SECRET If a - d

PRIME MINISTER

17 November 1989

PRINCIPLES FOR EAST/WEST RELATIONS

In preparation for your meetings in Paris and Washington, particularly the second, I set down some principles which might guide our policy on East/West relations.

Orderly Change

In Eastern Europe massive change is already taking place in our direction. We wish it to be as controlled and orderly as possible, both because of our interest in stability and also because we do not want to frighten the Soviet Union, in which case change might be halted or violence provoked. Our interests and theirs coincide to some extent.

Gorbachev's Survival

We have an interest in this. The more time we are given to build in Eastern Europe, the harder the structures will be to dismantle when Gorbachev goes.

US/Soviet Communication

We must reassure the Soviet Union that we are not gunning for their vital security interests. We do not want a US/Soviet condominium and the current changes are very much Europe's affair. But the essential reassurances can only be given at US/Soviet level.

SECRET

Preservation of NATO and Warsaw Pacts

The two alliances provide the best framework within which change can take place. The Warsaw Pact is both reassuring to the Russians and highly permeable: it is no barrier to ideas from the West. NATO remains critical for our defences, both now when we face immense Soviet military capability and in the future, which is likely to be very uncertain.

The Territorial Integrity of the Soviet Union

Our policy should distinguish between Eastern Europe (all change) and the Soviet Union itself. We do not wish to be seen stirring up trouble within the Soviet Union; this is part of the reassurance to Gorbachev. Trouble enough is occurring without our prompting; we may even see the break-up of the Soviet Union; and if, for example, the Baltic States sought independence and Gorbachev suppressed them we would naturally condemn. But we do not foment such crises. Our opportunities lie further to the West.

GDR

We want democracy and reform in the GDR. Thereafter the two Germanies will be likely to approximate. But we go one step at a time.

Reunification

Reunification is not just yet and must ultimately be agreed by the four occupying powers. We do not want to thrust it forward and we approve FRG's caution in handling the theme. But in public we should remain benign on the prospect and confident in the FRG's ties to the West. If and when it comes

SECRET

we must ensure that reunification is on Western terms. A neutral united Germany would be highly dangerous. Nor is there good reason why FRG should pay the excessive price of neutrality, since change is already moving so strongly in the Western direction. Moreover, although Gorbachev can play a blocking role in this there will be limits to what he can do to prevent the approximation of the two Germanies and eventual de facto reunification.

Aid to East Europe

We should give priority to Poland and Hungary: they are furthest advanced. West Germany can look after the GDR.

US military presence in Europe

There will be many inducements, both from Gorbachev and from Congress, for the Administration to use the new situation to make drastic reductions in their forces in Europe. Some reduction is no doubt inevitable but we must resist major withdrawals, which would leave Europe dangerously exposed.

Longer-term: Future of NATO

Political euphoria must not blind us to the military realities: a massive concentration of Soviet military power directed at Western Europe, continued efforts to denuclearise Western Europe and uncouple it from the United States. We require steady verifiable, heavily asymmetrical reductions in conventional forces. At the end of the day the Soviet Union will remain the biggest military power on the Continent and retain its traditional ambition to dominate the Western corner of the Eurasian land mass. We shall need nuclear deterrence into the foreseeable future. But in order to ensure Germany's

SECRET

continued adherence to the Alliance we should be ready in the longer term to consider special military arrangements for that country; eg a demilitarised eastern section, corresponding to the GDR and reduced forces in the FRG. Eventually nuclear weapons may have to be kept out of Germany.

U.

PERCY CRADOCK