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TELNO 360

OF 281700Z NOVEMBER 89

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MODUK FOR AUS (POL), ACDS (NATO/UK)(P), SEC (NATO/UK)(P) AND DACU

DPC MINISTERIAL MEETING 28TH NOVEMBER 1989 RESTRICTED SESSION.

## SUMMARY

1. ENDORSEMENT OF CONTINUING ROLE OF NATO IN TIME OF CHANGE. SECRETARY GENERAL CALLS FOR WIDE RANGING DISCUSSION OF ALLIANCE'S FUTURE. CHENEY EXPLAINS U S BUDGET PLANS AND EMPHASISES CONTINUING COMMITMENT TO EUROPE. HIS RESPONSE TO ISSUES RAISED IN RESTRICTED SESSION IS REPORTED IN TELNO 357.

## DETAIL

REPORT BY CHAIRMAN MILITARY COMMITTEE.

2. EIDE (CMC) EMPHASISED THE MILITARY COMMITTEE'S WELCOME FOR THE EVENTS IN EUROPE BUT NOTED THAT SUCH CHANGES BROUGHT RISKS. DESPITE SOVIET ECONOMIC PROBLEMS THEIR MODERNISATION CONTINUED SEMI COLON FOR EXAMPLE, THEIR TANK PRODUCTION STILL EXCEEDED THAT OF THE WEST. THERE WAS NO EVIDENCE OF WARAW PACT REDUCTIONS IN THE FLANKS. HE NOTED THE CONTINUING IMPORTANCE OF BOTH STRATEGIC AND THEATRE NUCLEAR WEAPONS POST-CFE, AND THE ESSENTIAL ROLE OF FORWARD DEFENCE. THE ALLIANCE FACED A TESTING TIME. REDUCED PUBLIC PERCEPTIONS OF THE THREAT COULD MAKE MAINTENANCE OF EFFECTIVE DEFENCE MORE DIFFICULT. CLOSE COOPERATION BETWEEN POLITICAL AND MILITARY BODIES WITHIN THE ALLIANCE WOULD BE ESSENTIAL.

## STATEMENT BY SECRETARY GENERAL

3. THE SECRETARY GENERAL NOTED THAT NATO HAD ENTERED A DECISIVE PHASE. CHANGING PUBLIC PERCEPTIONS RESULTED IN A QUESTIONING OF THE NEED FOR ALLIANCE AND ITS RELATIONS TO DEVELOPMENTS IN EAST EUROPE. HE WISHED TO ENCOURAGE A WIDE RANGING DISCUSSION ON NATO'S FUTURE.

4. CONTINUING HE SAID GORBACHEV NO LONGER HAD CONTROL OF CHANGES IN EAST EUROPE SEMI COLON THE WEST MUST PROMOTE THE ESTABLISHMENT OF FREEDOM, JUSTICE AND SELF DETERMINATION IN THE EAST. HE WELCOMED



PLANS BY A NUMBER OF ALLIES TO CONTINUE DEFENCE IMPROVEMENTS, AS REFLECTED IN THE FURTHER WORK ON BURDEN SHARING. WE COULD LOOK FORWARD TO REDUCED DEFENCE BUDGETS AS A RESULT ON NEGOTIATED AGREEMENTS BUT MUST NOT WEAKEN OUR POSITION IN CFE. HE ALSO EMPHASISED THE CONTINUING CAPABILITY OF SOVIET FORCES AND THE LASTING RELEVANCE OF THE HARMEL DOCTRINE. NATO WOULD REMAIN THE ONLY FORUM IN WHICH WESTERN NATIONS WITH DIRECT RESPONSIBILITY FOR EUROPEAN SECURITY COULD ADDRESS THE CHALLENGES FACING US. IT WOULD BE ESSENTIAL TO RETAIN DETERRENCE SO THAT NO SOVIET LEADER COULD ENVISAGE A REALISTIC MILITARY OPTION. IN DOING THIS WE MUST ENSURE OUR ACTIONS SUPPORT OUR WORDS.

