

Confidential

CONFIDENTIAL

FM UKDEL VIENNA

TO PRIORITY FCO

TELNO 35

OF 121656Z JUN 86

INFO PRIORITY WASHINGTON, UKDEL NATO, MOSCOW, BONN, PARIS

INFO PRIORITY UKDEL CDE STOCKHOLM, MODUK

MODUK FOR DACU

BUDAPEST TELS 129 AND 130: WARSAW PACT SUMMIT
SUMMARY

1. THE BUDAPEST APPEAL APPEARS MORE RELATED TO IMPRESSING PUBLIC OPINION THAN TO ACHIEVING ARMS CONTROL. THE EAST AIMS TO CHANGE THE RULES OF THE GAME. THERE IS NO INDICATION OF WILLINGNESS TO ACCOMMODATE WESTERN POSITIONS. IF OUR INTEREST IS PRIMARILY IN THE PROCESS OF EAST-WEST DIALOGUE THERE MAY BE NO REASON TO MAKE DIFFICULTIES ABOUT THE PRINCIPLE OF A NEW NEGOTIATION. BUT IT IS UNREALISTIC TO TRY TO MAKE AGREEMENT IN MBFR A PRE-CONDITION FOR MOVEMENT TO THE LARGER FORUM.

DETAIL

2. YOU MAY LIKE TO HAVE A FIRST REACTION FROM THIS POST TO THE DOCUMENTS CONTAINED IN THE REF TELS.

3. AS THE PRESS ACCOUNTS HAVE MADE CLEAR, GORBACHEV HAS BEEN AT LEAST PARTLY SUCCESSFUL IN THIS RENEWED ATTEMPT TO SEIZE THE PUBLIC INITIATIVE IN THE ARMS CONTROL FIELD. ALTHOUGH THERE SEEMS TO HAVE BEEN AN ENCOURAGING DEGREE OF SCEPTICISM IN SOME REPORTING, THE WARSAW PACT HAVE GIVEN AN IMPRESSION OF WILLINGNESS TO PRESS FORWARDS TOWARDS AN AMBITIOUS AND WIDE RANGING AGREEMENT ON THE REDUCTION OF CONVENTIONAL FORCE LEVELS IN EUROPE. INsofar AS THE OFFER IS SUPERFICIALLY ATTRACTIVE AND INsofar AS THE ALLIANCE HAS ALREADY EXPRESSED INTEREST IN THE ATLANTIC TO THE URALS CONCEPT, THERE IS PRESUMABLY NO QUESTION OF OUR QUOTE REJECTING UNQUOTE THE BUDAPEST APPEAL.

4. THE APPEAL, TAKEN TOGETHER WITH THE FOLLOW UP TO THE HALIFAX STATEMENT, IS CLEARLY GOING TO RESULT IN A GOOD DEAL OF ACTIVITY IN THE FIELD OF CONVENTIONAL ARMS CONTROL IN EUROPE. THIS IS AN AREA WHICH HAS BEEN RELATIVELY NEGLECTED IN RECENT YEARS. THE INCREASED ATTENTION NOW LIKELY TO BE FOCUSED ON IT IS, NO DOUBT, TO BE WELCOMED. MOREOVER THE PROCESS OF EAST/WEST DISCUSSION AND NEGOTIATION IS ARGUABLY IN ITSELF DESIRABLE.

5. BUT IT IS CLEAR THAT THE BUDAPEST APPEAL HAS NOT BROUGHT EAST/WEST AGREEMENT ON THE LIMITATION, AND STILL LESS ON THE REDUCTION, OF CONVENTIONAL FORCE LEVELS IN EUROPE ANY CLOSER. ON THE CONTRARY. A FIRST READING OF THE BUDAPEST DOCUMENTS REVEALS NOTHING HELPFUL REGARDING THE PROBLEMS WHICH IN FACT DIVIDE THE TWO SIDES. IT ALSO CONTAINS A GOOD DEAL WHICH, IN MY VIEW, IS CALCULATED TO MAKE AGREEMENT MORE DIFFICULT.

*Michael Alexander's
views on the
latest Soviet
proposals on
conventional
arms.
CDN*

