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TELNO 586

OF 171411Z OCTOBER 88

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PART ONE OF TWO

INFORMAL MEETING OF EC FOREIGN MINISTERS, YANNINA, 15-16 OCTOBER
EAST/WEST RELATIONS AND CSCE
SUMMARY

1. BROAD AGREEMENT ON ENORMITY OF TASK FACING GORBACHEV, LONG TIME-SCALE FOR FUNDAMENTAL CHANGE, AND UNCERTAINTY OF SUCCESS. AGREEMENT ON NEED TO TAKE INITIATIVE IN GETTING DEBATE ON EG 'COMMON EUROPEAN HOME' ON WESTERN, NOT EASTERN, TERMS.
2. UK AND PORTUGAL MAKE CLEAR CONTINUING GRAVE RESERVATIONS ABOUT PROPOSED MOSCOW HUMANITARIAN CONFERENCE. ALL OTHERS PREPARED IN PRINCIPLE TO AGREE TO CONFERENCE. MOST ATTACH IMPORTANCE TO SECURING (AND THE RUSSIANS OBSERVING) SATISFACTORY CONDITIONS. NETHERLANDS, BELGIUM AND DENMARK ARGUE THAT WE SHOULD NEGOTIATE TOUGHLY AND EXACT A HIGH PRICE.
3. POLITICAL DIRECTORS TO PREPARE A PAPER ON OUTSTANDING CSCE ISSUES FOR DISCUSSION AMONG THE TWELVE WITH A VIEW EVENTUALLY TO REACHING AN AGREED POSITION AMONG THE SIXTEEN. ALSO TO CONSIDER PREPARING A PAPER SUGGESTING WIDER SET OF PRINCIPLES APPLICABLE TO EAST/WEST RELATIONS GENERALLY.

DETAIL

4. TINDEMANS, INTRODUCING THE BELGIAN PAPER, SAID WE WERE NO LONGER IN AN AGE OF CRISIS MANAGEMENT, BUT OF MANAGING CHANGE. THE BALANCE OF ECONOMIC POWER WAS SHIFTING (US DECLINING RELATIVELY, NICS RISING). SOVIET FOREIGN POLICY WAS BECOMING LESS MILITARISTIC AND MORE DIPLOMATIC. SUCCESSFUL PERESTROIKA WAS IN OUR INTERESTS, BUT IT WOULD THROW UP NEW PROBLEMS. THE TWELVE NEEDED A DYNAMIC POLICY TO EXPLOIT THESE OPPORTUNITIES, AND TO PROMOTE CHANGE FOR THE BETTER IN THE EAST. WE SHOULD SET OUT OUR OBJECTIVES FOR AN EARLY CONCLUSION OF THE VIENNA CSCE CONFERENCE, OFFER SOME ENCOURAGING CONCLUSIONS AT RHODES AND, ABOVE ALL, EVOLVE A COMMON SET OF PRINCIPLES FOR ALL THE TWELVE TO APPLY. WE SHOULD ALSO CONSIDER A JOINT DECLARATION AT THE END OF THE VIENNA MEETING.

5. DUMAS AGREED: NOW WAS A GOOD TIME TO HAMMER OUT A COMMON POSITION. THE NEW US ADMINISTRATION WOULD TAKE 6-8 MONTHS TO SHAKE DOWN FOLLOWING THE PRESIDENTIAL ELECTION. THIS INTERVAL WOULD GIVE EUROPE A GOOD OPPORTUNITY TO MAKE HEADWAY WITH THE SOVIET UNION. IN PARIS, SHEVARDNADZE HAD EMPHASISED THE SCOPE FOR GREATER ECONOMIC COOPERATION. THE RUSSIANS ALSO WANTED TO MOVE AHEAD QUICKLY ON DISARMAMENT, REGIONAL QUESTIONS AND CSCE. THEY INSISTED ON A MOSCOW HUMANITARIAN CONFERENCE. WHEN MITTERRAND HAD SAID THE FRENCH COULD ACCEPT THIS, THERE HAD BEEN A VISIBLE RELAXATION OF TENSION. THE TWELVE NEEDED A COMMON POSITION ON ALL THESE ISSUES: A SHORT-TERM POLICY WHICH RESPONDED TO THE LONG-TERM PROSPECTS, AND REAFFIRMED THE TWELVE'S COLLECTIVE IDENTITY.

