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PREM 19/926

PART ends:-

5.4.82

PART 2 begins:-

21.4.82

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(81) 4th Condwions, Minute 2 (extract)	29.1.81
CC (81) GIL Conclusions, Minute 2 CC (81) LHA Conclusions, Minute 2	5.3.81
CC (81) 1th Conclusions, Minute 2	12.3.81
JIC(82)(N)2	14.1.82

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed Orwayland Date 18 Ochober 2012

PREM Records Team

2 To File

Sovet.

10 DOWNING STREET

From the Private Secretary

5 April 1982

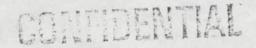
V.F. Zadneprovsky

Thank you for your letter of 3 April. The Prime Minister is content that an announcement should be made in the terms proposed.

I am copying this letter to John Rhodes (Department of Trade) and John Halliday (Home Office).

A. J. COLES

Brian Fall, Esq., Foreign and Commonwealth Office



Prime Plinister CONFIDENTIAL Contact with an auronement in the term? AJC. 4 Foreign and Commonwealth Office London SW1A 2AH 3 April 1982 (A number of the Soviet Trade Piska) V F Zadneprovsky In your letter of 19 February you recorded the Prime Minister's agreement with the recommendations in the letter of 17 penultimate paragraph of my February concerning the expulsion of Zadneprovsky. One of those proposals was to delay informing Parliament and publicising the expulsion for a period until the dangers were less. As you know, we requested the withdrawal of Zadneprovsky on 22 February. He left on 27 February. There has been no Soviet retaliation so We therefore believe that the absence of immediate publicity and the clear statement in requesting Zadneprovsky's withdrawal that Soviet retaliation would prompt a further move by the British side have served a useful purpose. However, the Foreign and Commonwealth Secretary does not believe that we can hold off the announcement indefinitely. The longer one is delayed, the greater is the risk of accusations of a cover-up when the news does break. Chance press interest or suspicion aroused by Zadneprovsky's hurried departure may prompt an enquiry at any time. There is also the possibility of a parliamentary question about ceilings on Soviet officials in the UK, such as is put down from time to time. Lord Carrington therefore believes that we should aim to announce the expulsion just before the Easter recess and has in mind an inspired written PQ on Thursday 8 April. This would avoid making the announcement in the immediate run-up to the Anglo-Soviet Joint Commission in mid-May.

I enclose a draft question and answer. I should be grateful for your comments as soon as possible.

The official level review meeting on trade will have been completed. Lord Carrington does not believe that it would

be desirable to delay the announcement until after the

I am copying this letter to the Private Secretaries to the Secretary of State for Trade and (in view of the Security Service's interest) the Home Secretary.

(B J P Fall)
Private Secretary

A J Coles Esq 10 Downing Street

Joint Commission.

CONFIDENTIAL

QUESTION

To ask the Lord Privy Seal whether there has been any reduction in the permitted level for staff at the Soviet Trade Delegation.

ANSWER

The permitted level for the Soviet Trade Delegation has been reduced from 47 to 46 following the departure from the United Kingdom of Mr V F Zadneprovskiy, whose withdrawal was requested because he had been engaging in activities incompatible with his status.

TOP SECRET FILE



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10 DOWNING STREET

From the Private Secretary

19 February, 1982

Vadim Fedorovich Zadneprovskiy

The Prime Minister has seen your letter of 17 February and John Rhodes' letter of 18 February about the above. She has noted Mr. Biffen's view that since Zadneprovskiy appears to be on the point of departure, it would be best to let him go quietly. The Prime Minister understands, however, that while the evidence suggests that he may shortly return to the Soviet Union, this is not certain and it is possible that his return could be delayed by a matter of months unless some action is taken. In the light of that consideration, and also bearing in mind that the Germans have now joined us in announcing measures in respect of the Polish crisis, the Prime Minister agrees with the recommendations of the Foreign and Commonwealth Secretary contained in the penultimate paragraph of your letter.

I am copying this letter to John Rhodes (Department of Trade).

A)C

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Brian Fall, Esq., Foreign and Commonwealth Office



10 DOWNING STREET

Prime Pinister

I undertand that you reached provided agreement will hard lawreter this morning that this KGB office should be expelled.

2. Ar. Bi FFan arques (see attached latter)

But sime he is on the point of departure we should

let him go prietly.

3. The trouble will this is that we are not certain that he is about to go. The facurity Service that that is too he may not go will June and that that is too long to wait.

4. Agree that, since his early depotive is not certain, last levrington's recommendation should be approved? Yes puts

A. J. C. 15.



COPY NO: 2. OF S

TOP SECRET Contract Director and and

From the Secretary of State

B J P Fall Esq Private Secretary FCO London SWI

18 February 1982

VADIM FEDOROVICH ZADNEPROVSKIY

Thank you for sending me a copy of your letter of 17 February.

If this person were likely to stay, my Secretary of State would have no strong grounds for opposing his explusion. However we do not wish to add unnecessarily to the signals we are sending to the USSR over the Polish crisis. In this respect the long gap The Jerman which is emerging between the announcement of our measures and the announcements by our allies is causing us some concern. We would also be unhappy about the risk of retaliation against a
British businessman. Since the person appears to be on the point of departure, my Secretary of State thinks it best to let him go quietly.

I am copying this letter to John Coles at No 10.

lows sively,

JOHN RHODES Private Secretary

Copy no 1 of 4 copies



Foreign and Commonwealth Office

London SW1A 2AH

17 February 1982

Dan John

Vadim Fedorovich Zadneprovskiy

The Security Service have sought FCO agreement to expel a member of the Soviet Trade Delegation (STD) who has engaged in unacceptable intelligence-gathering activities.

