEN GIVEN A DEMONSTRATION OF HIGH-DEFINITION TV AT THE ELYSEE (SUPPOSED TO BE A 'EUROPEAN' PRESENTATION, WITH THE DUTCH AND GERMANS PRESENT, BUT THEY WERE EXCLUDED - IN THE VIEW OF THE FRG EMBASSY, DISHONESTLY - AT THE LAST MINUTE). THIS WAS FOLLOWED BY A TRIP TO THE BASTILLE, WHERE THE UNRULY CROWD OF JOURNALISTS PREVENTED GORBACHEV FROM MAKING MORE THAN A TOKEN WALKABOUT. DAY ONE ENDED WITH STATE BANQUET AND SPEECHES.

4. THERE ARE TO BE SOME 15 HOURS OF DISCUSSIONS BETWEEN THE TWO PRESIDENTS DURING THE VISIT, INCLUDING DINNER ON 5 JULY, ALSO WITH ONLY WIVES AND INTERPRETERS PRESENT, AT MITTERRAND'S PRIVATE FLAT. THE MAIN THEMES CANVASSED APPEAR TO BE THE FUTURE OF EUROPE, ARMS CONTROL, AND THE MIDDLE EAST INCLUDING LEBANON.

## SPEECHES

5. MITTERRAND'S SPEECH AT THE STATE BANQUET AT THE ELYSEE EMPHASISED THE CENTRALITY OF THE EC TO ANY COMMON EUROPEAN HOME, NOTING THE OBSTACLES THAT REMAIN BEFORE THE DIVISION OF EUROPE CAN BE OVERCOME, AND STRESSING THE NEED FOR PRACTICAL STEPS FORWARD. DURING THE FRENCH PRESIDENCY OF THE EC HE INTENDED TO REINFORCE THE COMMUNITY'S RELATIONS WITH EAST EUROPEAN COUNTRIES AND THE SOVIET UNION. MITTERRAND ENDED BY WISHING SUCCESS TO PERESTROIKA 'IF IT BRINGS GREATER LIBERTY AND WELL-BEING TO SOVIET CITIZENS, AND IF IT REINFORCES PEACEFUL COOPERATION BETWEEN THE USSR AND THE REST OF THE WORLD, AS HAS ALREADY BEGUN TO HAPPEN'.

6. IN REPLY GORBACHEV PAID COMPLIMENTS TO THE FRENCH REVOLUTION AND ITS HERITAGE. PERESTROIKA WAS ALSO A REVOLUTION, WHICH HE HOPED WOULD NOT BE CONFINED TO THE SOVEIT UNION. FURTHER COMPLIMENTS TO PARIS AS HOST TO CDH MEETING: AND TO FRANCO-GERMAN RECONCILIATION. 'THE POST-WAR PERIOD IS OVER... MAKING A EUROPE WORTHY OF THE PRESENT CHALLENGES DEPENDS ON US AND YOU, ON ALL THE EUROPEANS PLUS THE AMERICANS AND CANADIANS.'

7. GORBACHEV COMMENTED THAT THE CFE AND CSBM NEGOTIATIONS IN VIENNA HAD BEGUN WELL, ALTHOUGH QUOTE AT A CERTAIN STAGE THE PROBLEM OF TACTICAL NUCLEAR WEAPONS COULD PROVE A SERIOUS BRAKE UNQUOTE. SUCCESS IN THE TALKS DEPENDED ON ALL THE PARTICIPANTS INCLUDING, NOT LEAST, FRANCE.

## BILATERALS

8. OTHER BILATERALS INCLUDED DISCUSSIONS BETWEEN DUMAS AND SHEVARDNADZE, WHO AGAIN PROPOSED A CSCE SUMMIT, CHEVENEMENT AND MOISEEV, CHIEF OF THE SOVIET GENERAL STAFF, BEREGOVY, MINISTER OF FINANCE, AND VORONIN, FIRST DEPUTY PRIME MINISTER. WE HAVE HEARD THAT CHEVENEMENT WAS NOT HAPPY WITH HIS DISCUSSIONS REGARDING THE SOVIET SIDE AS LESS THAN POSITIVE IN THEIR APPROACH TO BILATERAL DEFENCE EXCHANGES.

## AGREEMENTS

9. A TOTAL OF TWENTY-ONE AGREEMENTS ARE TO BE SIGNED DURING THE VISIT. THOSE SIGNED SO FAR INCLUDE:

- (A) AN MOU ON BILATERAL COOPERATION
- (B) AN INVESTMENT PROTECTION AGREEMENT
- (C) A LONG TERM PROGRAMME OF EXCHANGES IN AGRO-INDUSTRY
- (D) A FORESTRY AGREEMENT
- (E) A JOINT DECLARATION ON TECHNICAL COOPERATION IN CIVIL



## AVIATION

- (F) AN AGREEMENT ON SPACE COOPERATION (INCLUDING PROVISION FOR A THIRD FRENCH COSMONAUT)
- (G) A TELECOMMUNICATIONS AGREEMENT
- (H) A JOINT DECLARATION ON SCIENTIFIC AND TECHNOLOGICAL COOPERATION.

THERE ARE ALSO AGREEMENTS ON JOINT VENTURES IN A NUMBER OF FIELDS, AND THE CREATION OF A CONSORTIUM FOR TRADE WITH THE SOVIET UNION. THE CONSORTIUM, SAID TO BE THE FIRST OF ITS KIND IN EUROPE, IS BACKED BY CREDIT LYONNAIS, AND INCLUDES CLUB MEDITERRANEE, DARTY, ELECTRONIQUE SERGE DASSAULT AND PECHINEY. AGREEMENTS TO COME ARE EXPECT TO INCLUDE MANAGEMENT TRAINING, DRUGS COOPERATION, CULTURAL CENTRES, AND INCIDENTS AT SEA.

## PROTESTS

10. DEMONSTRATIONS OUTSIDE THE SOVIET EMBASSY BY ARMENIANS AND HOLDERS OF TZARIST BONDS HAVE RECEIVED SOME COVERAGE, AS HAVE COMPLAINTS THAT MITTERRAND'S GIFT TO GORBACHEV, THE PISTOLS USED IN PUSHKIN'S FATAL DUEL, WERE REMOVED FROM A PROVINCIAL MUSEUM WITHOUT WARNING OR CONSULTATION. (MICHEL DEBRE, WHO PRESENTED THE PISTOLS TO THE MUSEUM, HAS TOLD ME PRIVATELY OF HIS ANGER.)

## COMMENT

10. MEDIA COVERAGE HAS TENDED TO UNDERLINE, WITH A TOUCH OF COMPLACENCY, FRENCH SCEPTICISM ABOUT THE PROSPECTS FOR PERESTROIKA. THE FRENCH ARE THOUGHT TO BE QUOTE GORBIPHILE UNQUOTE BUT NOT QUOTE GORBIMANIAC UNQUOTE. THIS HAS BEEN BORNE OUT BY THE REACTION OF THE PARISIANS ON THE STREET TO GORBACHEV, WHICH HAS FALLEN SHORT OF THE EUPHORIC. (AS MITTERRAND SAID IN HIS SPEECH, IN THE CONTEXT OF THE COMMON EUROPEAN HOUSE, NO ONE IS GOING TO EXCHANGE THE SOLID ACQUIS OF THE COMMUNITY FOR CHIMERAS.) BUT MITTERRAND AIMS TO SHOW THAT, ALTHOUGH THE DAYS OF THE GAULLIST SPECIAL RELATIONSHIP ARE PAST, FRANCE STILL PLAYS A LEADING ROLE IN BREAKING DOWN BARRIERS AND DEVELOPING CONTACTS WITH THE SOVIET UNION.

11. PRESIDENT MITTERRAND'S SPOKESMAN HAS BEEN BRIEFING THE PRESS TO EXPECT A JOINT STATEMENT ON THE LEBANON, ONE OF THE SUBJECTS DISCUSSED BY MITTERRAND AND GORBACHEV.

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GORBACHEV'S VISIT TO THE FRG: ASSESSMENT

*A profoundly  
depressing account  
CD 17/6*

## SUMMARY

1. BIG SUCCESS FOR GORBACHEV AND KOHL. THE EVENT ITSELF AND THE PUBLICITY MORE IMPORTANT THAN THE SUBSTANCE. GORBACHEV TOUR DE FORCE OF CONFIDENCE, SKILL AND CHARM, WELL CALCULATED TO CAPTIVATE THE FAMOUSLY SUGGESTIBLE AUDIENCE OF THE WEST GERMAN PUBLIC. SOME OF HIS HEARERS MORE SWAYED THAN OTHERS.

2. MUCH EXAGGERATION FROM FEDERAL GOVERNMENT OF SIGNIFICANCE OF THE SUBSTANCE OF THE VISIT, BUT EVIDENCE THAT THEIR FEET ARE IN FACT WELL ON THE WESTERN GROUND.

3. FEDERAL GOVERNMENT CLAIM A CLEAR GAIN IN INFLUENCE FOR THE FRG, ACCEPTED NOW BY BOTH SUPERPOWERS AS A PARTNER IN LEADERSHIP.

## DETAIL

4. FOR A VARIETY OF REASONS GORBACHEV'S MESSAGE FELL ON WILLING EARS. PORTUGALOV'S PORTRAYAL OF THE VISIT ON FRG TELEVISION AS COMPARABLE IN HISTORIC IMPORTANCE TO THE RECONCILIATION BETWEEN ADENAUER AND DE GAULLE OF 1962 WAS MUSIC NOT ONLY TO A VULNERABLE GOVERNMENT FACING AN IMMINENT EUROPEAN ELECTION BUT ALSO TO A BROAD CROSS-SECTION OF THE POPULATION, ESPECIALLY THE YOUNG. AS KOHL COMMENTED ON TELEVISION SOME, TWO THIRDS OF TODAY'S WEST GERMANS WERE BORN AFTER THE DEATH OF HITLER, WILL LIVE INTO THE NEXT CENTURY AND WANT TO MAKE A NEW BEGINNING.

5. GORBACHEV PERFORMED WITH CHARACTERISTIC VERVE, IN STRIKING CONTRAST TO THE RECENT LOW KEY VISIT HERE BY BUSH. OPINION POLLS IN ADVANCE OF THE VISIT HAD SHOWN HIM TO BE MORE POPULAR IN THE FRG THAN BUSH OR ANY GERMAN POLITICIAN SAVE WEIZSAECKER. THE POPULAR WELCOME WAS ECSTATIC, AND SEEN BY MANY AS THE MOST ENTHUSIASTIC FOR ANY FOREIGN POLITICAL LEADER SINCE THE VISITS OF DE GAULLE IN 1962

AND KENNEDY IN 1963. BEHIND THE CHANTS OF 'GORBI, GORBI' LAY A MIXTURE OF ADMIRATION FOR HIS STRENGTH, COURAGE AND DECISIVENESS (IN CONTRAST ESPECIALLY TO KOHL), INTENSE RELIEF AT THE REDUCTION IN THE THREAT FOR WHICH HE IS WIDELY FELT HERE TO BE PERSONALLY RESPONSIBLE, WILLINGNESS TO BELIEVE THAT HIS INTENTIONS ARE GENUINELY GOOD AND STRONG BUT UNFOCUSSED HOPE FOR THE FUTURE OF EAST/WEST RELATIONS.

6. BUT THERE ARE SOME GREY TONES IN THE GENERALLY ROSY IMPRESSION. THE TELEVISION VIEWING FIGURES SHOW THAT GORBACHEV DID NOT DRAW EXCEPTIONAL AUDIENCES. HIS BEST RATING ON 13 JUNE, WHEN HE WAS IN BONN, WAS 6.7 MILLION VIEWERS (AS AGAINST 9.5 MILLION FOR THE PRINCE AND PRINCESS OF WALES IN BONN IN 1987). THERE HAS BEEN CRITICISM OF 'NAUSEATING' COMMENTARIES AND OF THE USE OF 'GORBI' BY NATIONAL NEWSREADERS, AND EXTENSIVE COVERAGE OF THE PARTIALLY CRITICAL REPORTING IN OTHER COUNTRIES, ESPECIALLY THE UK, USA AND FRANCE. THE GERMAN PRESS TOO HAS NOT BEEN ENTIRELY LAUDATORY. THE FRANKFURTER ALLGEMEINE ZEITUNG AND SUEDEDEUTSCHE ZEITUNG HAVE BEEN CRITICAL OF THE STATE OF FRG-SOVIET ECONOMIC RELATIONS, AND MORE THAN ONE COMMENTATOR HAS WARNED THAT GORBACHEV HAS NO MORE THAN A 50 PER CENT CHANCE OF SURVIVAL.

7. SCEPTICISM IS ALSO IN ORDER ON THE SUBSTANCE OF THE VISIT. THE CENTREPIECE, THE JOINT DECLARATION, IS INOFFENSIVE: IT GENERALLY CONSISTS OF SENTIMENTS ALREADY ENSHRINED IN CSCE. THE MUCH-VAUNTED PASSAGE ON SELF-DETERMINATION, AND OTHER ELEMENTS, CAN BE HELD TO DENY THE BREZHNEV DOCTRINE AND ENDORSE FREEDOM OF CHOICE FOR THE EAST GERMANS AND OTHERS IN EASTERN EUROPE. THERE IS ALSO SATISFACTION HERE AT THE RECOGNITION OF THE PLACE OF THE USA AND CANADA IN EUROPEAN AFFAIRS. BUT THE REALITY IS THAT THE DECLARATION, THOUGH IMPORTANT BILATERALLY AS A MILESTONE IN FRG/SOVIET RELATIONS, IS NOT A SUBSTANTIAL ADDITION TO THE ACQUIS OF EAST/WEST RELATIONS AS A WHOLE. MORE SIGNIFICANT PERHAPS, AT THIS JUNCTURE IN EASTERN EUROPE, WAS GORBACHEV'S PLEDGE TO KOHL (MY TELNO 628) THAT THE SOVIET UNION WILL NOT INTERFERE IN THE REFORM PROCESS IN EASTERN EUROPE.

8. NOR DO THE ELEVEN AGREEMENTS SIGNED DURING THE VISIT (MY TELNO 628) NECESSARILY AMOUNT TO MUCH. AS KOHL ADMITS, A GREAT DEAL WILL DEPEND ON FOLLOW UP. IF THE RUSSIANS PROVE WILLING IN PRACTICE TO INCREASE THE EXTENT AND QUALITY OF THEIR COOPERATION WITH THE FRG IN FIGHTING DRUGS AND TERRORISM AND ON ENVIRONMENTAL MATTERS THAT COULD BE GENUINELY USEFUL. SO COULD THE PROPOSED PROGRAMME OF MANAGEMENT TRAINING, WHILE THE PLANNED CULTURAL AND EDUCATIONAL EXCHANGES COULD

IF SUSTAINED HAVE IMPACT IN THE SOVIET UNION.

9. KOHL (PARAGRAPH 3 OF MY TELNO 625), WIEZSAECKER AND GENSCHER HAVE ALL MADE ABSOLUTELY PLAIN THE STRENGTH OF THE FEDERAL REPUBLIC'S ENDURING ATTACHMENT TO NATO AND TO THE EUROPEAN COMMUNITY. KOHL WARNED AGAINST PUBLIC EUPHORIA AND STRESSED GORBACHEV'S ACKNOWLEDGEMENT IN VARIOUS STATEMENTS OF THE FRG'S MEMBERSHIP OF NATO. APART FROM A COUPLE OF REMARKS BY GORBACHEV ON SNF, THERE WAS A MARKED ABSENCE DURING THE VISIT OF SOVIET WEDGE-DRIVING TACTICS.

10. GORBACHEV'S LESS THAN TOTALLY NEGATIVE REMARKS ABOUT THE BERLIN WALL, AND SOME OF HIS OTHER REMARKS, HAVE LEFT THE IMPRESSION THAT THERE MAY BE SOME HOPE OF PROGRESS ON THE GERMAN QUESTION IN THE FUTURE. BUT KOHL HAS WARNED AGAINST ILLUSIONS AND GERMAN OFFICIALS' ACCOUNTS OF THE TALKS DO NOT SUGGEST THAT 'NEW THINKING' HAS ALTERED THE SUBSTANCE OF SOVIET POLICY ON GERMANY OR BERLIN.

11. THERE WAS MUCH RHETORICAL STRESS ON THE SCOPE FOR INCREASED ECONOMIC COOPERATION, REFLECTING THE SOVIET UNION'S URGENT NEED FOR HELP AND A KEEN AWARENESS ON THE PART OF FRG BANKS AND COMPANIES OF THE OPPORTUNITIES WHICH COULD FLOW FROM PERESTROIKA. GORBACHEV POINTED OUT (MY TELNO 628) THAT TRADE WITH THE SOVIET UNION ACCOUNTS FOR A VERY SMALL PROPORTION (LESS THAN 2 PER CENT) OF GERMAN FOREIGN TRADE, AND SHOULD BE CAPABLE OF CONSIDERABLE EXPANSION. THE NEW INVESTMENT PROTECTION AND PROMOTION AGREEMENT MAY HELP TO SMOOTH THE WAY FORWARD. BUT THE VISIT WILL NOT OF ITSELF CHANGE THE ECONOMIC REALITIES. AS FEDERAL ECONOMICS MINISTER HAUSSMANN HIMSELF ADMITS, THE LACK OF A CONVERTIBLE CURRENCY AND OF SOVIET GOODS ABLE TO COMPETE IN WESTERN MARKETS REMAIN MAJOR OBSTACLES.

#### CONCLUSIONS

12. KOHL CAN NOW LOOK BACK ON A SUCCESSFUL NATO SUMMIT FOLLOWED BY SUCCESSIVE SUPER-POWER VISITS WHICH HAVE BEEN SEEN AS ADDING TO THE FRG'S INTERNATIONAL STATURE. HE HAS REASON TO HOPE FOR A NOT TOO BAD RESULT FOR THE CDU IN SUNDAY'S EUROPEAN ELECTIONS. HIS PERFORMANCE HAS IN TRUTH BEEN SKILFUL, MANAGING TO COMBINE A SUCCESSFUL GORBACHEV VISIT WITH REPEATED REMARKS ABOUT THE NEED TO BALANCE OPTIMISM WITH REALISM AND UNDERLINING THE FRG'S WESTERN LINKS.

13. THE KEY RESULT IS A GREAT LEAP FORWARD FOR GORBACHEV'S POPULARITY IN THE FRG AND FOR THE EXPECTATION HERE OF EAST/WEST PROGRESS. IN THE NEAR FUTURE THE GERMAN YEARNING FOR PROGRESS CAN BE EXPECTED TO FOCUS ON THE CFE NEGOTIATIONS. THE DEFENCE

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CLIMATE HERE MAY GET EVEN WORSE AS THE THREAT IS PERCEIVED TO  
HAVE RECEDED FURTHER. KOHL AND GENSCHER WILL WANT TO ACHIEVE THE  
BALANCING ACT OF MAINTAINING THE FRG'S WESTERN LINKS WHILE TUGGING  
HARD ON THE REST OF NATO TO MOVE WITH THEM IN EAST-WEST PROGRESS.  
PUBLIC OPINION HERE WILL EXPECT NO LESS, AND GENSCHER ESPECIALLY  
WILL BE WILLING TO TAKE RISKS.

MALLABY

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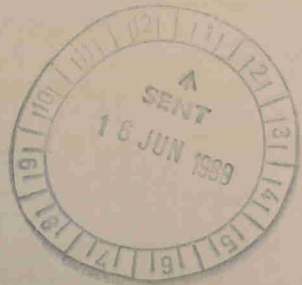
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GORBACHEV'S VISIT TO THE FRG : 12-15 JUNE

SUMMARY

1. THE AUSWARTIGES AMT VIEW OF THE VISIT (WHICH FINISHED LATE THIS AFTERNOON). I SHALL SEND MY ASSESSMENT TOMORROW.

DETAIL

2. KASTRUP (FRG POLITICAL DIRECTOR) BRIEFED NATO AMBASSADORS THIS AFTERNOON.

3. HE DESCRIBED THE VISIT AS AN EVENT OF CONSIDERABLE SIGNIFICANCE FOR THE BILATERAL RELATIONSHIP, FOR EUROPE, AND FOR EAST/WEST RELATIONS AS A WHOLE. IT REPRESENTED A HIGH POINT IN THE DEVELOPMENT OF LINKS BETWEEN THE FRG AND THE SOVIET UNION SINCE THE MOSCOW TREATY OF 1970, AND MEANT THAT A LINE COULD NOW BE DRAWN UNDER THE PAST.

4. GORBACHEV HAD MADE PLAIN THROUGHOUT THE VISIT HIS FULL ACCEPTANCE OF AND RESPECT FOR THE FRG'S VIEW OF THE PERMANENCE OF ITS WESTERN MOORINGS: IT WAS CLEAR THAT THE SOVIET UNION NOW SAW NO POINT IN TRYING TO PLAY ONE WESTERN COUNTRY OFF AGAINST OTHERS. HE HAD SHOWN PARTICULAR SENSITIVITY TO THE IMPORTANCE OF FRG/US RELATIONS: WHEN GENSCHER HAD SPOKEN OF HIS INTENTION TO GO TO WASHINGTON NEXT WEEK TO BRIEF THE AMERICANS, GORBACHEV IN REPLY HAD SAID VERY SERIOUSLY THAT HE HAD BEEN CONSCIOUS OF THE PRESENCE AT THE TABLE OF A THIRD INTERLOCUTOR, AND HAD DESCRIBED AS ILLUSORY AND INCONCEIVABLE ANY IDEA THAT PROGRESS COULD BE MADE IN EUROPE WITHOUT THE US BEING INVOLVED.

5. BOTH SIDES HAD ALSO VIEWED THE VISIT QUITE CONSCIOUSLY AS PART OF THE WIDER POLITICAL DIALOGUE BETWEEN THE SOVIET UNION AND THE EC, AS WELL AS OF THE IMPLEMENTATION OF THE CSCE FINAL ACT.

6. THE FEDERAL REPUBLIC WAS ESPECIALLY PLEASED BY THE OUTCOME OF THE NEGOTIATION OVER THE JOINT DECLARATION, WHICH WAS AN EXTRAORDINARY IMPORTANT DOCUMENT. ESPECIALLY NOTEWORTHY POINTS IN IT WERE THE

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EMPHASIS ON THE OBJECTIVE OF OVERCOMING THE DIVISION OF EUROPE AND ON THE RIGHT OF ALL PEOPLES AND STATES TO SELF-DETERMINATION, AND THE REFERENCE TO THE HARMEL-LINKED CONCEPT OF A PEACEFUL EUROPEAN ORDER (WHEN PRESSED BY THE US AMBASSADOR KASTRUP WAS UNABLE HOWEVER TO DEMONSTRATE AT ALL CONVINCINGLY THAT THE JOINT DECLARATION REPRESENTED A MAJOR IMPROVEMENT ON THE HELSINKI FINAL ACT).

7. GORBACHEV HAD SHOWN A CLOSE PERSONAL INTEREST IN THE DETAILS OF THE ARMS CONTROL DEBATE. HE HAD BEEN DISMISSIVE OF THE NATO SUMMIT DECLARATION, DESCRIBING IT AS STILL TOO STRONGLY INFLUENCED BY COLD WAR IDEAS AND IN GENERAL QUOTE NOT A BIG BREAK-THROUGH UNQUOTE. BUT HE HAD BEEN POSITIVE ABOUT THE BUSH INITIATIVE, TELLING KOHL IN PRIVATE THAT MANY OF THE US PROPOSALS WERE ACCEPTABLE, THAT IT WAS NOW QUOTE REALISTIC UNQUOTE FOR THE NEGOTIATIONS IN VIENNA TO BE TAKEN FORWARD, AND THAT THE WARSAW PACT WOULD TABLE A CONSIDERED RESPONSE IN JULY. ALL THIS SHOWED (IN THE VIEW OF THE FRG) THAT THE LINE TAKEN BY THE NATO SUMMIT HAD BEEN RIGHT.

8. IN ANSWER TO QUESTIONS KASTRUP:

(A) IN EFFECT ADMITTED THAT THERE HAD BEEN NO SIGN OF NEW SOVIET THINKING IN RELATION TO BERLIN. HE NOTED HOWEVER THAT WHILE THE FAMILIAR PROBLEMS REMAINED UNSOLVED THE RUSSIANS HAD AT LEAST SHOWN THEMSELVES WILLING IN THE RUN UP TO THE VISIT TO DISCUSS THE POINTS AT ISSUE IN A CONSTRUCTIVE WAY. GORBACHEV'S LINE ON THE BERLIN WALL AT HIS PRESS CONFERENCE EARLIER IN THE DAY HAD BEEN IN A RELATIVELY LOW KEY (AS SOON AS THE PROBLEMS WHICH HAD NECESSITATED ITS CONSTRUCTION HAD BEEN RESOLVED, IT COULD GO). IN THE FRG VIEW THE LOGIC OF THE JOINT DECLARATION POINTED TO DEVELOPMENTS (EG EXCHANGES/OPENING UP FRONTIERS) WHICH WOULD MEAN THAT THE WALL WOULD INCREASINGLY BE BYPASSED:

(B) DENIED THAT THERE WAS ANY TRUTH IN THE RUMOUR THAT THE SOVIET UNION HAD PROPOSED THE ESTABLISHMENT OF A NEW REPUBLIC FOR THE VOLGA GERMANS (REFERRED TO BY THE RUSSIANS AS SOVIET CITIZENS OF GERMAN NATIONALITY). THE FRG HAD SUGGESTED A REFERENCE IN THE JOINT PRESS COMMUNIQUE TO GERMAN WILLINGNESS TO CONTRIBUTE TOWARDS IMPROVING THE WELFARE OF THESE PEOPLE, BUT THAT HAD BEEN TURNED DOWN BY THE SOVIET TEAM. THE LATTER HAD SAID THAT THEIR OWN PROPOSALS IN THIS CONNECTION WERE NOT YET RIPE, AND THAT THEY WERE ANYWAY CONCERNED ABOUT THE PRECEDENT THAT WOULD BE SET BY SUCH A PUBLIC STATEMENT FOR QUOTE OTHER CRITICAL CASES UNQUOTE:

(C) ON THE PERIODICITY OF FUTURE MEETINGS SAID THAT WHILE NO FIXED



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INTERVAL BETWEEN FUTURE SUMMITS HAD BEEN ESTABLISHED IT HAD BEEN  
AGREED THAT THERE SHOULD BE MORE FREQUENT SUMMITS. SINCE EARLY 1988  
THERE HAD BEEN BILATERAL AGREEMENT THAT FOREIGN MINISTERS SHOULD  
MEET AT LEAST ONCE A YEAR.

MALLABY

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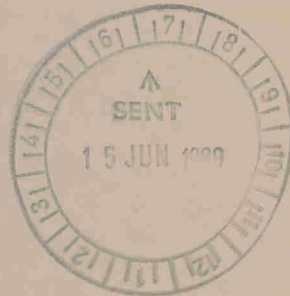
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SUBJECT cc Mante

From the Private Secretary

15 June 1989

Dear Shepley,

PRESIDENT GORBACHEV'S VISIT TO GERMANY

Chancellor Kohl telephoned the Prime Minister this morning about President Gorbachev's visit to Germany.

Chancellor Kohl said that he would summarise his personal impressions. Gorbachev was in tremendous form and very confident, much more so than when they had met in Moscow last October. His election as President had given him much more standing and this was reflected in his manner and in the authority with which he spoke. Gorbachev had been very open about the Soviet Union's economic difficulties and the failure so far to surmount them. He had expressed fears about a bad harvest this year, particularly in the Ukraine. But he seemed determined to see through his reforms.

Kohl continued that Gorbachev had laid much emphasis on the inquiry being conducted into the Stalin period. A report would be produced in about a year's time, together with supporting documents. It would hide nothing and all the crimes of that time would be laid bare. Gorbachev had also talked about Eastern Europe. It was clear that of all the Warsaw Pact leaders, Jaruzelski was closest to him, with the Hungarians next. Gorbachev had spoken sharply about Romania and shown a lot of distance in his comments about East Germany.

Chancellor Kohl said that Gorbachev had accepted the basic direction taken by the NATO Summit but wanted very rapid negotiations (Kohl did not specify whether on conventional forces or SNF, but presumably both). Kohl had replied that this was up to the Soviet Union. Gorbachev had promised to bring forward the necessary proposals soon. The Warsaw Pact would be meeting shortly. Kohl said that he had told Gorbachev that it would be pointless to try to drive a wedge between members of NATO. The Brussels Summit had shown NATO's unity. Gorbachev had denied this was his intention. He accepted that negotiations on arms control must take place between Alliances. Kohl said that he had also warned Gorbachev that he must not build any hopes on the prospect of a neutral West Germany. The friendly welcome which he had received from the German people reflected their relief at the

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ending of the tensions and confrontation of the Cold War and their welcome for future co-operation. Gorbachev himself had talked quite a bit about the War and his youthful memories of it.

Kohl said that Gorbachev had shown a very strong interest in the Middle East, underlining that the Soviet Union wanted to make a positive contribution to a settlement there. He had shown anxiety about Iran and fundamentalism, which he claimed was infecting the population of the Muslim republics of the Soviet Union. Kohl had been struck by the seriousness with which Gorbachev viewed this issue.

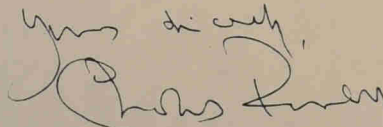
On the subject of China, Gorbachev had made it obvious that his sympathies lay with Zhao Ziyang. He had talked of his fear that Zhao Ziyang might be put on trial.

Gorbachev had also expressed the wish to develop good relations between the Soviet Union and the European Community.

Summing up, Chancellor Kohl said that he had told Gorbachev that there were good prospects for improved co-operation between the Soviet Union and Germany if what he had said was followed up by action. But Germany would look at the reality and be under no illusions.

The Prime Minister complimented Chancellor Kohl on a very successful visit which she hoped would help his political position. She very much agreed that one must look at reality not just hopes. She was glad that NATO agreements had been upheld. She asked whether Chancellor Kohl had pressed President Gorbachev on why he had not publicly condemned the Chinese Government's actions in shooting its own people. Chancellor Kohl said that, at his press conference today, President Gorbachev had made remarks which could be interpreted as distancing himself from these events. The Prime Minister recalled that President Gorbachev had sent Shevardnadze to see the Ayatollah Khomeini at the time when the rest of us were showing maximum restraint in relations with Iran. This indicated how careful one had to be in matching Soviet rhetoric and actions. The Prime Minister concluded by thanking the Chancellor for his thoughtfulness in telephone her straightaway. She was most appreciative.

I am copying this letter to Alex Allan (HM Treasury), Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).



Charles Powell

Stephen Wall Esq  
Foreign and Commonwealth Office.

CEPC 2

Prime Minister (2)

Translation

FRG - SOVIET UNION

GORBACHEV'S VISIT, June '89.  
Joint Declaration

This is the German-Soviet document.

as rather flatulent, & with a good deal less than is claimed for it.

MJ

~~Western~~

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The Federal Republic of Germany and the Union of Soviet Socialist Republics are agreed that mankind faces historic challenges on the threshold to the third millennium. Problems of vital importance to all can only be resolved jointly by all states and peoples. This calls for new political thinking.

- The individual with his inherent dignity and his rights as well as concern for the survival of mankind must be the central elements of politics.
- The vast reservoir of creative energies and abilities of man and modern society must be utilized for the purpose of securing peace and prosperity for all countries and peoples.
- ~~All~~ wars, whether nuclear or conventional, must be prevented, conflicts in various regions of the world settled, and peace preserved and shaped.
- The right of all peoples and states to determine freely their destiny and to frame sovereignly their mutual relations on the basis of international law must be guaranteed. The precedence of international law in domestic and international politics must be ensured.
- Modern economic, scientific and technological findings offer unimagined possibilities that should benefit all mankind. The resultant risks and opportunities require common answers. It is therefore important to expand co-operation in all these fields, to dismantle further the trade barriers of all kinds, to seek new forms of collaboration and to make dynamic, mutually beneficial use of them.

For the sake of present and future generations the natural environment must be saved through resolute action, and hunger and poverty in the world must be overcome.

- New threats, including epidemics and international terrorism, must be vigorously combated.

The two sides are determined to live up to their responsibility deriving from this recognition. Persistent differences in values and in political and social systems are not an obstacle to a forward-looking policy across the frontiers between the systems.

II

Europe has a prominent part to play in shaping a peaceful future. Although the continent has been divided for decades, the awareness of Europe's identity and common assets has endured and is becoming ever stronger. This development must be encouraged.

The Federal Republic of Germany and the Soviet Union consider it a paramount objective of their policies to continue Europe's historical traditions and thus contribute towards overcoming the division of Europe. They are resolved to elaborate jointly concepts for attaining this goal through the development of a Europe marked by peace and co-operation - a peaceful European order or a common European home - in which the United States and Canada also have their place. The CSCE Helsinki Final Act in all its parts as well as the Madrid and Vienna concluding documents chart the course for realizing this goal.

Europe, which suffered most from the two World Wars, must set the world an example of stable peace, good-neighbourliness and constructive co-operation which combines the capabilities of all countries, despite their different social systems, for the sake of the common weal. The countries of Europe can and should be able to live together without mutual fear and in peaceful competition.

A Europe of peace and co-operation must include the following:

- Unqualified respect for the integrity and security of every state, which has the right to choose freely its own political and social system, as well as unqualified respect for the norms and principles of international law, especially respect for the right of peoples to self determination.
- Vigorous continuation of the process of disarmament and arms control. In this nuclear age, efforts must be aimed not only at preventing war, but also at shaping peace and making it more secure.
- A close dialogue covering all traditional and new aspects of bilateral and multilateral relations and including regular meetings at the top political level.
- The realization of human rights and the promotion of the exchange of people and ideas. This includes the expansion of town twinning, transport and communication links, cultural contacts, travel and sports meetings, the promotion of language instruction and the favourable treatment of humanitarian matters, including the reunification of families and travel abroad.
- The expansion of direct contacts between young people and the commitment of the emerging generations to a peaceful future.
- Comprehensive economic co-operation to the mutual advantage, including new forms of collaboration. The Joint Declaration of 25 June 1988 between the European Community and the Council for Mutual Economic Assistance and the normalization of relations between the European Community and the European members of the Council for Mutual Economic Assistance as well as the political dialogue initiated between the Soviet Union and the twelve members of the European Community open up new prospects for a pan-European development in that direction.

- The progressive advancement of pan-European co-operation in various sectors, particularly transport, energy, health, information and communication.
- Intensive ecological co-operation and the exploitation of new technologies which, for the sake of mankind, prevent above all the emergence of cross-border hazards
- Respect for and cultivation of the historical cultures of the peoples of Europe. This cultural diversity is one of the great treasures of the continent. National minorities in Europe with their own cultures are part of this wealth. Their legitimate interests deserve protection.

The Federal Republic of Germany and the Soviet Union call upon all CSCE participating states to take part in forming Europe's future architecture.

III

The Federal Republic of Germany and the Soviet Union declare that one's own security must not be obtained at the expense of the security of others. They therefore pursue the goal of eliminating the causes of tension and distrust through a constructive and forward-looking policy so that the feeling of being threatened that still exists today can be replaced gradually by a state of mutual trust.

The two sides acknowledge that every state has legitimate security interests irrespective of its size and its ideological orientation. They condemn any hankering after military superiority. War must no longer be a political instrument. Security policy and armed forces planning must exclusively serve the purpose of reducing and eliminating the danger of war and of safeguarding peace with fewer weapons. This precludes any arms race.