Confidential

Confidential

6. 13 YEARS OF LARGELY FUTILE MBFR NEGOTIATION HAVE SERVED EFFECTIVELY TO DISQUALIFY THIS FORUM AS A LOCUS FOR EYE-CATCHING INITIATIVES. HOWEVER IT HAS PRODUCED A FEW USEFUL RESULTS. BOTH SIDES HAVE, FOR INSTANCE, AGREED THAT INITIAL REDUCTIONS IN CENTRAL EUROPE WOULD HAVE TO BE ASYMMETRIC. THEY HAVE AGREED, ON THE DESIRABILITY OF ACHIEVING PARITY AT A SPECIFIC LEVEL. THEY HAVE, IN THE LAST SIX MONTHS, REACHED A POSITION WHERE ALL THE UNDERGROWTH HAD BEEN CLEARED OUT OF THE WAY. WE HAVE BEEN NEGOTIATING ON THE BASIS OF A COMMON (EASTERN) FRAMEWORK. THE TWO SIDES ARE FACE TO FACE WITH THE REAL ISSUES. IT WOULD BE WRONG TO SAY THAT THERE IS MUCH PROSPECT OF AGREEMENT. BUT THE WEST VERY DEFINITELY HOLDS THE INITIATIVE AND HAS (OR HAD UNTIL YESTERDAY) THE ABILITY, IF IT WERE TO CHOOSE TO USE IT, TO DECIDE WHERE TO GO NEXT.

7. SINCE FEBRUARY 20 LAST, ALL THE EVIDENCE HAS BEEN THAT THE SOVIET GOVERNMENT DID NOT ENJOY THIS SITUATION AND THAT THEY WERE ANXIOUS TO CHANGE THE RULES OF THE GAME. GORBACHEV'S 18 APRIL STATEMENT POINTED FIRMLY IN THIS DIRECTION. THE BUDAPEST DOCUMENTS CONFIRM IT AND CONTAIN THE OUTLINE OF THE NEW RULES AS SEEN FROM MOSCOW. THEY INCLUDE:

- A) EFFECTIVE ABANDONMENT OF THE EAST'S OWN IDEA OF A MODEST, TIME-LIMITED, FIRST-PHASE AGREEMENT AND RETURN TO GRANDIOSE SCHEMES FOR A COMPREHENSIVE AGREEMENT SEMICOLON
- B) ESTABLISHMENT OF A NEW FORUM OR THE EXPANSION OF THE PRESENT MBFR FORUM TO INCLUDE EG THE NNA SEMICOLON
- C) THE EXPANSION OF THE AREA OF NEGOTIATION QUOTE FROM THE ATLANTIC TO THE URALS UNQUOTE: AND, AS A CONSEQUENCE,
- D) THE ABANDONMENT OF THE IDEA OF ASYMMETRIC REDUCTIONS AND OF INITIAL US/SOVIET REDUCTIONS SEMICOLON
- E) THE INCLUSION OF TACTICAL NUCLEAR WEAPONS IN THE EQUATION SEMICOLON
- F) THE ACCORDING OF ADDITIONAL PROMINENCE TO THE TACTICAL AIR FORCES OF THE TWO SIDES.

8. EACH OF THESE POINTS INVOLVES ADDING TO THE COMPLICATIONS OF THE MBFR NEGOTIATION OR RE-OPENING POINTS WHICH HAD BEEN LEFT ON ONE SIDE AS THE FOCUS OF THE NEGOTIATION NARROWED. EACH IS GOING TO NECESSITATE PROLONGED ARGUMENT AND TO CAUSE SUBSTANTIAL DIFFICULTY FOR THE WEST, NOT LEAST IN TERMS OF ALLIANCE MANAGEMENT.

9. NOR IS THERE ANY SIGN AT ALL IN THE BUDAPEST DOCUMENTS OF WILLINGNESS ON THE PART OF THE EAST TO COMPROMISE ON THE TWO MAJOR STICKING POINTS LEFT IN THE MBFR NEGOTIATION. THE ARMAMENTS QUESTION IS GIVEN AS MUCH PROMINENCE AS EVER AND MORE THAN IT RECEIVED HERE DURING LAST WINTER. THE INTRINSIC DIFFICULTIES OF NEGOTIATING LIMITATIONS ON ARMAMENTS, WHICH SOME STATEMENTS HERE IN RECENT MONTHS HAD SUGGESTED THE EAST HAD BEGUN TO RECOGNISE, HAVE BEEN IGNORED. EQUALLY LITTLE EVIDENCE IS OFFERED OF FRESH THINKING ON VERIFICATION. THE FORMULA REGARDING ON SITE INSPECTIONS (QUOTE IF NECESSARY UNQUOTE) GIVES NOTHING AWAY. AN EXCHANGE OF INFORMATION BASED ON QUOTE TOTAL TROOP STRENGTHS UNQUOTE IS USELESS FOR VERIFICATION PURPOSES. THERE IS (STRIKINGLY, BUT PRESUMABLY

⁻²⁻
Confidential

| ACCI

CONFIDENTIAL

ACCIDENTALLY) NO REFERENCE TO A NO-INCREASE COMMITMENT FOLLOWING THE REDUCTIONS PHASE. WHAT IS OFFERED IS NOT THE OBSERVATION OF REMAINING FORCE LEVELS BUT THE QUOTE OBSERVATION OF MILITARY ACTIVITIES OF TROOPS REMAINING AFTER REDUCTIONS UNQUOTE. IT IS NOT IN ANY CASE VERY LIKELY THAT THE SOVIET UNION WILL ACCEPT A VERIFICATION REGIME ON ITS OWN SOIL WHICH IT WAS NOT PREPARED TO DISCUSS EVEN WHEN ITS TERRITORY WAS EFFECTIVELY EXCLUDED.

