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cc Mr. Jackling

MR. COLES

Prime Minister

You have received the Shultz  
lectures separately. AM 27/6

US POLICY TOWARDS THE SOVIET UNION

Washington telegrams numbers 1696 and 1697 (copies attached) are very important. They crystallise what the serious press has been foreshadowing for some weeks, namely a shift in American policy away from confrontation with the Soviet Union towards an attempt to construct a more businesslike relationship, including linkage. As Oliver Wright points out, there are many reasons for this change - the fact that the Administration has at last got its act together, plus the need to attract votes in the next Presidential election from that sector of American opinion which is against confrontation with the Russians, plus, I suspect, the realisation that confrontation has not delivered results favourable to the United States.

To use Reagan's phrase, there is no strong evidence that the Russians are anxious to tango. Gromyko's speech to the Supreme Soviet (Moscow telno 646) is scarcely oozing with the spirit of compromise. On a point of detail, I am not too happy about his proposal that the tripartite talks on a CTB Treaty should be resumed. I remember the appalling tangle we got into in these negotiations under the last Labour Government. When the talks faded out in, I think, late 1979, we were being faced by the ludicrous proposition that we should pay a largish sum of money in order to enable the Soviet Union to establish monitoring stations on a number of British dependent territories, including the Falklands! We should think hard before being drawn into this vortex again.

Returning to the main issue, the shift in the American attitude lends weight to the need for us to have a strategy meeting on East/West relations in the first half of September.

AS

A.D. PARSONS  
21 June 1983

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FM WASHINGTON 202300Z JUN 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 1696 OF 20 JUNE

INFO IMMEDIATE LUXEMBOURG(FOR S OF S) PRIORITY MOSCOW, UKDEL NATO,  
BONN, PARIS, WARSAW.

US POLICY TOWARDS THE SOVIET UNION

1. SHULTZ'S TESTIMONY TO THE SENATE FOREIGN RELATIONS COMMITTEE MARKS AN IMPORTANT STAGE IN THE EVOLUTION OF THIS ADMINISTRATION'S POLICY. IT HAD BEEN DELAYED FOR SEVERAL MONTHS WHILE DIFFERENT BRANCHES OF THE ADMINISTRATION FOUGHT FOR THE PRESIDENT'S EAR AND WHILE THE PRESIDENT MADE UP HIS OWN MIND. THE FIRST POINT TO NOTE ABOUT IT IS THEREFORE THAT, 2 AND ONE HALF YEARS AFTER ITS INAUGURATION, THE ADMINISTRATION HAS AT LAST GOT ITS ACT TOGETHER ON RELATIONS WITH THE SOVIET UNION. THE PRESIDENT HAS GIVEN IT HIS SEAL OF APPROVAL AND ALL BRANCHES OF THE ADMINISTRATION SHOULD NOW TAKE IT AS THEIR REFERENCE DOCUMENT.
2. THE SECOND POINT TO NOTE IS THAT IT IS COMPREHENSIVE, COHERENT AND CONCILIATORY. ALL IMPORTANT ASPECTS OF THE SUPERPOWER RELATIONSHIP ARE COVERED AND ALL FIT TOGETHER IN AN INTERNALLY CONSISTENT WAY - NUCLEAR, REGIONAL, HUMAN RIGHTS ETC. IT REPRESENTS, AS SHULTZ TOLD THE COMMUNITY AMBASSADORS AT LUNCH TODAY, A MIXTURE OF STRENGTH AND DIPLOMACY: IT REFLECTS THE ATTITUDE OF MIND OF THE PRESIDENT IN THAT REAGAN IS READY TO ENGAGE IN SUBSTANTIVE DISCUSSION WITH THE RUSSIANS AS SOON AS THE RUSSIANS ARE READY TO DO THE SAME. IT WAS, SAID SHULTZ, IMPORTANT TO COMBINE STRENGTH WITH DIALOGUE, SINCE PUBLIC OPINION WAS EVER PRONE TO WISFUL THINKING, AND WISFUL THINKING WAS NO BASIS FOR THE CONDUCT OF RELATIONS WITH THE SOVIET UNION.
3. THERE IS OF COURSE IN ADDITION AN ELECTORAL DIMENSION IN ALL THIS. THE PRESIDENT HAS ESTABLISHED HIS BONA FIDES ON DEFENCE. CONGRESS HAS AUTHORISED THE MODERNISATION OF WEAPONS SYSTEMS - MX, BI BOMBER ETC. THE RESTORATION OF NUCLEAR PARITY IS UNDER WAY. HE CAN NOW AFFORD TO ENGAGE IN A DIPLOMATIC EFFORT TO SOLVE PROBLEMS AND REDUCE THE BURDEN OF ARMAMENTS. THIS EVENHANDED APPROACH SHOULD DO HIM NO ELECTORAL HARM IF HE DECIDES TO RUN AGAIN: IF HE GETS AN AGREEMENT WITH THE RUSSIANS, HE CAN ADD PEACEMAKING TROPHIES TO THE ECONOMIC RECOVERY: IF HE DOES NOT, HE CANNOT BE FAULTED FOR NOT HAVING TRIED.  
PLEASE SEE MIFT.