The two sides are striving for the elimination of existing asymmetries through binding agreements subject to effective international control and for the reduction of military potentials to a stable balance at a lower level which suffices for defence but not for attack. Above all the two sides

- 5 -

consider it necessary to rule out the capability of armed forces for launching surprise attack and initiating large-scale offensive action.

The Federal Republic of Germany and the Soviet Union advocate

- a 50% reduction of the strategic nuclear offensive weapons of the United States and the Soviet Union;
- agreed American-Soviet solutions at the nuclear and space talks; this also applies to observance of the ABM Treaty;
- the establishment of a stable and secure balance of conventional forces at a lower level as well as agreement on further confidence- and security-building measures applicable to the whole of Europe;
- a world-wide, comprehensive and effectively verifiable ban on chemical weapons at the earliest possible date;
- agreement as soon as possible on an effectively verifiable nuclear test ban at the Geneva Conference on Disarmament; step-by-step progress towards this goal is desirable in the ongoing talks between the United States and the Soviet Union;
- the creation of further confidence-building measures, greater transparency of military arsenals and budgets as well as effective international mechanisms for managing crises, including ones outside Europe.

#### IV

The Federal Republic of Germany and the Soviet Union realize, in view of Europe's history and its position in the world as well as the weight which each country carries within its respective alliance, that the positive development of their mutual relations is of central importance to the situation in Europe and to East-West relations as a whole. In the desire to establish a lasting relationship of reliable good-neighbourliness, they intend to take up the good traditions of their centuries-old history. Their common goal is to



- 6 -

continue, expand and deepen their fruitful co-operation and give it a new quality.

The Moscow Treaty of 12 August 1970 continues to form the foundation for the relationship between the two countries. The two sides will fully exploit the opportunities afforded by this Treaty and other agreements.

They have decided to expand consistently - on the basis of trust, equal rights and mutual advantage - the contractual foundations of their relations as well as their co-operation conducted in a spirit of partnership in all fields.

Berlin (West) takes part in the development of their co-operation, with the Quadripartite Agreement of 3 September 1971 being strictly observed and fully applied.

V

The Federal Republic of Germany and the Soviet Union, trusting in the long-term predictability of each other's policies, are determined to develop further their relations in all fields. They want to make the upward trend in their relations become stable and lasting.

This policy takes account of each side's treaty and alliance obligations; it is not directed against anyone. It is in line with the deep, long-cherished yearning of the peoples to heal the wounds of the past through understanding and reconciliation and to build jointly a better future.

Bonn, 13 June 1989

Helmut Kohl

Mikhail Gorbachov



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GORBACHEV'S VISIT TO FRG 12-15 JUNE

## SUMMARY

1. BRIEFING BY TELTSCHIK. VISIT PRESENTED AS CATCHING UP WITH MAJOR WESTERN PARTNERS' LEVEL OF RELATIONS WITH SOVIET UNION. JOINT DECLARATION WILL BE POLITICAL CENTREPIECE.

## DETAIL

2. KOHL'S DIPLOMATIC ADVISER TELTSCHIK BRIEFED MY US AND FRENCH COLLEAGUES AND ME TODAY. HE SAID KOHL HAD ASKED THAT WE BE BRIEFED ON THE JOINT DECLARATION. TELTSCHIK ASKED US TO MAINTAIN CONFIDENTIALITY UNTIL IT IS PUBLISHED ON 12 JUNE.

## JOINT DECLARATION

3. TELTSCHIK READ FROM THE AGREED TEXT, WHICH COMPRISES SIX SIDES OF TYPESCRIPT. HE SAID THE SOVIET UNION HAD AGREED TO WORK ON THE BASIS OF THE FRG COUNTER-DRAFT OF JANUARY 1989: 80 PER CENT OF THE AGREED LANGUAGE WAS OF GERMAN ORIGIN. THERE ARE FOUR SECTIONS:-

(A) GENERAL PRINCIPLES OF COOPERATION BETWEEN PEOPLES AND STATES.

THIS UNDERLINES TENETS OF 'NEW THINKING': THE CENTRAL IMPORTANCE OF HUMAN RIGHTS; THE NEED TO PREVENT WARS AND SETTLE CONFLICTS; THE RIGHT OF ALL PEOPLES TO FREE SELF-DETERMINATION. THE LAST POINT, TO GERMAN PLEASURE, HAD BEEN ACCEPTED WITHOUT DISCUSSION. THIS WOULD BE THE FIRST SOVIET BILATERAL DOCUMENT ACCEPTING THE RIGHT. THERE ARE ALSO REFERENCES IN THIS SECTION TO THE ENVIRONMENT AND TERRORISM.

(B) EUROPE

THE THEME IS WORKING TOGETHER TO OVERCOME THE DIVISION OF EUROPE. A COMPROMISE FORMULA REFERS TO A EUROPEAN PEACE ORDER OR A COMMON EUROPEAN HOUSE IN WHICH THERE IS A PLACE FOR THE US AND CANADA. THERE IS A REFERENCE TO THE NEED TO FULFIL ALL PARTS OF THE CSCE

HELSINKI FINAL ACT AND THE MADRID AND VIENNA DOCUMENTS. 'BUILDING BLOCKS' FOR THE FUTURE EUROPE ARE:

(I) THE RIGHT TO SELF-DETERMINATION: THE RIGHT OF EACH PEOPLE TO CHOOSE ITS OWN POLITICAL AND SOCIAL SYSTEM: RESPECT FOR HUMAN RIGHTS.

(II) ARMS CONTROL AND DISARMAMENT. PRINCIPLES - CORRESPONDING TO AGREED NATO POSITIONS - ARE ENUMERATED.

(III) THE DEVELOPMENT OF BILATERAL AND MULTILATERAL RELATIONS, INCLUDING REGULAR HIGH-LEVEL CONTACTS. REFERENCES TO REALISATION OF HUMAN RIGHTS AND CONTACTS: ENVIRONMENTAL COOPERATION: AND TO NATIONAL MINORITIES BEING PART OF EUROPE'S CULTURAL WEALTH. (TELTSCHIK COMMENTED THAT THE LAST POINT WOULD HELP HIM IN NEGOTIATION WITH THE POLES OVER THE GERMAN MINORITY.)

(C) SECURITY

SECURITY MUST NOT BE ENSURED AT THE COST OF OTHERS' SECURITY. CAUSES OF TENSION MUST BE REMOVED. EFFORTS TO SEEK MILITARY SUPERIORITY ARE CONDEMNED. THE CATALOGUE OF ARMS CONTROL OBJECTIVES INCLUDE:

- START AND A US-SOVIET AGREEMENT ON SPACE WEAPONS
- A STABLE AND SECURE BALANCE OF CONVENTIONAL FORCES
- ABOLITION OF CW
- RESTRICTIONS ON NUCLEAR TESTING
- CSBMS

THERE IS NO (NO) REFERENCE TO SNF.

(IN ANSWER TO MY QUESTION, TELTSCHIK SAID THAT DECLARATION DID NOT MENTION NATO'S POLICY OF MAINTAINING AN ADEQUATE MIXTURE OF NUCLEAR AND CONVENTIONAL FORCES. KOHL WOULD SET OUT NATO POLICY IN HIS SPEECH. THE RUSSIANS HAD WANTED THE DECLARATION TO SAY MORE ON ARMS CONTROL.)

(D) BILATERAL COOPERATION

BOTH SIDES PLEDGE TO DEVELOP THEIR RELATIONS, WHICH ARE OF 'CENTRAL SIGNIFICANCE' FOR EUROPE AND EAST-WEST RELATIONS, ON THE BASIS OF

THE MOSCOW TREATY. RELATIONS SHOULD BE PUT ON A LONG-TERM STABLE FOOTING. A COMPROMISE SENTENCE, ACCEPTED BY SHEVARDNADZE, REFERS TO THE INCLUSION OF BERLIN (WEST) IN BILATERAL COOPERATION IN STRICT ACCORDANCE WITH THE QUADRIPARTITE AGREEMENT. THERE ARE NO (NO) SPECIFIC REFERENCES TO INNER-GERMAN RELATIONS OR THE BERLIN WALL.

AGREEMENTS.

4. TELTSCHIK CONFIRMED THAT 11 BILATERAL AGREEMENTS WILL BE SIGNED. THESE WERE 'NOT SPECTACULAR'. THE SOVIET UNION HAD SHOWN SOME FLEXIBILITY OVER BERLIN, EG BY INCLUDING BERLIN INVESTORS IN THE INVESTMENT PROMOTION AND PROTECTION AGREEMENT. THE TWO SHIPPING AGREEMENTS, HOWEVER, HAD NOT BEEN AGREED, BECAUSE OF THE BERLIN PROBLEM. THE SOVIET UNION HAD NOT ACCEPTED THE FRG PROPOSAL TO RECORD THEIR POSITION IN A SIDE-LETTER, AS THEY HAD IN AGREEMENTS WITH HUNGARY AND CZECHOSLOVAKIA. BUT TELTSCHIK DID NOT RULE OUT AGREEMENT AT THE LAST MINUTE: THERE HAD BEEN HINTS THAT GORBACHEV WANTED THE SHIPPING AGREEMENTS CONCLUDED. TELTSCHIK ADDED THAT THERE WAS ALSO NO AGREEMENT ON SPACE COOPERATION. THE SOVIET UNION HAD DEMANDED DM 24 MILLION AS THE GERMAN CONTRIBUTION TO JOINT UNDERTAKINGS: THE GERMANS HAD OFFERED DM 10 MILLION MAXIMUM.

GENERAL

5. TELTSCHIK SAID THERE WERE NO (NO) INDICATIONS THAT GORBACHEV WOULD PRODUCE AN ARMS CONTROL INITIATIVE. IT WOULD NOT BE SERIOUS IF HE DID: THE RIGHT ADDRESSEES WERE THE USA OR THE ALLIANCE AS A WHOLE. GORBACHEV MIGHT GIVE A REACTION TO BUSH'S CFE INITIATIVE. (THOUGH GERASIMOV IN A PRESS BRIEFING HERE TODAY SAID THAT THE RUSSIANS NEEDED MORE TIME ON THIS). SOVIET OFFICIALS THROUGH SEMI-PRIVATE REMARKS HAD EXCITED SPECULATION ABOUT A POSSIBLE SOVIET MOVE ON THE GERMAN QUESTION. BUT TELTSCHIK WAS CONVINCED THAT NOTHING WOULD HAPPEN ON THIS FRONT. SHEVARDNADZE WAS VISITING EAST BERLIN IN ADVANCE TO BRIEF THE GDR LEADERSHIP.

6. TELTSCHIK DESCRIBED KOHL'S AIM AS TO DEMONSTRATE THAT THE FRG'S RELATIONS WITH THE SOVIET UNION WERE NOW AS NORMAL AS THOSE OF THE US, UK AND FRANCE. GORBACHEV HAD AT FIRST TRIED TO ISOLATE THE FRG, PRESSING FOR CONCESSIONS IN THE FIELD OF SECURITY POLICY. BUT THIS HAD CHANGED WITH KOHL'S REELECTION IN 1987. TELTSCHIK SAID THAT THE FEDERAL GOVERNMENT DID NOT EXPECT MAJOR RESULTS FROM THE VISIT EXCEPT THE DECLARATION. NO COMMERCIAL CONTRACTS WOULD BE SIGNED. GERMAN COMPANIES HAD FULL ORDER BOOKS, WITH FRG GROWTH NOW OF 4.2 PER CENT THEY HAD NO NEED TO SEEK FURTHER ORDERS FROM SOVIET AND EASTERN EUROPEAN CUSTOMERS WHO COULD NOT PAY.

COMMENT.

7. I AM INCLINED TO ACCEPT TELTSCHIK'S LINE THAT THE GERMANS DO NOT EXPECT MAJOR RESULTS BEYOND THE DECLARATION, WHICH THEY WILL NO DOUBT PLAY UP - DESPITE ITS REFERENCE TO A COMMON EUROPEAN HOUSE - AS A SIGNIFICANT ADVANCE FOR WESTERN PRINCIPLES. KOHL HAS SAID IN A PRESS INTERVIEW THAT HE INTENDS TO RAISE THE BERLIN WALL AND THE GERMAN QUESTION. AS WITH HIS VISIT TO MOSCOW LAST YEAR, THAT MAY ADD A REALISTIC NOTE TO THE PREVAILING OPTIMISM. KOHL SEEMS TO BE AIMING TO MAKE GORBACHEVS VISIT A BIG SUCCESS RATHER THAN A SENSATION.

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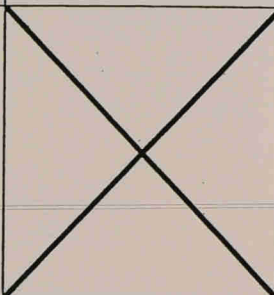
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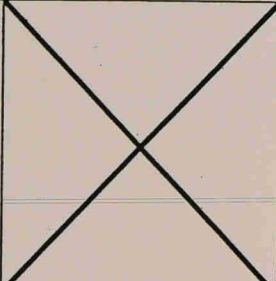
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MY TELNO 157 : CUBA/SOVIET UNION : GORBACHEV VISIT *mt*

SUMMARY

1. GORBACHEV LEAVES HAVANA FOR LONDON AFTER WHAT HAS BEEN IN PUBLIC RELATIONS TERMS A HIGHLY SUCCESSFUL VISIT. GRATITUDE EXPRESSED FOR THE MASSIVE SOVIET CONTRIBUTION TO THE CUBAN REVOLUTIONARY GOVERNMENT OVER THE YEARS. A TREATY OF FRIENDSHIP AND COLLABORATION SIGNED. CASTRO AND GORBACHEV EMPHASISED THAT THERE WERE NO PROBLEMS BETWEEN THEM, AND THAT EACH COUNTRY HAD TO FIND ITS OWN FORMULA FOR BUILDING SOCIALISM.

DETAIL

2. GORBACHEV WAS GREETED WITH AN EXPANSIVE EMBRACE BY A BEAMING FIDEL CASTRO AT 1800 LOCAL ON 2 APRIL. HE WAS ACCOMPANIED BY SHEVARDNADZE, KAMENTSEV, AND DOZENS OF LESSER OFFICIALS FROM BOTH THE SOVIET GOVERNMENT AND THE COMMUNIST PARTY. AFTER THE ARRIVAL CEREMONY, IN WHICH (UNUSUALLY) RAUL CASTRO JOINED HIS BROTHER, THE TWO PRESIDENTS DROVE IN AN OPEN LIMOUSINE FOR A 16 MILE TRIUMPHAL PROCESSION AROUND HAVANA. THE CROWDS MOBILISED TO LINE THE ROUTE SEEMED ENTHUSIASTIC IN THEIR WELCOME. GORBACHEV NOTED THE WARMTH OF HIS RECEPTION AT A PRESS CONFERENCE.

3. PUBLIC WARMTH CARRIED OVER INTO THE SECOND DAY. AFTER LAYING THE OBLIGATORY WREATH AT THE MEMORIAL TO CUBA'S NATIONAL HERO JOSE MARTI, OFFICIAL CONVERSATIONS FILLED THE MORNING. THE CUBAN SIDE DISCLOSED LITTLE ABOUT THE SUBJECTS COVERED, BUT GERASIMOV SAID THAT DISCUSSIONS HAD FOCUSED ON LATIN AMERICAN PROBLEMS AND ESPECIALLY THE IMPACT OF THE NARCOTICS TRADE AND DEBT, WHICH BOTH LEADERS CATEGORISED QUOTE EFFECTIVE ROBBERY UNQUOTE. BILATERAL ECONOMIC RELATIONS WERE ALSO ON THE AGENDA. ACCORDING TO GERASIMOV THERE WAS DISCUSSION OF THE NEED TO ACHIEVE A BALANCE IN CUBAN/SOVIET TRADE IN THE FUTURE.

4. IN THE AFTERNOON, GORBACHEV, ACCOMPANIED BY CASTRO, TOURED

PAGE 1  
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EXPOCUBA, THE PERMANENT EXHIBITION DEVOTED TO THE ECONOMIC, INDUSTRIAL, SCIENTIFIC AND SOCIAL ACHIEVEMENTS OF THE REVOLUTION. MEANWHILE WORKING LEVEL CONVERSATIONS WERE HELD BETWEEN TEAMS LED BY VICE-PRESIDENT CARLOS RAFAEL RODRIGUEZ, AND BY SHEVARDNADZE AND KAMENTSEV. ACCORDING TO GRANMA, RODRIGUEZ TALKED TO SHEVARDNADZE ABOUT CURRENT US/USSR DISARMAMENT NEGOTIATIONS, AND TO KAMENTSEV ABOUT TRADE BILATERAL COOPERATION AGREEMENTS, INCLUDING THE ECONOMIC OUTLOOK FOR THE NEXT FIVE-YEAR COOPERATION AGREEMENT (1991-1995). IN SEPARATE TALKS, POLITBURO MEMBER JORGE RISQUET HAD DISCUSSIONS WITH YAKOVLEV ON INTERNATIONAL ISSUES AND RELATIONS BETWEEN THEIR RESPECTIVE COMMUNIST PARTIES. THE DAY CLOSED WITH THE USUAL STATE RECEPTION.

5. GORBACHEV SPENT THE MORNING OF 4 APRIL VISITING A MICRO-BRIGADE CONSTRUCTION SITE, A FAMILY CLINIC AND THE INSTITUTE OF GENETIC ENGINEERING AND BIOTECHNOLOGY. IN THE AFTERNOON, BOTH LEADERS SIGNED A TREATY OF FRIENDSHIP AND COLLABORATION (TEXT BY BAG) WHICH AT FIRST GLANCE CONTAINS LITTLE OF SUBSTANCE. THEN CAME THE MUCH AWAITED GORBACHEV SPEECH TO THE NATIONAL ASSEMBLY.

6. CASTRO INTRODUCED HIS VISITOR, AND HIS LENGTHY REMARKS TOUCHED ON VIRTUALLY ALL THE POINTS SUBSEQUENTLY DEVELOPED BY GORBACHEV. HE WENT OUT OF HIS WAY TO PAY EXTRAVAGANT PRAISE TO SOVIET ASSISTANCE OVER THE YEARS, AND TO EMPHASISE THAT THERE WAS NO CRISIS IN SOVIET/CUBAN RELATIONS OF THE KIND REPORTED BY THE WESTERN PRESS. AFTER AN EMOTIONAL DEFENCE OF CUBA'S INTERNAL POLICIES, HE SAID NEVERTHELESS THAT HE AND GORBACHEV HAD AGREED THAT WHAT WAS APPROPRIATE FOR A HUGE SUPERPOWER WAS NOT NECESSARILY APPLICABLE TO A SMALL CARIBBEAN ISLAND. CASTRO PAID TRIBUTE TO THE SOVIET POSITION ON DISARMAMENT, TO SOVIET SUPPORT FOR THE NEW INTERNATIONAL ECONOMIC ORDER, AND TO ITS DECLARATION OF A DEBT MORATORIUM. HE CONTRASTED SOVIET MOVES TO REDUCE TENSION IN EG AFGHANISTAN, ANGOLA AND CENTRAL AMERICA WITH US QUOTE IRRESPONSIBILITY UNQUOTE IN REFUSING TO PUT A STOP TO THEIR INTERFERENCE IN ALL THREE AREAS. HE ALSO MOCKED THE BRADY PLAN AS BEING UTTERLY INADEQUATE IN DEALING WITH THE DEBT PROBLEM. HE WAS STRENUOUS IN PRAISING THE SOVIET UNION AS THE NATURAL ALLY OF THE PEOPLES OF THE THIRD WORLD.

7. GORBACHEV SPOKE FROM A PREPARED TEXT. AFTER SUITABLE THANKS AND PRAISE OF CASTRO AND THE CUBAN PEOPLE, HE EMPHASISED THAT THE SOVIET UNION WAS PROUD TO BE CUBA'S ALLY. RELATIONS BETWEEN THE TWO WERE VERY STABLE, EVEN THOUGH THERE WERE OCCASIONAL DIFFERENCES ON PARTICULAR DETAILS ON HOW SOCIALISM SHOULD BE

BUILT. IT WAS IMPORTANT THAT BOTH SIDES SHOULD WORK HARDER TO BE MORE DYNAMIC, AND HE URGED THAT THERE SHOULD BE MORE CONTACTS AND COLLABORATION EG. BY WAY OF MIXED ENTERPRISES AND COLLABORATIVE PROJECTS, WHICH COULD ALSO EXPORT TO LATIN AMERICA.

8. GORBACHEV THEN ADDRESSED THE PERESTROIKA ISSUE, EXPLAINING THAT HE HAD NEEDED TO STIMULATE THE PEOPLE'S CREATIVITY AND SATISFY THEIR NEEDS. IN PRODUCING ECONOMIC REFORMS, POLITICAL INSTITUTIONS HAD ALSO TO BE REFORMED, AND THE PEOPLE HAD TO BE INVOLVED IN THE PROCESS IF THEY WERE TO ACCEPT IT FULLY. SOME UNACCEPTABLE PROPOSALS HAD SURFACED, BUT THESE WERE THE RESULTS OF INEXPERIENCE. BUT WHAT WAS HAPPENING IN THE SOVIET UNION WAS NOT A UNIVERSAL RECIPE. HE AGREED WITH CASTRO: EACH COUNTRY HAD TO FIND ITS OWN SOLUTION.

9. ON THE INTERNATIONAL SITUATION, GORBACHEV SAID THAT OVER THE PAST YEAR THERE HAD BEEN A MOVE AWAY FROM CONFRONTATION AND TOWARDS SEEKING POLITICAL SOLUTIONS TO OLD MILITARY PROBLEMS. IN THE INCREASINGLY COMPLEX AND TECHNOLOGICAL WORLD, SOLUTIONS HAD TO BE SOUGHT ON AN INTERDEPENDENT AND GLOBAL BASIS. HE REITERATED THE BASIC TENETS OF THE SOVIET VIEW OF THE WORLD, WHICH HE HAD OUTLINED IN HIS SPEECH TO THE UNGA IN DECEMBER. HE SPECIFICALLY OPPOSED ALL ATTEMPTS TO EXPORT EITHER REVOLUTION OR COUNTER-REVOLUTION.

10. TURNING TO REGIONAL PROBLEMS HE SAID:

- A) AFGHANISTAN. THE SOVIET UNION HAD BEEN SCRUPULOUS IN WITHDRAWING ITS TROOPS. BUT IN BREACH OF THE GENEVA AGREEMENT, THE US AND PAKISTAN WERE CONTINUING TO INTERFERE. HE FEARED THAT IF THIS WENT ON THERE COULD BE INCALCULABLE CONSEQUENCES FOR AFGHANISTAN, PAKISTAN AND THE REGION. THE RESOLUTION OF THE AFGHAN PROBLEM WAS A TEST CASE. IF RESPONSIBLE BEHAVIOUR COULD SOLVE THE PROBLEM, ITS SUCCESS WOULD INFLUENCE OTHER CONFLICTS.
- B) SOUTH WEST AFRICA. AFTER PRAISING CUBA'S HISTORIC ROLE IN ANGOLA AND WELCOMING THE PROSPECT OF NAMIBIAN INDEPENDENCE, HE MADE NO MENTION OF CURRENT DIFFICULTIES.
- C) MIDDLE EAST. ROUTINE MENTION WAS MADE TO THE ISRAEL/PALESTINE PROBLEM, AND OF THE ALARMING SITUATION IN THE LEBANON, BUT THERE WERE NO SPECIFIC PROPOSALS.
- D) NICARAGUA. THE SOVIET UNION THOUGHT THE SOLUTION PROPOSED BY THE FIVE CENTRAL AMERICAN PRESIDENTS WAS A GOOD BASIS FOR PEACE IN THE REGION. NICARAGUA HAD BEGUN TO FULFIL ITS OBLIGATIONS TO DEMOCRATISE: IT WAS NOW FOR ITS NEIGHBOURS TO PLAY THEIR PART, AND FOR THE US TO BEHAVE RESPONSIBLY AND TO CEASE SUPPORTING THE

CONTRAS. GORBACHEV PARTICULARLY ATTACKED QUAYLE'S REPORTED REFERENCE TO CENTRAL AMERICA AS THE US BACKYARD. HE ENDED BY STRESSING THAT THE ONLY WAY TO GUARANTEE PEACE WAS TO STOP ALL MILITARY SUPPLIES TO CENTRAL AMERICA FROM ANY SOURCE.

11. HIS PERORATION ADDRESSED UNDER-DEVELOPMENT AND LATIN AMERICA. HE MADE EFFUSIVE COMMENTS ON THE IMPORTANCE OF THE CONTINENT, WITH WHICH THE SOVIET UNION WAS IMPROVING AND BROADENING ITS CONTACTS. THE SOVIET UNION SUPPORTED THE TREATY OF TLATLOLCO. IF THE REGIONAL COUNTRIES WISHED TO CALL A CONFERENCE TO GUARANTEE A NUCLEAR-FREE LATIN AMERICA AND CARIBBEAN, THE SOVIET UNION WOULD PARTICIPATE. LA MAJOR PROBLEM FOR THE CONTINENT, AND ELSEWHERE, WAS THE GROWING GULF BETWEEN THE DEVELOPED RICH AND THE UNDER-DEVELOPED POOR. DEBT WAS A BIG PART OF THIS, AND HE HOPED TO SEE THE WESTERN COUNTRIES SHOW MORE UNDERSTANDING. HE ARGUED THAT, INSTEAD OF A NORTH-SOUTH DIALOGUE, ALL STATES SHOULD BE INVOLVED IN THIS PROCESS.

## COMMENT

12. GORBACHEV'S PRESS CONFERENCE IS STILL TO COME. AS AN IMMEDIATE IMPRESSION, HIS VISIT HAS GONE WELL AND NO VISIBLE DIFFERENCES HAVE BEEN REVEALEDWN THOUGH GORBACHEV HAS PUT HIS OWN JUSTIFICATION FOR PERESTROIKA FIRMLY ON THE RECORD BEFORE THE CUBAN PEOPLE. HE HAS ALSO MADE A VAGUE GESTURE TOWARDS LATIN AMERICA, AND TOWARDS THE NEED FOR RESOLVING THE DEBT ISSUE. PREDICTABLY THERE HAS BEEN NO PUBLIC SIGN THAT THE USSR IS ABOUT TO PUT THE SQUEEZE ON CUBA ECONOMICALLY, OR TO ATTEMPT TO PRESS CASTRO TO MEND HIS WAYS OVER EG. CENTRAL AMERICA (THOUGH SEE FINAL SENTENCE OF PARA 10).

13. FULLER COMMENT AND REFLECTION WILL FOLLOW BY BAG.

BRIGHTY

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FM HAVANA (AMENDED DISTRIBUTION 31/3/8)  
TO IMMEDIATE FCO  
TELNO 157  
OF 302100Z MARCH 89  
INFO IMMEDIATE MOSCOW, WASHINGTON

MY TELNO 147 : CUBA/SOVIET UNION : GORBACHEV VISIT

SUMMARY

1. GORBACHEV'S FIRST VISIT TO CUBA (AND TO LATIN AMERICA) IS PROBABLY INTENDED PRIMARILY AS A MESSAGE THAT THE SOVIET UNION STILL STANDS SQUARELY WITH ITS CARIBBEAN ALLY AND WILL CERTAINLY BE SO INTERPRETED BY CUBA. THE BILATERAL RELATIONSHIP APPEARS TO RUN FAIRLY SMOOTHLY ALTHOUGH THERE MUST BE SOME TALKING ON ECONOMIC ISSUES. MAJOR DIFFERENCES ARE UNLIKELY TO SURFACE IN PUBLIC.

DETAIL

2. THIS VISIT WAS DUE TO HAVE TAKEN PLACE IN MID-DECEMBER (HAVANA TELNO 458 OF 24 NOVEMBER). IT WILL BE THE FIRST TOP LEVEL SOVIET VISIT TO CUBA SINCE BREZHNEV IN 1974. GIVEN THE DRAMATIC IMPROVEMENTS IN US-SOVIET RELATIONS IN THE PAST YEAR OR TWO, AND CUBAN COOLNESS TOWARDS INCREASED FREEDOM OF INFORMATION, TO ECONOMIC DECENTRALISATION, AND EVEN MORE TO MARKET ECONOMICS, THE MEETING IS ATTRACTING MUCH ATTENTION. THE RELATIONSHIP BETWEEN GORBACHEV AND CASTRO IS SOMETHING OF AN UNKNOWN. THEY HAVE MET BEFORE IN MOSCOW, AND I HAVE BEEN TOLD BY CASTRO'S ADVISOR (MONTANE) THAT THEY HAVE REGULAR TELEPHONIC EXCHANGES. OTHER THAN THE FACT THAT BOTH HAVE STRONG AND ENERGETIC PERSONALITIES, IT IS HARD TO SEE THAT THEY HAVE MUCH COMMON GROUND. CASTRO HAS SEEN FIVE SOVIET LEADERS COME AND GO, AND IS ONLY TOO AWARE OF HIS ULTIMATE TOTAL DEPENDENCE ON SOVIET ASSISTANCE. BUT HE KNOWS CUBA'S POLITICO-STRATEGIC VALUE TO THE SOVIET UNION.

3. GORBACHEV IS DUE TO ARRIVE ON THE AFTERNOON OF SUNDAY 2 APRIL AND LEAVE FOR LONDON ON THE MORNING OF WEDNESDAY 5 APRIL. WE UNDERSTAND THAT HE WILL BE ACCOMPANIED BY FOREIGN MINISTER SHEVARDNADZE ; EXTERNAL ECONOMIC RELATIONS MINISTER KATUSHEV, A FORMER AMBASSADOR TO CUBA : VICE PRESIDENT KAMENTSEV : PROBABLY ALEXANDER KAPTO, HEAD OF THE IDEOLOGICAL DEPARTMENT OF THE CENTRAL COMMITTEE, AS WELL AS PREVIOUS SOVIET AMBASSADOR TO CUBA : AND

A LARGE RETINUE OF OTHER OFFICALS. WE ARE TOLD BY THE SOVIET EMBASSY THAT GORBACHEV WILL NOT LEAVE HAVANA, NOR WILL THERE BE MASS RALLIES. THE MAIN PUBLIC EVENT IS LIKELY TO BE A TELEVISED SPEECH TO THE NATIONAL ASSEMBLY, TO WHICH FOREIGN HEADS OF MISSION WILL BE INVITED. THIS WILL COVER THE USUAL RANGE OF BILATERAL AND EXTERNAL ISSUES, AS WELL AS GIVING GORBACHEV A CHANCE TO EXPLAIN THE DEVELOPMENT OF GLASNOST AND PERESTROIKA IN THE SOVIET UNION. THERE IS A POSSIBILITY THAT GORBACHEV WILL THEN INVIEET QUESTIONS FROM DELEGATES. HE IS ALSO SCHEDULED TO OFFER A PRESS CONFERENCE. WE BELIEVE THAT THE TWO LEADERS WILL SIGN A FRIENDSHIP AGREEMENT, SETTING OUT BROAD AREAS FOR SCIENTIFIC AND TECHNICAL COLLABORATION INTO THE NEXT CENTURY.

4. THE BILATERAL AGREEMENTS WHICH FORM THE FRAMEWORK FOR RELATIONS BETWEEN CENTRALLY PLANNED ECONOMIES ARE USUALLY TIED UP EARLY IN THE YEAR. THOSE BETWEEN CUBA AND MOST OF THE EAST EUROPEANS WERE SIGNED A MONTH OR TWO AGO, VISIBLY LEAVING THOSE WITH THE SOVIET UNION UNRESOLVED. BUT IN THE PAST WEEK OR TWO, THERE HAS BEEN A FLURY OF CUBAN-SOVIET BILATERAL AGREEMENTS IN SPECIALIST FIELDS, AND NUMEROUS MINISTERIAL CONTACTS. THIS YEARS COMMERCIAL AGREEMENT, SIGNED IN A FEW DAYS AGO, PROVIDES FOR EXCHANGES TO THE VALUE OF 9 BILLION ROUBLES DURING THE PRESENT YEAR. THIS WILL AMOUNT TO SOMETHING CLOSE TO THREE-QUARTERA OF CUBA'S TOTAL FOREIGN TRADE. CUBAN PRESS REPORTS NOTED THAT AGREEMENT HAD BEEN MUCH MORE DIFFICULT THAN USUAL BECAUSE OF THE RESTRUCTURING AND REORGANISATION TAKING PLACE IN THE SOVIET ECONOMY, AND THAT THERE WERE SHORTAGES OF SOME PRODUCTS.

5. MOSCOW TELNO 547 TO FCO REPORTS LIMITED SOVIET MEDIA COVERAGE OF THIS VISIT. HERE, ON THE CONTRARY, OVER THE PAST WEEK THERE HAVE BEEN DAILY ARTICLES IN THE CUBAN PRESS OFTEN QUOTING SOVIET OFFICALS, PLAYING UP THE IMPORTANCE OF THE VISIT, EMPHASISING THAT IT WILL GIVE IMPETUS TO BILATERAL RELATIONS AS WELL AS PROVIDING THE OPPORTUNITY TO EXCHANGE VIEWS ON MAJOR INTERNATIONAL ISSUES, INCLUDING PARTICULARLY THE PROBLEMS FACING THE THIRD WORLD AND THE ISSUE OF DEBT. THE EMPHASIS ON THE LATIN AMERICAN DIMENSION HAS BEEN LARKED. THE CUBAN PUBLICITY MACHINE IS WORKING FLAT OUT TO MAKE THE VISIT A SPECTACULAR SUCCESS. GORBACHEV'S ROUTES AROUND TOWN ARE IDENTIFIABLE BY EXTENSIVE PAINTING AND TIDYING UP. PERHAPS TO ENSURE THAT ANY INORDINATE PUBLIC ENTHUSIASM CAN BE READILY EXPLAINED AWAY. THE HEAD OF HAVANA'S COMMITTEES FOR THE DEFENCE OF THE REVOLUTION HAS ANNOUNCED THAT 612,000 PEOPLE WILL LINE THE STREETS TO WELCOME THE SOVIET LEADER. THIS IS UNUSUALLY SPECIFIC, EVEN IN THIS SOCIETY.



6. IT IS INTERESTING THAT PUBLIC AND PRIVATE SOURCES TRESS THAT EXTERNAL DEBT WILL BE ON THE AGENDA. THAT ISSUE IS VERY MUCH TO THE TASTE OF CASTRO, WHO HAS LONG SOUGHT TO LEAD THE LATIN AMERICAN AND THIRD WORLD PACK IN AN ATTACK ON THE WHOLE INTERNATIONAL CAPITAL SYSTEM. PERHAPS GORBACHEV HAS RECOGNISED THAT THIS IS A PROBLEM WHICH CAN NO LONGER BE AVOIDED, AND HAS DECIDED TO USE THE VISIT TO HAVANA TO VENTILATE THE ISSUE IN A SELF PROCLAIMED NON-ALIGNED AND THIRD WORLD CONTEXT.

7. IT SEEMS TO ME INEVITABLE THAT CENTRAL AMERICAN ISSUES WILL BE ADDRESSED. I NOTE THAT GERASSIMOV HAS STRESSED, IN THE LAST DAY OR TWO, DIFFERENCE BETWEEN THE US AND SOVIET APPROACH TO THIS REGION, AND HAS CRITICISED CONTINUED US SUPPORT FOR THE CONTRAS. THIS CHIMES WELL WITH CASTRO'S POSITION. GIVEN THAT THE PROSPECTS FOR ANY SIGNIFICANT EARLY IMPROVEMENT IN CUBAN/US RELATIONS SEEM TO HAVE RECEDED, THE MORE SO SINCE SECRETARY OF STATE BAKER'S COMMENTS OF 28 MARCH, IT IS POSSIBLE THAT GORBACHEV WILL BE LESS INCLINED TO WARN CASTRO OFF CONTINUED SUPPORT FOR NICARAGUA, OR HIS SUPPORT FOR THE FMLN IN SALVADOR THAN HE MIGHT PREVIOUSLY HAVE BEEN. NEVERTHELESS THIS, AND OTHER REGIONAL CONFLICTS INCLUDING ANGOLA, ARE BOUND TO BE DISCUSSED, GIVEN REDUCED SOVIET ENTHUSIASM FOR EXPENSIVE ADVENTURES.