10. TO TRY TO SOLVE THE DIFFICULTIES BLOCKING A NEGOTIATION BY DOUBLING THE SCOPE OF THAT NEGOTIATION IS RARELY SUCCESSFUL. (IS THE MBFR AREA REALLY THE QUOTE WRONG UNQUOTE AREA?) IT IS THEREFORE HARD TO AVOID SEEING REFLECTED IN THE BUDAPEST DOCUMENTS A SOVIET DECISION, AT LEAST FOR THE TIME BEING, TO QUOTE TRAVEL HOPEFULLY RATHER THAN TO ARRIVE UNQUOTE WHERE CONVENTIONAL REDUCTIONS AND LIMITATIONS ARE CONCERNED. THAT WOULD, OF COURSE, BE AN UNDERSTANDABLE OBJECTIVE. THERE ARE MANY ON THE WESTERN SIDE WHO SHARE IT. BUT IF THIS IS TO BE THE POLICY OF HMG (AS IT MAY WELL BE, FOR INSTANCE, OF THE FRENCH GOVERNMENT) I HOPE WE CAN BE CLEAR ABOUT IT SINCE IT SUBSTANTIALLY AFFECTS THE WAY WE PLAY THE HAND. IF WE ARE PRIMARILY INTERESTED IN THE PROCESS OF EAST/WEST DISCUSSION - AND PERHAPS IN GRADUALLY EXTENDING THE SCOPE OF CBMS - THERE IS NO REASON TO MAKE PARTICULAR DIFFICULTIES ABOUT THE PRINCIPLE OF A NEW NEGOTIATION. IT SHOULD BE POSSIBLE TO DEVELOP HEADLINE CATCHING PROPOSALS TO FEED INTO IT.

11. I SHOULD ADD THAT WHILE IT MIGHT CONCEIVABLY BE WORTH MAKING ONE FURTHER EFFORT TO CAPITALISE WITH OUR OWN PUBLICS ON THE WESTERN ADVANTAGE IN THE PRESENT MBFR FORUM, I SEE NO REAL POSSIBILITY OF OUR USING THIS NEGOTIATION AS A STEPPING-STONE OR STAGING POST ON THE WAY TO THE LARGER NEGOTIATION. ASSUMING WE STICK TO BROADLY OUR PRESENT POSITION, AGREEMENT HERE COULD ONLY BE MADE POSSIBLE BY ONE OR MORE SUBSTANTIAL SOVIET CONCESSIONS. THERE HAS BEEN NO SIGN WHATEVER TO DATE OF SOVIET WILLINGNESS TO MAKE SUCH MOVES. IT IS CONCEIVABLE, IF UNLIKELY, THAT PROLONGED WESTERN PRESSURE, PUBLIC AND PRIVATE, ON THE EASTERN SIDE MIGHT HAVE PRODUCED SOMETHING HERE. BUT POST-HALIFAX AND POST-BUDAPEST THERE WOULD SEEM TO BE NO INCENTIVE FOR THE EAST TO GIVE GROUND. THEY HAVE A LARGER GAME IN THE OFFING AND PRECEDENTS SET HERE WOULD ALMOST CERTAINLY BE UNHELPFUL TO THEM THERE. IN THESE CIRCUMSTANCES IT SEEMS IMPLAUSIBLE TO ARGUE - AS THE GERMANS ARE INCLINED TO DO - THAT WE SHOULD MAKE SOME KIND OF AGREEMENT IN VIENNA A CONDITION FOR MOVEMENT TO THE LARGER FORUM. THE EAST WOULD CERTAINLY CALCULATE THAT WESTERN PUBLIC OPINION WOULD DRIVE US OFF SUCH A POSITION RATHER RAPIDLY.

ALEXANDER

EAST WEST & US/SOVIET RELATIONS

LIMITED

[COPIES SENT TO NO 10 DOWNING STREET]

SOVIET D
DEFENCE D
R D
PLANNING STAFF
EED
NAD
WED
ACDD
CRD
NEWS DEPT.
INFO DEPT.
FED
NED
PUSD
PROTOCOL DEPT.

PS
PS/LADY YOUNG
PS/MR RENTON
PS/MR EGGAR
PS/PUS
MR DEREK THOMAS
MR GOODALL
MR FERGUSSON
SIR W HARDING
MR RATFORD
MR DAUNT
MR DAVID THOMAS
MR LONG

CHIEF CLERK
MR BRAITHWAITE
MR BARRINGTON
MR WINCHESTER

THIS TELEGRAM
WAS NOT
ADVANCED

CONFIDENTIAL