

SECRET

DEDIP

BURNING BUSH

FM WASHINGTO 281515Z SEPT 83

TO IMMEDIATE FCO

TELNO 2791 OF 28 SEPT

INFO IMMEDIATE UKMIS NEW YORK (FOR SECRETARY OF STATE'S PARTY)

UKMIS NEW YORK TELNOS 907 AND 909 TO YOU :

US/SOVIET RELATIONS

1. IN THE QUADRIPARTITE MEETING YESTERDAY, SHULTZ GAVE AN ACCOUNT OF US THINKING ABOUT THE AIRLINER INCIDENT. THERE WAS DISCUSSION ALSO OF THE LIKELY SOVIET RESPONSE TO INF DEPLOYMENT. BEFORE THE SECRETARY OF STATE'S FURTHER MEETING WITH SHULTZ TOMORROW, YOU MAY LIKE TO HAVE THE FOLLOWING BY WAY OF ADDITIONAL BACKGROUND ON US THINKING ABOUT THE RELATIONSHIP WITH THE SOVIET UNION.

2. ON SATURDAY SHULTZ HELD A BRAIN-STORMING SESSION WITH THE SENIOR STATE DEPARTMENT SOVIETOLOGISTS AND A NUMBER OF OUTSIDE EXPERTS, NOTABLY SCOWCROFT, HYLAND AND SONNENFELD. ONE OUTSIDE EXPERT CONTENDED THAT THE SOVIET LEADERSHIP MIGHT HAVE CONCLUDED IT IMPOSSIBLE TO DO BUSINESS WITH THE REAGAN ADMINISTRATION. THE GENERAL VIEW, HOWEVER, WAS THAT THE RUSSIANS HAD UNDERSTOOD BEFORE THE KAL INCIDENT THAT THE US ADMINISTRATION HAD BEEN TRYING TO ESTABLISH A BETTER RELATIONSHIP AND THAT POSITIVE STEPS WERE BEING TAKEN (CONCLUSION OF THE CSCE , THE NEW GRAIN AGREEMENT, MOVEMENT IN THE US POSITION BOTH IN INF AND START). THE WAY THE RUSSIANS HAD REACTED TO THIS FIRST POST-BREZHNEV CRISIS WAS WORRYING. THE TIME-TABLE FOR POSSIBLE STEPS TO IMPROVE THE RELATIONSHIP HAD SUFFERED. BUT THERE WAS UNANIMITY ON THE IMPORTANCE OF TRYING TO RE-ESTABLISH A DIALOGUE.

(RNW)

.../3.

DISTRIBUTION COPIES

P.SP

MINISTER

H OF C

MR GOMERSALL

MR SHIMWALD

CHY ANX

PM'S PARTY

O.L. 1133 RK

3. THE STATE DEPARTMENT SEE THE RUSSIANS AS HAVING SUFFERED A SERIOUS TACTICAL SET-BACK VIS A VIS US AND EUROPEAN OPINION, AND AS BEING IN A VERY UNPLEASANT MOOD - AS GROMYKO DEMONSTRATED TO SHULTZ IN MADRID. BUT AS GOOD DIALECTICIANS, IT WOULD BE ENTIRELY IN CHARACTER FOR THEM TO COMBINE A SHOW OF CONTINUED UNPLEASANTNESS WITH SOME POSITIVE-SOUNDING MOVES. THE MEETING IN MADRID WAS SO BAD THAT SHULTZ HIMSELF DOES NOT HAVE MUCH ENTHUSIASM FOR FURTHER SESSIONS WITH GROMYKO. THERE WILL BE FURTHER MEETINGS, HOWEVER, WITH DOBRYNIN.

4. FOR WHAT IT IS WORTH, KADAR CLAIMED IN HIS TALK WITH VICE-PRESIDENT BUSH IN BUDAPEST THAT ANDROPOV DID NOT KNOW ABOUT THE AEROPLANE IN ADVANCE OF THE ACTION TAKEN TO SHOOT IT DOWN. KADAR ARGUED THAT ANDROPOV WAS A MAN WHO WANTED TO DO THINGS: THIS MIGHT BE EXPLOITED TO TRY TO ACHIEVE A MORE PRODUCTIVE RELATIONSHIP. BUT HE WOULD BE A SKILFUL AND UNPLEASANT ADVERSARY.

