



Foreign and Commonwealth Office

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6 June 1990

Dear Charles,

Prime Minister's Visit to the Soviet Union: CFE

Thank you for your letter of 1 June. You asked for a more detailed note on outstanding issues in CFE. The Foreign Secretary's minute of 5 June described the state of the negotiations, how we should handle the issue at the NATO meetings, and the agenda for CFE follow-on talks.

There was little progress on CFE at the Baker/Shevardnadze or Bush/Gorbachev meetings. If anything the Soviet line has hardened. They showed little interest in US offers of flexibility on individual issues and indicated that Western insistence on full German membership of NATO could lead the Soviet Union to reassess its interest in any CFE agreement.

The Russians are using the threat of no CFE to try to weaken our resolve to maintain NATO in its present form. In these circumstances, NATO needs to look for ways of overcoming Soviet resistance to full German membership. The briefing for the Prime Minister's meeting with the Soviet military already contains some material. We believe that on CFE NATO should avoid the temptation to offer too many sweeteners at this stage. In Moscow the Prime Minister may wish to deploy the following general points before any discussion of details:

- CFE is the Soviet downpayment on the development of new security structures in Europe. Without it, there will be no CSCE Summit or SNF negotiations
- We too want an agreement, reflecting our objectives of balance, irreversibility, and transparency
- If the Russians draw back from CFE, this would retard the changes otherwise likely to take place in NATO

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- NATO is prepared to address the question of German force levels in a wider negotiation on manpower
- We are prepared to show flexibility when the Russians indicate that they are also keen to conclude an agreement

Detail

The purpose of the CFE negotiations, begun in March 1989, is to remove the capability to launch a surprise attack or initiate large-scale offensive action, by removing the existing disparity between Warsaw Pact and NATO conventional forces. The negotiations do not cover nuclear or chemical weapons, nor naval forces, although the West has argued that naval aircraft based on land should be included.

The negotiations cover five categories of Treaty Limited Equipment (TLE):

- tanks: agreement on 20,000 on each side
- artillery: 16,500
- armoured combat vehicles: 30,000
- combat aircraft: ceiling not agreed
- combat helicopters: 1,900

The US and Soviet Union have also agreed bilaterally to limit their stationed manpower in the Atlantic to Urals zone (ATTU) to 195,000 in the central region, and 30,000 elsewhere.

OUTSTANDING ISSUES

Treaty Limited Equipment

There is continued wrangling over the definitions of some of the Treaty Limited Equipment, principally armoured combat vehicles; tanks are close to agreement, and artillery is agreed.

The Soviet Union have difficulties with the timescale for destruction of surplus Treaty Limited

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Equipment; as drafted the Treaty would require them all to be destroyed within 3 years - a deadline the Soviet Union are not yet sure they can meet, given the quantity of their equipment to be destroyed.

Aircraft

The Soviet Union has about 7,900 combat aircraft in the ATTU, including about 700 land-based naval aircraft, compared with NATO's holdings of around 6,200. Our aim is to limit total Warsaw Pact holdings to something close to NATO levels. Soviet proposals seek special exclusions for their combat capable trainers and air defence interceptors and exclude land-based naval aircraft (thus allowing the Russians about 6800 combat aircraft - 600 more than NATO!). We would be prepared to allow some flexibility if the overall Soviet aircraft limit (including land-based naval aircraft) could be held within the 4,500 to 5,000 range. Negotiators in Vienna have been instructed to explore such a compromise. But we would not accept a situation in which their land-based naval aircraft were not covered in some way. Our determination is reinforced by the fact that the Soviet Union is re-assigning existing combat aircraft to land-based naval aircraft units, which could have the effect of circumventing the treaty.

Sufficiency

The negotiations include the principle of a sufficiency rule, which provides that no one state should have more than a certain percentage of the total ceiling for Treaty Limited Equipment in the ATTU area. This works in effect as a limit on total Soviet forces. NATO has stuck to a 30% sufficiency rule (ie allowing the Soviet Union 60% of the Warsaw Pact allocation). The Soviet Union wants this raised to 35-40%, to take account of changes in the Warsaw Pact since the CFE negotiations began, and to compensate for the loss of the GDR. Some Allies, including the Americans, see this as an area where we could help the Russians. We and the French have argued for caution; the sufficiency rule expresses a key concept of political relations between European states and will become the benchmark for future negotiations. To raise the percentage would further increase the proportion of the Warsaw Pact holdings which the Soviet Union was entitled to fill, to the detriment of the

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Eastern European states. The card, if it is to be played, should be played only if other outstanding issues are satisfactorily resolved.

Verification

Intrusive verification of equipment sites and deployment is a key concern for NATO. Primary verification will be by on-site ground inspections, including an aerial examination of the vicinity. The Soviet Union's main objection is to the number of inspections. Mr Baker has already suggested some compromise. A ground inspection regime would probably provide a sufficient degree of confidence for the CFE Treaty. However, in order to provide greater transparency and confidence, we are keen to establish the principle of intrusive aerial verification, using aircraft with sensors in the ATTU, as proposed globally in the Open Skies talks. The Soviet Union have not yet responded to NATO's proposal on this.

Manpower

Apart from the 195,000/30,000 US/Soviet ceiling on stationed forces, this is not formally an element in the CFE Treaty. We have however told the Russians that their concern about the future size of the Bundeswehr is an issue for CFE (in order to prevent it holding up progress in the 2+4 negotiations). We also have an interest in manpower negotiations which could constrain all Soviet forces in Europe. To avoid singularising Germany, any further limits on manpower beyond those on US and Soviet stationed forces should ideally be addressed in the negotiations to follow on CFE I so that there is a regime to limit national forces in Europe as a whole. But the Soviet Union may not accept in the 2 + 4 meetings that they should lift their Quadrupartite Rights in exchange for a mere promise of limits on the Bundeswehr in future negotiations. The German aspects of this issue may therefore have to be partially settled in the final stages of CFE I and Herr Genscher at least is working up ideas which do this without affecting UK or other European forces. But before committing ourselves, we would want to be sure that this would secure Soviet signature to the agreement.

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If the going gets tough in Moscow on CFE, the Prime Minister might like to make the following debating points:

- it is not possible to square the idea of defence sufficiency with proposals which would allow the Soviet Union 35%- 40% of all the equipment in the ATTU area. Unacceptable to Eastern as well as Western Europeans;
- the current Soviet proposal on aircraft would allow the Soviet Union to have around 6800 combat aircraft - 600 more than NATO currently possesses. What sort of arms control is that?

I am sending a copy of this letter to Simon Webb (MoD) and Sonia Pippard (Cabinet Office).

Yours ever,

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