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*From the Private Secretary*

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15 January 1990

CURRENT US THINKING ON EUROPEAN QUESTIONS

The Prime Minister has seen Washington telegram No. 84 summarising current American thinking on European questions. She has commented that it reflects very muddled thinking on the part of the Americans and we must try harder to enlighten them about the consequences for their own interests of some of the proposals being discussed for the future of the Community. We clearly face a major task.

CHARLES POWELL

Richard Gozney, Esq.,  
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CURRENT US THINKING ON EUROPEAN QUESTIONS

SUMMARY

1. AMERICANS LOOKING TO US TO PLAY A POSITIVE ROLE IN HARMONY WITH GERMANY. THEY ARE FEELING THEIR WAY ON GERMAN UNIFICATION, US-COMMUNITY RELATIONS, NATO AND CSCE. WE HAVE THE POTENTIAL TO PLAY AN INFLUENTIAL PART IN HELPING THEM CLEAR THEIR MINDS.

DETAIL

2. I COMMENTED IN MY ANNUAL REVIEW THAT THE ADMINISTRATION WOULD LIKE TO SEE US MORE POSITIVE IN SHAPING BOTH THE ECONOMIC AND SECURITY ARCHITECTURE IN EUROPE, AND THAT WE NEEDED A PRACTICAL, ACTION-ORIENTED APPROACH. I SUGGESTED, AMONG OTHER THINGS, WE MIGHT TRY PRIVATELY TO INCREASE OUR CONTACTS WITH THE ADMINISTRATION ON THE US/EC RELATIONSHIP. TWO RECENT CONVERSATIONS WHICH THE MINISTER HAS HAD WITH BAKER'S PRINCIPAL ADVISER AND CONFIDANT, ZOELICK, AND BLACKWILL OF THE NSC (WHO TOGETHER WITH ZOELICK ORCHESTRATED THE PRESIDENT'S INTERVENTION AT THE NAC ON 4 DECEMBER AS WELL AS BAKER'S 12 DECEMBER SPEECH AND CONTRIBUTION TO THE NAC ON 14 DECEMBER) HAVE PROVIDED FURTHER POINTERS AS TO HOW WE MIGHT SET ABOUT MATTERS. RECORDS FOLLOW BY BAG UNDER COVER OF A LETTER TO WESTON.

3. BOTH ZOELICK ON 8 JANUARY AND BLACKWILL ON 9 JANUARY MADE IT PLAIN THE AMERICANS WOULD VERY MUCH LIKE US TO PLAY A CENTRAL PART, THOUGH WITH TOW PROVISOS. FIRST, THAT WE WOULD FIND SOME WAY OF WORKING MORE EFFECTIVELY THAN AT PRESENT WITH THE GERMANS (AND TO A LESSER DEGREE THE FRENCH) ESPECIALLY IN THE EC CONTEXT. SECONDLY, THAT WE SHOULD NOT ACT TOO OFTEN AS AN ANCHOR TO WINDWARD. THE LAST SEVERAL MONTHS HAVE SEEN A SIGNIFICANT EVOLUTION IN THE US ASSESSMENT OF THE BALANCE OF RISKS AND OPPORTUNITIES PRESENTED BY GORBACHEV AND THE EFFECTS OF HIS POLICIES ON EASTERN EUROPE. THE AMERICANS ARE NOW MORE INCLINED TO WANT TO SEIZE CURRENTLY AVAILABLE OPPORTUNITIES ON THE BASIS THAT WE SHOULD STILL HAVE A SAFETY MARGIN IF GORBACHEV'S POLICIES WERE SOMEHOW TO BE REVERSED. THIS EVOLUTION HAS GONE HAND IN HAND WITH A MARKED INCREASE IN PRESSURES ON DEFENCE EXPENDITURE. THE IMPLICATIONS FOR MILITARY

*This is a  
very worrying  
telegram. I agree*

*nb*



REDUCTIONS IN EUROPE ARE CLEAR. BAKER REPEATED ON 14 DECEMBER FOR EXAMPLE THE PRESIDENT'S CALL OF 4 DECEMBER FOR A LOOK AT WAYS TO ACHIEVE EVEN LOWER LEVELS OF CONVENTIONAL AND NUCLEAR FORCES IN EUROPE AS PART OF NEGOTIATED AGREEMENTS IN THE LIGHT OF CHANGING REALITIES THAT WOULD BE CREATED BY CFE.

