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MY I.P.T AND MY TELEGRAM 910: EXPULSIONS: SOVIET ATTITUDES AND OUR NEXT STEPS

SUMMARY

THE FOREIGN MINISTRY'S RESPONSE TO OUR FIRST REACTION TO THEIR PROPOSED CEILING, AND USPENSKYS COMMENTS, SHOW THAT THEY WANT TO PLAY THIS AFFAIR AS COOLLY AS POSSIBLE. THEY SAY THAT THEIR REACTION TO OUR EXPULSIONS WAS INEVITABLE, GIVEN THE DELICACY OF THE INTERNAL SITUATION HERE, AND THE NEED TO PRESERVE THEIR "INTERNATIONAL SELF RESPECT." THEY HAVE MADE NO FURTHER THREATS. USPENSKY SAID EXPLICITLY THAT THE MFA DID NOT WANT TO MAKE LIFE UNNECESSARILY DIFFICULT FOR THIS EMBASSY, AND THAT THEY WILL GIVE US TIME TO SORT OURSELVES OUT. THIS INCREASES OUR ROOM FOR MANOEUVRE IN THE NEXT STAGE.

DETAIL

2. OUR OFFICIAL CONTACTS ARE SHOWING THEMSELVES MORE THAN ANXIOUS TO CONDUCT BUSINESS AS USUAL. THEY REGRET THE ROW. MANY OF THEM EXPRESS SYMPATHY FOR THE BRITISH VICTIMS, AND SHOW NO DISPOSITION TO BELIEVE THE ACCUSATIONS LEVELLED AGAINST THEM. NOR - APART FROM THE MFA OFFICIALS WHOSE DUTY IT IS - DO THEY CRITICISE OUR EXPULSION OF SOVIET OFFICIALS FROM LONDON. THEY KNOW, ONLY TOO WELL, THAT THE ACTIVITIES OF THE SOVIET INTELLIGENCE AGENCIES REMAIN GROSSLY INFLATED AND ARE INADEQUATELY CONTROLLED. THEY DOUBTLESS HOPE THAT THE FURTHER "DEMOCRATISATION" OF SOVIET SOCIETY WILL CHANGE THIS IN TIME: A PROPOSAL FOR A PARLIAMENTARY COMMISSION TO OVERSEE THE SECURITY AGENCIES HAS JUST BEEN PUT TO THE CONGRESS OF PEOPLES' DEPUTIES. USPENSKY HINTED AS MUCH TO ME.
3. OUR UNOFFICIAL CONTACTS EXPRESS THESE THOUGHTS MORE OPENLY. THEY REMAIN PERFECTLY WILLING TO SEE US.
4. THOUGH THE EVIDENCE IS NATURALLY VERY SCANTY, THERE ARE EVIDENTLY CONFLICTING INTERESTS AMONG THE SOVIET POLITICIANS AND AGENCIES INVOLVED:

GORBACHEV

5. HIS OVERRIDING AIM IS TO REMAIN IN POWER AND TO CARRY THROUGH HIS POLITICAL AND ECONOMIC REFORMS. HE FACES INERTIA AND OPPOSITION. HE DOES NOT NEED NEW DOMESTIC ENEMIES. HE SEEMS THEREFORE FROM THE BEGINNING TO HAVE STRUCK AN IMPLICIT BARGAIN WITH THE KGB: THEY CAN CONTINUE, OR EVEN EXPAND THEIR OPERATIONS ABROAD; HE WILL REACT DECISIVELY AGAINST RETALIATION BY FOREIGN GOVERNMENTS WHEN THEY ARE CAUGHT. IN RETURN THE DAMAGE TO HIS FOREIGN POLICY MUST BE CONTAINED, AND THEY MUST BEHAVE THEMSELVES AT HOME. HENCE HIS RESPONSE TO THE US, CANADIAN AND JAPANESE EXPULSIONS.

