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CONFIDENTIAL

FM WASHINGTON 130320Z JANUARY, 1984

TO IMMEDIATE F C O

TELEGRAM NUMBER 134 OF 13 JANUARY.

MIPT: YOUR MEETING WITH SHULTZ: EAST/WEST RELATIONS

1. THE HANDLING OF THE RELATIONSHIP WITH THE SOVIET UNION WILL BE A MAJOR THEME OF YOUR AND THE PRIME MINISTER'S MEETINGS WITH SHULTZ.

2. THE PRESIDENT WILL BE MAKING A SPEECH ON MONDAY, THE PURPOSE OF WHICH IS TO PUT HIS PERSONAL IMPRIMATUR ON A MEASURED AND BALANCED ANALYSIS OF THE US/SOVIET UNION RELATIONSHIP. HE WILL DEAL WITH THE THREAT POSED BY THE SOVIET UNION TO WESTERN INTERESTS AND THE MEASURES WHICH HAVE TO BE TAKEN TO COUNTER THIS; BUT THE EMPHASIS WILL BE PLACED ALSO ON THE CONTINUING NEED FOR A MODUS VIVENDI WITH THE SOVIET UNION AND THE PURSUIT OF MEANINGFUL ARMS CONTROL AGREEMENTS. THE SPEECH IS STILL IN THE DRAFTING PROCESS. THE PRESIDENT WILL NOT BE MAKING SPECIFIC PROPOSALS AND THERE IS THEREFORE A DANGER OF THE EVENTUAL PRODUCT SOUNDING SOMEWHAT HOLLOW. IT WILL BE THE TONE THAT WILL BE IMPORTANT AND THE FACT THAT THE PRESIDENT WILL BE TRYING TO SEND A POSITIVE SIGNAL TO THE SOVIET LEADERSHIP.

3. THE PRESIDENT PERSONALLY HAS REJECTED ADVICE FROM THE RIGHT-WINGERS HERE TO PRESENT THE ADMINISTRATION'S CONCERNS ABOUT SOVIET COMPLIANCE WITH EXISTING ARMS CONTROL TREATIES IN A WAY WHICH WOULD TEND TO DISCREDIT THE ARMS CONTROL PROCESS ITSELF. THOSE ISSUES, AND PARTICULARLY THE FACT THAT THE SOVIET UNION IS PRODUCING A SECOND NEW ICBM (AS AGAINST THE ONE NEW TYPE ALLOWED IN THE SALT II TREATY) AND HAS CONSTRUCTED WHAT APPEARS TO BE AN EARLY-WARNING/BATTLE MANAGEMENT RADAR AT ABALAKOVO, THEREBY PLUGGING AN IMPORTANT GAP IN THE SOVIET DEFENSIVE SYSTEM, WILL BE TAKEN AS DEMONSTRATING THE NEED TO AIM FOR MORE TIGHTLY WORDED AND MORE EFFECTIVELY VERIFIABLE AGREEMENTS; BUT NOT AS INVALIDATING THE NEED TO PURSUE ARMS CONTROL.

4. THE PRESIDENT, THEREFORE, WILL BE ATTEMPTING TO CHANGE SOMEWHAT THE ATMOSPHERE, PUTTING THE FALL OUT FROM THE KOREAN AIRLINER

4. ~~THE PRESIDENT, THEREFORE, WILL BE ATTEMPTING TO CHANGE SOMEWHAT THE ATMOSPHERE, PUTTING THE FALL OUT FROM THE KOREAN AIRLINER INCIDENT (IN WHICH 70 US CITIZENS WERE KILLED) AND THE QUOTE EVIL EMPIRE UNQUOTE SPEECH BEHIND HIM. HE WILL BE DOING SO PARTLY BECAUSE OF SHULTZ'S ADVICE AND SOME EVOLUTION IN HIS OWN THINKING: PARTLY BECAUSE AMERICAN OFFICIALS NOW RECOGNISE THAT A MORE MEASURED STATEMENT FROM THE PRESIDENT HIMSELF WILL HELP TO STEM THE MOOD OF CRITICAL SCEPTICISM OF THIS ADMINISTRATION AMONG THE ALLIES: BUT ABOVE ALL BECAUSE THIS IS AN ELECTION YEAR AND HE JUDGES THAT SUCH AN APPROACH SHOULD APPEAL TO THE DOMESTIC AUDIENCE.~~

