

FM MOSCOW
TO IMMEDIATE FCO
TELNO 182
OF 241330Z JANUARY 91
INFO
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FBI 0139/4

VALLETTA FOR UKDEL PSD

REYKJAVIK TELNO 015 TO FCO: BALTIC STATES: VISIT BY ICELANDIC FOREIGN MINISTER

SUMMARY

1. ICELANDIC EMBASSY REVEAL THAT FULL DIPLOMATIC RECOGNITION OF LITHUANI IS NOW UNDER ACTIVE CONSIDERATION IN REYKJAVIK: OTHERS MOVING 'TOO SLOWLY'.
2. NORDIC COOPERATION IN MOSCOW IS CLOSE. ICELANDERS, NORWEGIANS AND SWEDES MAKING SIMILAR DEMARCHES (DANES ACTING THROUGH EC).
3. ICELANDIC EMBASSADOR TOLD BY YELTSIN THAT IF DEMOCRACY WERE SUPPRESSED IN THE BALTIC STATES, RUSSIA WOULD BE NEXT. BLAMED GORBACHEV FOR RECENT EVENTS SEMI COLON AND INSISTED HE WAS LOOKING SERIOUSLY AT ESTABLISHING A RUSSIA ARMY. YELTSIN HAS INVITED THE NORDIC AMBASSADORS TO KEEP IN CLOSE TOUCH, A MOVE DESIGNED TO BURNISH HIS DEMOCRATIC CREDENTIALS, INCREASE PRESSURE ON GORBACHEV, AND HELP CREATE A DISTINCTIVE RSFSR FOREIGN POLICY.

DETAIL

4. THE ICELANDIC EMBASSY (STEFANSSON) HAS NOW BRIEFED US ON HANNIBALSSON'S VISIT TO THE BALTIC STATES, IN TERMS SIMILAR TO TUR. STEFANSSON ADDED THAT HANNIBALSSON HAD DECIDED THAT NO-ONE SHOULD ACCOMPANY HIM FROM THE EMBASSY IN MOSCOW, A GESTURE DESIGNED TO SIGNAL THAT HE DID NOT BELIEVE HIMSELF TO BE ON SOVIET TERRITORY. STEFANSSON ALSO ADDED THAT HANNIBALSSON HAD BEEN GREATLY AFFECTED BY THE SHOOTINGS IN RIGA, WHICH HAPPENED ONLY 2 HOURS AFTER HE LEFT THE CITY. HE HAD PROTESTED VEHEMENTLY.
5. STEFANSSON SAID THAT THE EMBASSY HAD BEEN INSTRUCTED TO EXPLORE URGENTLY WAYS OF TAKING FORWARD 'THE RECOGNITION PROCESS'. THEY HAD APPROACHED THE MFA HERE ABOUT HONORARY CONSULS IN THE CAPITALS OF THE BALTIC STATES, AND HAD BEEN TOLD THAT THERE WOULD BE NO OBJECTION IF THOSE APPOINTED WERE RUSSIAN CITIZENS, AND IF THE ARRANGEMENTS WERE

ON A RECIPROCAL BASIS. THIS WAS COMPLETELY UNACCEPTABLE. STEFANSSON SAID HE THOUGHT REYKJAVIK WAS NOW DISCUSSING THE POSSIBILITY OF FORMAL RECOGNITION OF LITHUANIA, WITH THE ICELANDIC AMBASSADOR IN STOCKHOLM BEING SIMULTANEOUSLY ACCREDITED TO VILNIUS. THE ICELANDERS WERE CONCENTRATING ON THE LITHUANIANS BECAUSE THEY WERE THE ONLY ONES WHO HAD SO FAR MADE A FORMAL REQUEST FOR RECOGNITION. HOWEVER, THEY ACCEPTED THAT IF THEY TOOK THIS STEP, THE LATVIANS AND ESTONIANS WOULD SWIFTLY DEMAND RECOGNITION TOO. STEFANSSON ACKNOWLEDGED THE SIGNIFICANCE OF FULL DIPLOMATIC RECOGNITION BUT SAID REYKJAVIK NOW THOUGHT OTHERS WERE MOVING TOO SLOWLY. (HE REFERRED SPECIFICALLY TO THE US IN THIS CONTEXT BUT SAID HE UNDERSTOOD THAT THE AMERICANS HAD TO CONSIDER THE WIDER PICTURE.)