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FM WASHINGTON 202300Z JUN 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 1697 OF 20 JUNE

INFO IMMEDIATE TO LUXEMBOURG(FOR S OF S) PRIORITY TO MOSCOW, UKDEL  
NATO, BONN, PARIS AND WARSAW

MIPT: US POLICY TOWARDS THE SOVIET UNION

1. A NUMBER OF ISSUES HAVE PLAYED AN IMPORTANT PART IN THE PREPARATION OF SHULTZ'S SPEECH. THE PRESIDENT AND SHULTZ BOTH FEEL STRONGLY ON HUMAN RIGHTS AND "PERFORMANCE" WILL CONTINUE TO BE OF GREAT IMPORTANCE. THE AMERICANS HAVE BEEN SOME WHAT ENCOURAGED BY THE PROGRESS MADE IN SECURING THE RELEASE FROM THE US EMBASSY AND, THEY HOPE, THE RIGHT TO EMIGRATE OF THE PENTECOSTALISTS AND ARE CONTINUING TO CAMPAIGN HARD FOR THE RELEASE OF OTHERS INCLUDING SHCHARANSKY. THEIR SUCCESS OR FAILURE IN THIS REGARD WILL HAVE AN IMPORTANT BEARING ON THE POSSIBILITIES FOR A SUCCESSFUL CONCLUSION TO THE CSCE REVIEW CONFERENCE AND PROGRESS TOWARDS A CDE. AS THEIR SUPPORT FOR THE SPANISH INITIATIVE IN MADRID DEMONSTRATES, THEY ARE NOW SHOWING MORE INTEREST IN THE POSSIBILITY OF BRINGING THE PROCESS TO A SUCCESSFUL CONCLUSION, SUBJECT TO SOME IMPORTANT AMENDMENTS TO THE CONCLUDING DOCUMENT AND PROMISE OF SOVIET "PERFORMANCE". THE STATE DEPARTMENT WITH VARYING DEGREES OF SCEPTICISM CAN SEE THE PRESENTATIONAL ADVANTAGES A CDE WOULD HAVE IN HELPING TO DEMONSTRATE THE CONTINUANCE OF NEGOTIATIONS WITH THE SOVIET UNION IN THE DIFFICULT PERIOD WHICH UNDOUBTEDLY WILL ENSUE AS INF DEPLOYMENT TAKES PLACE.
2. SHULTZ, WE ARE TOLD IN CONFIDENCE, HAS BEEN GIVEN VIRTUALLY CARTE BLANCHE BY THE PRESIDENT TO EXPLORE IN HIS CONTACTS WITH DOBRYNIN THE POSSIBILITIES FOR PROGRESS, WITH PARTICULAR REFERENCE TO START, MBFR AND THE CSCE/CDE. REGIONAL TENSIONS HOWEVER, REMAIN IN THE FOREFRONT OF EVERYONE'S MIND HERE. SHULTZ WILL ALSO BE REMONSTRATING WITH DOBRYNIN ABOUT SOVIET ARMS SUPPLIES TO NICARAGUA. THE PRESIDENT HAS STATED THAT HE IS NOT PREPARED TO SEE ANOTHER CENTRAL AMERICAN COUNTRY FALL UNDER CUBAN/SOVIET INFLUENCE "ON HIS WATCH": AND THERE IS NO DOUBT THAT HE MEANS IT. HENCE THE ALMOST OBSESSIVE IMPORTANCE ATTACHED TO US EFFORTS TO SHORE UP THE GOVERNMENT IN EL SALVADOR AND INCREASE MILITARY ASSISTANCE TO HONDURAS. THE RUSSIANS CAN BE IN NO DOUBT OF THE HARDNESS OF THE ADMINISTRATION'S VIEWS ON THIS POINT, REFLECTING THEIR DETERMINATION TO PRESERVE US SECURITY INTERESTS AND PRO-WESTERN REGIMES IN THE AREA. THE ATTEMPT TO EXPLORE THE POSSIBILITIES FOR AGREEMENT WITH THE SOVIET UNION COULD VERY QUICKLY BE DERAILED BY ADVERSE DEVELOPMENTS IN CENTRAL AMERICA OR THE MIDDLE EAST.
3. THE AMERICANS ARE PUZZLED BY SOVIET TACTICS IN THE MIDDLE EAST. THEY HAVE BEEN DISCONCERTED BY THE INTRODUCTION OF LARGE NUMBERS OF SOVIET PERSONNEL TO MAN THE SA5 MISSILES IN SYRIA, NOT LEAST BECAUSE OF THE MILITARY RISKS THE RUSSIANS HAVE UNDERTAKEN. THEY RECOGNISE THAT THE RUSSIANS MAY HAVE HAD LITTLE OPTION, IF THEY WISHED TO PRESERVE THEIR POSITION IN SYRIA FOLLOWING THE MILITARY DEBACLE IN LEBANON LAST YEAR. BUT THEY WELL UNDERSTAND THAT FURTHER ISRAELI/

