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SOVIET FOREIGN MINISTER'S VISIT TO LONDON: BACKGROUND

1. THIS TELEGRAM UP-DATES, IN ADVANCE OF SHEVARDNADZE'S VISIT, ASSESSMENTS OF THE MAN, THE PRIORITIES OF THE SOVIET LEADERSHIP AND SOVIET OBJECTIVES FOR THE VISIT.

SHEVARDNADZE

2. WITH DOBRYNIN HOME FROM WASHINGTON, THERE HAS BEEN SPECULATION ON SHEVARDNADZE'S ROLE AND EVEN HIS FUTURE. SOME THOUGHT THAT HE WOULD LEAVE THE MFA AND SUCCEED GROMYKO IN THE PRESIDENCY. MOST OBSERVERS SAW SHEVARDNADZE AS UNCERTAIN IN HIS JOB AND AS NOT HAVING ESTABLISHED A STYLE NOR EVEN MUCH OF A PRESENCE. THIS IS STILL TRUE. BUT A PATTERN IS EMERGING OF A STRONGER CENTRAL COMMITTEE MECHANISM UNDER DOBRYNIN RESPONSIBLE FOR POLICY MAKING, AND OF A MORE OPEN, FLEXIBLE AND IMAGE-CONSCIOUS MFA UNDER SHEVARDNADZE, RESPONSIBLE FOR POLICY PRESENTATION AND IMPLEMENTATION. AS YOU ALREADY KNOW, SHEVARDNADZE HIMSELF IS AN INTELLIGENT AND SERIOUS INTERLOCUTOR AND A GOOD LISTENER. POINTS MADE TO HIM WILL REGISTER AND WILL BE PASSED ON. BUT HE IS NOT NECESSARILY THE BEST SOURCE OF UP-TO-DATE INSIGHTS INTO GORBACHEV'S THINKING ON FOREIGN POLICY.

SOVIET PRIORITIES

3. GORBACHEV'S TOP PRIORITY IS THE RESTRUCTURING AND INVIGORATION OF THE ECONOMY. RECENT SPEECHES BY BOTH HIM AND RYZHKOV HAVE CARRIED UNDERTONES OF FRUSTRATION WITH THE DIFFICULTIES OF GETTING THE REFORM PROCESS OFF THE LAUNCHING PAD. GROWTH RATES (AND TARGETS) ARE UP SINCE THE CONGRESS BUT THERE IS NO SIGN OF THE BREAK-THROUGH WHICH GORBACHEV IS HOPING FOR. LOW OIL PRICES HAVE REDUCED IMPORT POSSIBILITIES. THE PRIORITIES ARE NOW SELF-GENERATED TECHNOLOGICAL ADVANCE AND INTENSIFIED COOPERATION WITH CMEA PARTNERS. GORBACHEV'S ECONOMIC OBJECTIVES COULD BE MORE VIGOROUSLY PURSUED AGAINST A BACKGROUND OF A DEMONSTRABLE SHIFT TOWARDS STABILITY IN EAST-WEST RELATIONS AND, IN PARTICULAR, OF A LESS ACCIDENT-PRONE US/SOVIET RELATIONSHIP.

4. GORBACHEV'S OWN POSITION IS APPARENTLY SECURE AND HAS NOT, INTERNALLY AT LEAST, BEEN AFFECTED BY CHERNOBYL. BUT THE SLOW PACE OF ECONOMIC REFORM AND OF SOME LONG-ANTICIPATED LEADERSHIP CHANGES

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(E.G. KURAEV) SHOW THAT THERE ARE LIMITS TO HIS FREEDOM OF ACTION. HIS POLICY OF ENCOURAGING MORE OPENNESS ('GLASNOST') IN SOVIET SOCIETY HAS GATHERED MOMENTUM AND PRODUCED SOME DRAMATIC RESULTS, NOTABLE AT THE RECENT CONGRESSES OF THE CINEMATOGRAPHERS AND WRITERS' UNIONS. THE CONSERVATIVES ARE CLEARLY APPREHENSIVE THAT IT COULD GET OUT OF CONTROL. GORBACHEV WILL WISH TO ENSURE THAT IT DOES NOT: HERE AGAIN, HE NEEDS THE REINFORCEMENT OF HIS PERSONAL AUTHORITY WHICH CREDIT FOR STABILISING THE SUPER-POWER RELATIONSHIP WOULD BRING.

5. GORBACHEV THEREFORE NEEDS TO SECURE AT LEAST A SMALL STEP FORWARD IN ARMS CONTROL NEGOTIATIONS WITH THE AMERICANS. HE CANNOT TRAVEL HOPEFULLY TO A SECOND SUMMIT, LEAST OF ALL IN WASHINGTON, AND RETURN WITH NO MORE THAN KIND WORDS. IN THE SHORT TERM, GORBACHEV NEEDS A "FIX" IN EAST/WEST RELATIONS, WHICH CAN BE INFLATED BY PROPAGANDA AS REQUIRED BUT WHICH CAN SERVE BOTH TO CURB THE UNEASE OF THE MILITARY AND TO REASSURE THE POPULATION THAT INTERNAL CHANGES ARE TAKING PLACE AGAINST A MORE STABLE INTERNATIONAL BACKGROUND. HE NEEDS A RESULT MORE THAN HE NEEDS A SUMMIT AND WILL, I SUSPECT, BE READY TO LET THE TIMING SLIP INTO 1987 IF NECESSARY UNTIL THERE IS A PROSPECT OF A REAL, EVEN IF MODEST, TROPHY TO BRING HOME.