8. IN CONTACTS WITH THE SOVIET EMBASSY, MY SECOND SECRETARY (CHANCERY) ASKED WHETHER GORBACHEV WOULD PRESS THE CUBANS TO REDUCE THEIR OUT-SPOKEN ANIMOSITY TO THE US, GIVEN THE REALITY OF IMPROVED DIRECT RELATIONS BETWEEN THE TWO SUPERPOWERS. THE REPLY WAS THAT THE CUBANS' ATTITUDE WOULD HAVE TO CHANGE, AND THEY WOULD HAVE TO CEASE DEPICTING THE US AS AN IMMINENT AGGRESSOR, BUT THAT GORBACHEV IS UNLIKELY TO PRESS THE POINT. IN THE LONG RUN, THE SOVIET UNION HOPED TO SEE CUBA EVOLVE A BETTER RELATIONSHIP WITH THE US, INCLUDING THE DEVELOPMENT OF A CERTAIN AMOUNT OF TRADE. THIS WOULD PRESUMABLY INCLUDE TOURISM, SUCH A NEW SOURCE OF INCOME WOULD BE IMPORTANT FOR THE ISLAND'S DEVELOPMENT, AND WOULD REFLECT THE REALITY OF THE COMMUNITY TO THE NORTH.

## COMMENT

9. THE INTERNATIONAL PRESS HAVE BEEN SPECULATING THAT GORBACHEV HAS TWO MAIN OBJECTIVES IN COMING TO CUBA. FIRST, TO MAKE CLEAR THAT THE SOVIET UNION CAN NO LONGER AFFORD TO GO ON SUBSIDISING CUBA IN THE WAY IT HAS DONE IN THE PAST, AND TO URGE ECONOMIC REFORMS ON THE CUBANS. SECOND, TO PRESS CASTRO TO ADOPT A MORE

RESTRAINED POLICY IN CENTRAL AMERICA, THIS WITH A VIEW TO CUBA IMPROVING ITS RELATIONS WITH THE US WHICH MIGHT EVENTUALLY LEAD TO A LIMITED LIFTING OF THE US BLOCKADE, AND THUS LESSEN THE NEED FOR SOVIET ASSISTANCE. SOME COMMENTATORS HAVE PREDICTED FIREWORKS. I DOUBT WHETHER THE ENCOUNTER WILL EITHER BE DRAMATIC OR CONFRONTATIONAL, CERTAINLY IN PUBLIC, AND IN THE NATURE OF THINGS WE ARE UNLIKELY TO LEARN THE TRUTH. BOTH SIDES CONTINUE TO INSIST THAT IT IS FOR EACH TO CHOOSE ITS OWN PATH TO SOCIALISM, AND THE CUBAN PRESS HAS RECENTLY GIVEN RATHER FULL COVERAGE TO THE SOVIET ELECTORAL PROCESS, EVEN THOUGH IT HAS PROVIDED A MARKED CONTRAST TO THE COUNTERPART CURRENTLY UNDERWAY IN CUBA. THERE HAVE ALREADY BEEN PRESSURES FROM MOSCOW FOR THE CUBANS TO MAKE BETTER USE OF SOVIET SUBSIDIES AND TO CUT THEIR COAT ACCORDING TO THEIR CLOTH. OVER THE PAST TWO OR THREE YEARS, THE GROWTH IN THE VOLUME OF EXCHANGES HAS SLOWED DOWN, AND THE SOVIET UNION'S PERCENTAGE OF CUBA'S FOREIGN TRADE HAS FALLEN MARGINALLY.

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MOSCOW TELEGRAM NO 529: GORBACHEV/HAUGHEY MEETING

SUMMARY

1. MR GORBACHEV IS TO HAVE BRIEF TALKS WITH THE TAOISEACH ON 2 APRIL.

DETAIL

2. MR GORBACHEV WILL BREAK HIS JOURNEY TO CUBA FOR A REFUELLING STOP IN SHANNON ON 2 APRIL. DURING WHICH HE WILL HAVE AN HOUR OR SO OF TALKS WITH THE TAOISEACH. IT IS CLAIMED IN DUBLIN THAT THIS IS AT SOVIET REQUEST.

3. ACCORDING TO THE "IRISH TIMES". GERASIMOV HAS SAID THAT THE AGENDA WILL BE WIDE-RANGING, AND INCLUDE DISARMAMENT, EUROPEAN SECURITY, UN ACTIVITY, AND BILATERAL RELATIONS. IRISH GOVERNMENT SOURCES HAVE SUGGESTED A SIMILAR MENU WITH (ODDLY) THE EUROPEAN SINGLE MARKET CENTRE-STAGE. AN AGENDA ON THESE LINES WOULD ENABLE MR HAUGHEY TO PLAY THE ROLE OF WORLD STATESMAN BEFORE THE IRISH PUBLIC.

4. SOME REPORTS HAVE SUGGESTED THAT NORTHERN IRELAND AND ANGLO-IRISH RELATIONS WILL FIGURE IN THE TALKS BUT GERASIMOV'S REMARKS TO THE IRISH TIMES DO NOT CONFIRM THIS: HE STRESSED THAT THE SOVIET UNION HAD NOT AND DID NOT INTERVENE IN NORTHERN IRELAND. REITERATED SOVIET OPPOSITION TO TERRORISM. AND STATED THAT A POLITICAL SOLUTION TO THE PROBLEM MUST BE SOUGHT.

5. I SHALL SEEK A COMMUNITY BRIEFING FROM THE DFA BEFORE MR GORBACHEV'S VISIT TO LONDON ON 5-7 APRIL.

FENN

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Foreign and Commonwealth Office

London SW1A 2AH

9 March 1989

EAD  
19/3

Dear Charles,

"The Soviet Propaganda Network: A Directory of Organisations serving Soviet Foreign Policy"

You should know that on 23 February a book entitled "The Soviet Propaganda Network" and written by Sir Clive Rose was published in London (copy enclosed). We understand that the author told Sir Percy Cradock of its proposed publication last autumn.

Sir Clive Rose's earlier book "Campaigns Against Western Defence: NATO's Adversaries and Critics", also focussed on the international communist front organisations. Both books were written with extensive help from the FCO's Information Department. They reflect Whitehall thinking on Soviet propaganda techniques although the judgements are, of course, Sir Clive Rose's own. His account of President Gorbachev's policies is measured, and balanced by caution about the likelihood of their success.

So far the book has attracted no public comment. The timing of its publication, shortly before the Gorbachev visit, is coincidental. The text was finished last summer but, owing to publishing problems outside the author's control, the expected publication in 1988 was delayed until this year.

We have seen no sign that it has attracted the attention of the Soviet Government. We would not expect them to make an issue of it. If necessary, we would take the line that we were not responsible for the book since it is the work of a private individual.

Yours ever,

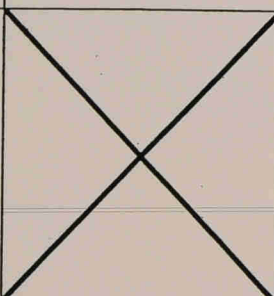
Richard Gozney

(R H T Gozney)  
Private Secretary

C D Powell Esq  
10 Downing Street

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**CONTRIBUTING EDITOR  
WASHINGTON POST**

**21 EAST 79TH STREET  
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SUNDAY, DECEMBER 18, 1988

EDITORIALS/COLUMNISTS C1

The Washington Post

# OUTLOOK

Commentary and Opinion

## A Moscow-Pretoria Axis?

*Why Two Archenemies Are Beginning to Talk*

By Lally Weymouth

THE PEACE ACCORD signed last Tuesday in Brazzaville, Congo, may mark something far more important than an end to the Angola war. It signals the beginning of what could be a crucial diplomatic relationship between South Africa and the Soviet Union.

Moscow and Pretoria are the odd couple of international politics, and their relationship, at this point, is tentative and secretive. But some U.S. officials predict that over the next several years, the two countries are likely to resume formal diplomatic relations that were severed in 1956.

The breakthrough was South Africa's decision in Brazzaville to ask the Soviet Union to join in a commission that will monitor the withdrawal of Cuban troops from Angola. It was a striking departure for South Africa, which has regarded itself as the world's toughest anti-communist regime and for years opposed Soviet participation in a U.N. peacekeeping force in

Namibia. This monitoring commission could eventually provide a model for cooperation among the key parties—the United States, the Soviet Union and South Africa—in settling what may be the toughest regional problem of all—how to end apartheid without massive bloodshed.

Last week's announcement was the culmination of a series of contacts—most of them secret—that have been developing since about 1985. It's another example of the "new thinking" that has shaken up Soviet foreign policy under Mikhail Gorbachev and opened diplomatic contacts with such nations as Israel and Saudi Arabia.

A senior South African official explains that developing contacts with Moscow may ease Pretoria's diplomatic isolation: "We're living on the planet Earth and all the doors are closed or closing. The American Congress would expel us tomorrow if it could . . . So where we find windows open and a light shining, we're going to rap on the window."

The Moscow-Pretoria contacts have taken several forms:

■ Secret meetings took place this year on the sidelines of the Angola peace talks, ac-

See SOUTH AFRICA, C2, Col. 1

*Lally Weymouth writes regularly about foreign affairs for The Washington Post.*

Prime Minister  
I think you will  
did this of interest.  
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# A Moscow-Pretoria Axis?

SOUTH AFRICA, From C1

cording to U.S., South African and Soviet sources. Contact was easy, since the U.S.-mediated talks were attended by a Soviet Foreign Ministry observer, Vladilen Vasev. At one secret meeting, the South Africans asked how the Soviets would feel about resuming relations.

■ During one of the final rounds of the Angola talks this month, South African Foreign Minister R.F. (Pik) Botha met for about 2½ hours with Soviet Deputy Foreign Minister Anatoly Adamishin in Brazzaville to talk about monitoring arrangements for the Cuban troop withdrawal and other matters of interest to the two countries. It was the first time since relations were broken that senior officials from the two countries had met on a formal basis.

■ Botha also met secretly with the Soviet ambassador to Mozambique during a visit to that country in October. They discussed the Angola negotiations and presumably other topics of interest to both countries.

■ A Soviet journalist from Izvestia paid a recent visit to South Africa, the first such contact in years. His trip resulted from an invitation issued by a senior South African cabinet minister to a Soviet official. The correspondent was given access to many of the key members of the Afrikaner elite, from the head of the Dutch Reform Church to the state president. Similarly, some prominent white South African journalists have recently been allowed to visit the Soviet Union.

■ The Soviets this year prevented South Africa from being kicked out of the International Atomic Energy Agency. A senior South African official explained that they did it "by lobbying and using their influence with the Group of 77, the non-aligned

group." This action, said the official "is a ringing example of what the Soviets can do for us."

■ One key conduit between the two countries has been a Soviet official named Boris Asoyan, who took up residence in Lesotho in late 1987. He made telephone contact with many leading South Africans and some of them later visited him in person.

This recent dialogue is much more intense than the occasional contact that took place in the past, without result. One well-placed South African claims that during the Carter years, the Soviets and the South Africans met secretly at the United Nations to explore the feasibility of a less hostile relationship. And in 1983 at the Waldorf-Astoria Hotel in New York, according to one expert who has followed the issue, the Soviets warned South Africa that if they went into Angola, they would suffer severe reprisals from the Cubans.

Business has also played a role in the Soviet-South African relationship. The two nations have collaborated successfully in marketing arrangements for gold and diamonds. According to American scholar Kurt Campbell, 95 percent of all Soviet diamonds are marketed through the Central Selling Organization in Europe—which is controlled by the South African firm, De Beers. As for gold, says Campbell, the Soviets and South Africans together control a vast percentage of the total supply and market it through Geneva. "It's clear that they collide but no one can prove it," he says.

One of the most remarkable changes in Soviet thinking is an apparently new Soviet attitude toward South Africa, one that illustrates the innovative approach of so much of Gorbachev's diplomacy. The Soviet "assessment of the situation [in South Africa] is more pragmatic," according to a senior Soviet official. Mos-

cow no longer believes that the South African regime will fall solely through armed struggle, the official said. And in a post-apartheid government, "the rights and interests of all sections . . . of the South African community—including whites—should be safeguarded, preserved and taken into consideration. In no way do we believe there is no place for whites in South Africa." Several years ago, such talk by a Soviet official would have been unthinkable.

German scholar Winrich Kuhne marks the beginning of the new Soviet thinking on Africa as early as 1981, when the Soviets refused to give Mozambique full membership in the Soviet-bloc economic alliance, the Council for Mutual Economic Assistance. When the Soviets similarly turned down Ethiopia's request in 1985 to join CMEA as a full member, Kuhne says, it was a signal that "Moscow and its allies had drawn the line after accepting Cuba, Vietnam and Laos as full members and [were] not willing to give the same treatment to the rest of the socialist-oriented states."

Under Gorbachev, two Soviet Africanists who have been around for a long time—Gleb Starushenko and Viktor Gontcharev, both deputy directors of the African Institute—have taken a new and startling position. Gontcharev criticized the African National Congress (the Soviet-backed group that leads the anti-apartheid fight) for dogmatic formulations. Starushenko said that in a post-apartheid South African government, white minority rights should be protected.

Another sign of the changing Soviet line came at a conference in Zimbabwe in October. Karen Khachaturov, the deputy chairman of the Novosti new agency, advised African leaders to talk to Pretoria and also advised African countries to seek "partial victories," not "total victory." The old talk of destroying imperialism "was a noble idea . . . but not a realistic one," he said. Today, he explained, "we do not seek an all-out settlement. We want small but significant results."

The new Soviet emphasis on finding po-

litical solutions to regional military struggles "doesn't mean we don't support the national liberation struggles—we do," explains a Soviet official. And the real test of Soviet intentions will be whether they cut back their arms supplies to their radical clients in the region and force those groups to modify their behavior. According to some U.S. officials, the Soviets have already directed the ANC to limit its acts of terror and refrain from attacking civilians. They have also agreed to the removal of ANC bases from Angola, according to Robert Rotberg of Tufts.

ANC leaders are clearly nervous about the new Soviet positions. ANC leader Thabo Mbeki explained in an interview in October that the ANC staunchly opposes the idea of group rights put forward by Starushenko and advocates individual rights. "People said it looks like the Soviets are distancing themselves from the ANC and looking for contacts with Pretoria," conceded Mbeki. But he expressed hope that Starushenko's position was not "authoritative."

What made South Africa move from talking about a Soviet "total onslaught" to starting to build a new relationship with Moscow? One reason is that the South Africans are fed up with their isolation. Bitter at their treatment by the West and in particular by the United States, the South Africans are forced to look elsewhere for markets, loans and diplomatic partners.

A hint of the change taking place in Pretoria's thinking came last March, in a statement from Minister of Defense Magnus Malan. Noting that Gorbachev had spoken of establishing a non-aligned government in Afghanistan, Malan said that "if Mr. Gorbachev would be prepared to express himself in the same way on Angola, South Africa is prepared to say the following: South Africa is not attempting to establish a pro-South African government in Luanda . . . The Soviet Union must state clearly it is not attempting to establish a pro-Soviet govern-

ment in Luanda. The [Soviet-backed] MPLA and [South Africa-backed] UNITA will have to reach a settlement on the basis of reconciliation."

The future of the relationship will be determined, at least in part, by how the relationship works out in Namibia and Angola. Since both the Soviet Union and South Africa have strategic minerals that are in scarce supply elsewhere in the world, it is clearly in their joint interest to have the relationship proceed.

What constrains the Moscow-Pretoria relationship is apartheid and South Africa's poor relations with its black neighbors. But this too may be changing. In the past, South Africa has banned the ANC and refused to initiate a dialogue with it—on the grounds that the ANC is Moscow-oriented and thus part of the Soviet threat against South Africa. But if the Soviet Union is no longer considered an implacable foe, what about its ANC client? In their talks with South African officials, Soviet officials have already raised the question of unbanning the ANC, according to a well-informed U.S. source.

Having welcomed Soviet help in solving the conflict in Angola, South Africa may now find the focus of superpower attention shifting to the internal situation in South Africa itself. Indeed, a Soviet official confirms that U.S.-Soviet cooperation on Angola could in the future be extended to South Africa. At that point, President Botha could find himself under superpower pressure to open direct talks with the ANC.

The first U.S.-Soviet detente was undermined in the mid-1970s, at least in part, by Moscow's adventurism in Angola. Conversely, the new Reagan-Gorbachev detente has been strengthened by U.S.-Soviet cooperation in resolving that same conflict. The Angola peace process may actually provide a model for how the superpowers can develop what was missing in Detente I—a structure for resolving conflict in the Third World. If that spirit of cooperation continues, it could even help resolve what may be the most intractable regional problem of all—South Africa.

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NEW DELHI TELNOS 1296 AND 1312-1315: GORBACHEV'S VISIT TO DELHI:  
COMMENT

SUMMARY

1. THE VISIT RECEIVED BLANKET COVERAGE IN THE SOVIET PRESS AND WAS PRESENTED AS A GREAT SUCCESS. A REAFFIRMATION OF THE CLOSE TIES BETWEEN THE TWO COUNTRIES, WITH DISCUSSION FOCUSSED ON ECONOMIC AND TECHNICAL COOPERATION ON THE BILATERAL FRONT AND SWEEPING OVER THE ENTIRE RANGE OF FOREIGN POLICY QUESTIONS, BUT WITHOUT ANY STARTLING NEW INITIATIVES.

DETAIL

2. THE VISIT WAS COVERED EXTENSIVELY IN THE SOVIET MEDIA THROUGHOUT THE WEEKEND, WITH THE TEXTS OF THE VARIOUS SPEECHES SUPPLEMENTED BY NUMEROUS PHOTOGRAPHS AND COLOUR PIECES ON ALL STAGES OF THE VISIT. A GREAT DEAL WAS MADE OF THE WARM WELCOME GORBACHEV RECEIVED FROM THE INDIAN PUBLIC. THE VISIT WAS HEADLINED AS MARKING THE INCREASING STRENGTH OF INDO-SOVIET RELATIONS. SINCE THE END OF THE VISIT, THE PRESS HAVE CONTINUED TO REPORT THE VISIT, PROMINENTLY QUOTING FOREIGN COMMENT AND PRAISING THE JOINT COMMUNIQUE.

BILATERAL

3. AS EXPECTED, THE BILATERAL CONTENT OF THE VISIT WAS CENTRED ON THE DEVELOPMENT OF THE EXISTING CLOSE TIES BETWEEN THE TWO COUNTRIES. THE USSR IS CLEARLY APPEARING AS THE BENEFACTOR IN THIS INSTANCE.

FOREIGN POLICY

4. AS PREDICTED IN NEW DELHI TELNO 1296, THE FINAL COMMUNIQUE APPEARS TO HAVE PAPERED OVER ANY DIFFERENCES IN OPINION ON FOREIGN POLICY QUESTIONS. IT COVERED ALL MAJOR AREAS WITH THE EXCEPTION OF THE IMPROVEMENT IN BOTH SIDES' RELATIONS WITH CHINA. AS THIS WAS

COVERED IN GORBACHEV'S SPEECH ON RECEIPT OF THE INDIA GHANDHI PRIZE (NEW DELHI TELNO 1315), AND THE PROSPECT OF A SINO-SOVIET SUMMIT IS MORE A BILATERAL QUESTION, ITS ABSENCE IS NOT NECESSARILY SIGNIFICANT.

## DISARMAMENT

5. GORBACHEV REPEATED HIS CALL FOR A NUCLEAR FREE WORLD, BUILDING ON THE 1986 DELHI DECLARATION. THE RUSSIANS HAVE OF COURSE ENCOURAGED INDIAN EFFORTS IN THIS DIRECTION.

## AFGHANISTAN

6. THE USSR AND INDIA PRESENTED A JOINT FRONT IN ACCUSING OUTSIDE FORCES OF VIOLATING THE GENEVA ACCORDS. THE RUSSIANS WILL HAVE BEEN PLEASED THAT INDIA WAS ALSO SEEN TO JOIN THE CALL FOR A BROADBASED GOVERNMENT IN AFGHANISTAN AND TO SUPPORT THE LATEST SOVIET/AFGHAN IDEA OF A UN SPONSORED INTERNATIONAL CONFERENCE TO HELP ACHIEVE THIS AIM.

## INDEPENDENT PALESTINIAN STATE

7. THE WORDING OF THE COMMUNIQUE IS FURTHER EVIDENCE OF THE USSR'S CAREFUL HANDLING OF THIS QUESTION. (MY TELNOS 1866 AND 1875 - NOT TO ALL). THERE IS NO MENTION OF RECOGNIZING THE NEW STATE, ONLY SUPPORT FOR THE DECISION TO CREATE 'AN INDEPENDENT PALESTINIAN STATE WITHIN THE FRAMEWORK OF A JUST AND COMPREHENSIVE WEST ASIAN SETTLEMENT'.

## SOUTHERN AFRICA

8. THE FIRM STATEMENT ON THE SITUATION IN SOUTHERN AFRICA CONTRASTS WITH RECENT SOVIET ACTIONS CONCERNING ANGOLA AND THE GENERAL NEGLECT OF THE CONTINENT. BUT WORDS ARE CHEAP. THEY WILL HAVE ALSO BEEN HAPPY TO BACK VERBALLY THE AFRICA FUND AND INDIA'S ASPIRATIONS TO PLAY A ROLE ON THE CONTINENT.

## BRAITHWAITE

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MR POWELLCDP  
1/xiSoviet-Japanese Relations

I have already minuted to the Prime Minister about the likelihood that we shall see developments on this front before long. There is one further thought to be kept in mind, namely the possibility that Gorbachev, in his new capacity as President, might turn up for the Emperor's funeral. He could present this as a particular mark of respect to the Japanese; it would break the ice; and it would of course give him a chance for a final chat with President Reagan, who has indicated that he could attend if the funeral fell within his term of office.

2. I would not make too much of this. Gorbachev may well calculate that he is likely to get to Tokyo before long by a more normal route, following Shevardnadze's visit. On the other hand I would not dismiss it entirely.



PERCY CRADOCK

1 November 1988



UNITED KINGDOM MISSION  
TO THE UNITED NATIONS

845 THIRD AVENUE  
NEW YORK, N.Y. 10022

21 October 1988

Duncan Slater Esq CMG  
Assistant Under-Secretary  
WH 331  
FCO

Prime Minister

A useful example of  
new-style Soviet  
diplomacy.

CAF 25/x

Dear Duncan,

THE UN AND PETROVSKY

You will remember that the Soviet Deputy Foreign Minister Vladimir Petrovsky gave me lunch on 19 September. Yesterday I returned the compliment by giving him breakfast at my flat before his return to Moscow today. As before we were alone.

2. In welcoming him, I said that New York was now under a foot or two of snow in the form of the proposals with which he had deluged the United Nations during his month here. The question was what to do about them before they melted or were cleared away. What did the Russians intend to do next? Petrovsky said that they were in a quandary. He would value our advice. He looked to the Five as a catalyst for discussion and action.

The Five

3. Petrovsky underlined the importance for the Soviet Union of the role of the Five. He noted that HMG and the Soviet Union were at one in wishing to widen the agenda, and to use the collective weight of the Five in the United Nations and elsewhere. I said that each had to respect the fact that some might not wish to discuss particular issues at a particular time. For example the United States preferred no detailed examination of Middle Eastern problems until after the Israeli and US elections. It would be unwise to press the Americans until they were ready. At the same time I had noted, as no doubt had my Soviet colleague Belonogov, that Walters (US) had seen the first six months of 1989 as an opportunity for movement. Petrovsky agreed. But detailed work should begin as soon as possible to make the most of the opportunity. I said that Belonogov's idea of an examination of the points on which the Five agreed and disagreed would be useful when the time came.

4. On Iran/Iraq Petrovsky had little new to say. We agreed that if the Secretary-General found things blocked, he might have to call in the Five to see if there was a way out. Petrovsky expressed exasperation with both the Iraqis and the Iranians, and said that the collective pressure of the Five might have to be exercised on them.





### Peacekeeping

5. We turned to peacekeeping. I said we had welcomed Petrovsky's statement that the Soviet Union regarded as generally sound the existing arrangements (my telno 1371). But I felt that in his public statement he sometimes blurred some important distinctions.

- Peacemaking was the role of the Secretary-General and the Security Council. As recent events had shown, the Secretary-General relied heavily on both the Five and the Security Council, and the Council was his source of authority.
- Peacekeeping existed essentially of the interposition of United Nations-designated forces between parties in conflict. As Petrovsky had recognized in his speech, such operations took place at the request of the parties concerned or on the decision or notification of the Security Council, leaving the Secretary-General a good deal of flexibility in how the job was done.
- Peace enforcement (under Chapter VII of the Charter) was something which had not been tried for some time. There was the Korean precedent and the events of the Congo. Soviet ideas for UN naval forces, the creation of a reserve, and the reanimation of the Military Staff Committee seemed to fall into this category. I doubted if the world was yet ready for them. That was not to deny that their time might come. As technology, in particular nuclear technology, advanced, the dangers of catastrophe caused by some maverick state increased. The world might eventually need a powerful police force, and the provision for one was in the Charter.

5. Petrovsky accepted the distinction. On peacekeeping he had welcomed our suggestion to the Five that we should draw up a paper on peacekeeping costs. Some of the costs, in particular over Namibia, looked horrendous. We had to know where we were going. Several countries had been expressing anxiety on the subject. I said that finance was the key. If those who called for peacekeeping forces were ready to pay for them and the UN had sufficient and equitable financial support, then some of the ideas Petrovsky had suggested in his speeches could be given substance. In parentheses I remarked that one trouble was that money for peacekeeping seemed to come out of the wrong part of most national budgets. If it went on to the defence part, there would be less difficulty. Petrovsky warmly agreed. If the Soviet Defence Ministry could pay the Soviet contribution to peacekeeping costs then the world would be a different place. He added that one of his current difficulties was finding out what the Soviet military budget really was. No-one understood the pricing system within it. Gorbachev wanted to reorganize it and make it comparable to Western military budgets as part of his reform of the Soviet economy. Until this was done valid comparisons could hardly be made. On my point on peace enforcement, he accepted the difficulties but thought we should begin soon to see how they might be overcome.



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7. I said that the United Nations had risen well to the challenge of finding forces to meet sudden requirements over Afghanistan and Iran/Iraq. Petrovsky agreed. He particularly commended Goulding's performance as the Under Secretary-General concerned. He had been fair, straightforward and efficient, and the Soviet Government appreciated it.

8. Petrovsky said he hoped that when circumstances were right the Five might begin a privy discussion of some of his ideas on peacekeeping. The Russians wanted to work with us and not against us. If the Five could act together in this respect within the United Nations system, it would transform discussion of the subject. He drew my attention to what he had said in his speech about taking a new look at the work of the UN Committee on Peacekeeping Operations. His Government thought it of significance that the Chinese had asked to join the Committee. Within the Committee it was important to give leadership from the Five.

#### Charter Committee

9. I referred to Petrovsky's speech in the Sixth Committee on 14 October (my telno 1361), and hoped he had seen our speech of 19 October (faxed to the Department). He had not done so, so I gave him a copy. I drew attention to our four main proposals and said that we hoped for cooperation with the Soviet Union on these issues. Petrovsky said that he would value both bilateral discussion with us and among the Five in due course. He expressed vexation at the recent leak of US/Soviet discussions, not only because they suggested that the agenda was wider than it was, but also because it had apparently soured the Americans' attitude. He fully acknowledged the position of Britain as the one Permanent Member who had accepted the compulsory jurisdiction of the International Court.

#### Afghanistan

10. Petrovsky said he was worried about the position in Afghanistan. Continued Pakistani violation of the Accords was gravely embarrassing to the Soviet Union. Gorbachev was determined to withdraw by the due date in February, but provocations created major difficulties with the Soviet military authorities (he was obviously somewhat apprehensive). I said I was not qualified to make judgements but Petrovsky would know that the Pakistanis had their own list of Soviet violations. Presumably he and Shevardnadze had been in touch with Shultz and Yaqub Khan. He replied that the Russians were in continuous touch with both the Americans and the Pakistanis. He hoped (but not I thought with conviction) that after the Pakistani elections things would change for the better. He remarked that Vorontsov had a full and strong mandate in Kabul.

/Environmental

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#### Environmental Issues

11. I took the opportunity to bring Petrovsky up to date on UN handling of the problem of likely global warming. As soon as we could sort out a reasonable draft resolution, I intended to call a meeting of Ambassadors, including my Soviet colleague (in the event I did so today). Petrovsky was glad to know the role we were taking. On environmental issues generally he reverted to his idea of converting the present underworked UN Trusteeship Council into a Trusteeship Council for the Environment which would act as a coordinating body for the various UN bodies already involved. I said, as I had said before, that it was an attractive idea but I was not sure it was workable. It was much better to see the environment as something all people held in trust than as the common heritage of mankind (a tiresome concept resurrected by the Maltese). The problem was whether change of this kind could be undertaken without alteration of the Charter. Petrovsky agreed it was difficult, but said he hoped we were thinking about it. Otherwise it would be difficult to invent a new umbrella organization for the environment. Speaking frankly he said his Government would find it useful for domestic purposes to establish clearer international rules on environmental issues. In this fashion it would be easier to cope with the industrial lobby in the Soviet Union which, as we all knew, had a deplorable environmental record.

12. I drew Petrovsky's attention to the Prime Minister's speech to the Royal Society of 27 September and later sent him a copy. Petrovsky said that the Prime Minister's ideas chimed very closely with Gorbachev's. The environment was one of Gorbachev's strong personal interests. Discussion of the subject would, Petrovsky said, be a useful point on the agenda for the discussions which he understood Gorbachev would be having with the Prime Minister when he visited Britain next year. I said I was sure that the Prime Minister would much welcome a talk of this kind.

#### Comprehensive System

13. Before leaving Petrovsky referred to the Soviet proposal for a Comprehensive System for International Peace and Security (CSIPS). He said that he hoped to achieve consensus on a resolution. In response to British arguments, the Russians had already watered down their ideas, and were open to any others we might have, even if it meant watering them down further. The argument was becoming somewhat artificial. Although he had once thought the idea of a "system" would be acceptable (after all it arose from Western political philosophy), he understood our difficulties and could go for an approach rather than a system. I said that we too were weary of the argument. As he knew, we were ready to look at every Soviet idea on its merits and deal with it in its appropriate place. The reason why we disliked the idea of a comprehensive system was that it established a great number of unnecessary linkages. A chain was as strong as its weakest link. When Petrovsky had declared denuclearization as part of the chain, he seemed to me to be illustrating our argument. Denuclearization was very difficult. So why link it with things that might happen tomorrow? In the meantime we did not reject the idea of a system. We had our system in the United Nations Charter.

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14. Petrovsky said that he would not pursue well-known arguments further except to remark that there were some important things which did not come into the Charter like peacekeeping and the environment. I said that these could be dealt with without creating a comprehensive system. Nevertheless I would be glad to talk once more to my Soviet colleague about the CSIPS. Petrovsky repeated that all he wanted was a consensus resolution. Then we could bury the subject.

Conclusion

15. Again I have written as full an account as I can remember of a conversation which lasted almost an hour and a half. At the end Petrovsky implied that the CSIPS had become something of an embarrassment to the Soviet Union. He was fulsome in our praise, and looked forward to both bilateral cooperation with us and multilateral cooperation through the Five. He even suggested that the Five should work out common positions for use in the Assembly, in particular the Special Political Committee. He indicated that he would be seeing top people in Moscow on his return, and apart from Afghanistan, would be bringing good reports. Peace was breaking out everywhere, except perhaps in the Middle East and Central America. He looked forward to the next Anglo/Soviet discussions here or in Moscow, and referred warmly to the forthcoming encounter between the Prime Minister and Gorbachev.

16. Petrovsky knows how to apply the best butter, and once more he applied it. Some of his thoughts (for example over coordinating positions of the Five for the General Assembly) are far fetched. He likes talking and putting ideas together (especially when his own people are not listening). Rodric Braithwaite will know how much weight he carries in Moscow and how seriously we should take him. But he is certainly an interesting and stimulating person. Once or twice I had to pinch myself to remind me who he was.

*Yours truly*

*Crispin*

Crispin Tickell

cc: Sir Antony Acland GCMG KCVO  
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BRIEFING FOR PRIME MINISTER'S VISIT.

THAI/SOVIET RELATIONS.

SUMMARY.

1. GRADUAL IMPROVEMENT IN THAI/SOVIET RELATIONS AS THE SOVIET UNION HAS BUILT ON GORBACHEV'S VLADIVOSTOK SPEECH OF JULY 1986. RELATIONSHIP IMPROVES SIGNIFICANTLY FOLLOWING PRIME MINISTER PREM'S VISIT TO MOSCOW IN MAY, AND IN LIGHT OF THAI PERCEPTIONS THAT THE SOVIET UNION IS EXERTING ITS INFLUENCE ON VIETNAM TO WITHDRAW TROOPS FROM CAMBODIA. OPPORTUNITIES FOR THE SOVIETS TO COMPETE WITH THE CHINESE, BUT THAIS STILL FUNDAMENTALLY LINKED TO THE WEST.

DETAIL.

2. WHILE GENERALLY WELCOMING GORBACHEV'S POLICIES TOWARDS SOUTH EAST ASIA, ADVANCED IN HIS KEYNOTE SPEECH IN VLADIVOSTOK IN JULY 1986, THE THAIS REMAIN CAUTIOUS AND SCEPTICAL. ARMY COMMANDER GENERAL CHAVALIT HAS ONLY THIS MONTH REPEATED THAT COMMUNISM REMAINS THE GREATEST INTERNAL THREAT TO THAILAND'S SECURITY. HOWEVER, THE SOVIET UNION HAS BEEN WORKING HARD TO IMPROVE RELATIONS WITH THAILAND AND THE REGION. THE SOVIET UNION CONTINUES, FOR INSTANCE, TO PRESS FOR ACTIVE INVOLVEMENT WITH THE ASIAN DEVELOPMENT BANK, ACCEPTANCE AS AN ASEAN DIALOGUE PARTNER AND ADMISSION TO THE PACIFIC ECONOMIC COOPERATION COUNCIL.

3. THE KEY TO ANY IMPROVEMENT HAS REMAINED A POLITICAL SOLUTION TO THE CAMBODIAN PROBLEM. UP UNTIL EARLIER THIS YEAR, LACK OF PROGRESS ON THIS ISSUE INHIBITED ANY SUBSTANTIAL IMPROVEMENT IN THE BILATERAL RELATIONSHIP. RECENT DEVELOPMENTS HAVE INDUCED THE THAIS TO REASSESS THEIR ATTITUDES TOWARDS MOSCOW.