5. THE PRESIDENT IS UNDER NO GREAT DOMESTIC PRESSURE, HOWEVER, TO MAKE CONCESSIONS TO THE RUSSIANS. THE U.S. PUBLIC REMAINS CONCERNED ABOUT THE NUCLEAR ARMS RACE AND INTERRUPTION OF A HIGH-LEVEL US/SOVIET DIALOGUE. THESE ARE THEMES MONDALE, THE LIKELY DEMOCRATIC CONTENDER, WILL BE TRYING TO EXPLOIT. BUT IS IS QUITE WIDELY UNDERSTOOD THAT, GIVEN THE PRESENT STATE OF THE SOVIET LEADERSHIP, THE POSSIBILITIES FOR ANY BREAKTHROUGH IN US/SOVIET RELATIONS ARE REMOTE. THE WOODEN AND UNYIELDING SOVIET PERFORMANCE IN THE INF NEGOTIATIONS, DESPITE CONSIDERABLE EVOLUTION OF THE WESTERN POSITION, DEMONSTRATED THE DIFFICULTIES OF ACHIEVING ANY REAL FLEXIBILITY FROM MOSCOW AND A CONTINUING OBSESSION WITH THEIR ATTEMPTS TO WORK ON EUROPEAN OPINION RATHER THAN NEGOTIATING SERIOUSLY WITH ALLIED GOVERNMENTS. THE RESULT HAS BEEN A MAJOR SET BACK FOR THEM OVER WESTERN INF DEPLOYMENT. AND ALTHOUGH THE RUSSIANS HAVE BROKEN OFF THE INF TALKS AND SHOW NO SIGNS OF RETURNING TO THEM, AND HAVE SUSPENDED THE START AND MBFR NEGOTIATIONS, THE SHULTZ/GROMYKO MEETING AND THE OPENING OF THE CDE IN STOCKHOLM WILL DEMONSTRATE THAT THE RUSSIANS TOO HAVE LITTLE OPTION BUT TO CONTINUE THE DIALOGUE WITH THE WEST AND THE UNITED STATES IN PARTICULAR. THE AMERICANS, FOR THEIR PART, HAVE BEEN ENCOURAGED BY THE ALLIANCE'S ABILITY TO CONTAIN THE SOVIET REACTIONS TO INF DEPLOYMENT AND THE FACT THAT SOME AT LEAST OF THE EAST EUROPEAN ALLIES APPEAR TO HAVE BEEN URGING CAUTION ON THE RUSSIANS.

6. THE US ADMINISTRATION REALISES THAT FOLLOWING INF DEPLOYMENT, THE SOVIET/CUBAN SET BACK IN GRENADA AND THE GENERAL DEMEANOUR OF THE REAGAN ADMINISTRATION OVER THE LAST THREE YEARS, THE RUSSIANS ARE GOING TO DO NO FAVOURS WHATEVER TO HELP MR REAGAN GET RE-ELECTED. THE PROSPECTS FOR ANY MAJOR ARMS CONTROL AGREEMENT THIS YEAR OBVIOUSLY ARE POOR. SO, FOR DIFFERENT REASONS, ARE THE PROSPECTS OF A US/SOVIET SUMMIT. BUT IF THE SHULTZ/GROMYKO MEETING RESULTS IN THE RESUMPTION OF A SOMEWHAT MORE CONSTRUCTIVE DIALOGUE, IT COULD POSSIBLY LEAD ON TO A VISIT BY SHULTZ TO MOSCOW. WITH ONE EXCEPTION (ON WHICH I AM TELEGRAPHING SEPARATELY) I DO NOT BELIEVE SHULTZ WILL BE PUTTING ANY SUBSTANTIALLY NEW IDEAS TO GROMYKO IN STOCKHOLM; AND GROMYKO IS NOT NOTED FOR PRODUCING NEW IDEAS OF HIS OWN. YOU WILL BE AWARE, HOWEVER, OF THE US/SOVIET TALKS HERE ON THE UPGRADING OF THE HOTLINE; AND OF THE CONTINUANCE OF THE US/SOVIET DIALOGUE ON NON-PROLIFERATION. IF THERE IS A BIT OF A THAW, THIS COULD LEAD TO MODEST NEW CONSULAR AND CULTURAL AGREEMENTS WITH THE RUSSIANS. IN OTHER WORDS THE AMERICANS ARE TRYING TO GET BACK TO THE POSITION TOWARDS WHICH THEY WERE MOVING BEFORE THE SHOOTING DOWN OF THE KOREAN AIRLINER.

