CONFIDENTIAL

FROM FCO 011716Z AUG 85

TO IMMEDIATE MOSCOW

TELEGRAM NUMBER 764 OF 1 AUGUST
INFO IMMEDIATE HELSINKI, WASHINGTON, PARIS, BONN, UKDEL NATO,
INFO PRIORITY OTHER CSCE POSTS, UKREP BRUSSELS

FOLLOWING FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH SHEVARDNADZE:
HELSINKI 1 AUGUST

SUMMARY

- 1. SHEVARDNADZE'S MESSAGE WAS OF READINESS TO DEVELOP BILATERAL RELATIONS IN POLITICAL AND TRADE FIELDS. STRESS ON URGENCY OF NUCLEAR ARMS CONTROL, WITH PLUGS FOR GORBACHEV'S TEST MORATORIUM, AND FOR NOFUN. SERIOUS PREPARATION OF US-SOVIET SUMMIT NOW UNDERWAY. NO REFERENCE TO SOVIET CONCERN OVER CEILINGS ON SOVIET EMBASSY STAFF.
- 2. SECRETARY OF STATE SET OUT BASIS OF UK'S EAST/WEST POLICY
 AND RAISED FAMILY REUNIFICATION CASES AND NEED FOR RESPECT FOR
 HUMAN RIGHTS, REFERRING TO SAKHAROV AND SCHARANSKY. SHEVARDNADZE
 ACCEPTED INVITATION TO UK. NO DATES AS YET.
 DETAIL
- 3. THE SECRETARY OF STATE HAD ALMOST AN HOUR'S TALK WITH SHEVARDNADZE ON THE MORNING OF 1 AUGUST.
- 4. SHEVARDNADZE SAID THAT UK-SOVIET RELATIONS HAD ENTERED A MORE ACTIVE PHASE AFTER A PERIOD OF STAGNATION. THE PRIME MINISTER'S CONTACT WITH GORBACHEV WAS THE MAIN IMPETUS FOR THIS. GORBACHEV RECALLED HIS VISIT TO THE UK WITH SATISFACTION. WE SHOULD NOW BUILD FURTHER ON EXISTING CONTACTS IN TRADE, SCIENCE AND TECHNOLOGY, CULTURE AND SPORT.
- ARMS CONTROL AND THE PREVENTION OF AN ARMS RACE IN SPACE. HE COMMENDED THE GORBACHEV ANNOUNCEMENT OF A MORATORIUM ON NUCLEAR TESTS AND OTHER UNILATERAL SOVIET INITIATIVES, EG MORATORIUM ON DEPLOYMENT OF INF MISSILES IN THE EUROPEAN PART OF THE USSR, AND NOFUN UNDERTAKING. THE WEST SHOULD RESPOND. BRITAIN SHARED

RESPONSIBILITY FOR THE SATURATION OF EUROPE WITH NUCLEAR WEAPONS. IT WAS NECESSARY NOW TO FIND A WAY FORWARD SO AS TO AVOID DISASTER.

- 6. SHEVARDNADZE SAID THAT HIS MEETING WITH SHULTZ
 (QUOTE BUSINESSLIKE UNQUOTE) WAS THE START OF PRACTICAL PREPARATIONS FOR THE REAGAN-GORBACHEV SUMMIT. HE HAD STRESSED THE NEED FOR PRACTICAL RESULTS FROM THE SUMMIT IF EXPECTATIONS WERE TO BE MET.
- 7. AS GORBÁCHEV HAD SAID, THE RUSSIANS DID NOT LOOK AT EVERYTHING THROUGH THE PRISM OF US-SOVIET RELATIONS. THE UK WITH

 ITS GREAT HISTORICAL EXPERIENCE HAD ITS OWN ROLE TO PLAY. UK-SOVIET

 COOPERATION COULD HELP ACHIEVE POSITIVE RESULTS AT THE CDE.

 THERE SHOULD BE CONTACTS ALSO OVER REGIONAL PROBLEMS (HE

 SPECIFIED THE MIDDLE EAST). THE SOVIET UNION WANTED TO DEVELOP

 TRADE. THE EXISTING RESTRICTIONS WERE AN OBSTACLE TO THIS.

