

COB.

PRIME MINISTER

cc Sir P Cradock
Mr Ingham

NATO SUMMIT

You attend the NATO Summit in Brussels on Monday and Tuesday next week.

Format

The format is very similar to last year, namely:

Day One

<u>0945</u>	<u>Formal opening</u>
<u>1000</u>	<u>Family photograph</u>
<u>1015-1215</u>	<u>First session</u>
<u>1230</u>	<u>Lunch with King Baudoin</u>
<u>1530-1800</u>	<u>Second session</u>
<u>2000</u>	<u>Heads of Government dinner (informal)</u>

Day Two

<u>0900-1130</u>	<u>Third session</u>
<u>1300</u>	<u>Press conference</u>

You also have bilaterals with Ozal and Mulroney to fit in.

Procedure

The Secretary-General plans a round of prepared statements by each Head of Delegation on the first day, and a more informal discussion on the second morning. You will probably speak third, after President Mitterrand and President Bush. The documents to be considered are a Declaration on the 40th Anniversary (the draft is still incomplete and inadequate): and the Comprehensive Concept (which is largely all right, except for the absence of any agreed passage on SNF). These documents will have to be finalised in the margins of, and no doubt at the Summit itself.

General Approach

You go into this Summit with a difficult task. It ought to be a triumphant occasion to mark 40 years of NATO's success in resisting Soviet encroachment. Instead, with the avid help of the western media, the Soviet Union is making NATO look flat-footed and unimaginative in its approach to arms control and better East/West relations. This has rattled other European members of NATO and to some extent the United States too. They are anxious, even desperate for initiatives. You are being cast in the role of the one who says no to everything. There is an attempt to portray you as an antideluvian adherent to outdated Cold War concepts, the main obstacle to a more open and forthcoming NATO response to new opportunities for improved relations, an implacable opponent of any new ideas or initiatives.

Your main task at the Summit will be to restore a more confident, balanced and cautious mood in NATO, without giving the impression of being negative or inflexible. The key will be to keep President Bush with you. That should not be too difficult: his recent speeches have reflected a sensible caution towards the Soviet Union. But he too is under considerable pressure to be more 'imaginative': your ability to keep him with you on the broad sweep of NATO's approach will depend on being reasonably positive and forthcoming on his specific ideas on Conventional Force Reductions and on SNF.

SNF

The SNF issue seems bound to dominate the discussions. It is hard to see in advance quite how the problem is going to be resolved. My guess is that the debate will revolve round the latest American text, with the Germans trying to modify it in their direction, you applying the brakes and the Dutch trying to broker a compromise. Various other solutions will be canvassed:

- leaving the SNF issue aside altogether and agreeing the Comprehensive Concept without it. This is not satisfactory.
- setting up a NATO Working Group to consider the problem and work out a mandate for negotiations. Again an unsatisfactory outcome.
- reverting to the language of the 1988 Summit Declaration. A minimal solution, but could be least bad.

The tactics of the discussion will be difficult. All other NATO members accept the principle of SNF negotiations and differences exist only on the conditions to be met before such negotiations are held. Most could probably accept the American text but would prefer looser conditions for SNF negotiations. We shall be the only ones looking for tougher conditions. Your main task will be to hold the Americans to their text and prevent them from sliding into further concessions to the Germans. This will be difficult: the Americans will dislike being isolated with only us for company and will fear the domestic political consequences for the President of failure to reach agreement. The most likely concessions are: erosion of the link in the current American text between a decision to start SNF negotiations and tangible implementation of an agreement on conventional force reductions: and fudged language on a third zero.

While you will want to start by arguing against SNF negotiations altogether, you will have to decide at what point to move towards the American text, if only to pin them down to it and stop any erosion. You will also want to make clear early on that you will not agree the Comprehensive Concept without a satisfactory passage on SNF: and decide whether and at what point to propose reverting to the language of last year's Summit Declaration. While fighting as long as possible for a text which meets our requirement, you will want to avoid a situation where everyone else agrees except you, leaving you

the choice of blocking an outcome which the Americans and the others agree or having to climb down at the last minute. Hence the importance of staying as close as possible to the Americans (and getting the Foreign Secretary to shadow Jim Baker).

Other issues

The other main issues are likely to be:

- the overall tenor of NATO's assessment of developments in the Soviet Union and the prospects for East/West relations. Your speaking note is directed towards encouraging a more hard-headed and sceptical view than most will wish to accept. That is why you need to speak early. There is likely to be a tussle over the wording and balance of the 40th Anniversary Declaration.
- conventional arms control. President Bush will presumably launch his initiative in his opening speech, to which you will be the first to respond. This will not be an easy task. We await briefing from the experts. I suspect your instinctive caution will prove to be right: but for tactical reasons, related to keeping American support over SNF, you will not want to seem too negative. The Germans have already welcomed the Bush proposal.

Conclusion

At the end of the day, too much is at stake for NATO to contemplate failure. Exactly where the solution lie in the spectrum of possible outcomes will have political consequences here: too far towards the German position, and people will perceive it as NATO support for Labour's new defence policy and a major defeat for you. We therefore have a lot to fight for and only one, slightly unsure ally. You will need to work hard to keep President Bush alongside you.

But if we succeed in that, I am sure you can achieve an outcome which maintains a cautious and sceptical approach towards the Soviet Union, as well as the necessary NATO commitment to strong defence and effective nuclear deterrence as the prerequisite for negotiations. In today's climate, that will be a considerable achievement.

I attach a folder with a number of briefs and background papers. Some of them are likely to evolve between now and Monday.

CDP

Charles Powell

25 May 1989

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