5. CHENEY (U S) EMPHASISED THE ROLE OF NATO IN PROMOTING CURRENT DEVELOPMENTS AND STRESSED THE NEED FOR A FLEXIBLE APPROACH TO TAKE ADVANTAGE OF EMERGING OPPORTUNITIES. TURNING TO THE U S BUDGET HE EXPLAINED THAT FUNDING FOR FY90 WAS FIXED AT DOLLARS 293 BILLION. THIS IMPLIED MANPOWER REDUCTIONS OF SOME FIFTY THOUSAND FROM A TOTAL OF 2.1 MILLION. BUT THERE WOULD BE NO WITHDRAWALS FROM EUROPE BEYOND THOSE ANNOUNCED IN THE INF CONTEXT. THE BUDGET FOR FY91 WOULD PROBABLY BE AT A SIMILAR LEVEL WITH NO SIGNIFICANT IMPACT ON EUROPE OR NATO. PROPOSALS FOR THE FOLLOWING FOUR YEARS WOULD BE SUBMITTED BY NEXT APRIL. HIS AIM WOULD BE TO PRODUCE A REALISTIC AND CREDIBLE PACKAGE THAT COULD COMMAND CONGRESSIONAL SUPPORT. THE WORST CASE OPTION OF REDUCTIONS IN THE ORDER OF DOLLARS 180 BILLION HAD ATTRACTED MUCH ATTENTION. BUT EVEN THIS SHOULD BE SEEN IN THE CONTEXT OF A BUDGET OVER THE PERIOD IN THE ORDER OF DOLLARS 1.5 TRILLION. HE NOTED THAT FUTURE PLANS WERE BEING DEVELOPED IN THE EXPECTATION OF SUCCESSFUL OUTCOMES IN CFE AND START. IF THESE WERE UNFULFILLED, OR GIVEN UNEXPECTED EVENTS, THE PLANS WOULD BE RECONSIDERED. THERE WOULD BE NO UNILATERAL CUTS IN U S COMMITMENTS TO NATO. ANY REDUCTIONS WOULD BE MADE IN CONSULTATION WITH ALLIANCE. THE AMERICAN PRESENCE IN EUROPE WOULD BE MAINTAINED AS LONG AS ALLIES WANT AND NEED IT.

6. CONTINUING HE OBSERVED THAT THE SOVIET UNION MAINTAINED A PROGRAMME OF STRATEGIC NUCLEAR MODERNISATION. CONVENTIONAL REDUCTIONS WERE BEGINNING AND LATEST ESTIMATES INDICATED SOME SIGNS OF BUDGETARY REDUCTIONS IN 1989. THIS HAD, HOWEVER YET TO BE CONFIRMED. TURNING TO PLANS FOR THE 401ST TFW HE CONFIRMED CONGRESSIONAL APPROVAL WITH A LIMIT OF DOLLARS 360 MILLION. FINALLY HE NOTED THAT PRESIDENT BUSH WOULD NOT PROPOSE NEW ARMS CONTROL AGREEMENTS AT THE MALTA SUMMIT.

