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PART ONE OF TWO PARTS  
NORTH ATLANTIC COUNCIL, 20 OCTOBER: BRIEFING BY DEPUTY SECRETARY  
WHITEHEAD ON VISIT TO EASTERN EUROPE

SUMMARY

1. UPBEAT ASSESSMENT FROM WHITEHEAD ON PROSPECTS IN EASTERN EUROPE. SUPPORT FROM FRG AND OTHERS. UK AND FRANCE VOICE CAUTION. BUT GENERAL AGREEMENT ON POLICIES WEST SHOULD BE PURSUING.

DETAIL

2. WHITEHEAD (U S DEPUTY SECRETARY OF STATE) BEGAN BY STRESSING THE IMPORTANCE HE ATTACHED TO ALLIED CONSULTATION ON DEVELOPMENTS IN THE AREA. THIS HAD BEEN HIS SIXTH AND PROBABLY LAST TRIP TO EASTERN EUROPE. HE HAD RETURN CONVINCED THAT ECONOMIC AND POLITICAL REFORMS WERE ALIVE AND WELL. THE PROSPECTS FOR POSITIVE CHANGE AND THE OPPORTUNITY FOR THE WEST TO PLAY A CONSTRUCTIVE ROLE WERE BETTER THAN EVER. THE MORE COMPATIBLE THE APPROACHES OF INDIVIDUAL ALLIES, THE MORE EFFECTIVE THE WEST'S OVERALL APPROACH WOULD BE. HE LOOKED FORWARD TO THE NATO REPORT ON EASTERN EUROPE. CURRENTLY UNDER PREPARATION FOR THE DECEMBER NAC MINISTERIAL.

ROMANIA

3. CEAUDESCU CONTINUED TO DOMINATE THE SCENE AND SHOWED NO SIGN OF LOSING HIS GRIP. BILATERAL RELATIONS HAD COOLED. ROMANIA'S RECENT RENUNCIATION OF MFN STATUS HAD PROBABLY BEEN DESIGNED TO AVOID HAVING THE COUNTRY'S HUMAN RIGHTS RECORD HELD UP TO PUBLIC SCRUTINY AS WOULD HAVE BEEN REQUIRED UNDER U S LAW. BUT THE U S REMAINED COMMITTED TO MAINTAINING BILATERAL RELATIONS IN SPIE, RATHER THAN BECAUSE, OF CEAUDESCU. THE ROMANIANS WERE ALSO INTERESTED IN KEEPING DIALOGUE GOING. WHITEHEAD SAID HE HAD SEEN SYSTEMATISATION AT FIRST HAND: A SHOCKING SPECTACLE, WITH WHOLE VILLAGES BEING PLOUGHED UNDER. HE HAD URGED THAT IT BE STOPPED. ON HUMAN RIGHTS IN GENERAL THE ROMANIANS HAD BEEN PREDICTABLE, FOR EXAMPLE STOPPING PRIVATE CITIZENS FROM JOINING WHITEHEAD FOR A LUNCH. THEY HAD CLAIMED THAT WHEN ALL FOREIGN DEBTS HAD BEEN REPAID (POSSIBLY TWO YEARS HENCE)

STANDARDS OF LIVING WOULD RISE. THEY HAD HINTED AT POSSIBLE FLEXIBILITY AT THE CSCE.

#### GDR

4. BILATEAL RELATIONS HAD SLIGHTLY IMPROVED BUT STILL LACKED SUBSTANCE. HONECKER HAD BEEN KEEN TO KEEP THE EXCHANGES TO INTERNATIONAL ISSUES, BUT WHITEHEAD HAD HAD A THOROUGH EXCHANGE WITH OTHER GDR FIGURES ON KEY BILATERAL ISSUES, INCLUDING FINANCIAL CLAIMS. HE HAD ALSO SPOKEN OUT ON HUMAN RIGHTS AND THE BERLIN WALL. THERE HAD BEEN LITTLE NEW IN THE GDR RESPONSE, BUT THE EAST GERMANS CLEARLY WANTED TO CONTINUE TALKING AND TO BE ACCEPTED AS AN IMPORTANT PLAYER AS EAST/WEST RELATIONS IMPROVED. THE LEADERSHIP WERE CLEARLY WRESTLING WITH THE PROBLEMS OF REFORM AND CONTROL, WITH THE LATTER CONTINUING TO ENJOY PRIORITY. YOUNGER PARTY MEMBERS WERE UNENTHUSIASTIC ABOUT THIS CONSERVATIVE APPROACH, BUT HONECKER REMAINED FIRMLY IN CHARGE.

