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GRS 250

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FM WASHINGTON

TO DESKBY 091700Z FCO

TELNO 2296

OF 091650Z SEPTEMBER 86

INFO IMMEDIATE UKDEL NATO, MOSCOW

DANILOFF

1. PRESIDENT REGAN SPOKE PUBLICLY ABOUT THE DANILOFF AFFAIR FOR THE FIRST TIME ON 8 SEPTEMBER. HE DESCRIBED THE CONTINUING DETENTION OF DANILOFF AS AN OUTRAGE AND AS A "VIOLATION OF THE STANDARDS OF CIVILISED INTERNATIONAL BEHAVIOUR". HE SAID THAT THE SOVIET UNION MUST NOW BE AWARE OF HOW SERIOUS THE CONSEQUENCES WOULD BE IF HE WERE NOT SET FREE. HE CALLED ON THE SOVIET AUTHORITIES TO ACT RESPONSIBLY AND QUICKLY, FAILING WHICH "THERE WOULD BE NO WAY TO PREVENT THIS INCIDENT FROM BECOMING A MAJOR OBSTACLE IN RELATIONS". ADMINISTRATION SPOKESMEN HAD MADE CLEAR OVER THE LAST FEW DAYS THAT US OFFICIALS HAD RAISED THE DANILOFF AFFAIR IN EVERY APPROPRIATE US/SOVIET BILATERAL CONTACT, AND WOULD CONTINUE TO DO SO.

2. WE UNDERSTAND THAT SHULTZ SAW KARPOV'S TEAM, HERE FOR THE WEEK-END ARMS CONTROL TALKS (MY TELNO 2295), STRESSED TO THEM THE SERIOUSNESS WITH WHICH HE VIEWED THE SOVIET TREATMENT OF DANILOFF, AND WARNED THAT IF THE MATTER WAS STILL UNRESOLVED AT THE TIME OF SHEVARDNADZE'S MEETINGS HERE (18/19 SEPTEMBER), IT WOULD UNDOUBTEDLY DOMINATE THESE MEETINGS.

3. STATE ALSO CONFIRM TO US PRIVATELY THAT THEY STILL DO NOT RULE OUT THE POSSIBILITY OF SIMULTANEOUS RELEASE OF ZAKHAROV AND DANILOFF TO THE CUSTODY OF THEIR RESPECTIVE AMBASSADORS, ON THE UNDERSTANDING THAT DANILOFF WOULD THEN BE FREE TO LEAVE THE USSR. THE ADMINISTRATION ARE, HOWEVER, ADAMANT THAT THERE REMAINS ABSOLUTELY NO QUESTION OF A ONE FOR ONE SWAP. THE AMERICANS HAD HOPED TO AVOID AN ESCALATION OF TENSION IN THIS AFFAIR, BUT THE PRESSURES - INCLUDING BOTH IN THE MEDIA AND IN CONGRESS - HAD BUILT, AND THE STATEMENT BY REAGAN FULLY REFLECTED THE EXTENT OF AMERICAN SERIOUSNESS. THE SHULTZ/SHEVARDNADZE MEETING COULD IN FACT BECOME VULNERABLE IF THE PRESSURES BUILT FURTHER.

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4. STATE TELL US THAT THE US DELEGATION AT NATO WOULD BE RECEIVING INSTRUCTIONS TO RAISE THE DANILOFF AFFAIR, AND SPECIFICALLY TO DISCUSS WAYS IN WHICH THE ALLIES MIGHT EXPRESS A SHARED INTEREST IN DANILOFF'S EARLY RELEASE.

ACLAND

ORWBAN 6129

EAST WEST & US/SOVIET RELATIONS

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5

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