4. IN THE YEAR FOLLOWING VLADIVOSTOK, THE SOVIET UNION

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WAS PRESENTED WITH AN OPPORTUNITY TO IMPROVE THEIR IMAGE IN THAILAND. THE THAI/US ECONOMIC RELATIONSHIP WENT THROUGH AN ESPECIALLY DIFFICULT PERIOD AND THE SOVIET UNION SOUGHT TO PORTRAY ITSELF, THOUGH WITHOUT ANY SIGNIFICANT SUCCESS, AS A VIABLE ALTERNATIVE TRADING PARTNER. THE THAIS ARE WELL AWARE THAT THE SOVIET UNION CANNOT COMPETE ECONOMICALLY WITH THE WEST AND JAPAN, BUT THEY ARE READY TO LOOK AT THE PROSPECTS FOR EXPANDING TRADE AND RELATIONS GENERALLY.

5. AT THE SAME TIME, THE SOVIET UNION HAS MADE A MAJOR EFFORT TO IMPROVE THEIR IMAGE IN THAILAND. THIS HAS INCLUDED VISITS BY SOVIET PARLIAMENTARIANS, SENIOR OFFICIALS, SCIENTISTS, MEMBERS OF THE JUDICIARY, THE MINSK BOLSHOI BALLET AND OTHER ARTISTES, AS WELL AS ENDEAVOURS TO SECURE LAND FOR A LARGE NEW EMBASSY AND TO INITIATE A JOINT TRADING VENTURE (ASPC). THE NEW SOVIET AMBASSADOR, VALKOV, HAS SUCCESSFULLY CULTIVATED THE LOCAL MEDIA. THE POSITION OF THAI STUDENTS STUDYING IN THE SOVIET UNION HAS BEEN FORMALISED.

6. IN PARALLEL WITH PROGRESS ON CAMBODIA OVER THE LAST SIX MONTHS, THE THAI/SOVIET POLITICAL RELATIONSHIP HAS IMPROVED. THE VISIT TO MOSCOW IN MAY THIS YEAR OF PRIME MINISTER PREM WAS SEEN AS A SUCCESS BY THE THAIS, WHO FELT THAT, PERHAPS FOR THE FIRST TIME EVER, MOSCOW WAS REALLY TRYING. THE ANNOUNCEMENT OF A SUBSTANTIAL VIETNAMESE TROOP WITHDRAWAL FROM CAMBODIA SHORTLY AFTER PREM'S VISIT (AFFORDING HIM THE OPPORTUNITY TO ATTRIBUTE THIS TO HIS EFFORTS IN MOSCOW), AND THE INFLUENCE EXERTED BY THE SOVIET UNION IN ARRANGING A MEETING BETWEEN THE VIETNAMESE AND THAI FOREIGN MINISTERS WERE SEEN IN BANGKOK AS CONCRETE EXAMPLES OF CONSTRUCTIVE SOVIET DIPLOMACY.

7. THE THAIS ARE BECOMING MORE COMFORTABLE IN THEIR RELATIONSHIP WITH THE SOVIET UNION AS CHANGES BEGIN TO EMERGE IN SOVIET FOREIGN POLICY UNDER GORBACHEV'S LEADERSHIP. THAI FOREIGN MINISTER SIDDHI SAVETSILA COMMENTED IN A SPEECH ON 20 JULY: 'WE HAVE NOTICED THAT MOSCOW IS CHANGING. THE SOVIET UNION HAS NO DIRECT CONFLICT OF INTERESTS WITH THAILAND. IT IS A MAJOR INFLUENCE ON VIETNAME AND IS ALREADY CONTRIBUTING TO PEACE AND STABILITY HERE....'.

8. THE DOMESTIC COMMUNIST INSURGENCY IN THAILAND, AT ITS PEAK BETWEEN 1975 AND 1980, WAS PRIMARILY PEKING-ORIENTATED AND IS NOW DORMANT. THE SOVIET PRESENCE AT CAM RANH BAY HAS COME TO BE TACITLY ACCEPTED AND TENDS NOWADAYS TO BE TOLDERATED IN

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SOME QUARTERS AS A REFLECTION OF SUPER-POWER RIVALRY.

9. IF THE SOVIET UNION CAN CONVEY THE IMPRESSION THAT THEY ARE LEANING ON VIETNAME, THEY WILL BE WELL PLACED TO COMPETE WITH THE CHINESE, WHO HAVE ESTABLISHED THEMSELVES VERY STRONGLY IN THAILAND IN RECENT YEARS. MANY THAIS FEEL A LATEN UNEASINESS AND RESENTMENT ABOUT THE EXTENT OF CHINESE INFLUENCE, WHICH THE SOVIET UNION COULD EXPLOIT, ESPECIALLY IF CHINESE BACKING FOR THE KHMER ROUGE WERE TO APPEAR TO BE THE MAJOR OBSTACLE TO A SETTLEMENT IN CAMBODIA.

10. THAILAND WILL CONTINUE TO REMAIN FUNDAMENTALLY PRO-WESTERN IN OUTLOOK AND ORIENTATION. NONETHELESS, WITH ITS RAPIDLY DEVELOPING ECONOMY AND OPEN SOCIETY, THAILAND COULD BE A USEFUL PARTNER FOR THE SOVIET UNION, AS LONG AS THEY ARE CAREFUL TO AVOID ANY SUSPICION THAT THEY ARE SEEKING TO SUBVERT THE ESTABLISHED ORDER. A BALANCE OF INFLUENCE BETWEEN CHINA AND THE SOVIET UNION IN THAILAND WOULD ALSO SEEM TO BE IN THE WESTERN INTEREST.

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From: D A Gore-Booth  
Policy Planning Staff

Date: 21 July 1988

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Barrass

#### SOVIET POLICY TOWARDS THE ASIA/PACIFIC REGION

1. A few months ago Planners and Research Department produced a joint paper on "Soviet Policy Towards Africa", which was approved by DUSs and Ministers. Soviet Department suggested at the time that it would be worthwhile to carry out similar studies of Soviet foreign policy towards other regions, in order to assess what impact Gorbachev's "new thinking" was making on the ground. Accordingly Planners, again with considerable help from Research Department, have produced the attached paper on "Soviet Policy towards the Asia/Pacific Region" for consideration by DUSs at their meeting on 26 July.

2. We have taken the "Asia/Pacific region", in terms of Soviet foreign policy, to be the region covered by Gorbachev in his Vladivostok speech of 28 July 1986 ie as far East from Vladivostok as the Pacific coast of North and Central America (but not South America) and as far West as Afghanistan. Some areas are covered much more fully by Gorbachev in his speech than others; for example Canada and Mexico are mentioned only in passing whilst large sections are devoted to Japan and China. Some FCO departments considered that the Planners' paper too treated their particular

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countries too sketchily. Obviously in a broad-brush paper of this kind some choices have to be made and we tried to concentrate on those areas where Soviet policy was clearly undergoing change and where the Russians were devoting particular attention.

3. A case in point is India. SAD and others have argued that we should either cover Soviet/Indian relations in much greater depth or leave the whole South Asian region (including Afghanistan) out of the paper altogether. Yet Gorbachev himself skated over South Asia in his Vladivostok speech (apart from a nod in the direction of India's leadership of the NAM), although he did have quite a lot to say about Afghanistan. Why? Probably, firstly because he realised that Afghanistan had become an international rather than just a regional issue, whose solution would affect Soviet relations across the board and secondly, because he calculated that, important though Soviet relations with India were, they were likely to remain stable (for the reasons we mention in para 7 of the paper) and that he could afford to concentrate his efforts on other countries long neglected by his predecessors. We too consider that Afghanistan is too important a piece to leave out of the Asia/Pacific jigsaw, although we ~~otherwise~~ mention <sup>other parts of</sup> South Asia only briefly.

4. Otherwise, we have tried to take everyone's comments into account in this revised version of the paper. There is a new section on nuclear-free zones and a paragraph on the possible effects in the Asia/Pacific region of a change of US Administration. On this latter point it is obviously too early to do more than speculate on how US policies might change, so we have not drawn policy conclusions for the UK at this stage. Planners will however be drafting a paper on US foreign policy under the next Administration later in the year.

5. Finally, none of the policy recommendations which we make at the end of the paper are designed to substitute for the detailed reviews of UK policy towards the countries of the Asia/Pacific region carried out by FCO geographical departments. Apart from anything else, it would be quite wrong to make UK policy in reaction to Soviet foreign policy. Instead, the paper should be seen as a contribution to UK policy-making and we suggest that departments take those recommendations which are approved into account when they draw up their own, more detailed, reviews.

D A Gore-Booth

## SOVIET POLICY TOWARDS THE ASIA/PACIFIC REGION\*

## (I) Introduction

1. The Asia/Pacific region is a high priority area for Soviet foreign policy. In terms of strategic importance it comes second only to Europe and the North Atlantic. In political and economic terms, the Russians have traditionally tended to pay it far less attention than Europe or the Middle East. But recently, especially under Gorbachev, it has become an area of growing interest and concern to them, for three basic reasons:

i) Soviet awareness of the increasing economic and political strength of the Pacific rim countries, especially Japan and the NICS. Soviet perception too that the US is becoming more Pacific oriented and is better placed than the USSR to benefit from the region's future economic and political development.

ii) the need to realise the economic potential of Soviet Asia (as an important element in the overall process of perestroika) for which foreign (especially Japanese and Chinese) assistance and investment are regarded as crucial.

iii) developments in the geostrategic rivalry between the USSR and the US. The USSR is responding to perceived shifts in US defence concerns: increased US naval capacity in the Pacific; the heightened emphasis on SLBMS and SLCMS in the wake of the INF Agreement; the potential of an even stronger Washington-Tokyo-Seoul military triangle; the possibility of growing US strategic cooperation with China.

2. This awareness of the need for Soviet foreign policy to focus more effort on the Asia/Pacific region is apparent in General Secretary Gorbachev's report to the 27th Congress of the CPSU on 25 February 1986, which launched his "new thinking" in foreign policy:

"The significance of the Asian and Pacific direction is growing. In that vast region there are many tangled knots of contradictions and, besides, the political situation in some

\* ie the region covered by Gorbachev in his Vladivostok speech of 28 July 1986

places is unstable. Here it is necessary, without postponement, to find the relevant solutions and paths."

3. Gorbachev sees the Asia/Pacific region as a challenging one, offering the Soviet Union both new threats and new opportunities. Opportunities in that it is a diverse, complex, rapidly modernising region which could offer new scope for economic cooperation and for Soviet political influence. Threats because this very diversity and instability means that the Soviet Union is confronted with a multiplicity of potential competitors, of whom some are former enemies, some are rapidly growing in economic strength and most are basically sympathetic to the West. Moreover, the USSR has thousands of miles of land and sea border to defend in Asia - all this in an area of sparse population and poor infrastructure. The sense of vulnerability which these geographical conditions create is heightened by the absence on the USSR's eastern border of any established and predictable political framework for managing tension such as exists on the Western front between NATO and the Warsaw Pact. The challenge facing Gorbachev is how to maintain Soviet security effectively enough to meet these changing circumstances without incurring rising defence costs which would cripple perestroika, and without alienating the Asia/Pacific countries who he hopes will assist his ambitions of bringing about the Soviet Union's economic revival and projecting it as a major Asian power in the twenty-first century.

## (II) Changing Soviet Attitudes towards the Asia/Pacific Challenge

### a) Old Thinking:

4. Gorbachev's apprehension about developments to the East is nothing new. The Soviet leadership was already aware of the rising strategic, economic and political importance of the Pacific in the 1960s. The Soviet response from the mid 1960s was substantially to increase the USSR's military forces in the region and to adopt a generally aggressive posture even towards non-aligned Asian countries, such as those in ASEAN. This heavy-handed approach extended even to Soviet diplomacy. Japan, for example, regularly received as ambassadors demoted Soviet officials with no knowledge

of, and little sympathy for, the country. In general, the Soviet Union paid little attention to developing political or economic relations with the neutral or Western oriented Asian/Pacific countries, concentrating instead on forging or consolidating links with socialist allies: Laos, Cambodia, Vietnam and North Korea.

5. The Soviet Union's preoccupation during the 1960s and 70s with its strategic/military posture in the Asia/Pacific was the result not only of a lack of political flair and imagination on the part of its leadership. It was also shaped by the state of the USSR's relations with its two great rivals - the United States and China. By the early 1960s the close relationship which had existed between Mao's China and the Soviet Union during the 1950s had fallen apart, ostensibly over ideological disputes about Soviet "revisionism" and Maoist "adventurism", although old-fashioned chauvinism was undoubtedly the major factor. Each side began to build up its forces along the Sino-Soviet border, culminating in the armed clashes of 1969. Relations with the United States in the Pacific during the late 60s and much of the 70s were dominated by the war in Vietnam and by US success in dramatically improving its relations with China (Nixon played his "China card" in 1972).

6. By the end of the 1970s the Soviet leadership may have regarded its achievements in Asia as substantial. From the military point of view the situation had undoubtedly improved: a considerable increase in military strength had brought the Soviet Union closer to parity with the US in the region; an alliance had been struck with Vietnam, at China's expense; the pro-Chinese regime in Cambodia had been removed; and Soviet control over Afghanistan had increased.

7. Yet what Brezhnev does not appear to have faced up to at the time was that these military-expansionist successes were being paid for at the expense of the USSR's political and economic relations in the region. By the early 1980s Moscow found itself alienated from the non-communist Asian countries (with the important exception of India which, not least because of its determination to project its own power in the region in competition with China and Pakistan, could not afford to disturb its longstanding friendship with the USSR). The non-aligned countries condemned outright the Soviet

invasion of Afghanistan in 1979, and the Soviet Union found itself regularly pilloried in the United Nations. Moreover, the all-too-apparent failure of the Soviet political and economic model had by now caused the non-aligned countries, socialist Burma, and even some of the non-ruling Communist parties in the region to decide to keep their distance. By contrast the US, despite its military humiliation in Vietnam, had come out the winner in the region in political and economic terms. The newly independent and industrialising Asian and Pacific countries looked towards US markets and grew wealthier on liberalised trade. American influence in the region flourished. As Dr Gerald Segal points out:

"The majority of decolonised states did not look to Moscow for revolutionary guidance. What is worse, the NICS demonstrated that North-South relations need not always be hostile and that cooperation that excluded the communist states could be fruitful. The NICS offered a model for development that excluded and challenged the Soviet Union." \*

By the mid 1980s the USSR had as its Allies the poorest countries in the region, heavily dependent on Soviet aid, whereas the United States had links with some of the fastest growing economies in the world.

8. What the Soviet Union had once regarded as the gains of the 1970s had turned into politically and/or economically costly encumbrances. Perhaps the only achievements of Brezhnev's policies which will stand the test of time (and glasnost) will be the maintenance of close relations with India and the beginnings of the rapprochement with China in 1981/2.

b) New thinking; reassessment of Soviet interests/tactics in the region

9. Changes in the Soviet attitude to third world client states - notably disillusionment with the high economic and political cost of supporting them - had begun under Brezhnev and were reinforced by Andropov. But it was not until Gorbachev came to power in March 1985 that a major reassessment of Soviet policies towards the

\* "The Soviet Union and the Pacific Century"

Asia/Pacific region was undertaken. Gorbachev was the first to recognise - and his spokesmen the first to admit - that earlier Soviet policies had been misconceived and counter-productive to Soviet interests.

10. The extent of the change in thinking can be measured by comparing Brezhnev's report to the 26th Party Congress in 1981 and Gorbachev's to the 27th in 1986. Brezhnev devoted a major part of his report to the Third World, citing the "fresh victories" of the "revolutionary struggles of peoples" as evidence that the "correlation of forces" were moving inexorably in the Soviet Union's direction. Five years later Gorbachev paid scant attention to the Third World, nor did he mention any of the Soviet client states by name. His speech contained a warning that Soviet priorities had shifted away from support for world revolution and towards the revitalisation of the Soviet economy:

"the CPSU sees as its main internationalist duty the successful progress of our country."

Instead of boasting about shifts in "the correlation of forces" Gorbachev laid emphasis on the need for "mutual security" and "peaceful co-existence".

11. Gorbachev had inherited a much improved defensive capability in the Pacific. He could probably afford to decide that, barring new Western moves, the development of the Soviet Pacific fleet had already gone far enough to ensure the USSR's basic interests of protecting Soviet security and free movement. His urgent priorities in the region now were to:

- repair the political and economic damage caused to Soviet interests in the Asia/Pacific region by the narrow-minded policies of his predecessors.
- emphasise the need to demilitarise the Pacific so as to hinder any further improvement in US and Japanese military (especially naval) capability

- concentrate resources on domestic reconstruction, including the development of Soviet Asia

12. Gorbachev registered his interest in the Asia/Pacific region soon after taking office in March 1985. He took the opportunity of the Indian Prime Minister's visit to Moscow in May 1985 to revive Brezhnev's proposal for an "All-Asia Security Forum" (a hasty and rather ill-judged move which was poorly received in the region). In January 1986, Foreign Minister Shevardnadze travelled to Asia, visiting Mongolia, North Korea and Japan (Gromyko had not visited any Asian country other than India since 1976). This visit, and a Soviet Government statement on the region issued in April 1986, set the stage for a major speech by Gorbachev on 28 July 1986 spelling out the new Soviet policy towards the region.

13. Gorbachev's choice of Vladivostok as the venue for this key speech was designed to:-

- underline that the USSR wanted a stake in the political and economic future of the Pacific Basin;
- give a boost to the economic development of Soviet Asia;
- draw attention to the strategic importance of the Asia/Pacific region to the USSR.

More than half of the Vladivostok speech was devoted to the importance of the development of Soviet Siberia and the Soviet Far East. The section on foreign policy was striking for its tone - conciliatory, activist and moderate - which marked a deliberate departure from the defensive and clumsy approach of the past. The speech presented the Soviet Union as a non-threatening and constructive power with a legitimate role to play in the region, willing to improve relations with all countries and hopeful of creating a new political framework to lower tension and enhance mutual security in the region. This time Gorbachev proposed not an "All-Asia Forum" but a "Pacific Ocean Conference", which would

include the United States. (There is a parallel here with Soviet tactics in Europe: the Russians pressed hard for a European security conference without the Americans until political realism eventually forced them to change tack). Gorbachev hinted in his speech at flexibility over the border dispute with China, announced limited troop withdrawals from Mongolia and Afghanistan, and proposed a number of confidence- building measures (not all new) on the reduction of naval activity and maritime security. Finally, he stressed that any security arrangements worked out for the region should be integrated into the "Comprehensive System of International Peace and Security" (CSIPS) which he had proposed at the 27th Congress of the CPSU (and which the Russians were planning to launch as a UN General Assembly Resolution later that year).

14. If Gorbachev had hoped that enthusiastic rhetoric, vague proposals and a couple of token troop withdrawals would be enough to change the course of Soviet relations with the Asia/Pacific he was in for a disappointment. China, Japan and the other major Asian countries all reacted cautiously and reminded the Russians of the various "obstacles" which lay in the path of better relations. Other Soviet proposals have since followed in an attempt to keep the Vladivostok initiative alive. Exactly one year later, in an interview published in the Indonesian magazine "Merdeka", Gorbachev announced his offer to remove all SS20s from Asia, clearing the way for a global INF deal. The Russians also set up a "National Committee for Asia/Pacific Cooperation" to foster Soviet trade with the region, to develop Soviet Siberia and to help the USSR gain admission to the Pacific Economic Cooperation Conference (PECC). Consideration is now being given to opening Vladivostok as a duty free port, and to the establishment of Chinese-style special economic zones in the Soviet Far East. Last but not least the Russians are now withdrawing from Afghanistan and are putting pressure on Vietnam over Cambodia. The Russians will have to work harder still if they are to overcome the wariness of their closest Asian neighbours and the indifference of those further away to make a real impact on the region; but they have already shown that, under Gorbachev, they are prepared to put ideology aside and to think imaginatively rather than defensively about their foreign policy. We can expect more initiatives to follow.



### III Soviet Diplomacy

#### (a) Bilateral Diplomacy\*

15. In the Asia/Pacific region, as elsewhere, the first manifestation of the new Soviet tactics was a major diplomatic effort - the so-called "smiling offensive" - aimed at improving the level and frequency of bilateral contacts. Such an approach is hardly surprising (although it took a Soviet leader of Mr Gorbachev's finesse to think of it) since smiles cost little. These initial diplomatic approaches almost certainly enabled the Russians to test the water and to gauge what more, if anything, they would need to concede. Although their activities have been stepped up all over the region, the Russians have so far concentrated their greatest diplomatic effort on the major economies closest by - China, Japan and the ASEAN countries. At the same time they have worked hard to strengthen links with their longstanding socialist allies, whilst taking a firmer line with these countries to encourage them along the path of economic and political reform.

#### China

16. The slow improvement in Sino/Soviet relations began in 1982 after Brezhnev's Tashkent speech, when regular political consultations and some economic and cultural contacts were established. Since then mutual doctrinal hostility left over from the Mao era has gradually given way to tolerance and to a recognition that each country might learn and benefit from the other's experience in undertaking economic and political reforms. But the Chinese are well aware that Gorbachev is a man in a hurry and are too hardheaded to let him brush aside the past without extracting real concessions in return. Deng Xiaoping's "three obstacles" to high level and party-to-party relations (Afghanistan, Cambodia and Soviet troops massed along the Sino/Soviet border) remain firmly in place, despite Gorbachev's repeated efforts to make a Sino/Soviet political summit the first priority. In recent months the Russians have however moved on from rhetoric to begin to make progress on all three obstacles. There is now a real prospect over the next few years of a full normalisation of political and economic

relations, although the Chinese have explicitly ruled out any return to the kind of alliance which existed during the 1950s. Such a return would not in any case be in China's interest as long as she continues along the path of economic reform, since the Chinese need Western technology and markets.

### Japan

17. Gorbachev's decision to send his new Foreign Minister Shevardnadze to Tokyo in January 1986 marked a dramatic shift in the Soviet attitude towards Japan (Gromyko had last visited Japan in 1976; after that he had refused to revisit Japan while Tokyo maintained its claims to the Northern Territories). The communiqué signed at the end of the visit contained an agreement to discuss post war problems, including by implication the disputed Northern Territories. An increase in political exchanges followed, and a visit by Gorbachev was mooted. But the new atmosphere was short-lived. Relations were set back by the Toshiba scandal involving the export from Japan of Cocom embargoed technology and by a Soviet espionage case. An agreement for an annual exchange of foreign ministerial visits was subsequently allowed to lapse.

18. In the last few months, however, the Russians have made renewed efforts to recover from this setback. Shevardnadze may visit Japan later this year. Although it has been stated firmly that Moscow will not shift on the fundamental question of sovereignty of the Northern Territories, some ideas are now being floated, eg a possible demilitarisation of the islands or the return of the two southernmost (less strategically important) islands, and the Russians have already made a small but well-received gesture in allowing Japanese visits to grave sites on the two southernmost islands. The Northern Territories issue is a formidable obstacle for the Russians to overcome since the islands are strategically valuable to them for the defence of the Okhotsk Sea. But Gorbachev needs Japanese technology and investment in Soviet Siberia more than the Japanese need Soviet raw materials, so concessions in this area could well be made once Gorbachev judges that the time is right. In the meantime the Russians may be hoping that the prospect of improved relations with ASEAN and of an eventual Sino/Soviet

rapprochement will help to put pressure on Japan to accept a compromise.

#### ASEAN

19. As with China and Japan, the Russians have tried in their dealings with the ASEAN states to side-step the key strategic/political issues in order to improve diplomatic and economic relations. ASEAN reactions so far have been universally wary. They have long mistrusted the Soviet Union because of its support for Vietnam, particularly over Cambodia. They are pragmatic countries whose main interests are inward investment and exports, on both of which the USSR has little to offer them. The main targets for increased Soviet attention have been Thailand (the front line state with Cambodia) and Indonesia (potentially the major ASEAN power). The Russians have tried to make the most of the difficulties created by the oil price decline (for Indonesia) and by growing US protectionism (eg by offering to buy Thai exports kept out by US trade barriers). Trade with ASEAN, however, remains at a disappointingly low level (\$487 million in 1986 compared to \$29 billion between ASEAN and Japan and \$24 billion between ASEAN and the US) and Cambodia is still a major obstacle to improved political relations. Nevertheless there has been a high level exchange of defence visits with Thailand and in May this year the Thai Prime Minister visited Moscow.

20. The Russians have moved cautiously towards the Philippines. They made a bad mistake in 1986 by clinging on to Marcos right up to the day of his departure - evidence both of their poor judgement and of their poor access to information in this area of predominantly US influence. Since then they have been doing their best to put this right and formal political contacts with the Aquino Government have recently been stepped up. At the same time the USSR wants discreetly to help those on the left in the Philippines who are pressing for the removal of US bases. The Russians have said publicly that if the US bases were withdrawn they "would not fail to respond" (whatever that means). They have formally pledged to Mrs Aquino that they will not help the communist New People's Army (NPA) and have offered her a substantial economic package. But the

economic agreement has yet to be signed and there have been hints of covert Soviet contacts with the NPA.

### The Socialist Allies

21. Gorbachev has made clear that the Soviet Union cannot afford to go on indefinitely supporting Third World client states who pursue policies which have brought them to the brink of economic collapse. Current Soviet aid to Vietnam, for example, approaches \$2 billion annually, mostly in the form of subsidies. Shevardnadze, during his March 1987 visit to South-East Asia called for better use of aid and for a speedy resolution of the conflict in Cambodia. Yet the Russians have not scaled down their commitments to these countries. Nor is there any evidence that, in their anxiety to improve relations with the non-Communist world, the Russians would be prepared to put their military facilities or their influence in Vietnam or North Korea at risk, for example by pushing the Vietnamese too hard for a settlement on Cambodia. On the contrary, Gorbachev (unlike his predecessors) has been keen to improve relations with North Korea and to step up Soviet economic and military assistance to Kim Il-Sung, despite the unpredictable behaviour of his régime. Gorbachev is evidently still optimistic that in time he will be able to have his cake and eat it ie retain his military facilities and transform his socialist allies from a state burden into an economic and political asset.

### (b) Security/Regional Issues

22. Security considerations are paramount in Soviet foreign policy towards the Asia/Pacific region. That Gorbachev should now be emphasising "mutual security" and an improvement in political and economic relations, rather than the military build-up favoured by his predecessors, is primarily because:-

- (i) that build-up has now reached a sufficient level in the region to afford the USSR adequate protection of the homeland (although modernisation will obviously continue);
- (ii) the "gains" of the 1970s by the USSR and its communist

allies have turned out to be military, economic and political burdens which those countries can ill afford;

- (iii) Gorbachev believes that, at best, he can turn the setting up of new frameworks for "mutual" security to the USSR's strategic and political advantage at little cost. Failing that, he hopes at least to persuade the non-socialist countries of the region to adopt an even-handed approach in their dealings with the US and the USSR, which would work to Soviet advantage.

23. Gorbachev's revival of the "Asian Security" concept was in some respects surprising given the failure of similar proposals advanced by Brezhnev since 1969. That the Russians have persisted with the idea (albeit in modified form), and have shown flexibility over US and Chinese participation, is a measure of the importance they attach to an eventual Helsinki-type security agreement for the Asian region. Although greater stability and predictability in the region is a major (and legitimate) Soviet concern, the Russians obviously hope to make good propaganda use of their security proposals (eg for nuclear-free zones and limits on naval activity) to play on regional anti-nuclear sentiment, to restrict US naval activity and generally to portray US policies in the region as aggressive and destabilising.

24. So far, Soviet proposals have made little headway. Asia/Pacific countries are wary of Soviet intentions and have made it clear that the Soviet Union will need to demonstrate that it is serious about "mutual security" by withdrawing completely from Afghanistan and pushing Vietnam to withdraw from Cambodia. Even then, those countries closest to the Soviet Union, especially China and Japan, are well aware of Soviet land-based nuclear capability and of the fact that the USSR has been careful to omit its own territory from all proposals for nuclear-free zones. The only good developments, from the Russian point of view, have come from the Southern hemisphere Pacific countries, who regard themselves as well away from the Soviet threat and more at risk from US fishing interests and from French nuclear tests. The Russians were particularly heartened by New Zealand's ban on nuclear port calls,

which led to the US suspension of its defence and intelligence cooperation under ANZUS, and by the signing of the South Pacific Nuclear-Free Zone (SPNFZ) Treaty (both the Soviet Union and China hastened to sign the protocols of this Treaty, while France, the US and the UK declined to do so).

25. Of the various Soviet security proposals probably the one with the most promising prospects for the Russians is the establishment of nuclear-free zones. This is because similar ideas were already gradually gathering political momentum in the region before the Russians jumped on the bandwagon. New Zealand's anti-nuclear policies, for example, were the result of domestic public opinion and cannot be said to owe anything to Soviet propaganda - indeed the New Zealanders remain basically antipathetic to communism. Equally, the drawing up of the SPNFZ Treaty was inspired by French nuclear testing policies and by irritation with being pushed around by the big nuclear powers - although the Russians did what they could to turn the event to their political advantage. Further north the ASEAN countries as early as 1971 signed a declaration whereby they said they were "determined to exert initially necessary efforts to secure recognition of, and respect for" a "Zone of Peace, Freedom and Neutrality" (ZOPFAN). The same countries (plus Brunei which joined ASEAN after the signing of the ZOPFAN declaration) have long been edging towards the establishment of a "South East Asia Nuclear Weapon Free Zone" (SEANWFZ) and the December 1987 ASEAN summit agreed to "intensify efforts" towards the realisation of both the ZOPFAN and the SEANWFZ. Yet the ASEAN countries remain fundamentally anti-Soviet and these proposals reflect their own concerns and political ambitions. If anything, worries about playing into Soviet hands have tended to slow down what would otherwise have been a strong political movement within ASEAN and the NAM in favour of these policies.

26. What will change the climate in Asia (and perhaps remove some countries' worries about "playing into Soviet hands") will be if the USSR faithfully executes a total withdrawal from Afghanistan and if it succeeds in persuading Vietnam to withdraw in good faith from Cambodia. At present, the prospects for both look good. Even the initial withdrawals we have seen so far are beginning to make

countries in Asia and the West ask painful questions such as:-

- If the Russians withdraw from Afghanistan should economic support continue to be given to Afghan mujahaddin who refuse to participate in a broadly-based government and insist on the rule of Islam?
- If Vietnam withdraws from Cambodia how to prevent the return to power of the Khmer Rouge or prevent them from undermining any agreement which excludes them?

Western mishandling of either of these issues could create new frictions with Asian countries which the Soviet Union would hope to exploit.

27. Yet, given longstanding tensions between the major Asian powers (eg between Pakistan and India, India and China and China and Japan) and the great diversity of the region it seems unlikely that the Russians would succeed, at least in the foreseeable future, in drawing the major Asian/Pacific countries into a formal security arrangement of the kind they would like to see. Probably the best that they can hope to achieve over the medium term is a more neutral and even-handed approach by some countries in their defence dealings, especially over the granting of naval access, and a new momentum behind existing proposals for the establishment of nuclear free zones, both of which would operate to the detriment of US freedom of manoeuvre in the region and further curtail Western strategic superiority.

(c) Economic Relations

28. Gorbachev realises that a major test of Soviet perestroika will be whether it eventually enables the USSR to benefit from the expected economic dynamism of the Pacific Rim in the twenty-first century. If the USSR continues to fall seriously behind the emerging Pacific countries in economic terms its superpower status will soon be called into question. (By some estimates 1990 will see Japan overtake the USSR in total GDP). Important to success - and to projecting a credible Soviet presence in the Asia/Pacific region

- will be the economic exploitation of Soviet Asia. Although rich in natural, especially energy, resources, the region is underdeveloped, underpopulated and economically stagnant. Even fuel has to be imported from European Russia. Gorbachev sees industrial cooperation with Japan/the NICS and agricultural cooperation with China as the way forward, although he recognises that his reforms will need to be carried further before serious foreign investment can be expected.

29. Yet how seriously should we take Gorbachev's claims to want to shift Soviet priorities in the Asia/Pacific region away from strategic and political rivalry with the West and towards peaceful economic cooperation? After all, the region still only accounts for around six per cent of total Soviet trade. Moreover, the real growth in Soviet trade with the region so far has been not with Japan and ASEAN but with the USSR's socialist neighbours. In the period 1980-1987 Soviet trade with the socialist East Asian states more than doubled, from 27 to 60 per cent of total Soviet trade with the region. Over the same period Soviet exports to the socialist states had risen from 42 to 75 per cent of total Soviet exports to the region. By contrast, Soviet trade with non-socialist Asian/Pacific states is fractional (and declining) compared with those countries' trade with the United States and other Western countries. The Russians certainly need to trade more with the rest of the world. But it is questionable whether they can realistically expect ever to catch up with the advanced Western countries economically and technologically, except perhaps in certain limited sectors eg space technology.

30. If the reform processes in the USSR and China were to make headway and if Vietnam and North Korea became more peaceful and successful probably the best the Russians could aspire to would be some kind of loose 'socialist' trading group (on the ASEAN rather than the COMECON model). The Russians could reasonably hope that such a group might trade with other middle-ranking, middle technology countries (India, Iran, Indonesia, Australia etc) and that it might eventually become a model for the economic development of poorer countries which could rival the capitalist one politically. But it could not be expected to compete with the West economically within an open global market (hence Soviet hankering after a "New Economic Order").



Might Gorbachev privately acknowledge these economic limitations but believe nonetheless that with a combination of political and economic reform at home and imaginative diplomacy abroad he will in time be able to achieve a synthesis between a more competitive socialist market and a more managed world economy? Even under such a scenario there would still be strong incentives for the USSR to push its socialist allies towards economic reform and towards the settlement of costly regional disputes.

31. Whatever Soviet long-term ambitions may be, in the shorter term they badly need Western technology. The Soviet Union has said for some time that it would like to attract Japanese technology and investment to Siberia, but so far the Japanese have proved a hard nut to crack. Japan is by far the largest individual Soviet trading partner in the region, accounting for around 46% of Soviet imports from the region and around 25% of Soviet exports to the region (although this latter figure has fallen from 52% in 1980). The Japanese are now less anxious about alternative sources of energy than they were in the 1970s and the Northern Territories dispute remains for them an important obstacle which the Russians so far have been reluctant to tackle (although there is clearly scope for concessions at some stage). If the relationship with Japan fails to develop then the Russians and their allies may concentrate on trying to obtain the technology they need from the less security-minded NICS. Already they are stepping up trade links - the Hungarians for example recently opened a trade office in Seoul and a number of South Korean businessmen have recently been to Moscow.

32. In this respect it is hard to predict how constructive a role the USSR would play within the Pacific Economic Cooperation Conference (PECC) and the Asian Development Bank (ADB) if it were ever allowed to become a full member (it has so far been granted only observer status in both. The PECC is the most promising of the two, since the Russians will be reluctant to pay the c.US\$100- 200m hard currency fee for full membership of the ADB. The question of Soviet membership of the PECC is likely to come up at the organisation's next meeting in New Zealand in late 1989). The fact that the Russians are now seeking to participate at all in these Western-dominated economic organisations represents a major change

in Soviet attitudes since the Brezhnev years. The Russians see the PECC as a useful channel for building up pragmatic trading relations with the NICS. But they also see themselves as in direct political competition with the US and Japan and will be keen to use the PECC to extend their political influence. The problem for Japan and the US will be preventing the Russians from muscling in on the PECC, given that many of the farther-flung PECC members are less worried about the Soviet threat and some will be hoping to boost their trade with the USSR.

33. Australia is a case in point. It is the Soviet Union's fifth largest trading partner in the region, and third largest exporter to the Soviet Union overall. There have recently been an unprecedented number of high-level exchanges, including Australian Prime Minister Hawke's visit to Moscow in late 1987 and a visit to Australia in July 1988 by Soviet Deputy Prime Minister Kamentsev. Mr Hawke has commented publicly that he sees the Soviet Union as having "legitimate" interests in the South Pacific and a senior Australian official recently commented to our High Commissioner in Canberra that Australia and the Soviet Union had important complementary interests, particularly over timber and wheat, and that these were good enough reasons for a closer relationship.