[REDACTED]

THE ICELANDERS HAD MADE A DEMARCHE TO THE MFA HERE YESTERDAY (23 JANUARY) EXPRESSING DISQUIET ABOUT BALTIC DEVELOPMENTS AND INSISTING THAT THE SOVIETS SHOULD RESPECT THEIR CSCE OBLIGATIONS.

[REDACTED]

7. STEFANSSON SAID THAT THE ICELANDIC AMBASSADOR HAD NOT CALLED ON YELTSIN ON 15 JANUARY WITH THE OTHER NORDIC AMBASSADORS TO DISCUSS THE BALTIC CRISIS BECAUSE YELTSIN'S OFFICE HAD OVERLOOKED HIM. YELTSIN HAD HOWEVER REMEDIED THIS OVERSIGHT THE NEXT DAY BY INVITING THE AMBASSADOR TO CALL ON HIS OWN. YELTSIN HAD THEN:

- (I) STRESSED THE SERIOUSNESS OF THE SITUATION
- (II) ASSERTED THAT IF THE DEMOCRATIC GOVERNMENTS IN THE BALTIC STATES WERE SUPPRESSED, THE RUSSIAN REPUBLIC WOULD BE NEXT
- (III) CLAIMED THAT GORBACHEV WAS BEHIND EVENTS, WHATEVER HIS DISCLAIMERS (HE DISCOUNTED INVOLVEMENT BY YAZOV)
- (IV) INSISTED THAT HE WAS IN FAVOUR OF INDEPENDENCE FOR THE BALTIC STATES
- (V) REVEALED THAT HE HOPED THAT A COOPERATION AGREEMENT BETWEEN THE RSFSR, BYELORUSSIA, UKRAINE AND KAZAKHSTAN MIGHT BE READY BY THE END OF JANUARY
- (VI) INSISTED THAT HE WAS EXAMING SERIOUSLY THE POSSIBILITY OF AN RSFSR ARMY
- (VII) INVITED THE NORDIC AMBASSADORS TO KEEP IN CLOSE TOUCH. (IN THIS CONNEXION IT WAS SIGNIFICANT THAT THE DEPUTY FOREIGN MINISTER OF THE RSFSR HAD INVITED THE NORDIC AMBASSADORS TO CALL ON 21 JANUARY, WHEN

HE HAD REITERATED YELTSIN'S VIEWS.)

COMMENT

8. JUDGING FROM STEFANSSON'S REMARKS HANMIBALSSON'S VISIT SEEMS TO HAVE HAD A CONSIDERABLE IMPACT ON HIM. HIS WISH TO FIND A DISTINCTIVE ICELANDIC RESPONSE MAY BE PUSHING REYKJAVIK TO TAKE THE LEAD ON RECOGNITION.

9. IT IS INTERESTING THAT YELTSIN AND THE RSFSR HAVE DECIDED TO FORGE SUCH CLOSE LINKS WITH THE NORDICS OVER THE CRISIS. YELTSIN PRESUMABLY CALCULATES THAT THIS WILL ADD LUSTRE TO HIS OWN DEMOCRATIC CREDENTIALS, WILL INCREASE THE PRESSURE ON GORBACHEV, AND WILL HELP TO AN INCREASINGLY DISTINCTIVE CSFSR FOREIGN POLICY.

10. THE ICELANDIC AMBASSADOR IS TODAY HOSTING A NORDIC LUNCH AT WHICH INTERIOR MINISTER PUGO IS THE PRINCIPAL GUEST. WE SHALL ASK FOR AN ACCOUNT OF THE DISCUSSION AND WILL REPORT.

BRAITHWAITE

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