

6/12 Relator

OO UKDEL NATO

IMMEDIATE

PP PARIS

ADVANCE COPY

PP BONN

mt

GRS 650

CONFIDENTIAL

FM MOSCOW 150943Z NOV 82
TO IMMEDIATE FCO

PS
 PS/Mottand
 PS/M. Ripkins
 PS/PS
 Sir Bullard
 Mr Wright
 Mr P. Ford
 Mr Godwin
 Mr Gillmore
 Mr Gore
 Mr Thomas

Vtd/EEED
 Vtd/Defence
 Vtd/NATO
 Vtd/Planning
 Vtd/PSD
 Vtd/TRED
 Vtd/WED
 Cabinet Office
 As 10 D.S. (2)

TELEGRAM NUMBER 724 OF 15 NOV
INFO IMMEDIATE WASHINGTON, UKDEL NATO,
INFO PRIORITY PARIS, BONN

FOLLOWING FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH MR SHULTZ: EAST/WEST RELATIONS

1. SHULTZ RECALLED PRESIDENT REAGAN'S MESSAGE TO THE PRIME MINISTER AND HER REPLY. IT WAS TIME FOR THE ALLIES TO DEMONSTRATE THREE THINGS: REALISM, STRENGTH AND READINESS FOR A MORE CONSTRUCTIVE RELATIONSHIP. THE US HAD BEEN TRYING TO EMPHASISE THE THIRD ELEMENT. SOME PEOPLE IN MOSCOW APPEARED TO SEE THE LIFTING OF THE PIPELINE SANCTIONS AS A CONCILIATORY ACT BY THE US. THERE WAS A FEELING ABROAD, VOICED BY DR KISSINGER AMONG OTHERS, THAT AN OPPORTUNITY FOR A BREAKTHROUGH EXISTED. THIS MIGHT BE SO, BUT NOT SIMPLY BECAUSE BREZHNEV HAD DIED. IT WAS NOT A MOMENT FOR THE WEST TO CHANGE ITS POLICY, BUT TO EMPHASISE IT, AND MEANWHILE TO MAINTAIN THE NECESSARY STRENGTH.

2. THE SECRETARY OF STATE AGREED. WE COULD NOT TELL AT THIS STAGE WHETHER A NEW OPPORTUNITY EXISTED OR NOT. BUT THERE WAS NOTHING TO BE LOST BY EXPLORING, AND MUCH TO BE LOST IF THIS WAS NOT DONE. IN BRITAIN, THE GOVERNMENT WAS CONSIDERING THE QUESTION OF THE TIMING OF THE DEPLOYMENT OF NEW INF SYSTEMS IN RELATION TO THE FRG. THE WHOLE COUNTRY WAS DETERMINED, FROM THE PRIME MINISTER DOWNWARDS, TO STAND BY THE DOUBLE DECISION. PUBLIC ATTITUDES IN THIS MATTER WOULD BE VERY IMPORTANT. WESTERN GOVERNMENTS WOULD BE EXPECTED BY THEIR OWN PEOPLE TO TAKE STEPS TO FIND OUT WHAT WAS THE COLOUR OF ANDROPOV'S MONEY. THERE HAD BEEN MUCH SPECULATION. TIME WOULD SHOW. THE NOTE STRUCK BY PRESIDENT REAGAN WAS EXACTLY THE RIGHT ONE.

3. HARTMAN (US AMBASSADOR TO MOSCOW), INVITED TO SPEAK ABOUT THE SOVIET INTERNAL SITUATION, SAID THAT HE SAW ANDROPOV AS

3. HARTMAN (US AMBASSADOR TO MOSCOW), INVITED TO SPEAK ABOUT THE SOVIET INTERNAL SITUATION, SAID THAT HE SAW ANDROPOV AS OCCUPYING THE NUMBER 1 SLOT BUT NOT YET WIELDING BREZHNEV'S POWER. IN HIS FIRST SPEECH HE HAD DOFFED HIS CAP TO THE MILITARY, TO WHOM HE OWED HIS POSITION. IT WAS TOO EARLY TO ASSUME THAT HE WOULD FOLLOW A TOUGHER POLICY THAN BREZHNEV'S, IF SUCH A THING COULD BE IMAGINED. HIS SPEECHES SO FAR WERE DIRECTED MAINLY AT THE DOMESTIC AUDIENCE. RESOURCE DECISIONS FOR THE SOVIET GOVERNMENT WERE GOING TO BE DIFFICULT WHATEVER HAPPENED. IT WOULD BE IN THE WESTERN INTEREST TO "KEEP ANDROPOV'S OPTIONS TIGHT". CERTAINLY ANDROPOV WOULD NOT CUT BACK DEFENCE SPENDING SIMPLY BECAUSE HE FOUND HIMSELF IN A RESOURCE PINCH. BUT SOVIET SUPPORT FOR EG ETHIOPIAN AND CUBAN ADVENTURES, AND FOR EASTERN EUROPE, MIGHT BE REDUCED, AND INDEED THERE WERE SIGNS OF THE LATTER ALREADY HAPPENING. HARTMAN DETECTED AN INABILITY TO TAKE DECISIONS BECAUSE "NOBODY KNOWS HOW TO MAKE THE SYSTEM WORK". THE PROBLEMS WERE INSTITUTIONAL AS WELL AS ECONOMIC. WHAT THE WEST SHOULD DO IN THIS SITUATION WAS TO PAINT A PICTURE OF HOW THINGS COULD BE IF THE SOVIET LEADERS ADOPTED THE NECESSARY ATTITUDE.

4. SHULTZ SAID HE WAS MORE PESSIMISTIC THAN HARTMAN ABOUT THE MEANING OF ANDROPOV'S FIRST PUBLIC STATEMENTS. HE SAW HIM AS A HARD MAN. THE TIME OF OPPORTUNITY FOR THE WEST WAS MORE LIKELY TO COME LATER THAN IMMEDIATELY.

5. THE SECRETARY OF STATE POSED THE QUESTION HOW ANY SOVIET LEADER COULD REDUCE DEFENCE SPENDING IF HE WISHED TO DO SO, GIVEN THE SELF-PERPETUATING NATURE OF SOVIET POLICIES AND OF THE SYSTEM. HE SAW THE SOVIET UNION AS FACING GREAT PROBLEMS ABROAD AND AT HOME, INCLUDING A POTENTIAL PROBLEM OF ISLAMIC FUNDAMENTALISM. PROVIDED THE WEST RETAINED SUFFICIENT STRENGTH TO DETER ANY ATTACK AND COORDINATED ITS POLICY, WE HAD LITTLE TO FEAR FROM THE USSR .

SUTHERLAND

NNNN