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MIPT (NOT TO ALL):

PRIME MINISTER'S VISIT TO THE SOVIET UNION, 7-10 JUNE:
THE EXTERNAL AND BILATERAL BACKGROUND
SUMMARY

1. THE POWER, INFLUENCE AND LEVERAGE OF GORBACHEV AND THE SOVIET GOVERNMENT ARE WANING. THE LAW OF DIMINISHING RETURNS IS WORKING AGAINST GORBACHEV. 'GORBYMANIA' PEAKED IN HIS VISIT TO THE FRG IN JUNE 1989. HE RETAINS WIDE PERSONAL APPEAL IN THE WEST; BUT THIS IS INCREASINGLY DILUTED BY THE PERCEPTION OF A CRUMBLING HOME BASE. THE DEEPENING DOMESTIC CRISIS HAS LED TO NATIONAL INTROVERSION: FOREIGN POLICY 'SUCCESSSES' ARE FAR HARDER TO COME BY: AND THE SOVIET PEOPLE ARE RELUCTANT TO GIVE GORBACHEV CREDIT. PREOCCUPIED BY GERMANY AND EUROPE, THE SOVIET LEADERSHIP ARE PAYING AS LITTLE ATTENTION AS THEY CAN TO OTHER AREAS. OUR BILATERAL RELATIONS ARE ON THE CREST OF A WAVE.

DETAIL

2. THE COLLAPSE OF THE SOVIET POSITION IN EASTERN EUROPE HAS PUT GORBACHEV'S FOREIGN POLICY ON THE DEFENSIVE, AT HOME AND ABROAD. AS EASTERN EUROPE RAN OUT OF SOVIET CONTROL, WHAT MIGHT HAVE BEEN A MASTERLY ACT OF STATESMANSHIP BECAME A GLARING ADVERTISEMENT OF WEAKNESS. GORBACHEV, UNDERSTANDABLY, IS SENSITIVE TO THE IMAGE OF A DEMANDEUR. HE TOLD US CONGRESSIONAL LEADERS ON 2 JUNE 'THE INTERNATIONAL AND AMERICAN PRESS HAS BEEN WRITING THAT, GORBACHEV, LIKE NO SOVIET LEADER EVER BEFORE, HAS COME TO WASHINGTON AS A WEAK PETITIONER. BUT I AM NOT GOING TO PETITION YOU FOR ANYTHING.' EVEN SOVIET COMMENTATORS HAVE DEPICTED THE WASHINGTON SUMMIT AS A MATCH BETWEEN TWO WEAKENING GIANTS. UNDER THE HEADING 'THE LAST MEETING OF THE SUPERPOWERS,' ONE WROTE:
'IN FACT THE SOVIET UNION HAS ALREADY STOPPED BEING A SUPERPOWER. THE WARSAW TREATY IS LOSING ITS EFFICIENCY AND THE SOVIET ECONOMY IS

IN DIRE STRAITS. NOW EVEN (THE USSR'S) EXISTENCE WITHIN THE OLD FRONTIERS HAS BEEN CALLED INTO QUESTION.'

GERMANY AND EUROPE

3. FOR THE PAST HALF YEAR, THE SOVIET UNION HAS HAD VIRTUALLY A SINGLE-ISSUE FOREIGN POLICY. THE REALIGNMENT OF EASTERN EUROPE AND CONSEQUENCES OF IMPENDING GERMAN UNIFICATION HAVE PERVADED THE SOVIET APPROACH TO ARMS CONTROL, CSCE AND RELATIONS WITH THE UNITED STATES AS WELL AS WITH WESTERN EUROPE; AND HAVE RELEGATED OTHER EXTERNAL ISSUES TO THE MARGIN OF THE LEADERSHIP'S ATTENTION. THE ISSUE, IN SOVIET THINKING, IS PART PSYCHOLOGICAL, PART REAL. IN WASHINGTON GORBACHEV DENIED THAT SOVIET NATIONAL PRIDE COULD NOT ACCOMMODATE NATO MEMBERSHIP FOR A UNITED GERMANY, BUT CLAIMED IN THE SAME BREATH THAT IT WAS A MATTER OF 'SUPREME JUSTICE' AFTER SOVIET WARTIME SACRIFICES. THE REAL ELEMENT IS NOT, OF COURSE, THAT THE RUSSIANS FEAR AN ATTACK FROM A RESURGENT GERMANY, BUT THAT THEY SEE THE BALANCE OF POWER (OR OF 'INTERESTS,' AS THEY NOW PREFER TO EXPRESS IT) IN EUROPE TILTING YET FURTHER AWAY FROM THEM.

