

EMD

(was in Dossis Yilliger)

CONFIDENTIAL

ND

30.8.90

## SPEAKING NOTE

Meeting with Prime Minister Margaret Thatcher1. Message

International developments have been extremely fast during the last year, and particularly during the last few weeks and months. Let me highlight in this context just some initial basic points:

- (1) The virtual internal collapse of the Soviet system has forced the USSR to look more and more inward, to relax its control over Eastern Europe and to bank, eventually, on Western help and assistance. Given the fact that it will take the USSR many years to overcome its internal problems - if she can overcome them at all and if we exclude the possibility of a coup against President Gorbachev - this situation will continue for some time.

The situation in the USSR has permitted the profound changes in Eastern Europe and, equally important, the simultaneous solution of the internal and external aspects of the German question.

Both events are of profound importance, particularly for Europe. The two halves of Europe, artificially and dangerously separated for over forty years, begin to grow again together. This process remains, however, vulnerable and will take much time. A new European security system remains as long an illusion as there has not been created a genuinely broad basis of common values and objectives.

It appears to me that we will have to do what our countries ever can to strengthen the processes under way in Eastern Europe and - to a still much lesser extent - in the USSR through concrete measures and initiatives that help to stabilize the situation and these processes. The CSCE may play a role in this, there is room for specific initiatives (SFr. 250 Mio for Eastern Europe), there is a need for an European Economic Space (though preferably one that has not been exclusively been conceived and shaped by Mr. Delors).

Germany will stay in NATO. That is, in my view both essential and indispensable. It will, integrated into a European system and not as a stumbling block to the emergence of such a system, hence be able to play a very productive role. That will take, though some more time, since Germany is fully occupied by the many problems the reunification process poses (as well as by the up-coming elections).

- (2) Switzerland does, however, not yet feel sufficiently encouraged by recent events to relax in its defence effort. We intend to reduce - through the concept "Army 95" - somewhat the size of the armed forces, but not its muscle and firepower. Flexibility will be increased.

Crises may return - the Golf crisis indicated this clearly. They may also return to Europe.

- (3) After CFE arms control will have to evolve into a genuine security policy dialogue. The Neutrals should play a role in that dialogue. They can do things, others cannot or should not do. We get, e.g. currently, quite some interest from several East European countries into our military system. They want armed forces that deter, but are not threatening. They want to become independent from Soviet tutelage. We might provide them with some advise in these matters, NATO cannot - for many reasons - offer.



CONFIDENTIAL

- 2 -

- (4) Swiss security policy will in the future have to take consciously into account what is going on in its strategic environment. We shall not create a military vacuum in the heart of Europe. Hungary's departure from the WTO means that a neutral air corridor stretching from France to the Carpathian Military District will emerge. We believe that this reinforces our determination to modernize our air force. We have a long democratic and federalistic experience that can be shared with the young, multi-ethnic democracies in Eastern Europe. We have not hesitated to join, on an autonomous basis, the sanctions against Irak - the first time ever Switzerland joined international sanctions. This step represents our will to play an active and constructive role in the shaping of the future.
- (5) The Gulf crisis deeply worries us. The brutal invasion of Kuwait, the repulsing taking of thousands of innocent civilians as hostages, and the cynical attitude of the Iraki government throughout this crisis cannot be accepted. International law cannot be replaced, as you rightly said, by the law of the jungle. Switzerland will not accept the Iraki annexation of Kuwait. Our embassy in Kuwait will stay. We attach fundamental importance to international solidarity and unity in this question.

## 2. Questions

- (1) You know personally Mr. Gorbachev rather well. What is your impression of the man, his objectives, and his chances for success?
- (2) How do you see the situation in Europe, particularly the situation in Eastern Europe?
- (3) What role should and can the CSCE process play in your view?
- (4) To what extent does the current crisis in the Gulf - which the director of the London International Institute for Strategic Studies recently called the first war of the post cold war area - impact on Europe's security policy outlook? How does it impact on the future role of the WEU, NATO, the EC?
- (5) How do you see the situation in the Gulf? Do you expect Saddam Hussein to give up? Can an international consensus be maintained, if the Irak should retreat from the bulk of Kuwait, but retain the areas it incorporated into the province of Basra (i.e. the islands in the Shatt el Arab and the oil field Irak claimed from the start)? At what point do you consider the use of military force to become necessary? Should military force be used, how would be the best way to use it from the British perspective? How can Irak be prevented to develop nuclear weapons?