 WE SHOULD MAKE UP OUR OWN MINDS WHAT TO BUY AND SELL, AND NOT

 ALLOW OTHERS TO DICTATE. HE FAVOURED ALSO DEVELOPING EC-CMEA

 RELATIONS.
- 8. SHEVARDNADZE LOOKED FORWARD TO DEVELOPING A CONSTRUCTIVE DIALOGUE WITH THE UK AT FURTHER MEETINGS. HE CITED, AS A MODEL OF PREVIOUS COOPERATION, THE TRIPARTITE CTB TALKS OF THE 1970S.
- 9. THE SECRETARY OF STATE OUTLINED THE UK'S CONSISTENT EFFORTS OVER TWO YEARS TO WORK FOR IMPROVEMENT IN EAST/WEST AND ANGLO SOVIET RELATIONS. IT WAS IN THIS CONTEXT THAT THE PRIME MINISTER HAD MUCH VALUED GORBACHEV'S VISIT. DIALOGUE MUST BE FOUNDED NOT ON ILLUSIONS ABOUT EACH OTHER'S SOCIAL SYSTEMS BUT ON RECOGNITION OF THE NEED TO LIVE TOGETHER AND REDUCE TENSION. BRITAIN WANTED IMPROVED RELATIONS AND MORE CONTACTS. HE WELCOMED SHEVARDNADZE'S INTEREST IN UK-SOVIET DISCUSSION OF REGIONAL QUESTIONS AND IN EXPANSION OF TRADE. THERE WAS NO QUESTION OF ACCEPTING DICTATION AS REGARDS TRADE. BUT WE HAD TO HAVE DUE REGARD FOR NATIONAL SECURITY WITHIN OUR ALLIANCE. WE LOOKED ALSO FOR AN EXPANSION OF CULTURAL RELATIONS.
- 10. SETTLEMENT OF FAMILY REUNIFICATION CASES HAD A ECHOURABLE EFFECT ON BRITISH PERCEPTIONS OF THE SOVIET UNION. THE SECRETARY OF STATE SAID HE WOULD LEAVE WITH SHEVARDNADZE A

LIST OF CASES ILLUSTRATING THE PROBLEM (SHEVARDNADZE DID NOT DEMUR. BUT ONE OF HIS OFFICIALS REFUSED TO ACCEPT THE LIST AFTER THE MEETING. IT WAS SUBSEQUENTLY SENT TO THE SOVIET EMBASSY UNDER COVER OF A NOTE TO SHEVARDNADZE FROM THE SECRETARY OF STATE.)

- 11. THE SECRETARY OF STATE ENDORSED THE IMPORTANCE OF VERIFIABLE ARMS CONTROL AGREEMENTS. SHEVARDNADZE HIMSELF HAD ADMITTED IN HIS CSCE SPEECH THAT THE GROWING BURDEN OF EXPENDITURE HAMPERED INTERNAL ECONOMIC DEVELOPMENT. BOTH SIDES COULD PRESERVE SECURITY AT LOWER LEVELS OF ARMAMENTS, GIVEN THE NECESSARY BASIS OF CONFIDENCE THROUGH VERIFICATION. WE SHOULD WORK PATIENTLY FOR AGREEMENT IN CDE AND MBFR, AND AT GENEVA FOR A GLOBAL CW BAN. WE WOULD CONSIDER SERIOUSLY GORBACHEV'S MORATORIUM ANNOUNCEMENT. BUT RHETORICAL GESTURES WERE NO SUBSTITUTE FOR NEGOTIATION OF VERIFIABLE AGREEMENTS.
- 12. THE UK MADE ITS OWN CONTRIBUTION WITHIN NATO AND OUTSIDE IT.
 THE PRIME MINISTER'S DISCUSSIONS WITH PRESIDENT REAGAN AT CAMP
 DAVID, COMING SO SOON AFTER HER TALKS WITH GORBACHEV,
 ILLUSTRATED THE POINT. WE WELCOMED THE CAREFUL PREPARATION FOR
 THE US-SOVIET SUMMIT, WHICH WOULD BE IMPORTANT IN ESTABLISHING
 CONFIDENCE.
- 13. THE SECRETARY OF STATE URGED A CHANGE IN SOVIET TREATMENT OF SAKAHROV, SCHARANSKY AND OTHERS, WHICH WOULD TRANSFORM THE ATMOSPHERE. RESPECT FOR HUMAN RIGHTS WAS AN INTEGRAL FEATURE OF THE HELSINKI PROCESS WHOSE ANNIVERSARY WE WERE CELEBRATING.