~~SHOOTING DOWN OF THE KOREAN AIRLINER~~

7. ALTHOUGH THE AMERICANS WILL CONTINUE PROBING THE SOVIET POSITION ON INF AND TRYING TO DRAW THEM BACK TO THE NEGOTIATING TABLE, ANY REAL PROGRESS IN ARMS CONTROL IS LIKELY TO HAVE TO BE LED BY START. THE ADMINISTRATION AT PRESENT ARE AGAINST A MERGER OF INF AND START, MAINLY BECAUSE THEY WILL NOT PUT THEMSELVES IN A POSITION IN WHICH THEY COULD BE PRESSED BY THE ALLIES TO MAKE CONCESSIONS TO THE RUSSIANS ON THEIR OWN STRATEGIC FORCES TO IMPROVE THE PROSPECTS FOR AGREEMENT ON INTERMEDIATE RANGE WEAPONS. THEY WILL ALSO ARGUE THAT A MERGED INF/START NEGOTIATION COULD RENDER IT MORE DIFFICULT TO EXCLUDE ALLIED SYSTEMS ENTIRELY. IT WOULD BE DIFFICULT TO OPPOSE A MERGER IF THE RUSSIANS PROPOSED ONE, THOUGH THERE IS AS YET NO SIGN OF THIS. SOME CATEGORIES OF INF, HOWEVER, SEEM LIKELY IN ANY EVENT TO END UP BEING DISCUSSED IN THE MARGINS OF START.

8. SHULTZ SHOWS IMPATIENCE WITH ANY SUGGESTION THAT THE US IS NOT TRYING HARD ENOUGH TO RE-DEVELOP THE RELATIONSHIP WITH THE SOVIET UNION: OR THAT THERE HAS BEEN NO DIALOGUE. HE HAS SEEN DOBRYNIN REGULARLY, THOUGH HE HAS NOT FOUND THOSE MEETINGS VERY PRODUCTIVE, PERHAPS IN PART BECAUSE SINCE BREZHNEV'S DECLINE GROMYKO HAS BEEN PLAYING AN EVEN GREATER ROLE IN THE FORMULATION OF SOVIET POLICY. THE AMERICANS CONTINUE, AS EAGLEBURGER PUTS IT, TO FIND THAT WHEN THEY DO TRAIL IDEAS IN FRONT OF THE RUSSIANS, THEY ARE NOT GETTING MUCH BACK DOWN THE WIRES. THEY UNDERSTAND THE REASONS FOR THIS IN TERMS OF THE SOVIET INTERNAL SITUATION AND THE PRESENT CLIMATE. BUT, AS THE PRESIDENT SAYS, IT TAKES TWO TO TANGO: AND GROMYKO IS NOT NOTED FOR HIS TANGOING ABILITY.

9. WHAT WE HAVE BEEN IMPRESSING ON THE ADMINISTRATION IS THE NEED TO GO ON TRYING: THE ADVANTAGES OF THEIR BEING SEEN TO BE CONTINUING HIGH LEVEL US/SOVIET DIALOGUE, EVEN IF THE INITIAL RESULTS ARE MEAGRE: AND THE POSSIBLE ADVANTAGES OF WIDENING CONTACTS WITH THE SOVIET LEADERS BEYOND THE CHANNELS CONTROLLED BY GROMYKO. WE HAVE ALSO SOUGHT TO ENCOURAGE DISCREETLY THE IDEA OF SOME POSSIBLE FURTHER EVOLUTION OF THE US POSITION IN START AS THE BEST WAY IN WHICH TO GIVE SOME REAL CONTENT TO THE RESUMED DIALOGUE.

10. ONE FINAL POINT, SHULTZ, AS YOU WILL KNOW, HAS STRONG PERSONAL FEELINGS ABOUT THE WAY IN WHICH DISSIDENTS ARE TREATED IN THE SOVIET UNION. HE WILL RAISE THE CASES OF SCHCHARANSKY AND SAKAHAROV AND OTHER LESS PROMINENT PERSONS WITH GROMYKO, THE MORE SO AS HE BELIEVES THAT THE AMERICANS WERE MISLED BY THE RUSSIANS IN THE CONCLUDING STAGES OF THE CSCE REVIEW CONFERENCE INTO BELIEVING THAT SOMETHING WOULD BE DONE ABOUT SCHCHARANSKY. THAT INDEED WAS PART OF THE BASIS ON WHICH THE PRESIDENT AGREED THAT THE US SHOULD MOVE FORWARD TO THE CDE.

11. FCO PLEASE PASS TO NO. 10 DOWNING ST.

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