6. THE FOREIGN MINISTRY MAY WELL BE RIGHT IN HINTING THAT OUR ACTION CAME AT A DOMESTICALLY EMBARRASSING TIME FOR GORBACHEV. HE IS RIGHT IN THE MIDDLE OF A DOMESTIC POLITICAL UPEHAVAL, FROM WHICH HE NEEDS AS LITTLE DISTRACTION AS POSSIBLE. IT WOULD BE HARD FOR HIM TO EXPLAIN TO THE SOVIET PEOPLE WHY THEIR COUNTRY IN NOW IN A MAJOR PUBLIC ROW WITH BRITAIN AND MRS THATCHER, FOR WHOM HE AND THEY HAVE THE GREATEST ESTEEM. HE MAY ON THE OTHER HAND, THINK THAT THE SOVIET UNION SHOULD NOT, THESE DAYS, BE GETTING ITSELF INTO THIS KIND OF SCRAPE. THIS MAY LIE BEHIND THE LOW-KEY AND INTERROGATIVE ATTITUDE OF HIS CLOSE DIPLOMATIC ADVISER CHERNYAYEV (WHO MAY HIMSELF BE A CLOSET LIBERAL) WHEN I SAW HIM ON 19 MAY. CERTAINLY THE DAMAGE LIMITATION IN WHICH THE FOREIGN MINISTRY ARE CURRENTLY ENGAGED MUST HAVE BEEN ENDORSED BY GORBACHEV HIMSELF.

THE FOREIGN MINISTRY

7. UNDER SHEVARDNAZE, THE FOREIGN MINISTRY ARE A LIBERALISING FORCE IN DOMESTIC POLITICS AS WELL AS INCOMPARABLY MORE SKILFUL THAN IN THE PAST IN PROMOTING SOVIET INTERESTS ABROAD. ROWS PROVOKED BY THE KGB ABROAD SERVE NEITHER OF THESE INTERESTS. ALL THE OFFICIALS WE HAVE SO FAR DEALT WITH (EXCEPT THOSE WE SUSPECT COME FROM THE KGB ANYWAY) HAVE SHOWN VARYING DEGREES OF REGRET AND EMBARRASSMENT. USPENSKY AND OTHERS WHO HAVE INVESTED PERSONAL CAPITAL IN A GOOD RELATIONSHIP WITH BRITAIN MAY FEEL PERSONALLY EXPOSED. BUT THEY ARE AT PRESENT USING THEIR LINKS WITH THIS EMBASSY - AND PRESUMABLY THEIR INFLUENCE WITH THE REST OF THE SOVIET BUREAUCRACY - TO MANAGE THE FALL OUT, AS BEST THEY CAN.

THE KGB

8. WE HAVE, OF COURSE, NO EVIDENCE OF KGB ATTITUDES. THEY (AND ESPECIALLY THEIR DIRECT PREDECESSORS THE NKVD) ARE NOWADAYS SUBJECT TO INCREASING PUBLIC CRITICISM, WHICH MUST LEAVE THEM MORE THAN USUALLY ANXIOUS TO DEFEND THEIR POSITION. THEY HAVE AN OBVIOUS INSTITUTIONAL INTEREST IN MAINTAINING THEIR OPERATIONS AND STAFF AT HOME AND ABROAD. THEY DOUBTLESS ARGUE THAT THE FOREIGN TECHNICAL AND SCIENTIFIC INTELLIGENCE THEY PRODUCE IS VITAL TO A SOVIET ECONOMY IN DESPERATE NEED OF REFORM. THEY MAY ARGUE THAT THE FOREIGN MILITARY AND SUBVERSIVE MANACE IS AS GREAT AS EVER, THOUGH THIS RUNS COUNTER TO GORBACHEV'S OWN PUBLIC POLICY. THEY CONSTITUTE, IN ANY CASE, A MENACE TO GORBACHEV OR ANY OTHER LEADER, IF ONLY BECAUSE THEY COULD BACK A RIVAL. THESE MAY BE REASONS WHY GORBACHEV WOULD LIKE TO CUT THEM BACK. THEY ARE ALSO REASONS WHY HE WILL FIND IT DIFFICULT TO DO SO. BUT NOW THAT THE RUSSIANS HAVE MADE THEIR INITIAL COUNTERSTRIKE THE KGB DO NOT AT PRESENT SEEM TO BE CALLING THE SHOTS IN THE PRESENT AFFAIR. IN EARLIER ROWS THEY WOULD HAVE DETERRED OUR CONTACTS FROM SEEING US, AND THEIR PATHETIC 'EVIDENCE' AGAINST THE BRITISH JOURNALISTS WOULD HAVE BLOWN UP IN THE SOVIET PRESS, WHICH AS FAR AS I KNOW IT HAS NOT. THESE ARE SMALL BUT SIGNIFICANT SIGNS.

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NEXT STEPS.