#### CZECHOSLOVAKIA

5. JAKES HAD EMPHASISED THAT RECENT PERSONNEL CHANGES WOULD BENEFIT REFORM. LIKE THE EAST GERMANS, THE CZECHS WERE ALSO KEEN NOT TO BE LEFT BEHIND AS EAST/WEST RELATIONS IMPROVED. THEY WANTED BETTER RELATIONS WITH WESTERN COUNTRIES, BUT CLEARLY PREFERRED TO TALK ABOUT REFORM RATHER THAN TAKE ACTION. CHARTER 77 AND SIMILAR GROUPS WERE SHOWING MORE COURAGE AND ACTIVITY. THEY HAD STRESSED THE IMPORTANCE OF CONTINUED CONTACT WITH PROMINENT WESTERN VISITORS.

#### BULGARIA

6. WHITEHEAD SAID HIS LATEST VISIT HAD CONFIRMED HIS EARLIER JUDGMENT THAT BULGARIA OFFERED POTENTIAL FOR SIGNIFICANT PROGRESS IN REFORM. ZHIVKOV WAS FIRMLY IN CONTROL BUT HAD CLEARLY GIVEN HIS ECONOMIC MANAGERS AND PLANNERS A MANDATE FOR VERY SUBSTANTIAL REFORMS TO DEREGULATE THE ECONOMY AND OPEN IT UP TO WORLD MARKETS. THE BULGARIANS HAD EMPHASISED THEIR DETERMINATION TO MAINTAIN POPULAR SUPPORT FOR REFORMS AND AVOID TURBULENCE BY KEEPING GNP GROWTH AND INFLATION LOW AND CONSUMPTION UP. WHITEHEAD HAD BEEN IMPRESSED WITH THE NEW FREEDOM IN ECONOMIC DECISION-MAKING ACCORDED AT VERY LOW LEVELS, AND WITH NEW ECONOMIC MEASURES SCHEDULED FOR INTRODUCTION AT THE BEGINNING OF 1989. BUT THERE WAS STILL NO POLITICAL PROGRESS. THE AUTHORITIES HAD SAID HE WOULD BE FREE TO MEET DISSIDENTS BUT NONE OF THOSE INVITED HAD TURNED UP. HE HAD PUT THE USUAL U S CASE ON TURKISH MINORITIES.

#### HUNGARY

7. THE CURRENT LEADERSHIP WAS COMMITTED TO ECONOMIC AND POLITICAL

REFORM. GROSZ, BEREZ AND POSZGAY HAD ALL TALKED FRANKLY OF THEIR DIFFERENCE OVER THE PACE OF REFORM AND WHAT WAS NECESSARY TO KEEP THE PARTY IN CONTROL OF THE PROCESS. BUT THEY WERE UNANIMOUSLY IN FAVOUR OF REFORM, AND HAD BEEN SPECIFIC ON THE DETAILS. GROSZ HAD CLAIMED THAT HALF HIS SUPPORTERS ACCUSED HIM OF SELLING OUT THE PARTY, THE OTHER HALF OF SELLING OUT REFORM: HE WOULD CONTINUE ON A SENSIBLE MIDDLE COURSE. ON FOREIGN POLICY, WHITEHEAD HAD TOLD THE HUNGARIANS THAT THE U S WAS IMPRESSED BY THEIR PROGRESS IN RELATIONS WITH SOUTH KOREA AND ISRAEL AND THEIR POSSIBLE ROLE IN A PEACE-KEEPING FORCE IN THE GULF. THE HUNGARIANS HAD SAID THAT THEY WERE EAGER TO HAVE BOTH SOVIET AND HUNGARIAN TROOP REDUCTIONS INCLUDED IN THE FIRST RESULTS OF THE CST TALKS.