6. ANDREOTTI SAID HIS MOSCOW VISIT HAD SHOWN A GOOD DEAL OF CONVERGENCE OF VIEWS, EG ON REGIONAL ISSUES. ON ARMS CONTROL, GORBACHEV HAD PRESSED FOR EARLY PROGRESS ON CST, BUT HAD ARGUED THAT A DEAL ON CONVENTIONAL FORCES COULD NOT BE REACHED IN THE ABSENCE OF AGREEMENT ON CW. ON A MOSCOW CONFERENCE, THE RUSSIANS GAVE THE IMPRESSION THAT THEY WERE TRYING TO ORGANISE ONE ON ALL THE RIGHT TERMS. BUT SAKHAROV HAD BEEN UNABLE TO SAY IF HE COULD LEAVE THE USSR TO PRESS HIS CASE. SAKHAROV BELIEVED THAT THE NEW RELATIONSHIP WITH EUROPE WHICH GORBACHEV WAS SEEKING THROUGH THE 'COMMON HOME' MUST NOT BE AT THE EXPENSE OF EUROPE'S RELATIONSHIP WITH THE US: THAT WOULD BE DANGEROUS. ANDREOTTI ADDED THAT, WITH A CHANGE OF US PRESIDENT, EAST/WEST RELATIONS WOULD BE MORE DIFFICULT FOR A WHILE. IT WAS NOT THEREFORE A GOOD TIME FOR A RETHINK. BUT AN IDEA LIKE MITTERRAND'S PROPOSAL THAT THE USSR MIGHT JOIN IN A EUREKA PROJECT MIGHT HAVE SOME VALUE AS A GESTURE.

7. GENSCHER SAID IT WAS GOOD THAT BOTH THE FRENCH AND GERMANS WERE VISITING MOSCOW: IT SHOWED THAT NO SINGLE STATE WAS IN THIS ALONE: WE WERE ALL IN IT TOGETHER. HE ENDORSED TINDEMANS' CALL FOR A DYNAMIC POLICY. OUTSIDERS REGARDED THE EC AS HAVING MORE COMMON ECONOMIC PURPOSE THAN SOMETIMES APPEARED FROM INSIDE. WE SHOULD ACHIEVE THE SAME EFFECT ON THE POLITICAL SIDE. THE RUSSIANS SAW EUROPE AS AN ATTRACTIVE, DYNAMIC AND MODERN PARTNER. THEY WERE CLEVER ENOUGH NOT TO TRY TO SEPARATE US FROM THE USA. WE HAD TO BE ABLE TO RESPOND POSITIVELY. ON THE MOSCOW CONFERENCE, CONDITIONS WERE OF COURSE IMPORTANT AS THEY WERE FOR THE CST. THE CONFERENCE SHOULD BE HELD ON THE SAME TERMS AS THE TWO WHICH WOULD PRECEDE IT. AND THE MORE GENERAL PERFORMANCE REQUIREMENTS SET BY THE US MUST BE SATISFIED. THE WEST SHOULD THEN BE ABLE TO SAY 'YES, BUT.....' IF IN THREE YEARS TIME THE RUSSIANS FAILED TO MEET THESE CONDITIONS, THEN

THE WEST WOULD NOT (NOT) BE ABLE TO GO TO MOSCOW.

8. I THANKED TINDEMANS FOR THE VERY HELPFUL BELGIAN PAPER, WHICH RIGHTLY STRESSED THE ENORMITY OF THE TASK FACING GORBACHEV, AND THE VERY LONG TIME SCALE WHICH WOULD BE REQUIRED TO BRING ABOUT IRREVERSIBLE CHANGE. THERE WAS MUCH COMMON GROUND AMONG THE TWELVE ON HOW TO RESPOND TO GORBACHEV. BUT WE DID DIFFER TO SOME EXTENT OVER HOW FAR WE COULD 'HELP' HIM. THE UK BELIEVED WESTERN INTERESTS - AND GORBACHEV'S OWN - WERE BEST SERVED BY OUR STANDING FIRM AND UNITED ON THE ESSENTIALS OF OUR POSITION. THE FACT WAS THAT WHILE THE RUSSIANS TALKED ABOUT THE COMMON EUROPEAN HOME, THEIR MAIN PRACTICAL CONTRIBUTION TO IT WAS THE BERLIN WALL. IT WAS THE EC WHICH FOR 30 YEARS HAD ACTUALLY BEEN TRYING TO BUILD A EUROPEAN HOME BASED ON REAL COOPERATION AND SHARED VALUES.