 14. THE SECRETARY OF STATE RENEWED THE INVITATION TO SHEVARDNADZE TO VISIT THE UK. SHEVARDNADZE ACCEPTED BUT WITHOUT NAMING DATES. HE RESPONDED TO THE SECRETARY OF STATE'S POINTS -
- (1) SOVIET ARMS CONTROL PROPOSALS WERE NOT JUST RHETORIC.

 THE NUCLEAR TEST MORATORIUM PROPOSAL WAS A BOLD AND EVEN RISKY STEP. THEY AWAITED A REACTION TO IT. A NOFUN AGREEMENT WOULD BE OF BENEFIT TO ALL. THE SOVIET UNDERTAKING NOT TO BE FIRST TO MILITARIZE SPACE WAS EQUALLY SERIOUS. IN THE PRESENT STATE OF THE ART RELIABLE VERIFICATION OF ANY NUCLEAR EXPLOSION WAS POSSIBLE.
- (2) THE NAMES MENTIONED BY THE SECRETARY OF STATE WERE NOT

FAMILIAR TO HIM. THOSE WHO BROKE SOVIET LAW WERE DEALT WITH ACCORDING TO THE LAW. WHAT IF HE HAD HANDED OVER A LIST OF MINERS WHO HAD SUFFERED IN THE STRIKE AS A RESULT OF BRITISH GOVERNMENT ACTION? WE SHOULD LOOK FOR THE POSITIVE ELEMENTS IN OUR RELATIONS AS A MEANS OF BUILDING UP CONFIDENCE.

COMMENT

- 15. THOUGH SHEVARDNADZE REACTED QUITE SHARPLY ON HUMAN RIGHTS
 (SAYING THAT AS A SOUTHERNER HE WAS QUOTE SHORT-TEMPERED UNQUOTE)
 THE TONE WAS GENERALLY RELAXED, AND THE MESSAGE ONE OF READINESS
 TO LOOK AT WAYS OF DEVELOPING RELATIONS. THERE WAS NO REFERENCE
 TO CEILINGS ON EMBASSY DIPLOMATS (OR TO EXCHANGE OF EMBASSY SITES).

 16. SHEVARDNADZE COVERED A LOT OF GROUND COMPETENTLY. THOUGH
 NOT TO BE DRAWN ON DATES FOR HIS VISIT TO THE UK, HE SEEMED
 VERY READY FOR FURTHER CONTACTS, EXPLICITLY AS A MEANS OF BUILDING
 ON THE FOUNDATIONS LAID BY THE PRIME MINISTER AND GORBACHEV TO WHO
 HE REFERRED REPEATEDLY DURING THE DISCUSSION.
- 17. NATO POSTS MAY DRAW ON THE ABOVE BUT SHOULD NOT (NOT) USE THE PASSAGES REFERRING SPECIFICALLY TO BILATERAL RELATIONS.

 18. WASHINGTON. IN GOING THROUGH THE ABOVE WITH THE AMERICANS YOU SHOULD EXTRACT AS DETAILED A DESCRIPTION AS POSSIBLE OF THE SHULTZ/SHEVARDNADZE MEETING. SECRETARY OF STATE'S PARTY HAD TO LEAVE EARLY FROM THE NATO BRIEFING BREAKFAST THIS MORNING FOR THE SHEVARDNADZE MEETING AND WE WOULD WELCOME A FULL REPORT.

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