#### IV. Conclusions

34. The key objectives of Gorbachev's policies in the Asia/Pacific region are to:-

##### In the shorter term:

1. Recover from the misguided economic and political policies of the previous leadership by:
  - dismantling the Soviet Union's threatening/expansionist image and encouraging Asian/Pacific countries to adopt a more even-handed approach towards the two superpowers.
  - giving up territorial gains which are an economic and political burden, and encouraging the USSR's socialist allies to do

likewise.

- promoting perestroika and revitalising the economies of Soviet Asia and of the socialist allies.
- improving political and economic links with non-socialist countries in order to obtain Western technology and to enhance the Soviet Union's political influence at the expense of the West and China.

2. Consolidate existing Soviet military strengths and improve on them where this can be done at low political and economic cost.

3. Prevent the United States and Japan from building up their strategic (especially naval and Anti-Submarine Warfare) assets in the Pacific and restrict their freedom of movement wherever possible.

In the longer term:

4. Possibly create a viable, middle-technology, socialist trading group which can act as a model for developing countries and can trade with other middle-ranking countries.

5. Thereafter use the USSR's enhanced image with non-aligned and developing countries, and within the United Nations, to bring about the creation of a Pacific Ocean Conference (if possible as part of a Comprehensive System of International Peace and Security (CSIPS)) and a more managed world trading system which might help restrict the West's capacity to make competitive use of its technological superiority both in the security and economic fields. From the Soviet Union's point of view, such systems of political and economic management would make for a more stable and predictable world.

V. Implications for UK Policy

35. Gorbachev's longer term aims are extremely ambitious. They depend entirely on the ability of the Soviet Union and its allies to restructure and revitalise their economies without breaking up

either internally or as a group. Many in the West would be highly sceptical that revitalisation could be possible without such a degree of decentralisation and liberalisation that it would be impossible for the Soviet leadership to retain control of the process or for what emerged at the end still to be identifiable as 'socialist'. The fact remains, however, that if against the odds Gorbachev did succeed then the international political structures he would be trying to create would ultimately be at odds with Western concepts of nuclear deterrence and an open, competitive, world market. (This need not concern us unduly so long as Soviet competition remained peaceful and so long as Western trade and defence concepts continued to be attractive to newly emerging/industrialising countries).

36. They would probably also be at odds with China's vision of its own future. The Soviet Union will undoubtedly be working hard to engage Chinese political support for its long term aims (the Russians have already made great efforts to try to overcome Chinese indifference towards the CSIPS). Yet China, unlike the Soviet Union, might reasonably hope over the next 50-100 years to succeed in trading and competing effectively with the West. Moreover China, like the UK, has an independent nuclear deterrent which it would not wish to give up.

37. Given that the UK has in common with China:-

- an independent nuclear deterrent;
- a seat on the UN Security Council;
- a strong perception of the Soviet threat;
- concern over the future success of Hong Kong,

We should be well-placed to encourage China to continue to look eastwards for trade and investment and to keep its distance from Soviet propoganda ploys such as the CSIPS and the New Economic Order.

38. Nothing would serve Soviet interests better than a rise in protectionism in the US and Europe which began to exclude the developing Asian economies from Western markets. The UK (and the EC generally) shares with Japan and the developing Asian countries an interest in keeping world markets open. We can work together in the GATT and, to some extent, through the Economic Summit Seven grouping to achieve this. It would however be unfortunate if the European countries and Japan and the Asian economies, who have certain shared political and economic interests, were to become divided into two separate economic groupings - the OECD and the PECC - as risks happening if the Americans and the Japanese continue to strengthen the role of the PECC and if Western countries continue to resist admitting the NICs to the OECD. We should consider very carefully what we can do now to prevent this from happening.

39. On the security front the creation of a Helsinki-style Pacific Ocean Conference would clearly not be in our interests since it would enhance Soviet influence in the region and enable the Soviet Union to play the European and Asian negotiations off against each other. Moreover, since the Asian countries are not used to coordinating their negotiating hand as the Western countries are, they would risk being outmanoeuvred, with possible knock-on consequences for the West. In practice however, the Asian countries appear well aware of the dangers and have been wary of Soviet proposals. Even the Russians acknowledge that the creation of such a conference is at best a long way off.

40. The more immediate challenge will be to ensure that the West does not misplay its hand over Afghanistan, Cambodia, the Philippines and the nationalist aspirations of the South Pacific countries. All four issues could if wrongly handled encourage Asian/Pacific countries to adopt a more non-aligned stance and threaten Western political and strategic assets in the Pacific and Indian Oceans. The Americans and the French have traditionally tended to take a tough and high-handed approach towards the countries in the South Pacific. The Russians are now trying to reap the political benefit by treating South Pacific countries more diplomatically and by offering fishing and other trade arrangements. On Afghanistan and Cambodia we shall have to work hard to prevent

the Soviet Union and Vietnam from picking up cheap political credit by withdrawing their forces, whilst leaving the West to cope with the ensuing political and economic problems.

41. How successful the Russians will be in fostering more non-aligned policies in the region will to some extent depend on how the next US Administration plays its hand. The Reagan Administration was successful in bringing the Russians to the negotiating table on nuclear issues and gained much credit in the region for pushing through the global INF deal. The Japanese and the Chinese have admired the tough US approach on defence issues (if anything, the main Japanese concern has been to stiffen the American negotiating stance eg, on SLCMS). If Dukakis becomes the next President the Japanese will be more worried than they were about US commitment to a strong defence posture in the Pacific. In other respects, however, a Democrat Administration which decided to:

- give lower priority to the US military presence in the Pacific;
- place more emphasis on operating multilaterally, including through the United Nations, and on negotiated settlements generally;
- (perhaps even) reconsider US policy towards the establishment of Asia/Pacific nuclear-free zones;

might ultimately be more effective than the Republicans in countering Soviet political influence in the region, provided that the US continued to drive a tough bargain at the negotiating table on issues directly affecting Western security. Either way, we in Europe will need to watch carefully for any changes in US policy, especially over nuclear-free zones, which could leave us exposed.

## VI. Policy Recommendations

42. The Asia/Pacific is an area where the UK now has few purely national interests (Hong Kong until 1997, Pitcairn), and where the

Americans and Japanese are the key Western players. Nevertheless we are important traders and investors in the region. Moreover, a number of Asian/Pacific countries do look towards the European Community both as a politically moderate grouping counterbalancing the two superpowers and as a possible model for future regional structures. The UK is probably the best-placed EC interlocutor from the Asia/Pacific countries' point of view because:-

- English is the most widely-used international language;
- Britain has close historical links with the region, which the Commonwealth helps to maintain;
- Britain has the closest relations with China because of common concern over Hong Kong;
- Britain understands and can sometimes influence US policy..

We should take full advantage of these assets to help protect the wider Western interests which are at stake in the region, by building up an effective political dialogue, bilaterally or through the Twelve as we judge appropriate, with key players.

#### A. Security Issues

43. We should:-

(a) Help counter long-term Soviet ambitions to create a CSIPS and a Pacific Ocean Security Conference by:

- encouraging the new US Administration to work with the UN, rather than dismissing it out of hand and leaving the field clear for the Russians (c.f. Sir Crispin Tickell's despatch of 15 June 1988)
- using our regular official and Ministerial contacts with China to monitor the developing Sino/Soviet relationship and to encourage the Chinese to maintain their current distance from the CSIPS (para 37 above).

- taking the lead in fostering closer political relations between the Twelve EC countries and key Asia/Pacific countries (China, Australia, New Zealand, South Pacific states), similar to the link already established between the Twelve and ASEAN.

EC countries have yet to take full political advantage of their trade and aid relations with the Asia/Pacific countries (the EC is for example a major aid donor to the Pacific Island states). They could use political contacts to discuss Soviet foreign policy, regional conflicts, global issues such as terrorism, drugs, nuclear and CW proliferation, and perhaps US policies, since this could help to anticipate and defuse problems.

- (b) Ensure that posts inform the FCO in good time of major conferences in the region on political/security issues at which Soviet representatives are likely to be present. It would be useful where possible to field UK specialists to monitor Soviet policies and to ensure that Soviet propaganda is challenged (Soviet institutes such as IMEMO have recently been making a major effort to attend conferences and to build up non-official links in the region).

#### B. Regional Conflicts

44. A full review of UK policy towards Afghanistan has recently been completed (Mr Burn's submission of 11 July 1988 to PS/Lord Glenarthur). Work on Cambodia is currently in hand (Mr Colvin's minute of 4 July "Cambodia: Elements of a New Policy").

From the point of view of countering Soviet policy in the region the following elements of any UK policy on Cambodia seem worth stressing - we should:-

- (a) Continue to press for full Vietnamese withdrawal;
- (b) Draw public attention to the economic conditions in Vietnam and to the refugee problem, both of which are the consequences of



communist military expansionism and misconceived domestic policies;

- (c) Bring UK and EC pressure to bear on China to remove Pol Pot in the event of a settlement, to limit the role of the Khmer Rouge within any new government and to cut off military aid.
- (d) Encourage Japanese involvement in future aid/peacekeeping efforts (within the limits set by constraints on Japan's military role). Use our expertise to assist the Japanese, to help coordinate the Western effort generally and to ensure maximum publicity for Western efforts.
- (e) Press the Soviet Union to contribute to multilateral aid efforts.

If either Pakistan or China were to succeed in replacing Soviet-backed governments in Afghanistan and Cambodia with new extremist and unpopular régimes, Western interests in the region and in the UN would suffer and the Soviet image would be enhanced, with unpredictable long-term consequences.

#### B. Economic Issues

45. We should:

- (a) Continue to make full use, in our contacts with Asia/Pacific countries, of our efforts to reform the EC Common Agricultural Policy, to ensure that 1992 does not lead to "Fortress Europe" and to work through the GATT to maintain the open trading system.
- (b) Consider our policy towards the eventual admission of the NICS into the OECD, in the light of the growing importance of Pacific Economic Coordination Conference (PECC). The latter is currently not an inter-governmental organisation (although officials attend, along with businessmen and academics) but it could eventually turn into a Pacific-based alternative to the OECD which included the USSR but excluded Europe. Consider too

CONFIDENTIAL

- 25 -

whether to seek UK observer status at the next PECC meeting in Wellington in 18 months' time (action on this latter point is already in hand - Mr Carrick's minute of 1 July 1988 to Mr Gore-Booth).

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PRIME MINISTER

The Lord Privy Seal's office have told us that the Opposition have made a request for a statement tomorrow by the Foreign and Commonwealth Secretary, on Central America.

The business managers are in favour of complying and the Foreign and Commonwealth Secretary is still considering. They will let us know the outcome.

P.F.R.B

P.S. The Foreign Secretary has decided against it — rightly, in my view. ✓

28 July, 1983

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TO ROUTINE FCO

TELEGRAM NUMBER 2122 OF 27 JULY 1983

INFO MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY, CARACAS,  
BOGOTA.

PRESIDENT REAGAN'S LETTER TO THE CONTADORA GROUP

1. TEXT OF THE ABOVE LETTER IS AS FOLLOWS:

THANK YOU FOR THE LETTER WHICH YOU AND THE PRESIDENTS OF COLOMBIA, MEXICO AND VENEZUELA HAVE SENT TO ME CONCERNING THE MEETING HELD IN CANCUN ON JULY 17 TO REVIEW THE CURRENT SITUATION IN CENTRAL AMERICA.

I WOULD LIKE TO CONGRATULATE YOU ON THE EFFORTS WHICH THE CONTADORA FOUR ARE MAKING TO PROMOTE DIALOGUE AMONG THE COUNTRIES OF CENTRAL AMERICA. MY GOVERNMENT HAS CONSISTENTLY EXPRESSED STRONG SUPPORT FOR THE CONTADORA PROCESS. THE CANCUN DECLARATION, BY ARTICULATING THE CRUCIAL ISSUES WHICH MUST BE TREATED TO REACH AN EFFECTIVE AND ENDURING RESOLUTION OF THE CENTRAL AMERICAN CONFLICT, IS AN IMPORTANT CONTRIBUTION TO ADVANCING THAT PROCESS.

FOUR POINTS

I CONTINUE TO BELIEVE THAT A SOLUTION TO THE CRISIS IN CENTRAL AMERICA MUST ENCOMPASS FOUR BASIC PRINCIPLES:

FIRST, IT IS ESSENTIAL THAT DEMOCRATIC INSTITUTIONS BE ESTABLISHED AND STRENGTHENED AS A MEANS TO RESOLVE POLITICAL DIFFERENCES WITHIN THE CENTRAL AMERICAN STATES. ONLY BY INSURING FREE AND OPEN PARTICIPATION IN THE DEMOCRATIC PROCESS CAN THE PEOPLES OF CENTRAL AMERICA ACHIEVE RECONCILIATION WITHIN THEIR SOCIETIES.

SECOND, THERE MUST BE RESPECT FOR THE PRINCIPLE OF NONINTERVENTION, INCLUDING A BAN ON SUPPORT FOR SUBVERSIVE ELEMENTS THAT SEEK TO DESTABILIZE OTHER COUNTRIES.

THIRD, THE CONFLICT IN CENTRAL AMERICA MUST BE REMOVED FROM THE CONTEXT OF AN EAST-WEST CONFRONTATION THROUGH SUCH MEASURES AS THE VERIFIABLE WITHDRAWAL OF ALL FOREIGN MILITARY AND SECURITY ADVISERS AND A CERTIFIABLE FREEZE ON THE ACQUISITION OF OFFENSIVE ARMAMENTS.

AND FINALLY, THE COUNTRIES OF CENTRAL AMERICA MUST WORK AMONG THEMSELVES AND WITH THEIR NEIGHBORS TO ACHIEVE AND SUSTAIN A LEVEL OF ECONOMIC GROWTH THAT WILL GUARANTEE THE BASIC NEEDS OF THEIR PEOPLE.

/I AM

I AM PLEASED THAT THE CANCUN DECLARATION RECOGNIZES THE IMPORTANCE OF THESE FUNDAMENTAL PRINCIPLES. THESE ISSUES ARE INEXTRICABLY INTERRELATED AND MUST BE ADDRESSED ON A COMPREHENSIVE, REGIONAL BASIS WHICH TREATS SIMULTANEOUSLY THE CONCERNS OF ALL THE STATES AFFECTED BY THE CENTRAL AMERICAN CONFLICT. AN ATTEMPT TO RESOLVE THESE ISSUES SEQUENTIALLY, OR ON A PIECEMEAL BASIS, WILL NOT ACHIEVE THE GOAL WE ALL SHARE OF A LASTING PEACE FOR ALL OF CENTRAL AMERICA.

ROLE FOR O.A.S.

EQUALLY IMPORTANT IS THE NEED TO INSURE THAT ALL UNDERTAKINGS ASSUMED BY THE CENTRAL AMERICAN STATES BE FULLY RECIPROCAL AND SUBJECT TO COMPREHENSIVE, FULLY ADEQUATE VERIFICATION. CLEARLY, NO INITIATIVE CAN BRING TRUE PEACE TO CENTRAL AMERICA IF ONE STATE IS PERMITTED TO TAKE UNJUST ADVANTAGE OF ITS NEIGHBORS THROUGH FAILURE TO ABIDE BY PEACE CONDITIONS WHICH BIND THE OTHERS. THE CHARTER OF THE ORGANIZATION OF AMERICAN STATES MAKES CLEAR THAT IT SHOULD BE THE PURPOSE OF THE O.A.S. TO EITHER PREVENT UNJUST ACTS COMMITTED BY ONE STATE AGAINST ANOTHER OR TO PROVIDE FOR COMMON ACTION ON THE PART OF THE MEMBERS IN THE EVENT OF DIFFICULTIES. I BELIEVE THE O.A.S. AS THIS HEMISPHERE'S REGIONAL FORUM, IS THE APPROPRIATE MECHANISM TO INSURE THAT THOSE WHO MAKE COMMITMENTS COMPLY WITH THEM.

THE PROBLEMS OF CENTRAL AMERICA ARE COMPLEX, AND THEIR SOLUTION DEMANDS UNTIRING EFFORTS. THE ACTIVITIES WHICH YOU AND YOUR COLLEAGUES IN THE CONTADORA GROUP HAVE UNDERTAKEN ARE PROOF OF YOUR SINCERE DEDICATION TO THE GOAL OF A GENUINE AND LASTING PEACE THROUGHOUT THE REGION. MY OWN EFFORTS IN THIS REGARD HAVE BEEN TO DESPATCH MY SPECIAL EMISSARY TO THE REGION AND ESTABLISH A BIPARTISAN COMMISSION TO EXAMINE THE PROBLEMS OF CENTRAL AMERICA AND TO PROPOSE SOLUTIONS. YOU HAVE MY PRAYERS AND THOSE OF MY COUNTRYMEN AS YOU CONTINUE YOUR WORK.

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TO PRIORITY F C O

TELNO 2115 <sup>SIC</sup> OF 26 JULY 1983,INFO PRIORITY MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY,  
CARACAS, BOGOTA, HAVANA, BONN.

MIPT: PRESIDENT REAGAN'S PRESS CONFERENCE ON CENTRAL AMERICA:

COMMENT:

THOUGH HE HAS SPOKEN ABOUT CENTRAL AMERICA SEVERAL TIMES IN RECENT WEEKS, THIS WAS THE PRESIDENT'S MOST COMPREHENSIVE EXPOSITION OF THE ADMINISTRATION'S VIEWS SINCE HIS ADDRESS TO THE JOINT SESSION OF CONGRESS IN APRIL. HE WAS CONFIDENT AND ON GOOD FORM. HIS AIM WAS APPARENTLY TO PUT CURRENT US MILITARY MOVES INTO PERSPECTIVE, CALM APPREHENSIONS THAT THESE WOULD LEAD TO DIRECT MILITARY INTERVENTION, AND MAKE COHERENT PICTURE OUT OF A VARIETY OF RECENT EVENTS (THE TRAVELS OF AMBASSADOR STONE, THE APPOINTMENT OF THE KISSINGER COMMISSION, AND THE AMBIGUOUS RESPONSES TO RECENT STATEMENTS FROM MANAGUA AND THE CONTADORA LEADERS WHICH HAVE SET SECTIONS OF THE PRESS AND CONGRESS WONDERING WHAT THE ADMINISTRATION US UP TO.

2. THIS AIM WILL NOT BE EASY TO ACHIEVE. THE MILITARY MOVES ARE SUBSTANTIAL (TWO CARRIER BATTLE GROUPS, A SERIES OF JOINT EXERCISES WITH THE HONDURANS, AND MILITARY ENGINEERING WORKS IN HONDURAS, ON ALL OF WHICH BDS WASHINGTON ARE REPORTING DIRECT TO MOD). BUT THERE ARE PRECEDENTS, AND THERE IS NO REASON TO DISBELIEVE THE ADMINISTRATION'S ASSURANCES THAT NEITHER A NAVAL BLOCKADE OF NICARAGUA NOR INTERVENTION ON LAND IS INTENDED. THE ADMINISTRATION SEEM TO BE WILLING TO SEE WHAT MIGHT COME OUT OF THE CONTADORA INITIATIVE AND CONTACTS WITH THE SALVADORAN GUERRILLAS. THE MILITARY MOVES HAVE BEEN CRITICISED BY SPEAKER O'NEILL, AND THE HOUSE IS TO VOTE LATER THIS WEEK ON WHETHER "COVERT" ACTION IN NICARAGUA SHOULD BE PERMITTED TO CONTINUE. BUT OPINION IS CONFUSED AS WELL AS CRITICAL. NO ONE WANTS TO TAKE THE BLAME FOR "LOSING" EL SALVADOR. BOTH THE ADMINISTRATION'S POLICIES AND PUBLIC ATTITUDES TO THEM, HAVE YET TO GELL INTO A CLEAR PATTERN.

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TELNO ~~2012~~<sup>2112</sup> OF 26 JULY 1983,

INFO PRIORITY MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY,  
CARACAS, BOGOTA, HAVANA, BONN.

PRESIDENT REAGAN'S PRESS CONFERENCE ON CENTRAL AMERICA.

1. VIRTUALLY ALL OF PRESIDENT REAGAN'S PRESS CONFERENCE THIS EVENING WAS TAKEN UP WITH CENTRAL AMERICA, AND IN PARTICULAR THE MILITARY MANOEUVRES THAT ARE TO TAKE PLACE IN THE COMING MONTHS.
  
2. IN AN OPENING STATEMENT, REAGAN INSISTED THAT HIS ADMINISTRATION'S POLICIES IN THE REGION WERE MULTI-FACETED, COVERING DEMOCRATIC REFORM, HUMAN FREEDOMS, ECONOMIC DEVELOPMENT AND DIALOGUE. TOO MUCH ATTENTION WAS BEING PAID TO THE MILITARY SHIELD FOR THESE ELEMENTS. FOR EVERY DOLLAR SPENT ON SECURITY ASSISTANCE IN THE REGION, THREE DOLLARS WENT FOR DEVELOPMENT PURPOSES. ON HIS CURRENT TRIP, SENATOR STONE HAD TAKEN WITH HIM PERSONAL MESSAGES FROM REAGAN TO LEADERS OF COUNTRIES IN THE REGION STATING THAT HE WAS HEARTENED BY THE CONTADORA GROUP'S EFFORTS TO REACH A PEACEFUL REGIONAL SOLUTION. HE WAS ALSO ENCOURAGED BY RECENT STATEMENTS FROM NICARAGUA AND CUBA SUGGESTING THAT THEY SAW THE NEED FOR NEGOTIATIONS. IT WAS IMPORTANT THAT THE US BE THE FOREMOST PROTECTOR OF PEACE IN THE REGION. MILITARY EXERCISES HAD TAKEN PLACE THERE SINCE 1965: FAR LARGER EXERCISES HAD TAKEN PLACE IN EUROPE, ASIA AND ELSEWHERE IN LATIN AMERICA. THE ADMINISTRATION WANTED AN END TO THE EXPORT OF REVOLUTION IN THE REGION AND A NEW ERA OF PEACE AND SOCIAL JUSTICE.
  
3. RESPONDING TO QUESTIONS, REAGAN SAID THERE WAS NO COMPARISON WITH VIETNAM. THE ADMINISTRATION HAD NO PLANS FOR MILITARY INTERVENTION (THOUGH, AS PREVIOUSLY, REAGAN WOULD NOT ALLOW HIS QUESTIONERS TO COMMIT HIM NEVER TO USE TROOPS IN THE REGION). HE NOTED THAT A SOVIET FREIGHTER WAS NOW APPROACHING THE NICARAGUAN PORT OF CORINTO CARRYING MILITARY EQUIPMENT AND HELICOPTERS: NO ONE HAD SHOT AT THAT VESSEL.
  
4. ASKED ABOUT REPORTS THAT US TROOPS PARTICIPATING IN THE MANOEUVRES HAD STANDING ORDERS TO RESPOND IF FIRED ON, REAGAN ASSERTED THAT THE MILITARY SHOULD HAVE THE RIGHT TO DEFEND THEMSELVES. HOWEVER, HE DID NOT FORESEE THE MANOEUVRES PUTTING AMERICANS IN PROXIMITY TO THE (NICARAGUAN) BORDER, AND US SHIPS WOULD BE OUTSIDE THE TWELVE MILE LIMIT. HENCE ANY THREAT TO US TROOPS WOULD HAVE TO BE OF A TERRORIST NATURE.

5. ON THE QUESTION OF US PUBLIC SUPPORT FOR A WAR TO DEFEND US INTERESTS IN CENTRAL AMERICA, REAGAN SAID AMERICANS HAD BEEN CONFUSED ABOUT THE ADMINISTRATION'S POLICIES BY "THE CONSTANT (PRESS) DRUMBEAT". AMERICANS WERE PEACEFUL PEOPLE WHO DID NOT WANT WARS. NOR DID THIS ADMINISTRATION WANT WAR, WHICH EISENHOWER HAD DESCRIBED AS MAN'S GREATEST STUPIDITY. BUT THE PEOPLE WHO WANTED PEACE IN THE REGION WERE BEING DENIED IT BY OUTSIDE FORCES.

6. ASKED WHETHER THE ADMINISTRATION WOULD BE PREPARED TO COMMIT SUBSTANTIAL US AID TO THE REGION, EG IN THE FORM OF A MARSHALL PLAN, REAGAN AGREED THAT ECONOMIC DEVELOPMENT WAS NEEDED IN ORDER TO REMOVE THE FERTILE SOIL OF SUBVERSION. THIS WAS AN ASPECT THAT THE KISSINGER COMMISSION WOULD BE FOCUSING ON. BUT IT DID'NT NECESSARILY FOLLOW THAT COUNTRIES OF THE REGION NEEDED A MASSIVE DOLLAR COMMITMENT. MANY WERE TOO HIGH RISK FOR PRIVATE INVESTMENT. ONE OF THE CONCLUSIONS OF WILLIAMSBURG HAD BEEN A DETERMINATION BY THE WESTERN INDUSTRIALISED NATIONS TO FIND WAYS OF HELPING DEVELOPING COUNTRIES.

7. REAGAN REFUSED TO DISCUSS THE ADMINISTRATION'S COVERT AID IN THE REGION, THOUGH HE THOUGHT A CUT-OFF WOULD BE A GRAVE MISTAKE. WHAT THE AMERICANS WERE TRYING TO DO WAS TO PERSUADE THE SANDINISTAS TO RETURN TO THE PRINCIPLES OF THEIR OWN REVOLUTION.

8. REAGAN CLAIMED THAT HE WAS TRYING NOT TO LOOK AT THE REGION PURELY FROM AN EAST/WEST STANDPOINT, AND REFERRED TO US EFFORTS TO BRING THE SALVADORAN GUERRILLAS AND THE PEACE COMMISSION TOGETHER. ASKED ABOUT A POSSIBLE INCREASE IN US TRAINERS IN EL SALVADOR, REAGAN REPLIED THAT NO ONE HAD PRESENTED HIM WITH SUCH A PROPOSAL.

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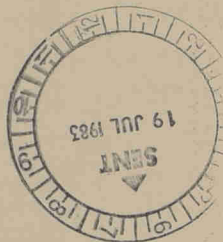
TO IMMEDIATE FCO

TELEGRAM NUMBER 2034 OF 18 JULY

INFO ROUTINE MEXICO CITY, TEGUCIGALPA, SAN JOSE, PANAMA CITY, CARACAS  
BOGOTA, QUITO AND HAVANA

US/CENTRAL AMERICA

1. PRESIDENT REAGAN ANNOUNCED TODAY THAT HE HAD APPOINTED DR KISSINGER TO HEAD A BI-PARTISAN COMMISSION TO DRAW UP PROPOSALS FOR US SOCIAL AND ECONOMIC POLICY IN CENTRAL AMERICA. THE PRESIDENT SAID THAT THE COMMISSION'S TASK WOULD BE "TO LAY THE FOUNDATIONS FOR A LONG TERM, UNIFIED APPROACH TO THE FREEDOM AND INDEPENDENCE OF THE COUNTRIES OF CENTRAL AMERICA". HE ADDED THAT THE ADMINISTRATION WOULD CONTINUE TO SEEK CONGRESSIONAL BACKING FOR ITS EXISTING POLICIES. OTHER MEMBERS OF THE COMMISSION, WHICH IS REQUIRED TO REPORT BY DECEMBER, WILL BE APPOINTED LATER THIS WEEK.
2. KISSINGER'S APPOINTMENT HAS BEEN WELCOMED BY SENATORS HENRY JACKSON AND CHARLES MATHIAS, THE PRINCIPAL SPONSORS OF A RESOLUTION CALLING FOR THE ESTABLISHMENT OF A COMMISSION. HOWEVER THE



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~~2. KISSINGER'S APPOINTMENT HAS BEEN WELCOMED BY SENATORS HENRY JACKSON AND CHARLES MATHIAS, THE PRINCIPAL SPONSORS OF A RESOLUTION CALLING FOR THE ESTABLISHMENT OF A COMMISSION. HOWEVER THE APPOINTMENT IS CAUSING PREDICTABLE CRITICISM FROM LIBERALS, WHO REGARD KISSINGER AS RESPONSIBLE FOR THE SECRET BOMBING OF CAMBODIA ETC AND BY ULTRA-CONSERVATIVES, WHO REGARD HIM AS THE AUTHOR OF DETENTE. THE APPOINTMENT IS PARTICULARLY INTERESTING GIVEN KISSINGER'S OPPOSITION TO THE NOMINATION OF REAGAN AS THE REPUBLICAN CANDIDATE FOR THE PRESIDENCY IN 1976.~~

3. THE ADMINISTRATION CLEARLY HOPES THAT THE COMMISSION WILL BE AS SUCCESSFUL AS SIMILAR ONES WHICH RECENTLY PRODUCED A LEVEL OF BI-PARTISAN CONSENSUS ON SOCIAL SECURITY REFORM AND THE MX MISSILE. IT IS ALREADY BEING ARGUED THAT CONGRESS SHOULD SUPPORT THE ADMINISTRATION'S CURRENT REQUESTS FOR AID FOR CENTRAL AMERICA (INCLUDING FOR COVERT OPERATIONS AGAINST NICARAGUA) WHILE THE COMMISSION IS CONSIDERING ITS RECOMMENDATIONS. HOWEVER IT WILL BE DIFFICULT FOR KISSINGER'S COMMISSION TO BRIDGE THE WIDE GAP BETWEEN THE ADMINISTRATION AND ITS CRITICS OVER CENTRAL AMERICA. ITS FINAL RECOMMENDATIONS ARE ALMOST CERTAIN TO INCLUDE PROPOSALS FOR A MAJOR NEW US ECONOMIC AID PROGRAMME TO SUPPLEMENT EXISTING ONES. SUCH PROPOSAL WOULD HAVE A ROUGH RIDE IN CONGRESS WHICH, IN AN ELECTION YEAR, HAS BEEN TRADITIONALLY RELUCTANT TO SUPPORT FOREIGN AID.

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TO PRIORITY FCO

TELEGRAM NUMBER 1984 OF 14 JULY

INFO BELMOPAN MEXICO CITY UKMIS NEW YORK TEGUCIGALPA SAN JOSE

BOGOTA PANAMA CITY CARACAS

INFO SAVING SIS GUATEMALA CITY

*head - hel**MS***YOUR TALKS WITH SHULTZ: CENTRAL AMERICA**

1. YOU TOLD SHULTZ THAT WE SHARED BOTH AMERICAN ANXIETY ABOUT WHAT WAS HAPPENING IN CENTRAL AMERICA AND THE US OBJECTIVE OF TRYING TO PREVENT DESTABILISATION IN THE AREA. WE HAD ONLY A VERY LIMITED PRESENCE OURSELVES, NAMELY IN BELIZE. IT REMAINED OUR INTENTION TO WITHDRAW THE GARRISON FROM BELIZE BUT WE WERE GRATEFUL FOR THE TENTATIVE US OFFER OF HELP IN PUTTING TOGETHER SOME KIND OF TRAINING FACILITY. SHULTZ SAID THAT HE WISHED THE QUESTION OF A TRAINING TEAM HAD NEVER COME UP. THE BRITISH PRESENCE IN BELIZE WAS VERY IMPORTANT AND THE US GOVERNMENT STILL HOPED THAT WE WOULD STAY BOTH FOR THE SAKE OF FUTURE RELATIONS BETWEEN GUATEMALA AND BELIZE AND FOR WIDER REGIONAL REASONS. THE US APPRECIATED THAT THE BRITISH GARRISON WAS STILL THERE DESPITE THE FACT THAT WE HAD INTENDED TO WITHDRAW IT BY NOW. YOU SAID THAT WE HAD BROUGHT BELIZE TO INDEPENDENCE. IT WOULD BE ILLOGICAL AND INCONSISTENT WITH OUR OBJECTIVES TO KEEP BRITISH FORCES THERE. BELIZE'S LONGER TERM SECURITY AS AN INDEPENDENT COUNTRY MUST DEPEND ON HER ABILITY TO PROTECT HERSELF. WE SHOULD STILL BE WILLING TO HELP BELIZE TO SORT OUT ITS PROBLEMS WITH GUATEMALA.

2. ON WIDER CENTRAL AMERICAN ISSUES, YOU SAID THAT WE WERE ANXIOUS TO SEE THE UNITED STATES GET ITS CASE ACROSS. THE WORK OF THE CONTADORA GROUP AS REPRESENTATIVES OF COUNTRIES CLOSE TO CENTRAL AMERICA APPEARED TO OFFER SOME HOPE OF A WAY FORWARD.

3. SHULTZ EXPRESSED GRATITUDE FOR OUR UNDERSTANDING. THE PROBLEM WAS A VERY IMPORTANT ONE FOR THE US. CENTRAL AMERICA WAS AN AREA WHICH HAD AWAKENED FROM A PERIOD OF POOR GOVERNMENT AND WHICH CLEARLY NEEDED:

A) ECONOMIC DEVELOPMENT

B) GREATER DISTRIBUTION OF INCOME, AND

C) EVOLUTION TOWARDS MORE PLURALIST FORMS OF GOVERNMENT.

THE US WAS TRYING TO PROMOTE THESE GOALS. US ECONOMIC SUPPORT WAS RUNNING AT THREE QUARTERS OF A BILLION DOLLARS A YEAR, WHICH WAS A GREAT DEAL GIVEN THE SIZE OF THE COUNTRIES INVOLVED. THE REGION COULD ABSORB STILL MORE AND THE US WOULD PROBABLY BE WILLING TO CONTRIBUTE MORE. BUT SUCCESS WOULD BE IMPOSSIBLE IF US EFFORTS WERE CONSTANTLY UNDERMINED BY THE SECURITY THREAT. AT THE MOST BASIC LEVEL, IT WAS IMPOSSIBLE FOR A FARMER IN THE REGION TO PLANT CROPS BECAUSE OF GUERRILLA ACTIVITY. IT WAS THEREFORE ESSENTIAL TO PROVIDE SECURITY ASSISTANCE TO THE REGION. THE US

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VIEW WAS THAT SECURITY ASSISTANCE WAS A NECESSARY, BUT NOT SUFFICIENT, CONDITION TO SUCCESS OVERALL. THE CUBA/NICARAGUA/SOVIET AXIS WAS UNDENIABLE. THERE HAD BEEN LARGE CONSIGNMENTS OF ARMS, MUCH GREATER THAN ANYTHING THE US HAD BEEN ABLE TO SUPPLY. THE US GOVERNMENT WAS THEREFORE ASKING FOR HELP AND UNDERSTANDING. GENSCHER HAD TOLD HIM EARLIER IN THE WEEK THAT THE GERMANS PLANNED TO SEND AN AMBASSADOR BACK TO EL SALVADOR BEFORE LONG. THE US GOVERNMENT WOULD LIKE TO KEEP HER PARTNERS INFORMED ABOUT WHAT SHE WAS DOING AND WHY.

4. YOU SAID THAT WE FACED A DIFFICULT PROBLEM OF PRESENTATION IE HOW TO MAKE CLEAR THE NATURE OF SOVIET AND CUBAN INVOLVEMENT WITHOUT BECOMING STRIDENT IN A WAY WHICH PROVOKED MISUNDERSTANDING. PUBLIC OPINION WAS READY TO JUMP TO THE WRONG CONCLUSIONS. THIS WAS NOT AN AREA OF WIDE INTEREST IN BRITAIN, BUT THERE WERE VOCIFEROUS INTEREST GROUPS. WE SHOULD TRY TO FOCUS ON OUR COMMON OBJECTIVES AND IN SO FAR AS A COMMON EUROPEAN VOICE COULD BE PUT TOGETHER AND BE OF USE, WE SHOULD TRY TO ACHIEVE IT. SHULTZ AGREED.