9. GORBACHEV'S INTERNAL OBJECTIVES REQUIRED A STABLE EXTERNAL ENVIRONMENT. BUT, FOR ALL SHEVARDNADZE'S PROCLAMATION OF NEW THINKING, SOVIET MILITARY POWER STILL CAST ITS SHADOW OVER EUROPE. GORBACHEV HAD TO MOVE TOWARDS US, NOT VICE VERSA. WE HAD TO POINT THE WAY AND SET THE PACE. IT WAS PERFECTLY POSSIBLE TO HAVE GOOD RELATIONS WITH GORBACHEV WHILE STILL BEING FIRM WITH HIM. THE SCOPE FOR DIRECTLY 'HELPING' PERESTROIKA WAS LIMITED. BUT WE SHOULD EXPLOIT THE SOVIET DESIRE TO LEARN FROM WESTERN SUCCESS BY EXPOSING THEM TO FREE MARKETS, MANAGEMENT SKILLS, JOINT VENTURES ETC. WE SHOULD STICK TO OUR ESTABLISHED WESTERN AGENDA ON ARMS CONTROL, TRADE RELATIONS, HUMAN RIGHTS ETC, AND PUT SHEVARDNADZE'S PRESENTATION OF NEW THINKING TO THE TEST IN PRACTICE.

10. AS FOR THE MOSCOW CONFERENCE, THE UK REMAINED DEEPLY SCEPTICAL. RECENT IMPROVEMENTS IN SOVIET PERFORMANCE, AND THE CONCESSIONS WE HAD EXTRACTED IN VIENNA, COULD NOT HIDE THE FACT THAT THE SOVIET UNION STILL FELL FAR BEHIND ACCEPTABLE STANDARDS OF BEHAVIOUR. THE MOSCOW CONFERENCE PROPOSAL HAD EFFECTIVELY DROPPED OFF THEIR AGENDA FOR MONTHS. NOW AS THE END APPROACHED THEY WERE PILING ON THE PRESSURE ONCE MORE - A TRADITIONAL SOVIET NEGOTIATING TACTIC TO AVOID UNWELCOME CONCESSIONS. SOME PARTNERS FAVOURED AGREEING TO A MOSCOW CONFERENCE. WHAT CONDITIONS WOULD THEY WANT TO IMPOSE TO ENSURE THAT SUCH A CONFERENCE WAS NOT RUN ON SOVIET TERMS? HOW WOULD THEY EXTRACT THESE? WHAT WOULD THEY DO IF SOVIET PERFORMANCE FELL SHORT?

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FINAL PART OF TWO

11. WE WERE ALSO CONCERNED TO KEEP OTHER FOLLOW-UP ACTIVITIES WITHIN REASONABLE BOUNDS, AND FOCUS THEM ON CENTRAL ISSUES OF REAL IMPORTANCE WHERE THERE WAS SOME PROSPECT OF A MEETING OF MINDS. WE THEREFORE SAW LITTLE POINT IN THE PROPOSED MEETING ON PEACEFUL SETTLEMENT OF DISPUTES, OR THE PROPOSED SCIENTIFIC FORUM.

12. VAN DEN BROEK SAID THAT HIS VIEW ON THE MOSCOW CONFERENCE WAS 'YES, BUT.....' HE FOLLOWED THE UK'S REASONING. BUT SURELY WE COULD CAPITALISE MORE ON OUR CONCERN ABOUT MOSCOW TO EXTRACT FURTHER CONCESSIONS FROM THE RUSSIANS? WE STILL HAD MAJOR OBJECTIVES TO SECURE IN OTHER BASKETS, AND SHOULD BARGAIN HARD FOR THEM. WE SHOULD ALSO IMPOSE OUR WELL-KNOWN CONDITIONS. IT WAS RIGHT TO BE SCEPTICAL ABOUT MOSCOW, BUT WE SHOULD NOT ALLOW THIS TO BLOCK PROGRESS. NOR SHOULD WE BE TOO AFRAID OF A CONFERENCE - WE SHOULD BE ABLE TO EXPLOIT IT FOR OUR OWN PURPOSES.

13. ON THE BROADER ISSUE OF REFORM IN THE USSR, VAN DEN BROEK AGREED THAT THE TIMESCALE WAS HUGE, AND PROGRESS ALL TOO REVERSIBLE. INTERNAL OPPOSITION AND NATIONALITIES PROBLEMS MIGHT KNOCK GORBACHEV OFF COURSE. BUT OUR WORKING HYPOTHESIS SHOULD BE THAT HE MIGHT WELL SUCCEED. IT WAS NOT CLEAR THAT HE HIMSELF KNEW WHAT HE MEANT BY THE COMMON EUROPEAN HOME. COULD WE DEVELOP A FORMULA THAT PROMOTED OUR VISION OF THIS, BUT WHICH NEVERTHELESS RESPECTED THE USSR'S SECURITY CONCERNS?