4. HAVING AT FIRST REFUSED TO DANCE WITH THE WEST OVER GERMANY'S NATO MEMBERSHIP, GORBACHEV AND SHEVARDNADZE ARE NOW ENGAGED IN A MINUET WITHOUT KNOWING WHERE TO PLANT THEIR FEET. THEY KNOW WHAT IS GOING TO HAPPEN, THEY KNOW THEY DON'T LIKE IT, AND THEY HAVE FAILED TO COME UP WITH A REALISTIC ALTERNATIVE. THEY ARE ALL BUT ASKING THE WEST TO DO THEIR THINKING FOR THEM.

5. THE SOVIET GOVERNMENT'S DESPERATE SEARCH FOR SOME CONTINUING LEVERAGE OVER GERMANY HAS LED TO THREATS WHICH, IF IMPLEMENTED, WOULD DO MOST DAMAGE TO THE USSR. THEIR PRE-EMINENT EXTERNAL NEED AT THIS TIME IS TO MINIMISE PRESSURE FROM WITHOUT, TO MAXIMISE WESTERN COOPERATION, AND TO SECURE A PLACE FOR THE SOVIET UNION IN THE NEW EUROPE OF THE 1990S. BUT THEIR PARADOXICAL REACTION TO THE PROSPECT OF GERMAN UNIFICATION ON 'WESTERN' TERMS HAS BEEN A THREAT TO RENEW CONFRONTATIONAL POLITICS. THIS THREAT SURFACED IN THE RECENT VISITS TO MOSCOW OF MR TOM KING, MR JAMES BAKER, AND PRESIDENT MITTERRAND. GORBACHEV REPEATED IT TO THE US CONGRESSMEN: 'IF THE BALANCE IS DISRUPTED, THEN ... WE WOULD HAVE TO THINK HOW TO REACT, WHAT TO DO ABOUT THE REDUCTION OF OUR ARMED FORCES, WHAT TO DO IN VIENNA.'

6. THE SOVIET LEADERSHIP LINK THIS TO A SECOND SPECTRE, EQUALLY DAMAGING TO THEMSELVES. THEY ARGUE (WITH THE SUPPORTING EVIDENCE IN FULL VIEW) THAT THE WEST MUSTNOT DRIVE A BARGAIN WHICH UNDERMINES THE FRAGILE POSITION OF GORBACHEV, HIS ALLIES AND HIS POLICIES. THIS ARGUMENT HAS EVIDENTLY IMPRESSED SUCH RECENT INTERLOCUTORS AS THE

WEST GERMAN AND FRENCH FOREIGN MINISTERS AND PRESUMABLY LAY BEHIND PRESIDENT BUSH'S DECISION TO SIGN THE TRADE AGREEMENT. THE WEST IS RIGHT TO TAKE IT SERIOUSLY. BUT IT IS HARDLY CALCULATED TO INSPIRE CONFIDENCE OR ENCOURAGE THE WEST TO MAKE THE MAJOR POLITICAL AND ECONOMIC INVESTMENT WHICH THE SOVIET UNION ARDENTLY DESIRES.

7. WE MUST HOPE THAT IN HIS CONVERSATIONS WITH THE PRIME MINISTER GORBACHEV WILL MOVE BEYOND THIS BARREN GROUND. HE HAS THE OPPORTUNITY TO STEER THE SUBJECT OF GERMANY AND EUROPE IN A MORE CONSTRUCTIVE DIRECTION. NOW SHOULD BE THE TIME FOR HIM TO DO SO. THE RUSSIANS STILL CLAIM TO WANT A CFE AGREEMENT THIS YEAR. THEY REMAIN VERY KEEN ON THE CSCE SUMMIT. THEY HAVE NOW SET OUT THEIR THINKING ON FUTURE EUROPEAN STRUCTURES IN SOME DETAIL. WESTERN REACTIONS HAVE BEEN FAR FROM UNRESPONSIVE. THE AMERICANS AND WEST GERMANS HAVE OFFERED SIGNS OF MOVEMENT ON CFE ISSUES. THE WEST HAS SHOWN WILLINGNESS TO TAKE ACCOUNT OF SOVIET CONCERNS ABOUT EUROPEAN SECURITY AND EXTERNAL ASPECTS OF GERMAN UNIFICATION. THE SOVIET REACTION, IN WASHINGTON AND ELSEWHERE, HAS BEEN CONFUSED, ERRATIC AND CONTRADICTORY. IT WILL BE USEFUL TO SEE IF GORBACHEV CAN NOW BE NUDGED CLOSER TO ACCEPTING THAT GERMANY'S STATUS IN NATO NEED NOT BE A DEFEAT FOR THE USSR, IF SEEN IN THE WIDER CONTEXT OF EUROPE'S CHANGING ARCHITECTURE.