*Very amended*

4. THE AMERICANS ARE CLEARLY STILL FEELING THEIR WAY ON BOTH POLITICAL AND MILITARY ASPECTS. ZOELICK TOLD WOOD, FOR EXAMPLE, THAT THE US FOUR POINTS ON GERMAN REUNIFICATION REPRESENTED A HOLDING PATTERN WHICH WOULD HAVE TO EVOLVE. THE AMERICANS DON'T WANT RAPID CHANGE IN GERMANY OR TO DISTURB THE RUSSIANS UNDULY (HENCE THEIR WISH TO DEVISE AN INTERIM RELATIONSHIP WITH THE GDR). BUT THEY SEE THE PROCESS OF UNIFICATION AS HAVING ITS OWN MOMENTUM AND HAVE NO DESIRE TO PUT OBSTACLES IN ITS WAY IF THE ONLY RESULT IS NEEDLESSLY TO OFFEND THE FRG. APPREHENSION AS TO THE FUTURE OF GERMANY ALSO LIES BEHIND THEIR WISH TO SEE A STRENGTHENED EC. THEY WOULD LIKE WHERE PRACTICABLE TO REGARD THE COMMUNITY RATHER THAN ANY INDIVIDUAL MEMBER OF IT AS THEIR PRINCIPAL PARTNER IN EUROPE. AT THE SAME TIME THEY FEAR THE POSSIBILITY OF EC FRAGMENTATION UNDER THE PRESSURE OF EVENTS, PARTICULARLY IN GERMANY. THEY HOPE NATO CAN BOTH REMAIN A RELIABLE INSTRUMENT OF SECURITY IN THE EAST/WEST CONTEXT AND ALSO, GIVEN THE CHANGES IN THAT CONTEXT AND THE WARSAW PACT'S LIMITED LEASE ON LIFE (ZOELICK) HOPE THAT THE ALLIANCE CAN EVOLVE INTO A MORE POLITICAL ORGANISATION WHICH WOULD REMAIN BOTH RELEVANT AND AN APPROPRIATE BASIS FOR THE MAINTENANCE OF SOME US FORCES IN EUROPE OVER THE NEXT SEVERAL YEARS.

5. THERE ARE OBVIOUSLY A NUMBER OF CROSS-CURRENTS AND AMBIGUITIES IN THE US ATTITUDE. THE AMERICANS ARE UNCERTAIN ABOUT HOW BEST TO PROCEED AT THE MILITARY LEVEL, PARTICULARLY ABOUT THE RELATIONSHIP TO BE STRUCK BETWEEN THEIR OWN (AND SOVIET) FORCE REDUCTIONS AND BROADER CONVENTIONAL ARMS CONTROL. US REDUCTIONS BEYOND THE CFEI LEVEL ARE SEEN AS A FOREGONE CONCLUSION BUT THERE IS LESS AGREEMENT ON HOW THEY MIGHT BE ACHIEVED. THERE ARE THOSE WHO ARE PRESSING FOR CFEI TO BE FOLLOWED IMMEDIATELY BY CFE II. OTHERS QUESTION THE WISDOM OF ATTEMPTING TO INVOLVE THE ALLIANCE IN GENERAL AND EUROPEANS IN PARTICULAR IN AN AUTOMATICALLY CONTINUING PROCESS.