5. ON THE UNUSUALLY PUBLIC ROLE PLAYED BY THE SOVIET MILITARY IN TRYING TO EXPLAIN AWAY THIS ACTION, THE STATE DEPARTMENT SOVIETOLOGISTS DO NOT INTERPRET THIS AS SHOWING DAYLIGHT BETWEEN THEM AND ANDROPOV. ANDROPOV OWES HIS POSITION TO THE SUPPORT OF THE MILITARY. HIS RECENT SELF-EFFACING ROLE MAY WELL SIMPLY HAVE BEEN CALCULATED TO KEEP HIM OUT OF THE FIRING LINE ON THIS UNPLEASANT SUBJECT.

6. THE AIRLINER INCIDENT HAS UPSET THE GAME PLAN ON WHICH U S OFFICIALS WERE WORKING IN THE SUMMER FOR THE CONCLUSION OF THE CSCE ON THE SHULTZ/GROMYKO MEETING IN MADRID TO BE FOLLOWED BY A FURTHER MEETING IN NEW YORK AND, POSSIBLE, BY A VISIT BY SHULTZ TO MOSCOW. THERE IS AN OBVIOUS DIFFICULTY NOW ABOUT RE-ESTABLISHING A HIGH LEVEL DIALOGUE. THE AMERICANS DO NOT EXPECT ANY BREAKTHROUGH IN THE INF NEGOTIATIONS BEFORE DEPLOYMENT. THEREAFTER, THERE WILL BE A PERIOD OF TENSION WHILE THE RUSSIANS CONFIRM THEIR INTENTION TO CARRY OUT COUNTER-DEPLOYMENTS OF THE KIND THEY HAD PLANNED ANYWAY. AS SHULTZ SAID IN NEW YORK, THE AMERICANS BELIEVE THAT ANY INTERRUPTION OF NEGOTIATIONS WOULD BE TEMPORARY. THEY WOULD GO ON TRYING FOR AN INF AGREEMENT AND THE PRESIDENT'S STATEMENT AT THE UNGA WAS INTENDED INTER ALIA TO PAVE THE WAY FOR CONTINUING NEGOTIATIONS AFTER THE DEPLOYMENT.

7. BEYOND THAT, U S OFFICIALS REGARD THE CENTREPIECE OF A FURTHER ATTEMPT TO ENGAGE A MORE POSITIVE DIALOGUE WITH THE RUSSIANS AS BEING THE STRATEGIC ARMS NEGOTIATIONS. THE AIRLINER INCIDENT HAS AFFECTED THE ATMOSPHERE IN WHICH THE CURRENT REVIEW OF THE U S START POSITION IS TAKING PLACE. THE ADMINISTRATION IS UNDER PRESSURE TO BRING ITS START POSITION INTO LINE WITH THE CONGRESSIONAL "BUILD-DOWN" PLAN (THE PROPOSAL OF SENATORS PERCY, NUNN AND COHEN THAT FOR EACH NEW WARHEAD DEPLOYED MORE THAN ONE EXISTING WARHEAD SHOULD BE RETIRED). MAJOR NEW DEPARTURES ARE NOT EXPECTED AT THIS STAGE. BUT THE ADMINISTRATION WILL GO ON EXPLORING ACTIVELY THE POSSIBILITY FOR A NEW START FRAMEWORK AGREEMENT NEXT YEAR AND SIGNALLING SOME FLEXIBILITY IN THE EFFORT TO ACHIEVE ONE.

8. THE UNANSWERED QUESTION, OF COURSE, IS WHETHER THE RUSSIANS WILL SHOW REAL INTEREST IN SUCH AN AGREEMENT IN THE NEXT FEW MONTHS. SOVIET OFFICIALS HAVE BEEN TELLING THEIR US COUNTER-PARTS THAT THEY BELIEVE THAT PRESIDENT REAGAN WILL RUN AGAIN AND WIN. THERE MAY VERY WELL BE A DISPOSITION ON THE PART OF SOME AT LEAST IN MOSCOW, HOWEVER, TO TRY INSTEAD TO SIT THINGS OUT.

WRIGHT