OTHER ASPECTS OF THE WASHINGTON SUMMIT

8. GLASNOST NOTWITHSTANDING, THERE HAS BEEN A YAWNING GAP BETWEEN WESTERN AND SOVIET MEDIA COVERAGE OF THE WASHINGTON SUMMIT. THE SOVIET PRESS HAVE COVERED WITH WIDTH, NOT THE QUALITY: TWO PAGES OF THE VERBATIM TRANSCRIPT OF THE JOINT PRESS CONFERENCE, FOR EXAMPLE, AND TELEVISION TRAVELOGUES OF MINNESOTA. BUT FEW SOVIET CITIZENS WILL HAVE SHARED SHEVARDNADZE'S ASSESSMENT OF THE SUMMIT AS ONE WHICH WOULD BE SEEN BY FUTURE GENERATIONS AS 'A VERY LARGE EVENT IN WORLD POLITICS.' THEIR ATTENTION, LIKE THAT OF THE WESTERN PRESS, IS FIXED ON PROBLEMS NEARER HOME. THERE HAVE BEEN FEW SIGNS OF POPULAR INTEREST IN GORBACHEV'S LATEST VISIT TO AMERICA. DESPITE LOWERING POPULATION EXPECTATIONS SUMMITRY IS PRODUCING DIMINISHING RETURNS FOR GORBACHEV.

9. DISCERNING RUSSIANS WILL HAVE FOUND THE WASHINGTON SUMMIT THIN ON CONCRETE ACHIEVEMENTS, BUT NOT ENTIRELY WITHOUT BENEFIT TO GORBACHEV WHEN IT COMES TO DEFENDING HIS FOREIGN POLICY AGAINST HARD-LINE CRITICS AT NEXT MONTH'S PARTY CONGRESS. IN STATEMENTS RELAYED FROM WASHINGTON, GORBACHEV PLAYED ON TWO THEMES. THE FIRST WAS: 'FROM CONFRONTATION THROUGH RIVALRY TOWARDS PARTNERSHIP.' HE HOPEFULLY COMPARED THE EMERGING PARTNERSHIP WITH THE UNITED STATES TO THE

WAR-TIME COALITION AGAINST HITLER. WITH MOST INTELLIGENT RUSSIANS, THE THEME OF PARTNERSHIP, THOUGH INCREASINGLY COMMONPLACE, STRIKES A CHORD. THE OTHER POSITIVE MESSAGE WHICH GORBACHEV AND THE SOVIET MEDIA HAVE SOUGHT TO CONVEY IS THAT, AT THIS MEETING AND PARTICULARLY AT CAMP DAVID, HE HAS ESTABLISHED A CLOSE PERSONAL RAPPORT WITH PRESIDENT BUSH, WITHOUT ABANDONING A TOUGH DEFENCE OF SOVIET INTERESTS. THERE HAS BEEN THE HINT OF A SUB-TEXT THAT GEORGE BUSH IS MORE ATTUNED TO GORBACHEV'S STYLE OF DISCUSSION THAN RONALD REAGAN, AND THAT THIS IS THEREFORE A QUALITATIVELY DIFFERENT RELATIONSHIP BETWEEN SOVIET AND AMERICAN LEADERS.

THE WIDER WORLD

10. THE SOVIET LEADERSHIP HAS MADE INTERMITTENT, BUT LARGELY UNSUCCESSFUL, ATTEMPTS TO WIDEN THE FOCUS OF ITS FOREIGN POLICY OVER THE LAST FEW MONTHS. TO ITS EMBARRASSMENT, ARAB REACTIONS TO THE HIGH TIDE OF SOVIET JEWISH EMIGRATION TO ISRAEL HAVE DRAGGED THE USSR INTO THE CROSS-FIRE OF THE ARAB/ISRAEL QUESTION. UNTIL THIS LATEST UNWELCOME DEVELOPMENT, THE RUSSIANS HAD HOPED THAT THEIR DIPLOMACY WITH BOTH SIDES OF THE DISPUTE HAD SHORED UP THEIR TRADITIONAL AIM OF BEING REGARDED AS A VITAL ALLY OF THE ARABS AND AN INESCAPABLE PARTICIPANT IN A MIDDLE EASTERN SETTLEMENT. ELSEWHERE IN THE MIDDLE EAST, THEY HAVE BEEN STEADILY BUILDING UP THEIR RELATIONS WITH IRAN.