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SYRIAN FIGHTING COULD EMBROIL THE SOVIET UNION AND THEMSELVES. IN HIS DISCUSSIONS WITH SHULTZ, DOBRYNIN HAS GIVEN SOME INDICATION THAT THE RUSSIANS WILL SEEK TO EXERCISE SOME MEASURE OF RESTRAINT ON SYRIAN MILITARY ACTIONS. BUT THERE IS AN UNCOMFORTABLE FEELING THAT THEY AND THE AMERICANS COULD BE AT THE MERCY OF AN OUTBREAK OF FIGHTING IN LEBANON OVER WHICH NEITHER SUPER-POWER WOULD HAVE MUCH CONTROL. THE ADMINISTRATION DO NOT BELIEVE THAT THE RUSSIANS HAVE ANY INTENTION OF CONTRIBUTING POSITIVELY TO MIDDLE EAST NEGOTIATIONS AND WILL GO ON TRYING TO EXCLUDE THEM FROM THEM.

4. IN RELATION TO OTHER REGIONAL ISSUES, THE AMERICANS HAVE BEEN TRYING TO ENGAGE THE RUSSIANS ON NAMIBIA AND THE QUESTIONS OF CUBAN WITHDRAWAL FROM ANGOLA, WITH LITTLE SUCCESS. THE SAME GOES FOR AFGHANISTAN, WHERE THEY SEE NO PROSPECT OF THE RUSSIANS AGREEING TO COMPLETE WITHDRAWAL. WITH OUR ENCOURAGEMENT, THEY HAVE NOW HAD TWO ROUNDS OF TALKS WITH THE RUSSIANS ON NON-PROLIFERATION WHERE BOTH SIDES ACKNOWLEDGE THAT COMMON INTERESTS EXIST.

