PP RIMENS PP BRUSSELS PP COPENHAGEN PP THE HAGUE PP LISBON PP LUXEMBOURG PP MADRID PP OSLO PP OTTAWA PP REYKJAVIK PP ROME RR TFC RELAY GPS 240 UNCLASSIFIED FM BONN 091600Z JUNE 82 TO IMMEDIATE FCO TELEGRAM NUMBER 542 OF 09 JUNE INFO IMMEDIATE UKDEL NATO UKDEL VIENNA WASHINGTON MOSCOW PARIS MOD(DS17) INFO PRIORITY ANKARA ATHENS BRUSSELS COPENHAGEN THE HAGUE LISBON LUXEMBOURG MADRID OSLO OTTAWA REYKJAVIK ROME AND BMG BERLIN MBFR: NEW WESTERN PROPOSALS. 1. IN HIS SPEECH TO THE FEDERAL GERMAN PARLIAMENT THIS AFTERNOON PRESIDENT REAGAN MADE THE FOLLOWING STATEMENT ON MBFR (RE-TRANSLATED FROM GERMAN TEXT AS PUT OUT BY NEWS AGENCIES): STARTS. IN THE LAST FEW WEEKS DISCUSSIONS HAVE BEEN TAKING PLACE WITHIN OUR ALLIANCE ON HOW BEST THE VIENNA NEGOTIATIONS ON MUTUAL AND BALANCED FORCE REDUCTIONS MIGHT BE GIVEN A FRESH STIMULUS. AS A RESULT OF THESE DELIBERATIONS, WESTERN REPRESENTATIVES IN THE VIENNA TALKS WILL SHORTLY BE INTRODUCING A PROPOSAL UNDER WHICH BOTH ALLIANCES WOULD MUTUALLY REDUCE THEIR GROUND FORCES TO AN OVERALL TOTAL OF 700,000, AND GROUND AND AIR FORCES COMBINED TO 900,000.

EVEN IF SUCH AN AGREEMENT CANNOT WHOLLY REMOVE THE THREAT AND RELIEVE OUR CITIZENS OF THE BURDEN OF SUSTAINING SIZEABLE FORCES, IT WOULD, NEVERTHELESS, BE A MAJOR STEP TOWARDS SECURITY IN EUROPE, BOTH EAST AND WEST. IT COULD LEAD TO MILITARY STABILITY AT LOWER LEVELS AND REDUCE THE DANGERS OF MISCALCULATIONS AND SURPRISE ATTACKS. IT WOULD ALSO BE A SIGN OF BOTH ALLIANCES' POLITICAL WILL TO ENHANCE STABILITY THROUGH LIMITATIONS ON THEIR FORCES IN THE CENTRAL AREA OF MILITARY CONFRONTATION. THE WEST HAS SET A NUMBER OF CLEAR GOALS. WE IN THE ALLIANCE WILL PRRSS ON WITH OUR PLANS TO IMPROVE OUR CONVENTIONAL FORCES IN EUROPE. AT THE SAME TIME WE ARE PROPOSING AN ARMS CONTROL AGREEMENT WHICH WOULD EQUALISE CONVENTIONAL FORCES AT A SUBSTAN-TIALLY LOWER LEVEL. ENDS. TAYLOR NNNN