11. IN ASIA, THOUGH THE AFGHAN AND CAMBODIAN CONFLICTS NO LONGER IMPEDE SOVIET POLICY, THE IMPACT OF SOVIET 'NEW THINKING' HAS BEEN BLUNTED BY LACK OF RESOURCES. LI PENG WAS ABLE THIS SPRING TO PAY THE FIRST VISIT TO MOSCOW BY A CHINESE PREMIER FOR 26 YEARS, BUT THE RELATIONSHIP WITH CHINA IS CONSTRAINED BY WIDE IDEOLOGICAL DIFFERENCES. RELATIONS WITH JAPAN (WHERE GORBACHEV IS DUE IN 1991) ARE HUNG UP ON THE NORTHERN TERRITORIES. PRIMARILY FOR ECONOMIC REASONS, THE RUSSIANS HAVE BUILT UP RELATIONS WITH SOUTH KOREA AT THE EXPENSE OF KIM IL SUNG: BUT SOUTH KOREA IS A POOR SUBSTITUTE FOR JAPAN. THE LONG-STANDING FRIENDSHIP WITH INDIA IS SUFFERING A LITTLE FROM NEGLECT. THE RUSSIANS HAVE KEPT AS LOW A PROFILE AS THEY CAN OVER KASHMIR.

12. ALTHOUGH SHEVARDNADZE USED NAMIBIAN INDEPENDENCE AS A PEG FOR THE FIRST TOUR OF SUB-SAHARAN AFRICA BY A SOVIET FOREIGN MINISTER, AFRICA, LIKE LATIN AMERICA, SCARCELY REGISTERS ON THE SOVIET LEADERSHIP'S SCALE OF PRIORITIES. SHEVARDNADZE QUOTES THE DEVASTATION OF THE ANGOLAN ECONOMY AS A DIRE EXAMPLE OF OVER-CONCENTRATION ON THE ARMED FORCES.

BRITISH/SOVIET RELATIONS

13. WITH THE OTHER MAJOR WESTERN EUROPEAN COUNTRIES, WE CONTINUE TO FIND OURSELVES IN THE FRONT RANK OF SOVIET INTERLOCUTORS. LIKE OUR OTHER PARTNERS, WE ENCOUNTER PROBLEMS IN THE RELATIONSHIP WITH RELICS OF THE OLD SOVIET SYSTEM AND WITH ASPECTS OF THE NEW (ESPECIALLY AT THE MOMENT THE DELAYS IN SOVIET HARD CURRENCY PAYMENTS). BUT BOTH AT A POLITICAL LEVEL AND IN TERMS OF PERSONAL CONTACTS, THE SPREAD OF BRITISH EXCHANGES WITH THE SOVIET UNION HAS NEVER BEEN WIDER. THE BRITISH MONTH IN KIEV, WHICH THE PRIME MINISTER WILL BE VISITING, AND THE PRINCESS ROYAL'S TWO-WEEK TOUR FROM MOSCOW TO SIBERIA AND BACK VIA CENTRAL ASIA TO THE UKRAINE, HAVE CAUGHT THE SPIRIT OF THE TIMES. IN THE PARTNERSHIP THAT WE ARE DEVELOPING IN SO MANY FIELDS, FROM MANAGEMENT TRAINING TO MILITARY EXCHANGES, AND IN PENETRATION BY BRITONS OF PREVIOUSLY CLOSED AREAS OF SOVIET LIFE AND SOCIETY, BRITAIN IS PLAYING A FULL PART IN A PROCESS OF WESTERN ENLIGHTENMENT WHICH WILL MAKE IT HARDER FOR THE SOVIET UNION EVER TO RETURN TO ITS PREVIOUS HERMETIC ISOLATION. THAT IS A WORTHWHILE INVESTMENT IN ITS OWN RIGHT. THOUGH SOVIET POLITICAL AND ECONOMIC STRUCTURES ARE SET FOR A BUMPY RIDE, IT IS ALSO AN INVESTMENT IN EMERGING DEMOCRACY AND IN WHAT ONE DAY SHOULD BECOME A LARGE MARKET ECONOMY.

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