6. THOUGH I BELIEVE US GENERAL ATTITUDES HAVE BECOME CLEARER AS THEY HAVE DEVELOPED THE THEMES FIRST SET OUT BY THE PRESIDENT LAST SPRING, THERE IS STILL SOME WAY TO GO BEFORE DETAILED POLICIES EVOLVE. ZOELICK TOLD WOOD ON 8 JANUARY THAT THE AMERICANS HAD BEEN DELIBERATELY VAGUE IN WHAT THEY SAID ABOUT INSTITUTIONALISING THE US/EC RELATIONSHIP BECAUSE THEY WANTED TO SPUR DEBATE. HE NONETHELESS HAD SOME IDEAS HE WOULD BE GLAD TO DISCUSS AT SOME



STAGE. IT WOULD BE USEFUL TO KNOW HOW FAR YOUR OWN VIEWS HAVE DEVELOPED, IN RESPONSE TO UKREP BRUSSELS TELNO. 4082 OF 14 DECEMBER. WOOD COULD GO BACK TO ZOELICK ON THE BASIS OF THAT, CLEARING THE WAY FOR MORE DETAILED DISCUSSIONS BETWEEN EXPERTS.

7. I SUGGEST THAT OUR GENERAL APPROACH SHOULD BE DESIGNED TO HELP A MUTUAL AND PRIVATE CLEARING OF MINDS ACROSS THE BOARD WHILE NOT ABANDONING WHAT WE BELIEVE TO BE THE RIGHT POLICIES JUST TO GIVE COMFORT TO THE AMERICANS. APART FROM THE US/EC RELATIONSHIP THERE ARE A NUMBER OF SUBJECTS TO DISCUSS, INCLUDING HOW TO MANAGE TROOP REDUCTIONS AND CFE (TEBBIT'S TELELETTER OF 28 DECEMBER TO LEVER). BAKER'S INTERVENTION AT THE NAC ON 14 DECEMBER INCLUDED OTHER OPENINGS SUCH AS HOW BEST TO EXPLOIT THE FEBRUARY QUOTE OPEN SKIES UNQUOTE MEETING IN OTTAWA TO GIVE A FRESH IMPULSE TO CFE, POLITICAL ROLES FOR THE ALLIANCE SUCH AS THE NATO VERIFICATION AGENCY, ADDITIONAL ARMS CONTROL MEASURES, NATO OUT OF AREA INTERESTS, CSCE (ESPECIALLY ELECTIONS), AND HOW TO DEAL WITH THE INSTITUTIONAL PROBLEMS OF THE OVERLAP AND DIFFERING MEMBERSHIPS OF THE COMMUNITY AND NATO.

8. THESE ARE ALL SUBJECTS WHICH ARE LIKELY TO COME UP DURING YOUR TALKS LATER THIS MONTH. THE MORE WE CAN INSTITUTIONALISE DISCUSSIONS WITH THE AMERICANS ON THESE TOPICS, THE BETTER. I AM NOT SUGGESTING WE SHOULD THINK IN TERMS OF MAJOR EXCHANGES OF DELEGATIONS BETWEEN US. THERE IS CLEARLY A NEED FOR DISCRETION IF WE ARE NOT TO OFFEND OTHERS AND MUCH TO BE SAID FOR CONTINUITY AMONG THOSE INVOLVED. BUT WE ARE WELL PLACED TO EXERCISE REAL INFLUENCE PROVIDED WE CAN FIND THE RIGHT FORMULA, AND PROVIDED OUR POLICIES CARRY WEIGHT IN BONN AND PARIS. THE AMERICANS WOULD BE MORE COMFORTABLE IN WORKING WITH US THAN THE GERMANS OR FRENCH, IF THEY CAN. BLACKWILL TOLD WOOD ON 9 JANUARY HE WOULD BE DISCUSSING THE POSSIBILITIES WITH EAGLEBURGER. THERE IS A SIMILAR READINESS IN THE PENTAGON TO EXCHANGE THINKING WITH US.

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