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SHULTZ'S VISIT TO MOSCOW, AND SUMMIT PROSPECTS

SUMMARY

1. US PRESS MORE PESSIMISTIC ABOUT SUMMIT PROSPECTS, BUT ADMINISTRATION STILL BELIEVE SOME USEFUL PROGRESS IS POSSIBLE.

DETAIL

2. SINCE SHULTZ'S RETURN FROM MOSCOW, COMMENT IN THE US PRESS HAS TAKEN A MORE PESSIMISTIC TURN. THEIR GENERAL VIEW IS NOW THAT MEETING OF MINDS IS UNLIKELY, AND THAT ANY CONCRETE AGREEMENTS WILL BE RESTRICTED TO SECONDARY BILATERAL ISSUES. THIS THEME REFLECTS TWO FACTORS, PESSIMISTIC COMMENT BY US OFFICIALS IN SHULTZ'S PARTY, WHO HAVE DWELT ON SOVIET MISCONCEPTIONS OF THE ADMINISTRATION'S UNDERLYING POLICIES TOWARDS THE SOVIET UNION, AND GORBACHEV'S QUOTE COMRATIVE AND ARGUMENTATIVE UNQUOTE PERFORMANCE: AND SECONDLY, THE SERIES OF RECENT US/SOVIET INCIDENTS (YURCHENKO, MEDVED, SUKONOV (MY TELNO 3051), THE SOVIET REFUSAL OF A REAGAN TELEVISION INTERVIEW, AND THE MIX-UP OVER THE PRESIDENT'S REMARKS ON SDI IN HIS IZVESTIA INTERVIEW) WHICH HAVE BEEN LUMPED TOGETHER AS SYMPTOMS OF A WORSENING ATMOSPHERE, AND OF LACK OF COHESION WITHIN THE ADMINISTRATION.

3. THERE IS OF COURSE AN ELEMENT OF DELIBERATE EXPECTATION-LOWERING BY THE ADMINISTRATION. ARMACOST (STATE DEPARTMENT) TOLD ME ON 7 NOVEMBER THAT OPTIMISM AMONG OFFICIALS WAS HIGHER, EVEN POST-MOSCOW, THAN WAS BEING ADMITTED PUBLICLY. COMPARING THIS WITH THE RUN-UP TO PAST SUMMITS, HE THOUGHT IT WAS NOT UNUSUAL FOR THERE TO BE BILATERAL COMPLICATIONS IN THE PRECEDING DAYS, AND SUMMITS HELD EVEN UNDER UNPROMISING AUGURIES HAD ACHIEVED USEFUL RESULTS. THE TOUGHNESS WHICH GORBACHEV HAD EXHIBITED TO SHULTZ WAS A REFLECTION OF HIS CHARACTER AND SELF-CONFIDENCE. HE HAD CONSOLIDATED HIS POSITION VERY QUICKLY. BUT HE BELIEVED THAT GORBACHEV'S INTEREST WAS IN HAVING A SUCCESS TO PRESENT AT THE PARTY CONFERENCE IN FEBRUARY 1986. THEREFORE THE SOVIET APPROACH, LIKE THAT OF THE US, WAS PROBABLY SERIOUS, THOUGH THE GOING WOULD BE TOUGH ON THE KEY ISSUES.

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4. WHEN I SAW MCFARLANE (NSC) ON 7 NOVEMBER, HE COMMENTED THAT THERE WERE GREAT GAPS IN GORBACHEV'S KNOWLEDGE. GORBACHEV SEEMED GENUINELY TO BELIEVE THAT THE PROSPERITY OF THE WEST DEPENDED ON THEIR DEFENCE INDUSTRIES, AND THAT THE WEST NEEDED THE SOVIET THREAT TO SUSTAIN ITSELF. THIS WAS PALPABLY FALSE. GORBACHEV WAS ALSO CLEARLY DEFICIENT IN HIS KNOWLEDGE OF AMERICAN ARMS CONTROL POLICY AND OF THE REASONING BEHIND SDI. MCFARLANE SAID THAT GORBACHEV HAD ACKNOWLEDGED THAT THE LATEST US GENEVA PROPOSALS WERE NEW AND MARKED AN ADVANCE. MCFARLANE WAS ON BALANCE STILL OPTIMISTIC, THOUGH LESS PROGRESS HAD BEEN MADE SO FAR TH

IN THE ADMINISTRATION FELT WAS NECESSARY.

6. WHAT YOU SAID ABOUT SUMMIT PROSPECTS IN THE HOUSE ON 8 NOVEMBER SEEMS EXACTLY RIGHT.

WRIGHT

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