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TO PRIORITY FCO

TELEGRAM NUMBER 1935 OF 11 JULY

INFO PRIORITY MEXICO CITY TEGUCIGALPA SAN JOSE

INFO SAVING UKMIS NEW YORK

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MY TELNO 1899: VISIT TO CENTRAL AMERICA BY SENATOR STONE

1. SENATOR STONE'S MEETING WITH THE FDR FELL THROUGH YESTERDAY AND HE RETURNED TO WASHINGTON. THE REBELS ISSUED A COMMUNIQUE CLAIMING THAT UNSPECIFIED PROCEDURAL ASPECTS HAD PREVENTED THE MEETING FROM TAKING PLACE. THEY ALSO BLAMED 'THE PROPAGANDIST ATMOSPHERE THAT HAD PRECEDED THE PROPOSED MEETING'.

2. PRESEL (STONE'S SPECIAL ASSISTANT HAS TOLD US THAT THE MEETING SEEMED TO HAVE COLLAPSED LARGELY AS A RESULT OF DISAGREEMENT AMONG THE VARIOUS GUERRILLA REPRESENTATIVES ABOUT A COLLECTIVE NEGOTIATING POSITION. STONE WILL RECOMMEND TO PRESIDENT REAGAN THAT THE AMERICANS SHOULD SIT TIGHT MAINTAINING THAT THEY ARE READY FOR A MEETING AT ANY TIME.

3. PRESEL SAID THAT STONE'S MEETING WITH THE SALVADORAN PEACE COMMISSION HAD GONE WELL: AGREEMENT HAD BEEN REACHED ON THE GUARANTEES THAT MIGHT BE OFFERED IN AN ATTEMPT TO PERSUADE THE GUERRILLAS TO JOIN THE EXISTING POLITICAL PROCESS.

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MR GIFFARD  
MR WRIGHT  
MR URE  
LORD N GORDON LENNOX  
MR CARTLEDGE

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1797 OF 28 JUNE 1983

INFO PRIORITY BELMOPAN, MEXICO CITY, UKMIS NEW YORK.

SAVING TO BIS GUATEMALA CITY

US POLICY IN CENTRAL AMERICA

1. I INVITED SENATOR STONE (AMBASSADOR-AT-LARGE) TO LUNCH TODAY AND HAD AN INFORMAL DISCUSSION WITH HIM ABOUT HIS ROLE, HIS VIEW OF THE PROSPECTS IN EL SALVADOR, AND HIS IDEAS ON BELIZE/GUATEMALA. HE IS CLEARLY MORE OF A PUBLIC RELATIONS MAN THAN A POLICY-MAKER BUT THIS IS NOT GOING TO PREVENT HIM FROM PUSHING OUT A LOT OF IDEAS. UNTIL MOTLEY (SUCCESSOR TO ENDERS) IS CONFIRMED, IT LOOKS AS THOUGH STONE WILL BE THE PRINCIPAL SPOKESMAN UNDER SHULTZ FOR US POLICY IN THE AREA.

2. STONE SAW HIS ROLE IN THREE PARTS. A THIRD OF HIS TIME WOULD BE DEVOTED TO CONGRESS. ANOTHER THIRD WOULD GO ON INTERNATIONAL RELATIONS. THE REMAINING THIRD WOULD BE DEVOTED TO US INTERESTS. HE SAID HE HAS SPENT A GREAT DEAL OF HIS TIME SINCE HIS RETURN FROM CENTRAL AMERICA ON THE HILL, PARTICULARLY WITH THE HOUSE OF REPRESENTATIVES WHO WERE LIKELY TO BE MORE DIFFICULT THAN THE SENATE. HE STRESSED THE GROWING IMPORTANCE OF THE HISPANIC VOTE IN THE UNITED STATES, WHICH WOULD SOON OVERTAKE THE BLACK MINORITY. THE HISPANIC COMMUNITY IN DIFFERENT STATES CAME FROM DIFFERENT AREAS (PREDOMINANTLY CUBAN IN FLORIDA, AND PREDOMINANTLY MEXICAN IN THE SOUTH-WESTERN STATES). THIS GAVE THEM DIFFERENT OUTLOOKS AND MADE THE PROBLEM OF HANDLING THEM EVEN MORE COMPLEX.

3. STONE SAID HE WOULD BE GIVING AN IMPORTANT POLITICAL SPEECH IN DETROIT NEXT WEEKEND ABOUT THE ADMINISTRATION'S POLICY IN CENTRAL AMERICA. WHEN I ASKED WHY DETROIT, STONE SAID THAT THIS WAS A DECISION BY THE WHITE HOUSE. JUDGE CLARK HAD BEEN TAKING A CLOSE INTEREST IN CENTRAL AMERICAN AFFAIRS EVER SINCE HIS TIME AS DEPUTY SECRETARY OF STATE. THE PRESIDENT HIMSELF ALSO TOOK A DIRECT INTEREST. STONE HAD NOT YET BEEN ABLE TO GET A TEXT FROM THE WHITE HOUSE OF WHAT THEY WANTED HIM TO SAY. THE OBJECTIVE OF THE SPEECH, HOWEVER, WOULD BE TO TRY TO GET THE US/HISPANIC COMMUNITY TO SUPPORT THE ADMINISTRATION'S POLICIES IN THE AREA. FROM THE WAY HE SPOKE, STONE CLEARLY DID NOT THINK THIS WOULD BE EASY. HE CLAIMED THAT HE WOULD HIMSELF PREFER TO BE TAKING A LOWER PROFILE.

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4. ON EL SALVADOR, STONE SPOKE MOSTLY ABOUT THE ELECTORAL PROSPECTS. HE DIFFERENTIATED BETWEEN THE PRESIDENTIAL, MUNICIPAL AND PARLIAMENTARY ELECTIONS. THE GUERRILLAS HAD NO CHANCE AT ALL OF GETTING A PRESIDENT ELECTED WHOM THEY WOULD WANT TO SUPPORT AND HE THEREFORE DOUBTED IF THEY COULD BE DRAWN INTO THOSE. BUT THEY WOULD STAND A BETTER CHANCE IN THE MUNICIPAL AND PARLIAMENTARY ELECTIONS, WHICH WOULD BE SPREAD OVER THE NEXT TWO YEARS. HE INDICATED THAT HE THOUGHT THAT THERE WOULD BE A BETTER CHANCE OF ASSOCIATING THEM WITH THE MUNICIPAL AND PARLIAMEN- TARY ELECTIONS. STONE WAS NOT PREPARED AT THIS STAGE TO BE DRAWN ON THE POSSIBILITY OF TALKS WITH THE GUERRILLAS.

5. ON BELIZE, WE WENT OVER THE NOW FAMILIAR GROUND ABOUT THE POSSIBILITY OF ESTABLISHING A TRAINING PRESENCE IN BELIZE TO SERVE AS SOME KIND OF DETERRENT AFTER THE WITHDRAWAL OF THE BRITISH GARRISON. STONE HAD REGISTERED THE POINT THAT AS LONG AS PRICE WAS CONFIDENT THAT THE BRITISH DID NOT WITHDRAW, THERE WAS LITTLE REASON FOR HIM TO MAKE ANY MOVE TOWARDS A SETTLEMENT WITH GUATEMALA. HE ADDED THE GUATEMALANS TOO HAD AN INTEREST IN RETAINING THE BRITISH GARRISON SINCE IT PERFORMED A POLICING FUNCTION ALONG THE BELIZEAN BORDER, PREVENTING IT FROM BECOMING A SUPPLY ROUTE FOR GUATEMALAN REBELS. NEVERTHELESS, STONE RECOGNISED THE LOGIC OF OUR ARGUMENTS IN FAVOUR OF WITHDRAWAL AND SEEMED GENUINELY INTERESTED IN FINDING A WAY OF ENABLING US TO GO WITHOUT LEAVING A STATE OF INSTABILITY BEHIND. HE CLAIMED THAT HE AND IKLE HAD THOUGHT OF THIS IDEA INDEPENDENTLY BUT WERE PURSUING IT IN PARALLEL.

6. I TOLD STONE THAT WE WOULD BE INTERESTED IN EXPLORING SUCH POSSIBILITIES WITH THE AMERICANS, WITHOUT COMMITMENT. I MADE IT CLEAR THAT OUR IMPERATIVE WAS TO REMOVE BRITISH COMBAT TROOPS. A TRAINING FACILITY WOULD NOT PROVIDE QUITE THE SAME DETERRENT EFFECT BUT THIS COULD BE ENHANCED IF THE FACILITY WERE INTERNATIONAL. STONE CONCLUDED WITH THIS THOUGHT THAT THE IMPORTANT THING WAS TO START A PROCESS OF TRANSITION. INITIALLY THE AIM WOULD BE TO GIVE THE BRITISH AN ACCEPTABLE WAY OUT. ULTIMATELY, WHEN THE SITUATION HAD EVOLVED A GOOD DEAL FURTHER THE AMERICANS THEMSELVES MIGHT BE INTERESTED IN ESTABLISHING A BASE THERE. I MADE NO COMMENT ON THIS UNLIKELY PROSPECT.

7. PLEASE SEE MIFT.

FCO PASS SAVING TO BIS GUATEMALA CITY

WRIGHT

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*From the Private Secretary*

16 February 1983

GOVERNMENT OBSERVATIONS ON THE  
FOREIGN AFFAIRS COMMITTEE'S 5TH REPORT  
ON THE CARIBBEAN AND CENTRAL AMERICA

Thank you for your letter of 16 February.

We have no objection to the publication  
of this Command Paper on 4 March.

I am copying this letter to David Heyhoe  
(Lord President's Office), Peter Moore  
(Government Chief Whip's Office) and  
Roger Facer (Cabinet Office).

W. F. S. RICKETT

B.E. Bowley, Esq.,  
Foreign and Commonwealth Office

1





Foreign and Commonwealth Office

London SW1A 2AH

16 February 1983

W Rickett Esq  
10 Downing Street  
LONDON  
SW1

*Dear William,*

GOVERNMENT OBSERVATIONS ON THE FOREIGN AFFAIRS COMMITTEE'S 5TH  
REPORT ON THE CARIBBEAN AND CENTRAL AMERICA

With reference to my letter of 31 January, I am now writing to let you know that, because of extensive changes to the draft, a second proof of our proposed Command Paper is needed. This means that the date of publication will be deferred from Friday 25 February to Friday 4 March. I am assuming that you will have no objection to this revised date.

*Yours ever,  
Brian*

B E Bowley  
Parliamentary Clerk

cc: D C R Heyhoe Esq  
Office of the Lord President of the  
Council and Leader of the House  
70 Whitehall  
LONDON  
SW1

P J Moore Esq  
Government Chief Whips Office  
12 Downing Street  
LONDON  
SW1

R L L Facer Esq  
Cabinet Office  
70 Whitehall  
LONDON  
SW1

16 FEB 1983





# CABINET OFFICE

With the compliments of

R. L. L. FACER

*Who  
w/r*

70 Whitehall, London SW1A 2AS  
Telephone 01 233

CONFIDENTIAL

*Svet Anus*



CABINET OFFICE  
70 WHITEHALL  
LONDON SW1A 2AS

01- 233 - 7280

9 February 1983

T.05932

*Dear Bowley,*

Government Observations on the Foreign Affairs Committee's  
5th Report on the Caribbean and Central America

Thank you for sending me a copy of your letter to Willie Rickett dated 31 January covering the draft of a White Paper which you intend to publish on 25 February.

2. I have no comment on the text, except to say that the Defence and Overseas Policy Committee will be discussing Belize on 14 February, and it is just possible that decisions will be taken then which could have a bearing on the text of the White Paper (which I assume you will be amending anyway to take account of the point in Belmopan telegram No.41 of 7 February).

3. I am sending a copy of this letter to the recipients of yours.

*Yours sincerely,*  
*Roger L. L. Facer*

R L L FACER

B E Bowley Esq  
Parliamentary Clerk  
Foreign and Commonwealth Office  
London SW1

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Soviet Union Feb 1987

Soviet, Cuban Intervention  
in C. America

110 FEB 1986

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Foreign and Commonwealth Office

London SW1A 2AH

W Rickett Esq  
10 Downing Street  
LONDON  
SW1

Mr Gyles No. 31 January 1983

I propose to tell the FCW we have no objection  
I assume you have no comment?

FCO informed  
1/12/82

LM  
1/2

Charlotte  
Could you ask Brian  
to let us have a copy  
asap. Wm

Dear William,

GOVERNMENT OBSERVATIONS ON THE FOREIGN AFFAIRS COMMITTEE'S 5TH REPORT  
ON THE CARIBBEAN AND CENTRAL AMERICA

We propose to publish on Friday 25 February a White Paper giving the  
Government's Observations on the Foreign Affairs Committee's 5th Report  
on the Caribbean and Central America (which was published on  
16 December 1982 (HC 47)).

The Committee's report attracted some press interest. It is  
contentious within the Committee (not all the Conservative members  
agree with it) and they may seek to have it, and the Government's  
reply, debated in the House.

I should be grateful if you, and those to whom I am copying this  
letter, would kindly confirm that there is no objection to publication.

Yours ever,  
Brian

B E Bowley  
Parliamentary Clerk

cc: D C R Heyhoe Esq  
Office of the Lord President of the  
Council and Leader of the House  
70 Whitehall  
LONDON  
SW1

P J Moore Esq  
Government Chief Whips Office  
12 Downing Street  
LONDON  
SW1

Department of the Interior  
Bureau of Land Management

31 JAN 1983

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Miscellaneous No. (1983)

Fifth Report from the Foreign Affairs  
Committee

Session 1981-82

CARIBBEAN AND CENTRAL AMERICA

Observations by the Secretary of State  
for Foreign and Commonwealth Affairs

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
25 February 1983*

LONDON  
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FOREIGN AFFAIRS COMMITTEE

FIFTH REPORT, SESSION 1981-82

THE CARIBBEAN AND CENTRAL AMERICA

- The British Approach to Stability, Security  
and Development

.....In Confidence

CAVEAT.....

This Paper contains the Government's Observations on this Report (HC47 of 16 December 1982). Part I contains some general observations on recent events in the region and the Government's general approach. Part II sets out the Government's response to the Committee's specific recommendations, many of which reflect policies which the Government have been following and will continue to pursue.

Enclosures—flag(s).....

/Part I

## Part I - GENERAL OBSERVATIONS

1. The Government wish to record their appreciation of the time and effort devoted to consideration of this subject by the Committee. The Report states (paragraph 2) that they did not attempt a comprehensive survey of the complex region of the Caribbean Basin. Nevertheless it provides a valuable compendium of detailed information on the countries and themes studied, and a broad conspectus of the manifold and diverse assessments and opinions available from organisations, associations and persons concerned with the affairs of the region, and their implications for British interests and for the international community.

**CENTRAL AMERICA - GENERAL APPROACH**

2. The Government's approach to "Stability, Security and Development in the Caribbean and Central America" was set out in the Memorandum submitted to the Committee on 12 November 1981 by the Foreign and Commonwealth Office, and amplified by Ministers and officials in oral evidence. It remains generally valid. Since the Committee's enquiry began, in 1981, however, there have been a number of significant developments in Central America relevant to British policy and attitudes of which the House should be aware.

## BELIZE AND GUATEMALA

3. A new government assumed power in Guatemala in March 1982 and General Rios-Montt became President on 9 June 1982. As noted by the Committee (paragraph 170), while repudiating the Heads of Agreement, the Guatemalan Government indicated a desire to resume negotiations. Some contacts have since been made between British and Guatemalan officials to discuss

/bilateral

bilateral relations. On 6 January 1983 the Government of Belize stated that Belize had agreed to meet with the British and Guatemalans in late January, and would endeavour at that meeting to explore the possibilities of finding a solution to the long-standing dispute. Official representatives of Belize, Guatemala and the United Kingdom met in New York on 24 January. The Guatemalans proposed that the frontiers should be defined and that an area in the south of Belize should be included within the territory of Guatemala. The representatives of Belize rejected the Guatemalan proposal and proposed adjustment of the maritime boundaries and joint development of an area 2 miles either side of the southern border between the <sup>two</sup> countries. The Guatemalans rejected that proposal, reaffirmed their claim to the whole of the territory of Belize, and declared that they would seek ways of recovering that territory by legal means. No arrangements were made for further meetings.

4. The Government of Guatemala stated on several occasions in 1982 that they intend to seek a settlement of the dispute by peaceful means. The Government nevertheless remain concerned at the implications of a possible resumption of supply by the United States of arms to Guatemala, and have made their concern known to the United States authorities. The United States Government have not resumed the supply of weapons to Guatemala, although they announced on 7 January 1983 that they decided to proceed with cash sales of parts and safety of flight items for the Guatemalan Air Force worth US\$6,363,600.

/EL SALVADOR

EL SALVADOR

5. Following elections on 28 March 1982 a new government took office at the end of May, under President Alvaro Afredo Magana. It included representatives of the Nationalist Republican Alliance (ARENA), the National Conciliation Party (PCN), the Christian Democrat Party (PDC) and the Democratic Action Party (AD). On 4 August the ~~President~~ President announced that <sup>the</sup> leaders of the parties represented in the Government had signed a seven-point agreement on democratic reform, respect for human rights, economic measures and peace, including the establishment of Commissions to put forward proposals for political development, human rights guarantees and peace. The Political and Human Rights Commissions have been formed and President Magana has

/outlined

outlined a timetable for drafting a new constitution and electoral laws, leading to elections in 1984. A draft amnesty law has also been promised.

6. In October 1982, Salvadorean opposition leaders in Mexico City announced proposals for opening a dialogue with the Salvadorean Government: direct dialogue without preconditions (ie without ceasefire) between Government and the guerrillas, to be monitored by independent witnesses, with the involvement of non-governmental bodies such as church and trade union groups. Reactions from the right wing of the Salvadorean Government were unfavourable; but a subsequent combination in the Salvadorean assembly of political moderates, committed to seeking a dialogue with the left wing guerillas is reported to have had some success in moderating attitudes within the Government.

*The Government*

7. ~~HMG~~ share the concern widely expressed in this country about human rights abuses in El Salvador. The Foreign and Commonwealth Secretary met Dr Chavez Mena, the Foreign Minister of El Salvador, in November 1982, and conveyed this concern to him. ~~[Dr Chavez Mena, who is a member of the moderate Christian Democrat Party, outlined what his Government were trying to do to remedy the situation.]~~ HM Ambassador at Tegucigalpa, who is also accredited to El Salvador, called on President Magana, Dr Chavez Mena, ~~General Garcia~~ <sup>the</sup> Minister of Defence and the Minister of Justice at the end of November and expressed again HMG's deep concern about the continuing human rights abuses.

NICARAGUA

8. The influence of the Sandinista Party (FSLN) continues

/to

to dominate all aspects of government in Nicaragua. Internal affairs in 1982 were characterised by the lack of substantive democratic development, by growing limitations on freedom of speech and other human rights, harsh treatment of minorities and religious groups and an increasing tendency towards militarism. Nicaraguan foreign policy appeared closely aligned to that of the Soviet Union in the United Nations and other international organisations, and to that of Cuba in the Non-Aligned Movement.

9. There was increasing tension in the latter months of 1982 in Nicaraguan relations with Honduras. The Nicaraguan Government repeatedly expressed their concern at the activities of armed groups of former Somicista guards and other dissidents; they blamed the Government of Honduras for harbouring these groups and the United States for supporting them. There were counter-allegations by the Government of Honduras of Nicaraguan violations of the frontier and of support for terrorist activities in Honduras. There were exchanges of protests between the Governments of Nicaragua and Costa Rica over incidents on their common border.

10. On 7 September the Presidents of Mexico and Venezuela sent joint letters to President Reagan, the President of Honduras and the Coordinator of the Nicaraguan Junta. The letter to President Reagan dealt mainly with the tension between Honduras and Nicaragua and called upon the United States to intensify its dialogue with Nicaragua. The letters to the Honduran and Nicaraguan Governments called on both sides to avert a repetition of armed clashes and to search for lasting peace; the Nicaraguan Government was criticised for the disproportionate scale of its build-up

/of arms,

of arms, and for its repeated support for armed opposition movements in some neighbouring countries. Representatives of Jamaica, Honduras, Colombia, Belize, Costa Rica, El Salvador and the US, with observers from the Dominican Republic and Panama met in San Jose on 4 October 1982.

They defined objectives (including reduction of arms and foreign military advisers) designed to create conditions for peace and democracy in the region. On 8 January the Foreign Ministers of Venezuela, Mexico, Colombia and Panama met in Panama City to discuss Central America, apparently to help follow up the initiative taken by the Presidents of Mexico and Venezuela in September.

On 12 January the Presidents of Honduras and Guatemala issued a joint communique pledging themselves to strengthen democracy in their own countries and to work for the restoration of regional peace. They called for frank and open talks between all Central American countries and expressed support for the principles of self-determination, non-intervention, territorial sovereignty and compliance with international commitments.

/11. Other

~~of arms, and for its repeated support for armed opposition movements in some neighbouring countries.~~

X

11. Other initiatives by several countries of the region to promote peaceful settlement of disputes in Central America were taken during 1982 and are continuing. <sup>The Government</sup> ~~is~~ welcome such initiatives, and will continue to exercise what influence they can both individually and in conjunction with their partners and allies, and other friendly governments in the Western hemisphere, to encourage the reduction of tensions.

12. On 22 November the Foreign Affairs Council of the European Community agreed that the EC Special Aid Programme to Central America should benefit Costa Rica, Honduras and the Dominican Republic. In considering priorities for the programme with their EC partners the Government had taken account of local conditions in deciding the best way to allocate the limited additional funds available. In the light of their reservations about conditions in Nicaragua the Government believed that the relatively small additional amount of money represented by the programme might be put to better use elsewhere in the region. Nicaragua continues to be eligible for aid from the regular EC programmes.

#### HONDURAS

13. Following elections in November 1981 a new Government took office under President Dr Roberto Suazo Cordova, in March 1982 they put forward a plan to ease tension in Central America calling for the reduction of arms levels and of the number of foreign military advisers and certain other

/measures.



measures. In May this plan was explained to the British and other European Community governments by a Special Representative of the President.

#### COSTA RICA

14. Following elections in February 1982 a new Government took office under President Luis Alberto Monge. In December 1982 a one year standby arrangement was negotiated between Costa Rica and the International Monetary Fund.

#### DOMINICAN REPUBLIC

15. Following elections in August 1982 a new Government took office under President Salvador Blanco.

#### THE CARIBBEAN - GENERAL APPROACH

16. The Caribbean region is important to the United Kingdom, containing as it does a large number of independent Commonwealth countries and British dependent territories. Briefly stated, the Government's policy remains as stated in November 1981, to maintain and promote good relations with these countries and to help them to the best of our ability to develop economically and to maintain a peaceful environment.

17. The United Kingdom's close links with the Commonwealth Caribbean are deeply rooted in history and now span a wide range of political, social, commercial, sporting and cultural activities and interests. These ties have been buttressed in recent years by the presence in the United Kingdom of large West Indian communities which

/have

have made a valuable contribution to our national life. But political evolution, with most of our former dependent territories achieving independence, has changed the nature of this relationship. The UK's direct responsibilities are now limited to the five remaining dependent territories and to the remaining Associated State, Saint Christopher and Nevis, now close to independence (paragraph <sup>23</sup>8).

18. HMG therefore continue to be keenly interested in the Commonwealth Caribbean, and attach much importance to maintain<sup>ing</sup> close political contacts. During 1982 FCO Ministers made four separate visits to countries in the region, and a Government Whip visited, on behalf of the FCO, two independent countries and two dependent territories. A political dialogue follows from the regular and welcome visits of Caribbean Ministers to London.

19. For ~~may~~<sup>MANY</sup> years, as the Committee's Report shows, the United Kingdom has been a major bilateral aid donor to the Commonwealth Caribbean. The Government is fully aware that many countries in the region face severe economic difficulties. Their economies are small and vulnerable and their problems have been exacerbated by the protracted world recession. The Government will seek to maintain the flow of bilateral aid to the Commonwealth Caribbean within the resources available.

20 British aid is designed to encourage diversification. Project aid to the less developed countries in the region contributes to the improvement of infrastructure and communications which is not only important in itself but is also a prerequisite in creating the right conditions for

vital private investment. The Government are fully conscious that the islands in the region are vulnerable to natural disasters and accordingly the British aid programme is administered flexibly. This is illustrated by the emergency aid worth half a million pounds given to the Windward Islands banana industry in 1982. Under technical co-operation programmes, assistance is given by experts in sectors where indigenous skills and experience are lacking or scarce. In addition, the United Kingdom contributes substantially to regional and multilateral organisations, (paragraph 43 below).

21. The Government attach much importance to the substantial benefits which the ACP countries enjoy under Lomé Convention and will seek to maintain them during the forthcoming renegotiation of the Convention. The Government is acting in support of Caribbean banana producers to ensure the continuance under European Community rules of an import licensing system in the United Kingdom which gives them preferential access to their traditional market in the United Kingdom. Further, the United Kingdom is pressing a number of ideas to make European Community aid more effective in the Caribbean and elsewhere.

22. The economic development of the Commonwealth Caribbean, fostered through trade, investment and economic assistance, needs conditions of peace and security. HMG will continue to give substantial assistance, particularly in training, to the police and defence forces. A number of countries in the Eastern Caribbean have agreed to establish a regional security system <sup>see paragraphs 65 et seq.</sup> (of which some details are given below in the reply to recommendation number

~~287~~ This is an encouraging example of regional co-operation for which the initiative must come from within the Caribbean.

## ST. CHRISTOPHER AND NEVIS

23. The Committee will wish to be aware that in recent months, Saint Christopher and Nevis has made major moves towards independence. A Constitutional Conference was held in London in December 1982 to discuss the draft Constitution prepared by the Government of Saint Christopher and Nevis. This document embodied proposals published in the State in a White Paper in July 1982. If the revised draft Constitution is approved by the Saint Christopher and Nevis <sup>House</sup> of Assembly, a draft Order-in-Council terminating the status of Associated Statehood will be laid before both Houses of Parliament for approval before it is submitted to Her Majesty-in-Council. The timing of the laying of the Order will depend on action by the State's House of Assembly, but the Government expect to present it before the Whitsun Recess. It is hoped that it will be possible to complete the constitutional processes in time for Saint Christopher and Nevis to achieve independence in September 1983. This would mark the end of a chapter in the Caribbean, the other five West Indies Associated States having already achieved independence.

## PART II: RESPONSE TO THE COMMITTEE'S RECOMMENDATIONS

## CENTRAL AMERICA

24. The Committee made two general points about conditions in Central America and British policy towards the region;

"247. We endorse the desire of the UK to assist with the alleviation of conditions of injustice and poverty in Central America and its condemnation of violations of human rights.

248. We feel that British policy towards Central America at the present time should be particularly concerned that there do exist serious differences of emphasis in the policies of our allies and partners towards Central America. On this wider question of differing political attitudes towards Central America by our North American, West European and Latin American partners, Britain has an interest and a responsibility to inform itself more fully about events in Central America in order to contribute to closer cooperation and agreement towards the region among our allies and friends."

25. The Government welcome the Committee's endorsement of the desire of the UK to assist. They will continue to give practical effect to this desire;

- (i) by making material contributions, through international institutions and bilaterally towards the alleviation of these conditions;
- (ii) by condemning violations of human rights and pointing to the need for systematic improvements and
- (iii) by promoting, wherever possible, the use of appropriate international machinery to bring about improvements.

26. The Government share the Committee's concern that differences of emphasis in the policies of our allies and partners towards Central America should be the subject of consultation with a view to ensuring continued cooperation and agreement. The Government will, within the limits

of the available resources, continue to take such measures as seem appropriate to ensure an adequate flow of information about conditions in Central America. (These matters are dealt with in detail in paragraph 41 below).

## COSTA RICA

27. With regard to Costa Rica, the Committee make three recommendations;

"249. We recommend that a priority of British policy towards Costa Rica should be a willingness for the United Kingdom, to the best of its ability, to support Costa Rica's efforts to overcome its economic difficulties. Specifically we recommend that the United Kingdom representative at the International Monetary Fund should seek to ensure that in discussion between the IMF and Costa Rica the degree of flexibility of the IMF financial and economic conditions should take full account of and should reflect the wider political dimensions of Costa Rica's present economic situation.

250. We recommend that direct British aid to Costa Rica should, at the very least, be maintained at existing levels and that existing British-financed assistance projects, such as the Central American School of Animal Husbandry, whose potential value to the whole of Central America is now being realised, should not be jeopardised by lack of funding.

251. We also recommend that serious consideration be given to intensify collaboration with our European partners to increase the scale and impact of economic assistance to Costa Rica".

28. The Government accepts the first of these recommendations. <sup>They</sup> ~~It~~ welcomes the successful negotiation of a one-year standby arrangement between Costa Rica and the IMF, and supported the programme when it was put before the IMF's Executive Board on 20 December. As the Costa Rican authorities themselves recognise, the severity of their economic problems necessarily requires the sustained implementation of strong and comprehensive adjustment policies.

29. Assistance to the Central American School of Animal Husbandry (paragraph 250<sup>above</sup>) remains a high priority in the British bilateral aid programme to Costa Rica. Support

/will

will continue through the provision of expert staff, equipment and training. British involvement is however planned to reduce as trained Costa Rican nationals increasingly assume technical and administrative responsibility for the School. As technical co-operation projects reach their natural conclusion overall levels of aid to Costa Rica are expected to fall during the next few years, although the provision of training awards in the UK will remain of considerable importance. Costa Rica also benefits from UK bilateral assistance to the regional post-graduate Central American Agricultural Research and Training Centre at Turrialba.

30. In considering Community aid to Costa Rica (paragraph 251) the Government and their European partners have to bear in mind the country's relative prosperity when compared with some other countries in Latin America and even more when compared with certain Asian countries. Nevertheless in November 1982 ~~the~~ <sup>the Government</sup> agreed with their European partners on a Special Aid Programme to Central America under which Costa Rica is to receive 10 million ecu.

NICARAGUA

31. The Committee make three observations and recommendations on future UK policy towards Nicaragua, against the background of present Nicaraguan/US relations:

"252. With regard to Nicaragua, we feel that the single factor most likely to determine future developments there will be the attitude of the United States. Whether or not there is justification for the present Nicaraguan fear of United States direct or indirect aggression, the United Kingdom should use its influence with both parties to reduce present US-Nicaraguan mutual misunderstandings.

253. We recommend that every effort be made to dissuade Nicaragua from direct or indirect intervention in the affairs of other Central American states.

254. We would expect that such a willingness by Nicaragua would be accompanied by similar action by the United States to reduce the impression of its hostility to the present Government of Nicaragua by seeking to restrain these activities - particularly the interference in Nicaraguan affairs by armed groups of Nicaraguan exiles some of whom are training in the USA without the consent of the US Government".

32. The Government recognise that there are fears in Nicaragua of the activities of the opponents of the government operating from or supported from outside the country, just as there are fears in other countries of the region of the activities of groups using violence to pursue their political objectives who receive support of whatever kind from the Nicaraguan authorities. The Government believe that this vicious spiral can be broken only if all the parties concerned will refrain from violence or support for violence. The Government will continue to exercise its influence in support of peaceful and democratic processes.

33. The Government note the recommendation (paragraph 253) that every effort should be made to dissuade Nicaragua from intervention into affairs of other Central American states, and will make all reasonable efforts to peaceably dissuade her from such activities.

34. With regard to bilateral relations between the UK and Nicaragua, the Committee recommend (paragraph 255) "that efforts be made to increase the present very low level of political, economic and cultural relations between the two nations". The Government would welcome more cordial relations with Nicaragua against a background of progress in that country towards full democratic institutions and particularly now that Nicaragua is a member of the Security Council, the exercise of an independent foreign /policy



policy. The recommendation is accepted.

35. The Committee recommend (paragraph 256) that we should draw to the attention of the Nicaraguan authorities our concern about the treatment of the indigenous (Indian) population, religious organisations and the press in Nicaragua. The Government's concern about these matters has already been drawn to the attention of the Nicaraguan authorities on several occasions during the past year, most recently by the FCO to the Nicaraguan Ambassador in London in November 1982, and by the British Chargé d'Affaires at Tegucigalpa on a visit to Managua in December 1982. The Government accept the recommendation and will continue to express their concern in appropriate ways.

#### EL SALVADOR

36. With regard to general policy towards El Salvador, the Committee make two points:

"257. With regard to El Salvador we maintain that a negotiated accommodation between the Government of El Salvador and the FMLN-FDR is essential and encouragement of a negotiated political solution in El Salvador should continue to be a primary objective of British policy towards Central America.

258. We wish to emphasise that a firm commitment by the Government of El Salvador to a thorough and effective process of economic reform is a prerequisite for the country's stability, security and development and should be regarded as a criterion of the worth of any claim made by its governments that they seek to serve their nation's interest".

37. The Government agree with the first of these. They are convinced that a political solution remains essential for the restoration of peace and stability in El Salvador, and will look for opportunities to urge the Government of El Salvador to pursue dialogue with any opposition groups prepared to participate in the democratic process.

38. The Government also agree with the Committee's observation on the desirability of a firm commitment by the Government of El Salvador to a thorough and effective process of economic reform. At the same time ~~HMG~~<sup>they</sup> note that general economic development and progress are dependent on peaceful conditions, and earnestly hope that those groups which have attacked and destroyed resources and facilities essential for the country's prosperity can be persuaded to divert their energies to political co-operation and support for economic reform and development within the legal framework.

39. The Committee recommend (paragraph 260) that "HMG continue its contributions - either directly or through the European Community - to the humanitarian activities in El Salvador of the International Committee of the Red Cross and the UN High Commission for Refugees; and that past efforts to check the atrocities committed in El Salvador be maintained".

"The Government have welcomed the relief programmes mounted by UNHCR and ICRC and voluntary agencies to assist the many thousands of refugees and displaced persons in El Salvador and other countries in Central America. In response to appeals the UK has contributed over £750,000 to these agencies over the last two years including £150,000 through the European Community. Future appeals either for direct assistance or through the European Community will be given careful consideration taking account of our other commitments and the activities of British and other voluntary agencies also working in the area. The Government agree that past efforts to check the atrocities committed in El Salvador should be maintained".

40. The Committee recommend (paragraph 261) that "Britain continue with its present policy of not supplying arms to El Salvador". The Government have received no requests for the supply of arms to El Salvador, and it remains their policy in present conditions not to approve them.

#### UK REPRESENTATION IN NICARAGUA AND EL SALVADOR

41. The Committee recommend the re-opening of the British Embassies in Managua (paragraph 255) and San Salvador (paragraph 259). The Government are well aware of the need to maintain worldwide deployment of the Diplomatic Service so as to provide most effectively and economically appropriate contacts with all the States with which the UK has diplomatic relations and the supply of information, assessment and advice necessary for the formulation of their foreign policy and for well-informed consultation and co-ordination with the UK's allies and partners. The Government are satisfied that on these scores the present arrangements are adequate. // The Embassy in Managua was closed in 1975 as one of a number of measures taken to meet the requirement to contain public expenditure. The Embassy in San Salvador was closed in 1980 because of the security situation which made effective operation virtually impossible. Relations with Nicaragua and El Salvador have subsequently been maintained by the accreditation of our Ambassador from San Jose (Costa Rica) and Tegucigalpa (Honduras) respectively, with frequent visits by their diplomatic staff. The Government have kept these arrangements under review and will continue carefully to consider the desirability of increasing this diplomatic presence in whatever way seems most likely to be effective, in the light of available resources and commitments elsewhere, and

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with regard to political and security conditions in the region. The Diplomatic Service Inspectors will be specifically instructed in their visits to San Jose and Tegucigalpa starting in May 1983 to examine the current arrangements and possible alternatives and to report accordingly.