14. FERNANDEZ ORDONEZ SAID THAT WHILE TWO YEARS AGO WE WERE ASKING IF GORBACHEV WAS SERIOUS, TODAY WE WERE ASKING IF HE COULD SUCCEED. WE CERTAINLY WANTED HIM TO. BUT THE RISK WAS THAT NATIONALITIES PROBLEMS WOULD PUSH HIM TO SETTLE FOR STABILITY RATHER THAN CHANGE. A CLEAR EUROPEAN POSITION WAS NEEDED. PERHAPS THE POLITICAL COMMITTEE COULD DRAW UP A LIST OF OBJECTIVES, WHILE COREPER STUDIED GUIDELINES FOR COMMON POLICIES IN THE ECONOMIC SPHERE. WE WANTED A COMMON EUROPEAN HOUSE - NOT

A COMMON EUROPEAN DACHA.

15. BARROSO SAID PORTUGAL REMAINED PROFOUNDLY SCEPTICAL ABOUT A MOSCOW CONFERENCE. SOVIET HUMAN RIGHTS PERFORMANCE STILL FELL A LONG WAY SHORT OF WHAT WE WANTED. WE SHOULD NOT BE ASKING 'WHY NOT A CONFERENCE?' THE QUESTION SHOULD BE 'WHY A CONFERENCE?' A SERIOUS CONFERENCE OF REAL WORTH WOULD BE MORE LIKELY TO STIR UP TROUBLE FOR GORBACHEV THAN TO HELP HIM.

16. POOS SAID OUR INTERESTS LAY IN SUPPORTING GORBACHEV: WE SHOULD NOT THEREFORE BE FRIGID TOWARDS HIM. WE HAD INVENTED HUMAN RIGHTS, AND WE COULD AFFORD TO BE FORTHCOMING ON THE MOSCOW CONFERENCE.

17. ELLEMAN-JENSEN AGREED WITH VAN DEN BROEK THAT WE HAD NOT YET CASHED IN OUR FULL BARGAINING POWER. WE SHOULD LET THE TWO EARLIER CONFERENCES SET THE PATTERN FOR MOSCOW. THERE WERE ADVANTAGES AS WELL AS RISKS. BUT WE HAD TO BE SURE THAT WE DEFINED CLEAR CONDITIONS AND GOT THEM FULFILLED.

18. MURPHY SAID IN THE END-GAME IRELAND COULD GO ALONG WITH A MOSCOW CONFERENCE. THE EFFECT WOULD NOT BE TO ENDORSE THE SOVIET HUMAN RIGHTS RECORD, BUT TO EXPOSE IT. TINDEMANS SAID THAT WE COULD AND SHOULD BE TOUGH AND DEMAND A HIGH PRICE FOR A CONFERENCE. ANDREOTTI COMMENTED THAT THERE WAS A DIFFERENCE BETWEEN BILATERAL DEALINGS WITH THE USSR AND THE RELATIONSHIP WITH THE TWELVE. THE UK'S RELATIONSHIP WITH THE RUSSIANS WAS IN FACT VERY DIFFICULT AND VERY SPECIAL. THE TWELVE SHOULD NOT BEHAVE LIKE A FIRM OF SOLICITORS: WE SHOULD BE TRYING TO COME UP WITH AN INITIATIVE.

19. PAPOULIAS' INITIAL SUMMING UP MET WITH A NUMBER OF OBJECTIONS AND ALTERNATIVE SUGGESTIONS. IN THE END AGREEMENT APPEARED TO BE REACHED THAT:

- ON THE BASIS OF A VERY HELPFUL BELGIAN PAPER AND REPORTS BY COLLEAGUES ON RECENT CONTACTS WITH THE RUSSIANS, THERE HAD BEEN A FULL AND INTERESTING DISCUSSION OF EAST/WEST RELATIONS
- IT HAD BEEN AGREED TO INVITE THE POLITICAL COMMITTEE (A) TO PREPARE A PAPER ON OUTSTANDING ISSUES AT VIENNA FOR DISCUSSION AT THE NEXT MEETING WITH A VIEW TO REACHING AN AGREED WESTERN POSITION AND (B) TO CONSIDER THE PREPARATION OF A PAPER SUGGESTING A WIDER SET OF PRINCIPLES APPLICABLE TO E/W RELATIONS GENERALLY
- THE COMMISSION WOULD ALSO PRODUCE A SHORT PAPER ON THE FUTURE FRAMEWORK FOR THE COMMUNITY'S RELATIONSHIP WITH THE CMEA COUNTRIES.

20. THE PRESIDENCY'S VERSION OF THE CONCLUSIONS (WHICH WE HAVE YET TO RECEIVE) MAY AMEND OR SUPPLEMENT THOSE ABOVE.

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