5. THE AMERICANS ARE WATCHING CLOSELY THE PROGRESS OF THE POPE'S VISIT TO POLAND, BUT HAVE SO FAR BEEN IMPRESSED BY THE POPE'S PERFORMANCE RATHER THAN BY ANY NEW SIGNS OF LIBERALISATION ON THE PART OF THE JARUZELSKI REGIME (OTHER THAN ALLOWING THE VISIT TO TAKE PLACE AT ALL). IF THERE ARE SIGNS OF SOME RELAXATION, THE STATE DEPARTMENT WOULD TRY TO USE THESE TO INTRODUCE MOVEMENT INTO THE US POSITION, EG BY AGREEING IN THE FIRST INSTANCE TO RESUME MOVEMENT TOWARDS RE-SCHEDULING TALKS WITH THE POLES. BUT THEY WILL NOT BE IN A POSITION TO DO SO IN THE ABSENCE OF ANY ENCOURAGEMENT FROM WARSAW.

6. ON BILATERAL U.S./SOVIET ISSUES, THE NEGOTIATIONS FOR A NEW LONG-TERM GRAIN AGREEMENT ARE EXPECTED TO CONCLUDE BY THE AUTUMN, NO DOUBT ON TERMS FAIRLY FAVOURABLE TO THE SOVIET UNION, GIVEN THE DOMESTIC PRESSURES HERE. THE AMERICANS ARE ALSO CONSIDERING WHETHER TO RE-ACTIVATE A CULTURAL AGREEMENT AND A CONSULAR AGREEMENT WHICH WOULD PERMIT THEM TO OPEN A CONSULATE IN KIEV.

7. GIVEN THE LIKELIHOOD OF CONTINUING MAJOR DIFFICULTIES OVER REGIONAL ISSUES, STRATEGIC ARMS CONTROL HAS RE-EMERGED AS, POTENTIALLY, THE CENTRE-PIECE OF ANY POTENTIAL IMPROVEMENT IN US/SOVIET RELATIONS, WITH A RECOVERING ECONOMY, THERE WOULD BE OBVIOUS ADVANTAGES FOR THE PRESIDENT, IN HE RUNS AGAIN, IN BEING ABLE TO ACHIEVE AN AGREEMENT IN START OR INF IN HIS PRESENT TERM. THE PROBLEMS ARE FORMIDABLE.

A) BECAUSE OF THE COMPLEXITY AND THE DIFFICULTY OF THE PROBLEMS TO BE RESOLVED IN BOTH NEGOTIATIONS AND THE POTENTIAL LACK OF ANY REAL INCENTIVE TO THE SOVIET UNION TO ENDORSE ANY US INF DEPLOYMENT IN EUROPE AND B) BECAUSE THE ADMINISTRATION HAS NOT LEFT ITSELF MUCH TIME. ANDROPOV IS UNLIKELY TO WANT TO DO ANY FAVOURS TO HELP SECURE MR REAGAN'S RE-ELECTION; AND MR REAGAN HIMSELF IS NOT THE MAN TO AGREE TO AN AGREEMENT ENTAILING UNREASONABLE CONCESSIONS. THERE IS NO DOUBT, HOWEVER, THAT THERE IS NOW A REAL DISPOSITION IN THE WHITE HOUSE TO LOOK SERIOUSLY AT

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THE VARIOUS POSSIBILITIES FOR PROGRESS. THIS MARKS AN IMPORTANT EVOLUTION FROM THE POSITION AS IT WAS HERE A FEW MONTHS AGO. AS THE PRESIDENT NEVER TIRES OF SAYING ON THIS SUBJECT, HOWEVER, IT TAKES TWO TO TANGO. THERE HAS NOT BEEN MUCH FOOT WORK FROM GROMYKO. HOW FAR AND HOW QUICKLY THE PROCESS OF EXPLORATION NOW ENGAGED WILL PROCEED, WILL DEPEND ON THE SOVIET REACTION.

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