9. WE HAVE TWO OBJECTIVES: TO CONTINUE THE PRESSURE ON THE RUSSIANS TO REDUCE THEIR INTELLIGENCE EFFORT IN BRITAIN: AND TO LIMIT THE ~~DAMAGE~~ TO THIS EMBASSY, ON THE ASSUMPTION THAT "BUSINESS AS USUAL" MEANS THAT THE BROADER RELATIONSHIP WILL NOT NOW BE MUCH AFFECTED.

10. ON THE FIRST, THE RUSSIANS ARE IN NO DOUBT THAT WE ARE DETERMINED TO CONTROL THEIR AGENTS. OUR ACTIONS SPEAK LOUDER THAN WORDS, AND THEY KNOW WE WILL ACT AGAIN IF NECESSARY. WE SHOULD REPEAT THIS EXPLICITLY FROM TIME TO TIME AS I DID YESTERDAY WITH USPENSKY. BUT WE NEED NOT TO RUB THEIR NOSES IN IT. IN THE LONGER RUN, THERE MAY WELL BE SCOPE FOR A BROADER BRASCH DISCUSSION BETWEEN OFFICIALS OR EVEN BETWEEN MINISTERS. BUT THE FINAL ANALYSIS, IT IS THE RUSSIANS WHO HAVE TO CHANGE THEIR POLICY: AND IT MAY BE SOME TIME, IF EVER, BEFORE DOMESTIC SOVIET POLITICS MAKE THIS POSSIBLE.

11. ON THE SECOND, I SHALL BE MAKING PRACTICAL RECOMMENDATIONS BY EARLY TELEGRAM. BROADLY SPEAKING, OUR AIMS MUST BE
A) TO PRESERVE AS MUCH OF THIS EMBASSY'S PRESENT ACTIVITIES AS POSSIBLE, AND TO KEEP OPEN THE PROSPECT OF EXPANSION IF FEASIBLE.
B) TO AVOID LETTING THE RUSSIANS PUT US IN CONFLICT WITH BRITISH PRIVATE INTERESTS IN MOSCOW.

12. THE SOVIETS ARE NO LONGER THREATENING TO WITHDRAW THE SOVIET STAFF OF BRITISH PRIVATE INTERESTS. THIS MEANS THAT, IF THE SIZE OF THE EXPATRIATE STAFFS OF THE EMBASSY AND THE REST REMAIN UNCHANGED, THE CHIEF EFFECT OF THE SOVIET MOVE WOULD BE TO CUT THE EMBASSY'S LOCAL STAFF FROM ABOUT 100 TO ABOUT 60. (I DO NOT HAVE OUR EXACT FIGURES AVAILABLE: AND DEFINITIONS ARE VAGUE, WHICH GIVES US USEFUL ROOM FOR ARGUMENT). WE HAVE BEGUN TO EXAMINE THE IMPLICATIONS IN DETAIL.

13. ALTHOUGH THE PRIVATE INTERESTS ARE NOT IMMEDIATELY AFFECTED, A NUMBER OF FIRMS WISH TO SET UP HERE. THEY WILL BE TOLD BY THE RUSSIANS THAT THEY CAN HAVE VISAS FOR THEIR EXPATRIATES PROVIDED THE EMBASSY GIVES UP A SLOT. WE SHALL HAVE TO TELL BOTH THE RUSSIANS AND THE PRIVATE BRITISH INTERESTS THAT WE NEED AN EMBASSY OF A DEFINED SIZE: AND THAT THEY MUST SORT THE REST OUT THEMSELVES. THE RUSSIANS, TOO, WILL BE UNDER SOME PRESSURE TO FIND WAYS ROUND THEIR OWN OBSTACLES. HERE AGAIN, LACK OF CLARITY WILL BE USEFUL.

13. AS FOR THE NEXT ROUND, I AM INCLINED TO THINK THAT I SHOULD GO BACK TO USPENSKY NEXT WEEK WITH YOUR INITIAL REACTIONS TO THE SOVIET PROPOSAL, IN ORDER TO KEEP THE POT BOILING: BUT THAT A MORE SPECIFIC APPROACH (WHICH COULD INVOLVE THE DISCUSSION OF FIGURES) SHOULD BE DELAYED UNTIL YOU AND WE HAVE HAD TIME TO WORK OUT ALL THE IMPLICATIONS IN DETAIL.

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