#### THE CARIBBEAN

42. The Committee recommend (paragraph 262) "that the UK makes clear its continuing commitment to assist the development of the Commonwealth Caribbean over the long term, by improving its current aid and assistance programmes in ways suggested below, (in their Report), by strengthening its cultural ties through the BBC overseas service and educational assistance, and by maintaining a distinct identity based on its tradition of economic, political and social links with the area".

43. The Government believe their continuing commitment to long-term development in the region is already clear. The UK has a substantial aid programme to the Commonwealth Caribbean and the Government have consistently confirmed their intention to do their best to maintain that programme. The needs for concessional resources are however very much greater than the UK can hope to provide and every opportunity has been taken to encourage other donors to do more. The Government plan to provide bilateral assistance of about £25 million in the current financial year, despite the constraints on the aid programme overall. In addition, the UK contributes to regional and multilateral organisations such as the Caribbean Development Bank, the European Development Fund, the Inter-American Development Bank, etc. The Commonwealth ACP States and UK Dependencies in the Caribbean have been allocated

/allocated

allocated some £54 m. under EDF V (1981-85) of which Britain will be contributing some 17.76 per cent. An additional £33 m. has been allocated for Caribbean Regional Projects.

44. As well as financial assistance British aid includes significant continuing programmes of technical co-operation. The Government intend that these should be maintained and that the emphasis given to training, both within the region and in the United Kingdom, should continue. In 1982, as part of the Government's continuing programme of training and education assistance, over 200 places were filled at local institutions in the Commonwealth Caribbean, including the University of the West Indies, under third country training and educational arrangements within the region funded by British aid. The total cost approached £400,000. In addition a similar amount was spent on training in the United Kingdom of people from the Commonwealth Caribbean. The UK's programmes in the region have been developed in close consultation with the Governments locally. Individual projects are subject to detailed appraisal and regular monitoring. In the Eastern Caribbean the British Development Division, staffed by a team of professional advisers and administrators, is responsible for the day to day running of programmes and maintains close liaison with the recipient Governments and other donors in the field. The Government will seek every opportunity to sustain and where possible improve the quality of their aid programmes and will take full account of the suggestions put forward by the Committee.

45. Paragraph 106 of the Committee's Report and the recommendation in paragraph 262 have been drawn to the attention of the BBC External Services. The BBC World

Service broadcasts to the Caribbean 22 hours a day. BBC External Services are funded by a grant-in-aid from the Foreign and Commonwealth Office, but retain complete editorial independence in the content of their programmes. The General Manager of the Jamaican Broadcasting Corporation attended a Central Office of Information Study Visit in Britain in mid-1982, which included visits to the BBC. We hope that similar visits by other leading figures in radio and television in Commonwealth Caribbean countries can be arranged in the future.

46. The Government intend to maintain the distinct identity of the United Kingdom's economic, political and social relations with the Commonwealth Caribbean and to develop further the traditionally strong links.

#### GRENADA

47. The Committee make several recommendations which deal mainly with the UK's relations with Grenada:

"263. The UK should improve its representation in the area, particularly in Grenada, thus improving the information available in London for the formulation of policy.

270. Improved information will help in the assessment of the security requirements of the area, which should be judged in terms of indigenous problems rather than as part of global East/West conflict. Better on the spot assessment will be particularly helpful in the case of Grenada and the airport development there.

271. The UK should work to promote a dialogue with the Government of Grenada".

48. Grenada was the first of the Associated States to achieve independence in 1974. For the first four years it was covered by ~~the~~ <sup>the</sup> High Commission in Port of Spain but in 1980 a one-man post on the island, responsible to the High Commissioner in Bridgetown, was opened. The High Commissioner and members of his staff also visit the island. Diplomatic representation in the Caribbean, as  
/elsewhere

elsewhere in the world, is regularly reviewed by Diplomatic Service Inspectors. The Government are satisfied that the present arrangement is adequate, and do not consider that, at present, there is a strong political or other case for strengthening <sup>British diplomatic</sup> ~~our~~ representation in the area.

49. The Government's wish to maintain good contacts with the Grenadian Government was reflected in the decision to establish the post in St George's. No other Western industrialised country has resident representation there. Views are regularly exchanged with Grenada through the diplomatic channel, supplemented by Ministerial discussions. In 1981/82 four Grenadian Ministers had discussions in London with British Ministers. In addition there are numerous contacts at Commonwealth and other international gatherings.

50. ~~With reference to recommendation 270~~ <sup>The Government</sup> ~~(Paragraph 270)~~ believe that the security requirements of the area ~~should~~ be judged mainly in terms of indigenous problems, but, in the light of the ideological alignment of some countries in the region, not exclusively so. <sup>The Government</sup> ~~We~~ <sup>their</sup> ~~our~~ strive continually to improve ~~our~~ information about developments in the Caribbean.

51. The Committee also recommend (paragraph 272) that the UK Government should support the maintenance of the private sector in Grenada. "Aid to Grenada should not be influenced by political considerations.... We therefore recommend the UK Government to consult the Government of Grenada with a view to drawing up a new bilateral aid programme".

52. Following the Government's review of the policies governing the overseas aid programme, the Minister for Overseas Development told the House on 20 February 1980 that

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greater weight should be given in the allocation of ~~our~~ aid to political, industrial and commercial considerations alongside our basic developmental objectives. ~~We~~ <sup>The Government</sup> believe it is right that ~~we should~~ <sup>to</sup> continue to take all these factors into account in considering the size and content of ~~our~~ aid programmes. On the Grenada Government's own admission it is receiving substantial aid from other sources and it is right that the Government should take this, too, into account when considering the allocation of its own scarce resources to that country. The question of human rights is also an important factor and of great concern to Parliament.

52. The Minister has recently discussed these points with representatives of the Grenada Government and although the Government could not agree to begin formal negotiations to draw up a new bilateral agreement, the Minister has undertaken to keep the situation under continuous review. //53. The most important problem facing the banana industry in Grenada at present is a bacterial wilt disease (Moko). The spread of this disease could eliminate commercial shipments of bananas to the UK from Grenada, but Grenada's bananas are not sufficient in the total Windwards supply as necessarily to jeopardise the industry as a whole. The spread of Moko to the other islands does however pose a serious threat. As a member of the Windwards Islands Banana Growers Association, Grenada has access (as do the other Windward Islands) to the research facilities of that organisation (including the services of an expert plant pathologist provided under British aid). A review of WINBAN's research requirement has recently been completed under British technical co-operation arrangements, and a report on it is awaited.

54. Paragraph 266 <sup>of the Committee's Report</sup> recommends that "the UK should lend the weight of its political experience [as a long established



democracy] to strengthen the democratic structures of the region", and "should reinforce its links with parliamentary bodies and participants, as was especially recommended in the case of Jamaica". In the Government's view, the Committee is right to draw attention to the importance of the strengthening of the democratic structures of the region. The best way to achieve this aim is through the fostering of links between the UK Parliament and the Parliaments of the Commonwealth Caribbean countries. Parliamentary democracy is firmly established and works well in most Commonwealth countries. The FCO fully support and provide practical assistance as required to the Commonwealth Parliamentary Association, which provides the sole means of regular consultation between members of the Commonwealth Parliaments, and seeks to foster understanding and co-operation among them and to promote the study of and respect for parliamentary institutions. Jamaica was represented at the recent Commonwealth Parliamentary seminar held in London.

55. The Government make a contribution to the strengthening of parliamentary links through its programme of sponsored visits to the United Kingdom, organised by the Central Office of Information. Visitors from the Caribbean, as from other parts of the world, come from many sectors of public life: the Government will ensure that Parliamentarians continue to be well represented in the sponsored visits programme.

56. Relations between the United Kingdom and Jamaica have been traditionally close and friendly. The range of contacts between the two countries is broad and varied. The large Jamaican community in the UK makes a valuable contribution to the national life. <sup>The Government</sup> ~~We~~ have every confidence that bilateral relations will continue to be excellent whichever parties are

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in office in the United Kingdom and Jamaica.

CARIBBEAN ZONE OF PEACE

57. The Committee recommend (paragraph 267) that the UK should cultivate a greater awareness of the concept of a Caribbean Zone of Peace. The idea of a Caribbean Zone of Peace was first discussed at a CARICOM Foreign Ministers' meeting in February 1980. A committee of officials was subsequently set up to consider the matter and we understand the work of this body continues. The Government believe that the establishment of zones of peace can contribute to the security of states within such zones and to international peace and security as a whole, provided they are determined freely by the states of the region and are defined with due regard for the characteristics of the zone, the principles of the United Nations Charter and international law. <sup>They</sup> ~~We~~ believe that the initiative for such zones of peace should come from the states concerned.

58. The United Kingdom is already associated with the Treaty of Tlatelolco, through ~~our~~ signature and ratification of the Additional Protocols, which aims to create a nuclear weapon-free zone in Latin America and the Caribbean. Under Additional Protocol I nations outside the zone agree to apply the provisions of the Treaty to their dependent territories in the zone. All nuclear states have adhered to Additional Protocol II under which nuclear weapons states undertake to respect the demuclearised status of the zone; not to assist parties to evade their obligations; and not to use or threaten to use nuclear weapons against contracting parties.

/JAMAICA

## JAMAICA

59. The Committee recommends (paragraph 269) restoration of complete ECGD cover to Jamaica and continued assistance to its defence forces.

60. It is ECGD's normal practice to provide Medium Term credit cover within prescribed market limits for developing countries. Medium Term credit cover within such a limit was restored for Jamaica in August 1981 and the limit was increased in May 1982. Cover continues to be available within that limit and can be applied equally to the supply of UK civilian defence equipment. Short Term cover (up to 180 days credit) has also been available since August 1981. The position of both Medium Term and Short Term cover is kept under constant review against the background of economic developments.

61. The number of personnel from the Jamaica Defence Force attending military courses in the UK has risen steadily in recent years, and the UK financial assistance towards this training has been increased in proportion. The Government intend to maintain the current level of training activity. Students are presently attending courses at the main Staff Colleges as well as undertaking technical training. Other forms of assistance such as military training exercises between the UK and Jamaican forces are being examined in order to enhance the value of the training programme.

## TRINIDAD AND TOBAGO

62. There are two specific recommendations on Trinidad.

"274. The UK should work to strengthen the ties of technical cooperation with Trinidad and build on the exchanges which already exist."

63. It is the Government's policy to concentrate aid on the poorest countries which are currently defined as those with a per capita GNP of US\$370 or less in 1980. In 1980 Trinidad

had a per capita GNP of US\$4,370. Given the limitations on aid resources it would not be appropriate to increase Britain's aid allocation to Trinidad in the face of requests from many other countries less able to meet the costs of expatriate manpower.

64. As the Committee further recommend (paragraph 275) the United Kingdom does indeed welcome the more active role which Trinidad is taking in the affairs of the area. Of particular importance is the Trinidadian oil facility, established in 1980, which has provided welcome economic support to other CARICOM members. The facility has permitted the sale at reduced prices of Trinidadian oil, fertilisers and asphalt by financing the higher costs resulting from the oil price increases of 1979. The objective is to help countries with balance of payments difficulties. Assistance is also provided to countries in the region through the Trinidad Government's Caribbean Aid Council. Trinidad has also cooperated with the defence forces of some of her Eastern Caribbean neighbours. Trinidad and Tobago took part in the CARICOM Heads of Government meeting held in Jamaica in November 1982, the first such gathering to be held for seven years, and will be the host to the next, due to be held in July 1983.

#### EASTERN CARIBBEAN

65. Apart from general questions of development, which are dealt with below, the Committee draw attention to other aspects of our relations with the countries and territories of the Eastern Caribbean.

"282. The UK should continue its support for the security services of the Eastern Caribbean, including the development of a common coastguard, pollution control and fisheries patrol service with advice and assistance in financing the purchase of British naval and support equipment".

66. The Government attach much importance to supporting the police, coastguard and security forces of the Eastern Caribbean  
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and will continue to do so.

67. In October 1982 the Governments of Antigua and Barbuda, Barbados, Dominica and St Vincent and the Grenadines signed a Memorandum of Understanding establishing a regional security system, of which the regional coastguard will be a very active part. St Lucia later signed the Memorandum. This represents a major step forward in regional co-operation. A copy of the communiqué issued after signature ~~is at~~ annexed. *mmmm*

68. The Government consider security organisations to be proper beneficiaries of an economic aid programme, in that the avoidance of civil unrest and/or the protection of physical and human resources are pre-requisites of social and economic advance. These organisations include Police Forces and Prison Services and such other services as customs, drugs control, fisheries protection etc, but exclude military or para-military organisations. (Military training is provided under the FCO's UK Military Training Assistance Scheme). However each request for such aid requires the most careful consideration of acceptability in terms of both general human rights and the individual requirement in the light of the circumstances of the country in question.

69. <sup>The UK</sup> ~~We~~ provided assistance to the Government of St Vincent with the purchase of a coastguard vessel in 1980, providing an aid grant of £250,000.

70. Given the close involvement of the UK in training and assistance to the police, coastguard and security services in the region, it is likely that the United Kingdom will be asked for further support. The Government stand ready to respond constructively and sympathetically to requests of this nature.

"283. There should be a careful assessment of the security requirements of the remaining dependencies and the adequacy of present arrangements to meet those needs. The possibility should be considered of forming joint security arrangements with other major powers in the area - such as France, Canada, the USA, the Netherlands

/and

and some Commonwealth countries which have an interest in securing the countries of the area from external threat".

71. Internal security requirements and possible external threats are kept under constant review; and the adequacy of arrangements to meet them is reviewed at regular intervals. Each dependency has its own local security scheme for dealing with emergencies which may arise and which may be within the ability of local forces to contain. In addition, plans exist for the reinforcement of local forces in the event that this proves necessary. ~~We shall~~ <sup>The Government will</sup> continue to exploit opportunities for international cooperation in securing countries of the area from external threat.

"284. Your Committee urge that the development plans for the remaining dependencies be published and kept under frequent review, and the appropriate economic assistance provided in accordance with these plans".

72. Where unpublished current development plans exist, dependent territory governments will be urged to publish them. The plans will also be kept under constant review, as at present. A dependency which does not have a current development plan will continue to be urged to produce one and, if appropriate, will be helped to do so. Within the limit of available funds, economic assistance will continue to be provided to implement agreed plans.

"285. The constitutional position of the remaining dependencies should also be kept under review to accord with developments in the attitudes of the populations of those islands".

73. This is present policy. In 1982 alone, an advanced constitution for Anguilla was approved; in three (Montserrat, British Virgin Islands and Turks and Caicos Islands) of the remaining four dependencies minor constitutional amendments were made to accord with the expressed wishes of the local governments concerned.

## BELIZE AND GUYANA

74. The problems of both Belize and Guyana led the Committee to recommend (paragraph 286) "that support be given to strengthening the peace-keeping machinery of the UN and to involving other interested power in providing guarantees for the territorial integrity of these countries and assistance towards peaceful resolutions of these disputes".

75. The United Nations already has considerable experience and expertise in the field of peace-keeping. A number of operations have been undertaken in areas of tension. The Government will continue to support the establishment of UN peace-keeping operations in appropriate situations. As far as Belize and Guyana are concerned, the Government note the Committee's recommendation on the possibility of the involvement of other interested powers. Both disputes have caused international concern, and ~~the US and our European and Commonwealth partners~~ <sup>their</sup> ~~have on a number of occasions discussed these issues with us. We remain in touch with our partners and allies and with countries in the region who, like ourselves,~~ <sup>the US, and their European and Commonwealth partners. They</sup> ~~also~~ <sup>them</sup> follow the progress of these disputes with close interest.

76. On Belize, the Committee (paragraph 287) "urge that the extent of British commitment be clarified so that, as Britain is resolved to defend Belize, a sufficiently clear signal be given to deter any potential external aggressor".

Mr Richard Luce, then Minister of State for Foreign and Commonwealth Affairs, explained in a letter of 16 February 1982 to the Committee Chairman that the arrangements for the stationing of British forces in Belize had been agreed in an exchange of letters between the Governments of Belize and the United Kingdom at the time Belize attained independence in September 1981. The Government continue to believe, after further careful consideration, that so long as British forces remain in Belize the disclosure of the text of this exchange would not facilitate

facilitate their objectives of working for greater long-term stability in the area. The Government and the Prime Minister of Belize regard the maintenance of confidentiality in this as a matter of importance.

#### ARMS SALES

77. In paragraph 290 of their Report the Committee record their "conviction of the need for the United Kingdom to work with other arms suppliers to reach agreement on the control of arms to areas of tension, in spite of the many difficulties in the way of such an agreement". HMG do not allow the indiscriminate export of arms. All proposed arms sales need a licence and each application is carefully considered. For example the UK does not supply arms to countries against which there is a mandatory UN arms embargo, nor does it supply items of equipment which it is believed are likely to be used to violate human rights or to attack British or allied forces. A considerable number of applications are turned down on one or other of these grounds.

78. However, <sup>the Government do not see</sup> ~~there is not~~ much point in ~~the Government~~ changing their policy so that orders for arms continue to be placed, but are placed with Britain's competitors instead. Such a change of policy would in no way make the world a safer place. It simply would mean that jobs would be lost from British factories, and jobs gained in the factories of the Soviet Union the United States or France - who are in that order the three largest arms suppliers in the world.

79. Secondly, it would not be sensible to follow a policy which meant that Britain's friends did not receive arms while their potential adversaries were armed by the Soviet Union. That would be a sure way of losing friends and increasing the threat to British interests.

80. As for the suggestion that the UK should join the other main arms suppliers in some sort of agreement to restrain supplies,

/ efforts



efforts in this direction in the past have not prospered. The Soviet Union views the export of arms as one of its main tools of foreign policy. It would be most unlikely to abandon that tool. One conceivable possibility would be if the potential customers for arms were to get together in a particular region and decide that they would restrain their purchases. But the initiative would have to come from them, and Third World countries have not been very keen on this kind of idea so far.

81. The best hope of reducing the quantity of armaments in the Third World is to settle the disputes which lead the countries concerned to spend such large sums on arming themselves. So long as these disputes persist the appetite for arms is likely to grow. <sup>The Government are</sup> ~~HMG~~ is energetic in trying to find answers to resolve such disputes, for example in Namibia and in the Middle East. Where there is political confidence, the resort to arms is unnecessary.

#### CARIBBEAN DEVELOPMENT

82. The Committee make a number of specific recommendations on the role of the United Kingdom in the economic development of the Caribbean region. The Government's general approach <sup>to these problems</sup> is dealt with in Part I paragraphs 19-22 above. Our detailed observations are set out below.

"264. In the field of economic assistance and in addition to specific items recommended below. The United Kingdom should promote its recognition that economic problems are the key to stability in the area and should be tackled through regional institutions and resources wherever possible".

83. The Government recognise the crucial importance of economic development to the social and political stability of the region. <sup>They</sup> ~~We~~ maintain a substantial programme of assistance in spite of the constraints on the aid programme in general and on bilateral programmes in particular. <sup>They</sup> ~~We~~ are also actively

/encouraging

encouraging other donors to do more and are currently pursuing with the Governments of Colombia and Venezuela the possibility of their co-operating with the UK bilaterally on the basis of parallel financing, with projects which are too costly for the resources available under the UK's own bilateral programme alone. The Government recognise the importance of regional co-operation and the weight which is rightly given to this by the governments of the area, and have given every encouragement to this movement. The United Kingdom was a founder member of the Caribbean Development Bank and contributes both in the form of capital subscriptions and through the Special Development Fund. The majority of ~~our~~<sup>Bilateral</sup> bilateral development assistance, however, is provided on a government to government basis and this will continue to be the case. Britain is a member of the Caribbean Group for Economic Co-operation in Development which provides a forum in which consultation can take place collectively between donors and recipients on the integration of national programmes with regional objectives. British has also assisted with the establishment of the Inter Agency Resident Mission in Antigua which has been specifically set up to help attract and co-ordinate assistance to the Eastern Caribbean region.

"265. The United Kingdom should use its influence in multilateral bodies to support the direction of aid to infrastructural development".

84. The Government can and do make clear to which sectors they believe multilateral bodies should direct their aid. This is usually done in the course of negotiating replenishment of their resources and as overall operational programmes are discussed each year. In this context for instance Britain has supported agricultural and other natural resource development, and energy, as the most important sectors for the Inter-American Development Bank, with emphasis also on urban social infrastructure. However, this does not automatically apply

to investment priorities in particular individual countries, since the actual projects submitted for approval are a matter of negotiation and agreement between the project appraisal staff of multilateral bodies and the aid recipients.

85. In the case of the Caribbean Development Bank, <sup>The Government's</sup> ~~we~~ have consistently supported its overall policy in concentrating on agricultural and infrastructural projects and to a lesser extent on social infrastructure. HMG are represented on the Governing Board and have given particular encouragement to infrastructure projects for example in tourism and agriculture. <sup>The Government's</sup> ~~Our~~ chief concern in all cases is to exert what influence ~~we~~ <sup>they</sup> can to ensure that multilateral development projects are soundly based and directed, and properly appraised. Because of the high costs usually involved in infrastructural development, projects tend to stand more chance of being financed by multilateral bodies since they have more funds available than Britain's bilateral aid programmes. Major infrastructural projects are certainly an area where the multilateral agencies operating in the Caribbean have often taken the lead with the UK's clear support (for example many of the deep water harbours) and where appropriate this may be expected to continue. The recipient countries themselves can also influence this process in project identification with multilateral organisations and by ensuring efficient management of the infrastructure sector.

"268. In time of recession in Great Britain, the UK should make greater use of the manpower resources available in Britain which would help - via aid programmes - to fill gaps so much in evidence in the Commonwealth Caribbean, in middle management, technical skills and craft skills. This was especially noted in the field of education in Jamaica as well as the other areas mentioned in the paragraph".

86. To the extent that there are gaps in the requirements for skilled manpower in the Caribbean it is HMG's main objective to help the governments concerned to fill these by the training and  
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development of indigenous personnel. And as an important and complementary aspect of ~~the~~ <sup>their</sup> manpower development programme ~~we~~ <sup>The Government</sup> are making the best use of available resources to meet the requests of the recipient governments. Also, substantial increases in real terms to the financial support given to the British Volunteer Programme agencies have enabled VSO to strengthen its administration in the field and to plan for an expansion in its programme throughout the region. In general, however, the countries concerned require expatriate manpower with highly specialised skills, the supply of which has not significantly changed as a result of the recession in the UK. In respect of the Eastern Caribbean there are few high priority areas for manpower assistance which are being neglected for want of funds and the governments of the region have not themselves identified manpower requirements which are not being satisfied by donors. The Overseas Development Administration is currently undertaking a major review of our manpower and training assistance to the Commonwealth Caribbean and will take full account of the Review Team's recommendations in formulating its policies for the future.

"273. The UK should offer all possible support for the improvement of legal resources in the area".

87. ~~we~~ <sup>The Government</sup> are ready and willing to consider technical co-operation requests. For many years ~~we~~ <sup>Britain</sup> funded a Regional Legal Services Adviser for the small islands and in many cases has provided other assistance, such as the reprinting of laws. ~~We have~~ <sup>The UK has</sup> also provided assistance in response to recent requests from St Lucia and St Vincent.

"276. The UK should reconsider, with a view to increasing its long-term support for the Windward Island Banana Industries".

88. The history of British aid and trade support for the Windward Islands banana industry extends back over many years.

For the past decade there has been a major effort, both in short-term emergency assistance following hurricanes, disease outbreaks, etc and longer-term development assistance, including research, extension and training. Aid funds have also been applied to projects to encourage diversification of agricultural production into other profitable crops. A major Banana Development Programme, which commenced in 1976, and came to an end at the end of 1982, concentrated on increasing production and other agricultural aspects of the industry. This was only partially successful, not least because of the two major hurricanes in that period. Expenditure under the BDP was worth, at current prices, about £3.8 million. Emergency aid for rehabilitation after the hurricanes amounted to a further £2.3 million at current prices.

89. The need for a further major aid input to ensure the financial survival of the banana industry in the Windwards was identified towards the end of 1981. The third ODA Review of the aid-funded Banana Development Programme followed early in 1982. Its main conclusions were that:

- a. The industry was still suffering the 'knock-on' effects from the natural catastrophes of 1978-80 and was in severe financial crisis exacerbated by economic pressures and poor management - especially in Dominica and St Lucia;
- b. The Banana Development Programme had been only moderately successful and overtaken by events;
- c. emergency support was required to enable to continue supply of essential fertiliser;
- d. further inputs would be required to keep the industry alive in the following years, but the key to improvement in the long-term financial viability of the industry was in the management and organisation of  
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the local Banana Growers Associations, particularly in St Lucia and Dominica.

90. HMG have continued to provide the financial assistance required for essential inputs during 1982. Emergency assistance for the year is likely to cost about £1 million in addition to the Banana Development Programme, mainly in the form of fertilisers from the UK. A similar requirement is anticipated in 1983/84 not only of further supplies of essential inputs from the UK but also of many of the components of the BDP including extension and training, and the provision of capital aid and manpower assistance to the Windward Islands Banana Growers Association (WINBAN). Britain is also providing experts to help with the management problems, neglect of which in the past has been partly responsible for the predicament in which the industry finds itself. The Government have played a full part in discussions with other donors and potential donors regarding ongoing support still required for the industries and <sup>are</sup> ~~is~~ keeping the situation under continuous review.

91. The current provision of large sums of British aid is tied to conditions designed to improve the profitability of the industry and is closely monitored to ensure that these conditions are adhered to, month by month, before further commitments of aid are made. The Government are not convinced that it would be in the best interests of the industry to commit large sums of aid in advance without such a requirement. For the future, neither HMG nor the island governments, with whom the British Development Division in the Caribbean is in constant touch, accept that the industry can or should remain as heavily dependent on aid as it is at present. There is

/already

already very substantial investment of time, money and effort going into the search for solutions to the industry's very deep seated probelms from the local governments, the British Development Division and technical co-operation personnel and other aid donors. The Government will continue to provide support to the industry against close and frequent monitoring and in consultation with the local governments and the industry on how changing needs can best be assisted by aid initiatives. But Britain's involvement must be placed in a wider context than a review of long-term UK support.

"277. The UK should increase the proportion of bilateral aid which goes to the less developed countries of the Eastern Caribbean".

92. The Government have maintained substantial programmes to the countries of the Eastern Caribbean in recent years in spite of the constraints on its bilateral programmes globally. Although the aid programme as a whole is planned to grow moderately in cash and possibly even in real terms over the next few years, the rapidly growing size of the United Kingdom multilateral commitments, particularly to the EEC and IDA, means that the resources available for the bilateral programme will continue to be under great pressure. It is also the Government's policy that bilateral aid will continue to be concentrated on the "poorest" countries, and none of the Commonwealth Caribbean islands fall within this category. Nevertheless <sup>they</sup> ~~we~~ intend to continue to do <sup>their</sup> ~~our~~ best to maintain the level of <sup>British</sup> ~~its~~ bilateral assistance to the Eastern Caribbean. But in addition to bilateral aid, the islands of the Eastern Caribbean have access to the European Development Fund for ACP States, which many much poorer recipients of British aid in other parts of the world do not. The total allocation to /the

the less developed countries of the Eastern Caribbean under EDF V is ~~the~~ <sup>the</sup> 25.9m equivalent to £15.5m. Britain's contribution to the European Community programmes has, of course, to be funded from the aid programme, as do its contributions to the other multilateral and regional organisations active in the area, and from which these islands also benefit.

"278. Better liaison with volunteer aid organisations should be pursued and investigations made into filling the gap between non-governmental organisations and government programmes".

93. The Government are anxious to keep abreast of all other aid programmes in the region, including those of the voluntary organisations, and to improve liaison wherever possible. <sup>They</sup> ~~We~~ recognise the importance of these programmes and already provide support through the Joint Funding Scheme. This takes the form of matching grants usually on a 50% basis towards the cost of small scale development projects operated by the Agencies in the fields of agriculture, community services, non-formal, health and education. The working relationship between the administrator of the Voluntary Service Overseas programme, and the British Development Division in the Caribbean in Barbados is well established and close, VSO's Field Co-ordinator being housed in the same suite of offices. The Development Division will consider how best to improve informal consultation with the other voluntary organisations operating in the area. <sup>British</sup> ~~Our~~ aid programmes in the region are essentially government to government and are formulated in response to specific requests for assistance. In the past <sup>the UK</sup> ~~we~~ <sup>has</sup> financed very many small projects but in view of the disproportionate cost of administering and adequately monitoring them ~~we have~~ <sup>has</sup> been concentrating on fewer, larger projects. ~~We have found~~ <sup>Widespread</sup>



Widespread support for this approach <sup>has been found</sup> from the island governments which appreciate that some small projects can and should be financed from their own recurrent budgets. But the Government do recognise, and continue to cater for many small self-help projects in which the community makes a contribution, and are ready, through the Development Division in the Caribbean, to discuss with the voluntary agencies how far there is an unsatisfied gap between their organisations and government programmes and to seek to close it.

"279. There should be more concentration on the promotion of appropriate technologies through the UK aid programmes, particularly in the field of food production for local use and in energy production and conservation".

94. The Government will examine this proposition in detail and consider what adjustment of policy may be appropriate - as the Committee suggest. The observations on the preceding recommendation above are also relevant.

"280. Support should be given to the pool of experts established by the Organisation of Eastern Caribbean States which the less developed and smaller states can call upon".

95. <sup>The Government</sup> ~~HMS~~ are ready to consider any suggestion from the OECS as to how best British aid resources can be used to support this or any other OECS initiative.

"281. Your Committee would like to see further investigation of the "Rescue plan for the Eastern Caribbean" suggested by the West Indian Committee and we so recommend".

96. The concept of a master plan for the Eastern Caribbean is not new and previous reports of this sort are available. The islands of the Eastern Caribbean have many similarities, but there are also major differences and each has its own individual development programmes and requirements. A collective initiative of this sort now would need to come initially from the governments of the countries concerned, /possibly

possibly through a major regional organisation. An appropriate forum in which it might then be placed for consideration would be the Caribbean Group for Co-operation in Economic Development which is convened ~~annually~~ by the World Bank and at which all major donors and Commonwealth Caribbean countries are represented. <sup>The Government</sup> ~~HMG~~ are certainly prepared to consider how it might assist with any such initiative, along with other donors, should one come forward, but do not consider that it would be appropriate for the UK to take the lead in this context.

"289. The UK should use its influence to ensure that regional aid programmes, such as the Caribbean Basin Initiative, are structured to meet the real development needs of the area, giving priority to the infrastructure of these countries".

97. There are a number of fora, both formal and informal, in which the UK can and does seek to influence other donors, both individually and collectively, to ensure that their programmes are consistent with the requirements of the recipient governments and organisations and are complementary to British inputs. <sup>The Government</sup> ~~HMG~~ will continue to seek every opportunity to do so at both political and official level.

ESTABLISHMENT OF REGIONAL SECURITY SYSTEMJOINT COMMUNIQUE

The Governments of Antigua and Barbuda, Barbados, Dominica and of Saint Vincent and the Grenadines have, by a Memorandum of Understanding signed today, agreed to prepare contingency plans and to assist one another on request in natural and other disasters, prevention of smuggling, search and rescue, immigration control, fishery protection, customs and excise control, maritime policing duties, protection of off-shore installations, pollution control and threats to national security.

The Memorandum in effect ~~brings~~ brings into being what has become known as the Regional Security System, of which the Regional Coast Guard will be a very active part. It makes provision for planning and operations, command and discipline, jurisdiction and claims and, in addition, has laid down the arrangements within the system for joint training, joint procurement, maintenance of Regional Coast Guard vessels and for financial cost-sharing.

The Prime Ministers of Barbados, of Dominica and of Saint Vincent and the Grenadines signed the Memorandum of Understanding on behalf of their Governments while the Minister in the Ministry of Foreign Affairs of Antigua and Barbuda signed on behalf of his Government.

/The

The ceremony which took place at Government Headquarters in Roseau, Dominica at 12 noon today, Friday, 29th October 1982 was witnessed by the Security Chiefs and Officials of the participating countries.

The Government of Saint Lucia which was represented at official level at the ceremony is expected to become a signatory on the return of the Prime Minister of Saint Lucia from his current visit to the United States of America.

NOINFO 22/25

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FM WASHINGTON 250035Z FEB 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 610 OF 24 FEBRUARY

INFO IMMEDIATE MEXICO CITY, OTTAWA, CARACAS, SAN JOSE, TEGUCIGALPA, HAVANA.

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[Standard] (X12)

US CARIBBEAN BASIN INITIATIVE

1. IN HIS SPEECH TO THE OAS REPRESENTATIVES IN WASHINGTON TODAY, PRESIDENT REAGAN DESCRIBED THE CARIBBEAN REGION AS A VITAL STRATEGIC AND COMMERCIAL ARTERY FOR THE US, WITH NEARLY HALF ITS TRADE, TWO-THIRDS OF ITS IMPORTED OIL AND OVER HALF OF ITS IMPORTED STRATEGIC MINERALS PASSING THROUGH THE PANAMA CANAL OR THE GULF OF MEXICO. EL SALVADOR WAS DESCRIBED AS QUOTE NEARER TO TEXAS THAN TEXAS IS TO MASSACHUSETTS UNQUOTE. ECONOMIC HEALTH WAS ONE OF THE KEYS TO A SECURE FUTURE FOR THE US'S CARIBBEAN BASIN NEIGHBOURS; THE US MUST HELP THE PEOPLE IN THE REGION BECAUSE IN A FUNDAMENTAL SENSE THEY WERE FELLOW-AMERICANS.

2. BUT ECONOMIC DISASTER HAD PROVIDED A FRESH OPENING TO THE ENEMIES OF FREEDOM, NATIONAL INDEPENDENCE AND PEACEFUL DEVELOPMENT. FOLLOWING CONSULTATIONS WITH OTHER GOVERNMENTS IN THE REGION, THE PRESIDENT WAS THEREFORE PROPOSING AN ECONOMIC PROGRAMME THAT INTEGRATED TRADE, AID AND INVESTMENT; THIS INITIATIVE REPRESENTED A LONG-TERM COMMITMENT TO THE COUNTRIES OF THE REGION TO MAKE US OF THE QUOTE MAGIC OF THE MARKET OF THE AMERICAS UNQUOTE TO EARN THEIR OWN WAY TOWARDS SELF-SUSTAINING GROWTH. THE PROPOSED PROGRAMME WAS AS UNPRECEDENTED AS TODAY'S CRISIS IN THE CARIBBEAN, THE US HAD NEVER BEFORE OFFERED A PREFERENTIAL TRADING ARRANGEMENT TO ANY

AS UNPRECEDENTED AS TODAY'S CRISIS IN THE CARIBBEAN. THE US HAS NEVER BEFORE OFFERED A PREFERENTIAL TRADING ARRANGEMENT TO ANY REGION.