SOVIET/US RELATIONS

7. THESE ARE REplete WITH CONTRADICTIONS AND DILEMMAS:

- (A) FUNDAMENTAL HOSTILITY VERSUS THE NEED TO DO BUSINESS
- (B) THE NEED TO REACH AGREEMENT VERSUS THE NEED NOT TO SEEM WEAK
- (C) INTEREST IN WEDGE-DRIVING BETWEEN EUROPE AND THE US VERSUS THE NEED TO KEEP CHANNELS OPEN AND NOT MAKE AGREEMENT MORE DIFFICULT.
- (D) THE DILEMMA OF WHETHER TO DO BUSINESS WITH REAGAN OR TO WAIT FOR A MORE FLEXIBLE SUCCESSOR.

8. RUSSIANS SEEM GENUINELY PUZZLED AND CONCERNED BY UNPREDICTABLE BUT LARGELY NEGATIVE SIGNALS FROM WASHINGTON. THEY BELIEVE THAT IN THE PLETHORA OF THEIR PROPOSALS, AND IN THEIR PRIVATE IF NOT IN THEIR PUBLIC NEGOTIATING POSITION, THERE IS QUITE ENOUGH TO GET SUBSTANTIVE DISCUSSION STARTED. SHEVARDNADZE WILL HOPE TO GAIN, DURING HIS VISIT, INSIGHTS INTO US ATTITUDES AND INTENTIONS; AND HE WILL WISH TO USE IT TO CONVEY TO WASHINGTON, THROUGH YOU, MOSCOW'S OWN CONCERNS. THE CURRENT SOVIET FOCUS ON THE EUROPEAN DIMENSION OF EAST/WEST RELATIONS AND ARMS CONTROL (MITTERRAND AND GENSCHER ARE IN MOSCOW THIS WEEK) IS MORE THAN WEDGE-DRIVING AND PROPAGANDA: IT IS ALSO DETERMINED BY THE BELIEF THAT WESTERN EUROPE UNDERSTANDS BOTH SOVIET AND US PERCEPTIONS AND CAN PLAY A KEY ROLE IN PERSUADING THE US TO GET DOWN TO SERIOUS NEGOTIATION.

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9. THE POST-EXPULSIONS FREEZE IS NOW WELL BEHIND US ALTHOUGH SOME POTENTIAL VISA AND CEILING IRRITANTS REMAIN. THERE HAS BEEN A FAST BUILD-UP THIS YEAR OF HIGH LEVEL EXCHANGES. THE CULTURAL EXCHANGE PROGRAMME, WITH A LONGER LEAD TIME, ALSO LOOKS GOOD. TRADE, HOWEVER, IS STAGNANT AND NEEDS A PUSH - AT LEAST, A PURPOSEFUL FOLLOW-UP TO THE WALKER AND MURAKHOVSKY VISITS. THERE HAS BEEN LITTLE PROGRESS ON HUMAN RIGHTS AND FAMILY REUNIFICATION, WHICH AFFECT UK PERCEPTIONS OF THE SOVIET UNION AND OUR ABILITY TO DEVELOP RELATIONS FURTHER.

SOVIET OBJECTIVES FOR THE VISIT

10. I FULLY ENDORSE THE DEPARTMENT'S SUMMARY, IN THE STEERING BRIEF, OF SOVIET (AND UK) OBJECTIVES FOR THE VISIT. THE VISIT GIVES SHEVARDNADZE AN OPPORTUNITY DIRECTLY TO PROMOTE SOVIET POLICIES AND INITIATIVES AND TO CONVEY THE SERIOUSNESS OF SOVIET INTENTIONS TO BRITISH PUBLIC OPINION. HE WILL TAKE THIS FIRST POST-CONGRESS OPPORTUNITY TO PRESENT A NEW IMAGE OF THE SOVIET UNION ON THE MOVE. SOVIET PREOCCUPATION WITH "IMAGE" (REPORTEDLY A MAJOR THEME IN GORBACHEV'S ADDRESS TO SOVIET AMBASSADORS AND THE MFA IN MAY) COULD PROVIDE YOU WITH A USEFUL LEVER WITH WHICH TO OPEN UP HUMAN RIGHTS ISSUES.

CONCLUSION

11. SHEVARDNADZE'S VISIT TO LONDON IS THUS LIKELY TO MARK A SIGNIFICANT STAGE IN THE APPROACH MARCH TO A SUMMIT. IT WILL SET THE SEAL ON THE RETURN TO NORMALITY IN UK/SOVIET RELATIONS AFTER THE TURBULENCE OF LAST AUTUMN. IF IT HELPS TO OPEN THE WAY FOR A VISIT TO MOSCOW BY THE PRIME MINISTER WITHIN THE NEXT TWELVE MONTHS, AS THE NEXT LOGICAL STAGE IN OUR BILATERAL DIALOGUE, THAT TOO WILL BE A VALUABLE OUTCOME.

CARTLEDGE

EAST WEST & US/SOVIET RELATIONS

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