#### POLAND

8. WHITEHEAD SAID THE POLES WERE ON THE BRINK OF A CONSTITUTIONAL CONVENTION, BUT THERE WAS STILL SUSPICION AND MANOEUVRING. ALL WERE JOCKEYING FOR POSITION IN THE RUN UP TO THE ROUND TABLE. JARUZELSKI HAD BEEN LESS BITTER AND MORE RELAXED THAN ON PREVIOUS VISITS, BUT NO LESS IN CHARGE. THE POLISH AUTHORITIES HAD PLACED NO OBSTACLES TO WHITEHEAD'S MEETINGS WITH WALESA: HE HAD BEEN IN GOOD SPIRITS, APPEARING YOUNGER AND MORE SELF-CONFIDENT THAN BEFORE. HE WAS CLEARLY UNDER INTENSE PRESSURE FROM THE YOUNGER AND MORE MILITANT SOLIDARITY MEMBERS, BUT WAS COPING WELL. WHITEHEAD HAD URGED ALL THE MAIN PLAYERS TO WORK TOWARDS ECONOMIC AND POLITICAL REFORM AND ANNOUNCED SOME SMALL ECONOMIC MEASURES AS CONCRETE EVIDENCE OF U S SUPPORT FOR THIS. BUT THERE REMAINED MAJOR DIFFERENCES BETWEEN THE TWO SIDES AND PROGRESS AT THE ROUND TABLE WAS LIKELY TO BE ERREATIC. THE PROSPECTS FOR ECONOMIC REFORM WERE ALSO CLOUDY. NEVERTHELESS THE OPPORTUNITIES FOR CHANGE WERE VERY GREAT ALTHOUGH THERE WAS NO GUARANTEE OF SUCCESS. ALL CONCERNED NEEDED TO EXERCISE CAUTION AND FIRMNESS.

#### GENERAL

9. WHITEHEAD SAID HE HAD BEEN STRUCK BY THE EXTENT TO WHICH ALL THE COUNTRIES HE HAD VISITED CONSIDERED THEMSELVES TO BE PART OF EUROPE AND WANTED EVEN CLOSER ASSOCIATIONS WITH THE WEST. REFORMS WERE BRINGING OUT THEIR DIFFERENT IDENTITIES MORE CLEARLY. THE ADVENT OF GORBACHEV MEANT GREATER SCOPE FOR CHANGE. THE FAILURE OF THE STALINIST SYSTEM WAS CLEAR. SOME FIGURES (CEAUSESCU, JAKES, BILAK) DENIED THIS, BUT THEY WERE ON THE WAY OUT. THE NEW GENERATION WAS TRYING TO WORK THE PROBLEM. ALL THE LEADERSHIPS WERE WILLING TO GIVE A LITTLE TO AVOID BEING LEFT BEHIND AS EAST/WEST RELATIONS PICKED UP. EACH WAS SHOWING A DEGREE OF GREATER TOLERANCE TOWARDS INDEPENDENT VIEWS. THERE WAS A DIMINISHED FEELING OF A POTENTIAL

RISK OF EXPLOSION. WHILE NO-ONE RULED OUT THE POSSIBILITY OF SOVIET INTERVENTION, FOR NOW THE RUSSIANS DID NOT WANT TO DEFINE THEIR BOTTOM LINE. RECENT CHANGES IN THE KREMLIN, STRENGTHENING GORBACHEV, HAD PUT OFF THE DAY OF A FINAL DEFINITION STILL FURTHER.

POLICY IMPLICATIONS

10. WHITEHEAD SAID THAT IT WAS CLEAR THAT ALL THE ALLIES HAD SPECIFIC INTERESTS IN EACH EASTERN EUROPEAN COUNTRY. BUT THE ALLIES SHOULD CONTINUE TO THINK COLLECTIVELY ABOUT HOW BEST TO APPROACH THE ISSUES. IN THE ECONOMIC SPHERE, INDIGENOUS ECONOMIC REFORM ALONE WOULD NOT SOLVE EASTERN EUROPEAN COUNTRIES PROBLEMS: THE WEST SHOULD CONSIDER EXPANDING ECONOMIC RELATIONS, NOT JUST IN THE FIELD OF TRADE AND CREDIT BUT ALSO BY ENCOURAGING DIRECT WESTERN INVESTMENT. ECONOMIC REFORM WAS A POWERFUL STIMULANT TO POLITICAL CHANGE. THE WEST SHOULD CONTINUE TO DEVELOP EXCHANGES IN ALL SPHERES. THE U S WAS NOT RUNNING AFTER THE EASTERN EUROPEANS, NOR PRESSURIZING THEM. BUT HE HAD MADE CLEAR THAT WHILE THE U S WANTED BETTER RELATIONS IT WOULD HELP A GREAT DEAL TO HAVE PROGRESS ON ECONOMIC AND POLITICAL REFORM AND HUMAN RIGHTS. WHITEHEAD HAD STRESSED THAT THIS APPROACH ENJOYED BROAD BIPARTISAN SUPPORT IN THE U S AND WAS UNLIKELY TO CHANGE, WHOEVER WON THE FORTHCOMING PRESIDENTIAL ELECTION. WHITEHEAD CONCLUDED THAT HE WAS MORE CONVINCED THAN EVER THAN EVER THAT THE EAST EUROPEANS WERE ON THE RIGHT TRACK AND THAT WESTERN VALUES AND INTERESTS COINCIDED WITH CURRENT EASTERN AIMS.

ALEXANDER

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