3. AID WOULD BE AN IMPORTANT PART OF THE PROGRAMME BECAUSE MANY OF THE US'S NEIGHBOURS NEEDED IT TO PUT THEMSELVES IN A STARTING POSITION FROM WHICH THEY COULD BEGIN TO EARN THEIR OWN WAY. BUT THIS AID WOULD BE USED TO ENCOURAGE PRIVATE SECTOR ACTIVITIES, NOT DISPLACE THEM. THE CENTREPIECE OF THE PROGRAMME BEING SENT TO CONGRESS WAS FREE TRADE FOR CARIBBEAN BASIN PRODUCTS EXPORTED TO THE US. THE PRESIDENT ACKNOWLEDGED THAT SOME 87 PERCENT OF CARIBBEAN EXPORTS ALREADY ENTERED US MARKETS DUTY-FREE UNDER THE GSP. THESE EXPORTS, HOWEVER, COVERED ONLY THE LIMITED RANGE OF EXISTING PRODUCTS - NOT THE WIDE VARIETY OF POTENTIAL PRODUCTS THESE COUNTRIES WERE CAPABLE OF PRODUCING. THE IMPACT OF THE PROGRAMME'S FREE TRADE APPROACH WOULD DEVELOP SLOWLY. THE ECONOMIES THE US WAS SEEKING TO HELP WERE SMALL, AND THE PROTECTIONS NOW AVAILABLE TO US INDUSTRY, AGRICULTURE AND LABOUR AGAINST DISRUPTIVE IMPORTS WOULD REMAIN. TEXTILES WOULD BE EXCLUDED BECAUSE OF EXISTING INTERNATIONAL AGREEMENTS. GROWTH IN THE CARIBBEAN WOULD BENEFIT EVERYONE, WITH AMERICAN EXPORTS FINDING NEW MARKETS.

4. THE PRESIDENT WENT ON TO LIST THE MAIN ELEMENTS OF THE PROGRAMME, AS ALREADY REPORTED CONCLUDING HIS STATEMENT ON THE ECONOMIC ASPECTS BY NOTING THAT IT REPRESENTED A FAR-SIGHTED ACT BY THE AMERICAN PEOPLE AT A TIME OF CONSIDERABLE ECONOMIC DIFFICULTY AT HOME. HE WOULD NOT HAVE PROPOSED IT IF HE WERE NOT CONVINCED THAT IT WAS VITAL TO THE SECURITY INTERESTS OF THE US AND THE WESTERN HEMISPHERE. ONE EARLY SIGN WAS POSITIVE, AFTER A DECADE OF FALLING INCOME AND EXCEPTIONALLY HIGH UNEMPLOYMENT JAMAICA'S NEW LEADERSHIP WAS REDUCING BUREAUCRACY, DISMANTLING UNWORKABLE CONTROLS AND ATTRACTING NEW INVESTMENT. CONTINUED OUTSIDE ASSISTANCE WAS NEEDED TO TIDE JAMAICA OVER UNTIL MARKET FORCES GENERATED LARGE INCREASES IN OUTPUT AND EMPLOYMENT, BUT JAMAICA WAS QUOTE MAKING FREEDOM WORK UNQUOTE.

5. TURNING TO SECURITY, THE PRESIDENT SAID A NEW KIND OF COLONIALISM WAS SEEKING TO UNDERMINE MODERATE CONSTITUTIONAL GOVERNMENTS AND REPLACE ECONOMIC GROWTH AND IMPROVED LIVING STANDARDS WITH TOTALITARIAN REGIMES, ECONOMIC DECLINE AND HUMAN SUFFERING. CUBA AND ITS SOVIET BACKERS RECOGNIZED THAT PEACEFUL ATTEMPTS TO DEVELOP REGIONAL ECONOMIES RENDERED THEIR OWN RADICAL MESSAGE A HOLLOW ONE: THEY WERE THEREFORE BENT ON SUBVERTING SUCH EFFORTS. SINCE 1978 CUBA HAD TRAINED GUERRILLAS IN TERRORISM AND ECONOMIC SABOTAGE, AND HAD BEGUN AN UNPRECEDENTED REARMAMENT PROGRAMME. NICARAGUA HAD BECOME A PLATFORM FOR COVERT MILITARY ACTION AGAINST

SABOTAGE, AND HAD BEGUN AN UNPRECEDENTED REARMAMENT PROGRAMME.

- NICARAGUA HAD BECOME A PLATFORM FOR COVERT MILITARY ACTION AGAINST ITS NEIGHBOURS.

6. THE PRESIDENT CONTRASTED NICARAGUA WITH EL SALVADOR. IN THE FORMER, THE GOVERNMENT HAD ABANDONED ITS ASSURANCES TO THE OAS THAT IT INTENDED TO RESPECT HUMAN RIGHTS; ELECTIONS HAD BEEN POSTPONED, DOMESTIC REPRESSION (INCLUDING THE MURDER OF INDIANS) INCREASED AND SUBVERSION OF NEIGHBOURING STATES BEGUN. IN EL SALVADOR, THE GOVERNMENT WAS TRYING TO INSTITUTE DEMOCRATIC ELECTIONS (IN FACE OF GUERILLA OPPOSITION) AND TO INAUGURATE A LAND REFORM PROGRAMME. PEOPLE IN THE US AND EUROPE SHOULD NOT BE MISLED; GUERILLAS ARMED AND SUPPORTED BY AND THROUGH CUBA WERE ATTEMPTING TO IMPOSE A MARXIST-LENNINIST DICTATORSHIP ON EL SALVADOR AS PART OF A QUOTE LARGER IMPERIALISTIC PLAN UNQUOTE.

7. THE US HAD TO ACT DECISIVELY LEST NEW CUBA'S SHOULD ARISE FROM THE RUINS OF TODAY'S CONFLICTS. TO HELP GOVERNMENTS CONFRONTED WITH AGGRESSION FROM BEYOND THEIR BORDERS, THE PRESIDENT WOULD ASK CONGRESS TO PROVIDE INCREASED SECURITY ASSISTANCE. IT WAS IMPORTANT TO LIVE UP TO THE RESPONSIBILITIES CONTAINED IN THE RIO TREATY WHICH HAD ESTABLISHED RECIPROCAL DEFENCE ARRANGEMENTS LINKED TO COMMON DEMOCRATIC IDEALS. QUOTE LET OUR FRIENDS AND ADVERSARIES UNDERSTAND THAT WE WILL DO WHATEVER IS PRUDENT AND NECESSARY TO ENSURE THE PEACE AND SECURITY OF THE CARIBBEAN AREA. UNQUOTE

8. THE PRESIDENT ADDED THAT THE US WOULD NOT, HOWEVER, FOLLOW CUBA'S LEAD IN ATTEMPTING TO RESOLVE HUMAN PROBLEMS BY FORCE. US ECONOMIC ASSISTANCE TO THE REGION WAS MORE THAN FIVE TIMES THE AMOUNT OF US SECURITY ASSISTANCE. THE US SOUGHT TO EXCLUDE NO ONE; THOSE WHO HAD TURNED FROM THE AMERICAN NEIGHBOURS AND HERITAGE WOULD BE WELCOME ONCE THEY RETURNED TO THE TRADITIONS AND COMMON HERITAGE OF THE WESTERN HEMISPHERE.

9. FULL TEXT OF THE SPEECH AND ACCOMPANYING FACT SHEET FOLLOW BY BAG. THE LATTER OUTLINES SPECIAL MEASURES FOR PUERTO RICO AND THE US VIRGIN ISLANDS. IT GIVES DETAILS OF CURRENT ACTIVITIES IN THE REGION OF THE INITIATIVES OTHER SPONSORS, AS WELL AS OF EUROPE, JAPAN AND MULTILATERAL AND CONSULTATIVE BODIES. THE ADMINISTRATION WILL SEEK A SUPPLEMENTAL OF DOLLARS 60 MILLION FOR INCREASED MILITARY ASSISTANCE TO THE REGION IN FY 82, AS AGAINST DOLLARS 350 MILLION FOR ADDITIONAL ECONOMIC HELP.

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FM WASHINGTON 240050Z FEB 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 598 OF 23 FEBRUARY 1982

INFO MEXICO CITY, OTTAWA, CARACAS, SAN JOSE

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*Prime Minister*  
*The Americans are looking*  
*for public support. This could*  
*come up in Oreston.*

*AM 24/2*

*ms.*

CARIBBEAN BASIN INITIATIVE

1. SENIOR LOCAL REPRESENTATIVES OF EC COUNTRIES AND SPAIN WERE CALLED INTO THE STATE DEPARTMENT TODAY FOR A BRIEFING ON THE CARIBBEAN BASIN INITIATIVE, ABOUT WHICH THE PRESIDENT WILL MAKE A SPEECH TOMORROW BEFORE THE OAS. THE BRIEFING WAS CONDUCTED BY ALLEN HOLMES, ACTING ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS, TO BRING OUT THAT THE UNITED STATES WAS LOOKING FOR MORAL SUPPORT FROM ITS ALLIES. HOLMES WAS ACCOMPANIED BY AMBASSADOR ROBERT RYAN, US DIRECTOR OF THE CARIBBEAN BASIN INITIATIVE, AND CRAIG JOHNSTONE, DIRECTOR OF THE CENTRAL AMERICAN BUREAU AT STATE.

2. HOLMES LISTED THE MAIN ELEMENTS OF THE INITIATIVE:

(A) CONGRESS WOULD BE ASKED TO ELIMINATE TARIFF BARRIERS ON ALL CARIBBEAN BASIN PRODUCE FOR 12 YEARS, WITH THE EXCEPTION OF TEXTILES AND APPAREL AND, WHILE US PRICE SUPPORTS WERE IN EFFECT, SUGAR;

(B) TAX INCENTIVES TO ENCOURAGE US INVESTMENT IN THE REGION, AND NEGOTIATION OF BILATERAL INVESTMENT TREATIES TO IMPROVE THE INVESTMENT CLIMATE THERE;

(C) TECHNICAL ASSISTANCE AND INDUSTRIAL AND AGRICULTURAL TRAINING;

(D) A MARKET DEVELOPMENT PLAN TO IMPROVE PRODUCTIVITY;

(E) DLRS 350 MILLION FOR FISCAL 1982 TO ASSIST THE PRIVATE SECTOR IN COUNTRIES WHERE FOREIGN EXCHANGE WAS ESPECIALLY SCARCE.

AMBASSADOR RYAN SAID THAT THIS FIGURE WAS IN ADDITION TO DLRS 475 MILLION FOR THE REGION ALREADY PROPOSED FOR FY 82. IT WOULD BE DIRECTED PRIMARILY TO EL SALVADOR, COSTA RICA, HONDURAS, HAITI, JAMAICA AND THE DOMINICAN REPUBLIC, AND TO A LESSER EXTENT TO BELIZE AND THE EASTERN CARIBBEAN. LONGER TERM AID WOULD INCLUDE STILL MORE COUNTRIES, BUT PROSPEROUS COUNTRIES LIKE THE BAHAMAS WOULD BE EXCLUDED, AS WOULD GRENADA AND NICARAGUA. (HOWEVER,

CRAIG JOHNSTONE SAID THE AMERICANS WOULD CONTINUE TO ASSIST THE PRIVATE SECTOR AND QUOTE FORCES OF PLURALISM UNQUOTE IN NICARAGUA);

(F) PROGRAMMES TO IMPROVE TRANSPORTATION STANDARDS;

(G) MOVES TO FACILITATE COMPLIANCE WITH US AGRICULTURAL INSPECTION REQUIREMENTS.

3. HOLMES THEN MADE TWO APPEALS, AIMED PARTICULARLY AT THOSE COUNTRIES THAT ALREADY HAD SIGNIFICANT INTERESTS IN CENTRAL AMERICA AND THE CARIBBEAN:

(A) GENERALLY TO ENCOURAGE THE FOUR CO-SPONSORS OF THE INITIATIVE (US, CANADA, MEXICO, VENEZUELA) IN TRYING TO INCREASE AID, TRADE AND INVESTMENT IN THE REGION:

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/B)



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B) TO PROVIDE PUBLIC SUPPORT FOR THE INITIATIVE. SPEAKING FRANKLY, HOLMES SAID THAT THE AMERICANS WERE GETTING VERY TIRED OF CRITICISM FROM WESTERN EUROPEAN SOCIALISTS AND SOCIAL DEMOCRATS ABOUT US EFFORTS TO BRING STABILITY TO EL SALVADOR. THE RUSSIANS WERE EXPLOITING THE DEBATE OVER CENTRAL AMERICA SKILLFULLY: POLAND HAD NOW GIVEN WAY TO EL SALVADOR ON THE FRONT PAGES OF EUROPEAN NEWSPAPERS. IN FOCUSING UNDULY ON SECURITY ASPECTS, IT WAS OFTEN FORGOTTEN THAT THE AMERICANS WERE SPENDING THREE TIMES AS MUCH ON ECONOMIC AS ON MILITARY ASSISTANCE TO EL SALVADOR. THERE WAS NOW AN OPPORTUNITY, WHICH MIGHT NOT ARISE AGAIN, OF SUPPORTING A COMPREHENSIVE APPROACH TO THE ROOT PROBLEMS OF THE REGION. CRAIG JOHNSTONE ADDED THAT THE INITIATIVE REPRESENTED A MAJOR AND UNPRECEDENTED EFFORT TO ADDRESS THE REGION'S ROOT PROBLEMS. IT WAS A MULTI-FACETED PROGRAMME, NOT BASED SOLELY ON AN EAST/WEST VIEW OF THE REGION.

4. THOSE PRESENT AT THE BRIEFING WERE INTERESTED TO KNOW HOW MUCH OF THE PRESIDENT'S SPEECH TOMORROW WOULD BE DEVOTED TO ECONOMIC ASPECTS OF THE INITIATIVE, AND HOW MUCH TO SECURITY. WOULD THE PRESIDENT RESPOND TO LOPEZ PORTILLO'S REMARKS MADE OVER THE WEEKEND (SAN JOSE TELNO 66 TO THE FCO)? HOLMES REPLIED THAT THE PRESIDENT'S SPEECH WAS STILL BEING WRITTEN; IT WAS IMPOSSIBLE TO SAY WHAT WOULD BE IN IT, BUT HE EXPECTED THE MAIN THRUST TO BE ECONOMIC.

5. COMMENT: THERE IS SOME DANGER OF THE AMERICANS OVER SELLING THIS PACKAGE AND DISCUSSION WITH EUROPEAN COLLEAGUES AFTER THE BRIEFING REVEALED SOME UNDERSTANDABLE SCEPTICISM ABOUT IT. BUT THE AMERICANS HAVE BEEN CAREFUL TO EXPLAIN WHAT THEY WERE DOING IN ADVANCE BY VISITS TO CAPITALS, AND THE RESULT, THOUGH MODEST, IS A STEP IN THE RIGHT DIRECTION. IT IS THE CONSTRUCTIVE SIDE OF U.S. POLICIES IN THE REGION AND I HOPE WE SHALL BE ABLE TO GIVE SOME PUBLIC SIGN OF SUPPORT.

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ELSEWHERE HAD INCREASED. HE DID NOT RULE OUT THE PROSPECT OF FURTHER BILATERAL TALKS WITH THE CUBANS, BUT HE WAS NOT OPTIMISTIC THAT THEY WOULD PRODUCE RESULTS. HAIG'S TALKS WITH GROMYKO HAD ALSO PRODUCED NOTHING.

3. ENDERS SAID THAT FOLLOWING THE GENERAL DIRECTION TO US POLICY GIVEN BY HAIG'S EARLIER REMARK THAT THE PROBLEMS OF CENTRAL AMERICA SHOULD BE QUOTE TACKLED AT SOURCE UNQUOTE, THE ADMINISTRATION WAS LAYING INCREASING EMPHASIS ON THE CUBAN CONNECTION. HE HOPED THAT THIS WOULD HELP WITH US PUBLIC OPINION (HE CLAIMED THAT THAT THERE WAS A LEGAL REQUIREMENT THAT THE US SHOULD GO TO WAR (SIC) IF THE 1962 AGREEMENT WHICH BROUGHT THE CUBAN MISSILE CRISIS TO AN END WAS BREACHED). BUT HE WAS EQUALLY CONCERNED TO INFLUENCE OVERSEAS OPINION (PARTICULARLY IN WESTERN EUROPE), WHERE HE CONCEDED THAT THERE HAD BEEN AN OVER-EMPHASIS ON EL SALVADOR. THE US WAS FAILING IN ITS PUBLIC RELATIONS WORK AND WOULD HAVE TO RECONSIDER THE PRESENTATION (NOT THE SUBSTANCE) OF ITS POLICIES. ONE THING WHICH MIGHT HELP WOULD BE THE ANNOUNCEMENT SHORTLY OF THE LONG-AWAITED CARIBBEAN BASIN DEVELOPMENT PROGRAMME, WHICH WOULD ESSENTIALLY OPEN US MARKETS TO THE REGION FOR 12 YEARS AND PROVIDE INCENTIVES FOR US INVESTMENT THERE. HOPEFULLY THIS WOULD MEET IN SOME RESPECTS THE COMPLAINTS OF THOSE WHO SAW US POLICY AS OVER-CONCENTRATED ON SECURITY THEMES.

4. ENDERS ADDED THAT THE AMERICANS' MAIN OBJECTIVE AT THE MOMENT WAS TO MOBILISE REGIONAL POWERS TO BRING INFLUENCE TO BEAR ON THE SITUATION IN NICARAGUA AND EL SALVADOR.

A GROUP OF REGIONAL DEMOCRACIES WAS ALSO LOOKING AT THE POSSIBILITY OF MAKING DEMARCHES IN EUROPE TO EXPLAIN THE THREAT POSED TO THE REGION BY CUBAN/RUSSIAN ACTIVITIES. HE HOPED THESE MIGHT BE HELPFUL IN LONDON AND ELSEWHERE IN PERSUADING GOVERNMENTS TO SEND OBSERVERS TO THE EL SALVADOR ELECTIONS. SEE MIPT (FCO ONLY) ON THIS QUESTION.

5. IT IS CLEAR THAT THE ADMINISTRATION IS MORE FIRMLY COMMITTED THAN EVER TO THE EL SALVADOR GOVERNMENT, INSPITE OF THE DOMESTIC AND INTERNATIONAL DIFFICULTIES THAT THIS CAUSES IT. AS YOU KNOW THEY ARE STEPPING UP THEIR AID PROGRAMME AND MAY WELL INCREASE THE NUMBER OF AMERICAN QUOTE ADVISERS UNQUOTE. ENDERS HIMSELF NOTED THAT ANY OTHER POLICY WOULD HAVE CAUSED EL SALVADOR TO GO THE WAY OF NICARAGUA. THE ADMINISTRATION IS RESOLUTELY DETERMINED NOT TO ALLOW THIS TO HAPPEN; IT WILL THEREFORE CONTINUE, AS ENDERS INDICATED, TO

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THIS TO HAPPEN: IT WILL THEREFORE CONTINUE, AS ENDERS INDICATED, TO  
BACK THE REGIME'S LAND REFORM PROGRAMME, TO HELP IT BUILD A  
COHERENT POLITICAL PLATFORM AND TO RESIST BY ALL NECESSARY MEANS  
ATTEMPTS TO SUBVERT THE GOVERNMENT.

6. I AM SORRY TO BE IMPLYING THAT NO SOONER HAVE YOU HELPED TO  
DEFUSE ONE SERIOUS PROBLEM BETWEEN THE ALLIES (POLAND) THAN ANOTHER  
SOARS UP. CERTAINLY EL SALVADOR SHOULD NOT BE AN ALLIANCE ISSUE,  
BUT THE WAY THE PRESENT U.S. ADMINISTRATION TENDS TO VIEW  
INTERNATIONAL AFFAIRS, EVERYTHING THAT VITALLY AFFECTS THEM SHOULD  
BE REGARDED BY THEIR ALLIES AS AFFECTING THEM. SO THEY DO NOT LIKE  
PRESENT ATTITUDES OF SOME EUROPEANS WHO PARADE THEIR MORAL SCRUPLES  
BUT WHOSE INTERESTS DO NOT RISK BEING DIRECTLY TOUCHED, WHEN WHAT  
IS AT ISSUE IS THE QUESTION WHETHER ANOTHER COUNTRY IN THE  
WESTERN HEMISPHERE IS GOING TO BECOME A CUBAN/SOVIET SATRAP. I  
KNOW THIS LOOKS TOO BLACK AND WHITE IN LONDON: AND I DO NOT SUGGEST  
WE GO OVER BOARD FOR DUARTE BUT THERE DOES SEEM TO ME TO BE A CASE  
FOR SHOWING A READINESS TO JUDGE THE EVIDENCE WHICH IS WHAT WOULD  
BE INVOLVED BY SENDING OBSERVERS.

HENDERSON

NNNN

Soviet Union

GRS 350 CONFIDENTIAL

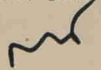
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FM WASHINGTON 190058Z MAR 81

TO PRIORITY FCO

TELNO 920 OF 19 MAR 81.

INFO SAN JOSE GUATEMALA CITY TEGUCIGALPA HAVANA MEXICO CITY BONN  
PARIS UKDEL NATO MOSCOW.



EL SALVADOR

1. WHEN I SAW DEPUTY SECRETARY WILLIAM CLARK THIS AFTERNOON I ASKED IF HE HAD ANYTHING TO TELL ME ABOUT EL SALVADOR. HE SAID THAT THEY WERE PLEASED THAT THEY WERE NOT FINDING ANY EVIDENCE THAT THE ARMS TRAFFIC WAS CONTINUING INTO EL SALVADOR ; SOME ARMS APPEARED STILL TO BE BEING STOCK-PILED IN NICARAGUA. BUT THE U S GOVERNMENT'S GRAVE CONCERN HAD NOT ABATED EVEN THOUGH THE STORY WAS FOR THE MOMENT OUT OF THE HEADLINES. THEY WERE STILL DETERMINED TO TACKLE THE PROBLEM OF SUBVERSION AT THE SOURCE. IE CUBA. THEY WANTED TO MAKE IT CLEAR TO BOTH THEIR FRIENDS AND THEIR CRITICS THAT THIS ISSUE WAS A GLOBAL ONE AFFECTING ALL OF THE ALLIES, NOT JUST SOMETHING HAPPENING ON THE U S DOORSTEP AND NOT JUST AFFECTING THE WESTERN HEMISPHERE. THAT HAD BEEN THE PURPOSE OF EAGLEBURGER'S MISSION, WHICH SOME PEOPLE HAD DUBBED THE TRUTH SQUAD. IF THE U S GOVERNMENT DID NOT DRAW THE LINE, OTHER COUNTRIES WOULD DOUBT U S NATIONAL RESOLVE WHEN CRISES AROSE ELSEWHERE, FOR EXAMPLE IN THE GULF. THE WHOLE PROBLEM WAS BEING STUDIED URGENTLY, AS A VERY HIGH PRIORITY. CLARK EXPECTED A POLICY TO UNFOLD RAPIDLY AND SPOKE AS IF CONCLUSIONS WOULD BE REACHED WITHIN THE NEXT COUPLE OF WEEKS.

2. WHEN I ASKED WHETHER TO U S POLICY TOWARDS THE CUBANS WAS GOING TO FOCUS ON THEIR ACTIVITIES IN CENTRAL AMERICA OR EXTEND TO THEIR PRESENCE IN AFRICA CLARK ASKED HIS NOTE-TAKER TO STOP WRITING AND MADE IT CLEAR THAT THE POLICY TOWARDS CUBA WHICH THEY PROPOSE TO FINALISE WITHIN THE NEXT COUPLE OF WEEKS WOULD NOT BE CONFINED TO CENTRAL AMERICA BUT WOULD ENCOMPASS CUBAN ACTIVITIES WORLDWIDE. I THINK THIS SHOULD BE SEEN IN THE LIGHT OF SAVIMBI'S FORTHCOMING VISIT HERE (MY TELNO 919).

HENDERSON

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EL SALVADOR LIMITED

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PUSD SIR A ACLAND  
ECD (E) MR URE  
NEWS D MR FERGUSSON  
PLANNING STAFF LORD N G LENNOX  
PS MR P H MOBERLY  
PS/LPS

ASSESSMENTS STAFF  
CABINET OFFICE

(REPETITION TO TEGUCIGALPA  
REFERRED FOR DEPTL. DECISION  
REPEATED AS REQUESTED TO  
OTHER POSTS)

[NOT ADVANCED]

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Resumed with P.A.

(2)

L.A. Am 11/3

Foreign and Commonwealth Office



Rome Minister

London SW1A 2AH

In general the line taken by Lord C seems to me v. good. But in the sidelong passage I think he went a little further than he meant to go. I asked for this letter: "I thought his words might attract attention... in fact they do not seem to".  
Dear Michael, have done so.

6 March 1981

*Michael - this is directly contrary to our proposal we in Westport. Day we have a word.*

El Salvador

The Foreign and Commonwealth Secretary was interviewed about the Washington talks by Sir Robin Day on 'The World at One' on 4 March. One of the questions was about a possible British offer to mediate in the El Salvador civil war. I enclose a copy of Lord Carrington's reply. The question led on to the initiative attempted by the German Government which appears to have been unsuccessful.

It is possible that this exchange may lead to misleading speculation that Britain may at the next EC Foreign Ministers meeting be proposing some sort of mediation by the EC in El Salvador. We consider that the situation in El Salvador is at present too sharply polarised to offer any prospect of a favourable mediation: even if this were not so, there are other countries (eg Mexico, Costa Rica and Panama) who would be better placed than the EC to bring the two sides together.

However we intend to discuss the situation in El Salvador within the Political Cooperation framework. It is on the agenda of the Political Committee on 10/11 March and the Germans will no doubt wish to give an account of their unsuccessful mediation attempt.

We are issuing appropriate guidance to posts.

*Yours ever*  
*Robin Lyne*

(R M J Lyne)  
Private Secretary

M O'D B Alexander Esq  
10 Downing St

too involved in Central America and that this is very much in their minds.

RD: But how does one prevent the step of advisers going in escalating into a situation where you have more than advisers, after an adviser has been killed, and so on as we have seen in previous history?

Lord C: I don't think the Americans have any intention of doing that. As I said, it was very clear to me that they understood and realised the dangers. After all, nobody would understand it better than Mr Haig. He was in Vietnam himself.

RD: Why doesn't the British Government offer to mediate in the El Salvador civil war?

Lord C: Well, I think we must have a discussion in Europe about this in our Political Cooperation. As you know the German government has been seeking to mediate without much success, and maybe at the moment there is no prospect of success. But we shall be meeting in Europe shortly, the Foreign Ministers, and I hope that we may perhaps be able to devise something on those lines which may be useful. It may not be possible to do it yet, but certainly it's something we ought to be thinking about.

RD: But the Prime Minister told the House of Commons on Monday that the British Government had not been informed of any West German initiative.

Lord C: No we weren't informed of it, but I read about it in the paper and I know it happened.

RD: What is the nature of that initiative?

Lord C: I think the Germans were trying to get the two sides together in order to see whether it was possible to come to some democratic solution in Salvador. I think they failed. I don't think that they found it possible at the present time. But it seems to me that if something on those lines were possible, perhaps it's rather over optimistic at the moment to suppose that it is; it would be worth trying.

Do you agree with the reported statement by one West German government person that a political solution is more desirable than a military solution?

Lord C: That's always so isn't it. Nobody wants to see these issues settled by force, and the amount of violence going on in Salvador at the present time is appalling. So anything that any of us can do to bring it to an end must be worth trying to do, at any rate. At the moment I think that the situation doesn't look as if it is very likely that that kind of proposal will be acceptable, perhaps to either side. But that's no reason for not trying.

RD: The leader of the opposition in the Commons has repeatedly asked why the Prime Minister doesn't condemn American intervention as she does Communist intervention in El Salvador. What is your answer to that question?

Lord C: The difficulty about that sort of a question is that, if you don't support those who are trying to defend themselves against Communist subversion, all you are doing is to let the Communist infiltration and the left wing win. I think the Americans are faced with the very difficult problem, either of supporting a government of which, as Mr Haig says, they don't wholly approve (because they see the problems of human rights as well as we do) or of letting a situation arise in which the whole of their backdoor is destabilised by the Cubans and by the Soviet Union. I think what they have done is right. What they have done is to say yes we will help you, but we expect you to have very much more regard for human rights and to democratic processes in Salvador than you are doing at the present time.

RD: Secretary of State, do you regard El Salvador and Central America as a good place to choose as a test of will for standing up against Communist activity?

Lord C: Well you see you are speaking, aren't you, sitting in Broadcasting House rather a long way from Central America. The Americans are speaking in Washington very much concerned with what's happening on the continent, on their own continent, and very much worried about what's happening on their backdoor. They have seen what the Cubans have been trying to do. They have been worried for some time about Cuba, and I think that they feel that in their own continent, on their own backdoor, they are weak and allow the sort of things that they have

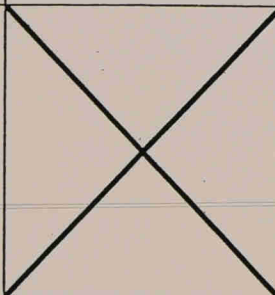


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Soviet Union

10 DOWNING STREET

Prime Minister.Central America.

Further to your talk with  
Mr Casey & in preparation for  
the visit to Washington, I  
attach :-

(a) a general political note  
by the FCO. ;

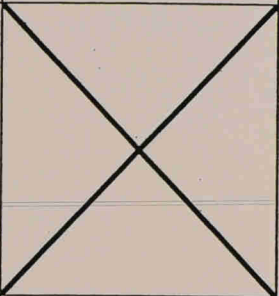
(b) an assessment of Cuban &  
Soviet activities there ; +

(c) a note (a year old but  
still relevant) on Cuban  
activities in the Third World  
generally.

Prime Minister.

A further note from the FCO  
is attached at flag "D" David Mitchell  
Duty Clerk 2012

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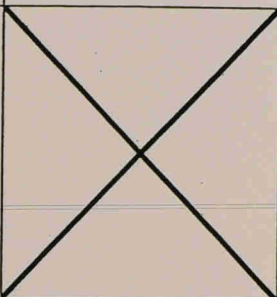
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Foreign and Commonwealth Office

London SW1A 2AH

19 February 1981

Dear Michael,

CENTRAL AMERICA

In response to your request on the telephone I attach a short paper on the present situation in Central America for the Prime Minister's background information. As you know the Americans are exercised over possible differences of view between European capitals and Washington about the situation in the area, and the attitudes which should be adopted. They are particularly concerned about El Salvador. Mr Haig has sent Lawrence Eagleburger as his personal representative to European capitals to explain that the United States Government believe they have clear evidence of Cuban and Soviet intervention in insurgency and in the supply of arms to guerillas. The Lord Privy Seal saw Eagleburger today, and the outcome of that meeting will be reflected in briefing for the Prime Minister's visit to Washington.

Yours sincerely,  
Alan Wood

A K C Wood

M O'D B Alexander Esq  
10 Downing Street

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## CENTRAL AMERICA

GENERAL POLITICAL BACKGROUND

1. Since the overthrow of President Somoza in July 1979 the left wing Sandinista regime in Nicaragua has become steadily more restrictive. The chances of a "pluralist" government have receded with the walk-out last November of the private sector from the Council of State, restrictions imposed by the Government on political reporting in the press, and the postponement of elections until 1985. Nicaragua is moving steadily closer to Cuba and the Soviet Union: there are probably more than 4,000 Cuban advisers in the country, possibly including 500 military. Nicaragua is however still dependent to a large extent on Western aid and is thus still open in some degree to Western influence.
2. El Salvador is currently most at risk. Government control of the situation there rests with the security forces and is still fragile. Right wing paramilitary forces have an almost free hand. The left wing guerillas (FMLN) have shown by their January offensive that they present a serious threat. This offensive seems now to have failed; the US has resumed military support for the Salvadorean Government. If the Salvadorean Government were to fall, left wing guerillas in Guatemala, who already pose a serious threat to the security situation there, would take heart, and it is unlikely that the present military regime in Guatemala could successfully defeat their challenge.
3. In Guatemala, the Government and military are increasingly preoccupied with internal insurgency. Guerillas have inflicted some local reverses on military units, and there has been the familiar pattern of indiscriminate retaliation by the soldiery, and assassination of selected individuals by extreme right wing paramilitary groups.
4. Of the other countries in the region Honduras is at a delicate stage in the return to democratic government. Costa Rica remains

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a reasonably stable democracy though economic problems have multiplied during the past year. Panama retains quite good relations with Cuba; there are as yet no signs that left wing insurgency is imminent in those countries.

#### EVIDENCE OF EXTERNAL SUPPORT FOR GUERRILLAS

5. The Americans claim to have good evidence that the Salvadorean FMLN are receiving weapons and military training through Nicaragua from Cuba and from Eastern Europe. We have no direct evidence of our own to support this, but we believe it is likely to be true. The militant FMLN are generally sympathetic to the Cuban regime and the Cubans would no doubt be happy to see their influence in Nicaragua extended by the emergence of a sympathetic regime in El Salvador. The Americans also claim to have evidence of Cuban support for the left wing in Guatemala.

#### US POLICY

6. The policy of the Carter Administration was dominated by human rights considerations and a desire to encourage moderate politicians to enter into the governing process, notably in Nicaragua and El Salvador. The policy failed in its objective in Nicaragua. President Carter's resumption of military aid to El Salvador was a tacit admission that the policy had also failed there. The Reagan Administration seems to be taking a tougher line. They will step up support for the Salvadorean Government, probably believing that the alternative would be the emergence of an extreme left wing Cuban dominated government. They have also interrupted aid disbursements to Nicaragua on the grounds of alleged Nicaraguan support for the Salvadorean guerillas, The Americans will be hoping for understanding and support from us of their policies in an area of direct security interest to them. Secretary of State Haig has already asked the Foreign and Commonwealth Secretary for our support. Mr Eagleburger, the nominee for the position of Assistant Secretary for European Affairs, set out on 16 February to lobby in major capitals, including London, where he is due on 19 February. Haig has let it be known that the US regards this issue as a barometer of relations with the US for both the Soviet Union and the Allies.

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7. It seems likely that the provision of arms and ammunition and military advisers to the Salvadorean army will be sufficient for them to keep the internal situation under control. We should not expect the US to find it necessary to undertake more direct intervention. If US troops were to be committed to El Salvador, a Soviet invasion of Poland would be easier for Moscow to justify with a "sphere of interest" argument. A co-ordinated Western response to Soviet action would be the harder to organise.

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## EC ATTITUDE

8. There is much opposition in Europe, from all shades of political opinion, to the Salvadorean regime. At the United Nations General Assembly in December 1980, a resolution condemning the Salvadorean Government for human rights violations was passed by 70 to 12 with 55 abstentions; of our EC partners only France and Italy joined us in abstaining. The rest (including Greece) voted in favour. (We abstained not because we did not accept the case against the regime but because the resolution did not also condemn the extreme left). In these circumstances, there could be no question of EC aid to the Salvadorean Government. There may be some disposition on the part of other Europeans to send help to the opposition. We shall make clear our view that all EC relief for the victims of the violence should go through neutral and disinterested agencies.

9. European Governments have taken a generally more sympathetic attitude than the new US Administration towards Nicaragua. They continue to argue that the provision of aid is the best way of weaning Nicaragua away from Cuba.

## BRITISH POLICY

10. We have very few interests in this area apart from the early and orderly disengagement from Belize, which is not considered in this paper. We share US concern at any spread of Cuban, and by proxy Soviet, influence. We should not favour the emergence of extreme left wing regimes in El Salvador or in any other Central American country. But there is great public and Parliamentary concern (not just on the left) at the repressive and brutal nature of the present Salvadorean Government, which

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stands in urgent need of reform. Our policy is therefore publicly to deplore the violence while avoiding one-sided condemnation of the Government or criticism of American policy. In private we shall seek to explain our concerns to the US Government and to ensure that they are aware of the international implications of over-commitment to the Salvadorean Government. We should aim to persuade both the Americans and the Europeans to show understanding of each other's position. Above all we wish to avoid damage to alliance solidarity at this early stage in the US Administration.

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