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Foreign Policy

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BURNING BUSH

DESKBY 300800Z

FM UKMIS NEW YORK 300556Z SEP 82

TO IMMEDIATE F C O

TELEGRAM NUMBER 1503 OF 29 SEPTEMBER 1982

INFO PRIORITY BONN, PARIS, WASHINGTON, UKDEL NATO, MOSCOW (PERSONAL FOR AMBASSADOR/MINISTER).

FOLLOWING FROM PRIVATE SECRETARY

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

1. THE SECRETARY OF STATE SAID THAT HE HAD FOUND GROMYKO AFFABLE AND ASKED FOR SHULTZ'S IMPRESSIONS OF HIS OWN MEETING.
2. SHULTZ SAID THAT THIS HAD LASTED THREE HOURS AND WOULD BE CONTINUED ON 4 OCTOBER. GROMYKO HAD TAKEN THE LINE THAT THE SERIOUS DETERIORATION IN US/SOVIET RELATIONS WAS THE FAULT OF THE AMERICANS. SHULTZ HAD REPLIED THAT IT RESULTED FROM AN UNACCEPTABLE PATTERN OF SOVIET BEHAVIOUR INCLUDING THE BUILD-UP AND DEPLOYMENT OF NEW WEAPONS, AFGHANISTAN, POLAND, VIETNAMESE OCCUPATION OF CAMBODIA, TREATMENT OF HELSINKI MONITORING GROUPS IN THE SOVIET UNION AND BREACH OF UNDERTAKINGS ON BIOLOGICAL (SIC) WEAPONS. HE HAD TOLD GROMYKO THAT THE UNITED STATES WAS WELL ABLE TO DEFEND ITS INTERESTS BUT THAT IT WOULD BE READY FOR A BETTER RELATIONSHIP WITH THE SOVIET UNION IF SOVIET BEHAVIOUR WAS SUCH AS TO MAKE THIS POSSIBLE.
3. SHULTZ SAID HIS IMPRESSION FROM THIS TALK WAS THAT HUMAN RIGHTS HAD A VERY LOW PRIORITY FOR THE SOVIET UNION. GROMYKO HAD SPENT PERHAPS FOUR MINUTES ON THIS SUBJECT COMPARED WITH OVER AN HOUR ON ARMS CONTROL. IF THE SOVIET UNION WAS ABLE TO DISRUPT THE PROJECTED DEPLOYMENT OF INF IN WESTERN EUROPE, IT WOULD BE IN A STRONG POSITION. IF NOT, SHULTZ SENSED THAT THE RUSSIANS WOULD PROBABLY BE READY FOR A DEAL OF SOME KIND. THE AMERICAN NEGOTIATORS IN GENEVA DESCRIBED THEIR SOVIET OPPOSITE NUMBERS AS PROFESSIONAL AND BUSINESSLIKE, AND GROMYKO HAD SAID THAT HIS IMPRESSION OF THE AMERICAN TEAM WAS THE SAME. THERE WERE QUOTE FEELERS UNQUOTE AROUND WHICH THE UNITED STATES WAS TRYING TO EVALUATE.
4. AS TO OTHER SUBJECTS, THERE HAD BEEN NO SIGN OF ANY REAL SOVIET GIVE ON AFGHANISTAN, ALTHOUGH THE UN SECRETARY GENERAL SEEMED TO HAVE FORMED A DIFFERENT IMPRESSION. GROMYKO HAD REJECTED ANY DISCUSSION OF POLAND ON THE GROUNDS THAT THIS WAS MATTER FOR THE POLES, BUT SHULTZ HAD TOLD HIM THAT SOVIET INFLUENCE THERE WAS DECISIVE. THERE HAD BEEN NO TIME TO DISCUSS SOUTHERN AFRICA.

SECRET

15.

SECRET

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

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

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FOLLOWING FROM PRIVATE SECRETARY

QUADRIPARTITE MINISTERIAL DINNER ON 29 SEPTEMBER: EAST/WEST RELATIONS

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

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

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

SECRET

14.

SECRET

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

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

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

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

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

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

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-3-
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