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Mr Powell

Daniloff

Moscow telegram No.1065 (attached).

I am inclined to agree with the Ambassador that the best explanation is a Soviet miscalculation of the likely US reaction. However the initial arrest happened, the decision to charge Daniloff formally could not have been taken without top political clearance, particularly given Reagan's message on Daniloff's innocence. We have therefore to ask why Gorbachev would approve such a course. The creation of a pretext for avoiding a fruitless summit is conceivable but unlikely. As the Ambassador says, there is other material to hand and a conclusion now that a worthwhile summit is unrealisable would be premature. I am not attracted to the idea of factions within the leadership; in any case Gorbachev must have given the final approval.

2. We are therefore driven back on the theory that all the Russians were doing by preferring charges was seeking an exact equivalence with the Zakharov case, calculating that a swap would be possible, but, as often before, fatally misreading Administration and Congressional response. A failure of political feel and imagination.

3. A summit is now in jeopardy. The next question is whether Gorbachev can make a concession over the case. It will not be easy, but should not be excluded. He will not want the summit to fail on this side-issue. If it is to founder he would wish it to do so on wider and more propaganda-worthy grounds. He might even be able to extract publicity value from a concession. "Daniloff of course was a spy and caught red-handed. But in the wider interests of world peace I am prepared to overlook the matter". Whether something along these lines happens will be a good measure of Gorbachev's ascendancy in the Politburo.

  
PERCY CRADOCK

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