7. IN SUBSEQUENT DISCUSSION CHENEY'S STATEMENT WAS WIDELY WELCOMED.



DE MELLO (PO) NOTED THAT IMPLICATIONS OF CURRENT DEVELOPMENTS FOR NATO POLICIES. IT WOULD BE IMPORTANT TO AWAIT ACHIEVEMENT OF ELECTIONS IN EAST EUROPE BEFORE JUDGING THAT THE THREAT HAD GONE. ALLIANCE VIGILANCE AND SOLIDARITY WAS CRITICAL IN THE TRANSITIONAL PERIOD. DEFENCE SHOULD BE UNDIMINISHED AND UNILATERAL CUTS AVOIDED. THE U S PRESENCE IN EUROPE SHOULD CONTINUE. SIMONSEN (NO) NOTED CONTINUING SOVIET STRENGTH ON THE NORTHERN FLANK. MILITARY EXERCISES SHOWED AN INCREASING COMBAT CAPABILITY. HE THEREFORE WELCOMED INAUGURATION OF THE NCF. NONETHELESS AS PUBLIC OPINION COULD BE ENCOURAGED BY THE PROSPECT OF CUTS IN CENTRAL EUROPE TO REDUCE SUPPORT FOR DEFENCE. ENNGAARD (DE) MARTINAZZOLI (IT) AND GIRAY (TU) NOTED IMPORTANCE OF ALLIANCE IN PERIOD OF CHANGE AND WELCOMED CLARIFICATION ON U S COMMITMENTS. SERRA (SP) EMPHASISED THE ROLE OF THE EC PROMOTING STABILITY AND URGED EARLY SIGNATURE OF ARMS CONTROL AGREEMENTS. COEME (BE) OBSERVED THAT PUBLIC OPINION WOULD EXPECT SAVINGS IN THE MEDIUM TERM. SMITH (CA) REPORTED MULRONEY'S VISIT TO THE SOVIET UNION. CONSULTATION ON CANADIAN PLANS WOULD START IN THE SPRING SEMI COLON THERE WOULD BE NO CHANGE TO CANADIAN FORCES IN EUROPE. STOLTENBERG (FRG) OBSERVED GENERAL AGREEMENT ON WESTERN SUPPORT FOR CHANGES IN EASTERN EUROPE. A PERIOD OF TRANSITION CARRIED GRAVE RISKS AND SOVIET MILITARY CAPABILITY CONTINUED. HE WELCOMED CHENEY'S REPORT AND NOTED MANPOWER PRESSURES WERE AFFECTING FRG DEFENCE PLANS. COMMENTING ON CFE HE EMPHASISED IMPORTANCE OF FORWARD DEFENCE AND QUESTIONED THE IMPACT OF CUTS BEYOND THOSE CURRENTLY ENVISAGED. SPECULATION ABOUT U S REDUCTIONS COULD ADD TO PRESSURE IN EUROPE. HE ASKED ALSO ABOUT PROSPECTS FOR A CFE FOLLOW-UP AND NOTED THE NEED FOR THE MOST CAREFUL CONSIDERATION IN NATO. RECENT CONTACTS WITH THE SOVIET UNION INDICATED THAT THEY WOULD NEED FIVE TO SEVEN YEARS TO IMPLEMENT CURRENT CFE PROPOSALS. FINALLY HE COMMENTED THAT THE FUTURE OF NATO DID NOT DEPEND ON THE EXISTENCE OF THE WARSAW PACT SEMI COLON A FORUM FOR TRANSATLANTIC SECURITY DISCUSSIONS WOULD REMAIN CENTRAL.

8. MR KING (UK) NOTED THAT PUBLIC OPINION WAS DRIVING CHANGES IN EAST EUROPE. THE WEST SHOULD NOT FOLLOW THIS EXAMPLE SEMI COLON FIRM LEADERSHIP WOULD BE IMPORTANT. HE ENDORSED CMC'S ANALYSIS OF THE MILITARY POSITION AND EMPHASISED THE CONTINUING SOVIET MODERNIATION IN A WIDE RANGE OF FORCES. SOVIET EQUIPMENT WAS NOW AT ITS MOST LETHAL AND EFFECTIVE. MUCH DEPENDED ON THE FUTURE OF GORBACHEV SEMI COLON OTHERS IN THE SOVIET HIERARCHY MUST BE DISTURBED BY CURRENT DEVELOPMENTS. IF POWER PASSED TO THEM THEY WOULD INHERIT VERY CAPABLE SOVIET FORCES. IT WAS THE RESPONSIBILITY OF WESTERN DEFENCE MINISTERS TO ENSURE SAFE TRANSITION TO NEW GROUND. HE WELCOMED CHENEY'S REASSURANCE ON A CONTINUING U S PRESENCE IN EUROPE. FORWARD

DEFENCE COULD BE SUSTAINED ON THE BASIS OF CURRENT CFE PROPOSALS BUT FURTHER REDUCTIONS WOULD MAKE THIS MORE DIFFICULT. SACEUR'S INPUT TO ARMS CONTROL WOULD CONTINUE TO BE ESSENTIAL. HE EMPHASISED THE IMPORTANCE OF PRESENTING NATO'S ROLE AS A DEFENSIVE ALLIANCE AND NOTED THE NEED TO ENCOURAGE PROGRESS IN EAST EUROPE.

9. JACOBVITS (NL) EMPHASISED THE NEED FOR A UNITED WESTERN APPROACH TO ARMS CONTROL AND FOR A STRONGER EUROPEAN COMPONENT OF NATO. HE CONCLUDED BY ASKING ABOUT REPORTS OF POSSIBLE REDUCTION IN U S MANPOWER IN EUROPE TO 100,000. CHENEY'S RESPONSE REPORTED IN MY TELNO 357.

ALEXANDER

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ADDITIONAL 16

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