Zadneprovskiy, who does not have diplomatic status, came to the UK in July 1977, to work in the Export Machinery Department of the Soviet Trade Delegation as a representative of the Soviet trading organisations Aviaexport (exports of aeroplanes and aviation equipment), Avtoexport (imports of motor vehicles and manufacturing equipment) and Traktoroexport (import of agricultural vehicles and equipment). He took the place of an identified agent-running KGB officer operating in the scientific and technical field. It soon became clear that Zadneprovskiy did little work relating to his overt responsibilities. Since 1977 he has been observed on many occasions taking prolonged and complicated antisurveillance precautions during journeys in the London area and he has made frequent journeys lasting some hours to the outer reaches of the free travel area for Soviet officials for no apparent reason, usually indications of agent-running or other intelligence activity.

Evidence obtained by the Security Service shows that Zadneprovskiy is an active and professional KGB agent-running officer. His relationship with one of the agents, a British businessman known as COURT USHER, which first came to their notice in early 1980

clandestine one completely unrelated to his official function in the UK and Zadneprovskiy has not attempted to disguise the fact that he is a KGB officer. He has tasked COURT USHER to cultivate contacts in GCHQ and in areas of electronic research and development, to obtain various embargoed items and to provide sensitive information on equipment and procedures used by Special Branch and the Security Service. He has also used COURT USHER on two occasions to deliver equipment in a thoroughly clandestine manner in Vienna to a KGB officer who was expelled from the UK in 1971.

The intelligence case against him leaves no room for doubt that we should expel him in accordance with the

/policy



policy announced at the time of the explusion of 105 Soviet diplomats and officials in 1971. But timing has proved difficult. From October 1980 the Security Service had a particular interest * against Zadneprovskiy, since the latter was beginning to show keen interest in obtaining additional information about British surveillance equipment, techniques and operations. It is a key requirement for the Security Service to know the extent of the KGB's knowledge of these matters and they had some success through this operation. Moreover, there were some hopes of recruiting Zadneprovskiy, though these eventually had to be abandoned. Finally, by the time the Security Service had decided that they were unlikely to get anything more out of the case and that it should be closed down, action was already in hand in relation to the expulsion of Viktor Lazin (which took place in August 1981) and it was thought unwise to pursue both cases simultaneously.

Then, when the matter was first put to the FCO for action in September 1981, we delayed giving our agreement in view of the need to allow the atmosphere generated by the mutual expulsions triggered by the Lazin affair to die down and of our hopes of obtaining contracts for the West Siberian gas pipeline.

The case has, however, now been brought to a head by evidence strongly suggesting that Zadneprovskiy may shortly return to the Soviet Union. We would wish to take action before this to expel him (as a non-diplomat he cannot strictly be declared persona non grata) and to close down his slot under the ceiling for STD staff. Normally Parliament would need to be told of this action and publicity would both have a beneficial effect as far as other businessmen's contacts with Soviet officials is concerned, and cause the Russian intelligence services considerable The difficulty with acting now is that the Russians may link what we do with our measures over Poland and may be more likely to retaliate on that account, possibly by expelling a member of the Commercial Section of our Embassy in Moscow or a British businessman. Retaliation could also take an indirect form, eg further limitation on movement by our Embassy staff. Some such action is rendered somewhat more likely by the fact that the UK is at present ahead of our European partners in announcing measures against the Soviet Union.

The James some involved some

On balance, Lord Carrington believes that it is right to expel Zadneprovskiy. But we propose two measures to

* Passages deletel and retained under Section 3(4).

Othayland,
18 ovober 2012. TOP SECRET

/reduce



reduce the risk of retaliation. First we shall make it clear when informing the Soviet Ambassador that retaliation in Moscow would inevitably produce a further reaction here. Lord Carrington considers that, depending on the nature and extent of any Soviet retaliation, it might be necessary to expel a further Soviet official. And secondly, we shall delay informing Parliament and publicizing our action for a period until the dangers are less.

In view of the possible commercial implications, the Secretary of State for Trade should have an opportunity to comment and I am therefore copying this letter to John Rhodes, Department of Trade. It would be extremely helpful if his comments could reach us as soon as possible.

A:

(B J P Fall) Private Secretary

A J Coles Esq 10 Downing Street 2 Shle

Soviet Union.

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Intelligence Activities by Warsaw Pact Civil Aircraft over the United Kingdom

The Prime Minister has seen your minute of 20 January and the attached note by the Joint Intelligence Committee. She has commented that she is concerned at the picture presented of intelligence activities by these aircraft and would like to see the recommendations for follow-up action when these are available.

A. J. COLES

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21 January 1982

TOP SECRET UK EYES A



10 DOWNING STREET

Prime Primiter I find the a warrying picture Now in it clear what follow-up action is instanted. Would you like me to cong that you are conserned and world like to see the recommendation for below-up artin when there we avoilable? A.J.C.

20th January 1982

concerned.

Ref. A07196

PRIME MINISTER

Omand refers).

Foreign and Commonwealth Office document

Reference	Diplomatic Report No. 18/82
Description	Soviet Union: Annual Review
	for 1981
Date	7 January 1982

The above FCO document, which was enclosed on this file has been removed and destroyed.

Such documents are the responsibility of the Foreign and Commonwealth Office. When released they are available in the appropriate FCO CLASSES.

Signed

Mayland

Date 18 Ochober 2012

PREM Records Team

SECRET: UK/US EYES ONLY



Saviet Uman N. S. P. R. A-J. C. 27

FCS/81/142

SECRETARY OF STATE FOR DEFENCE

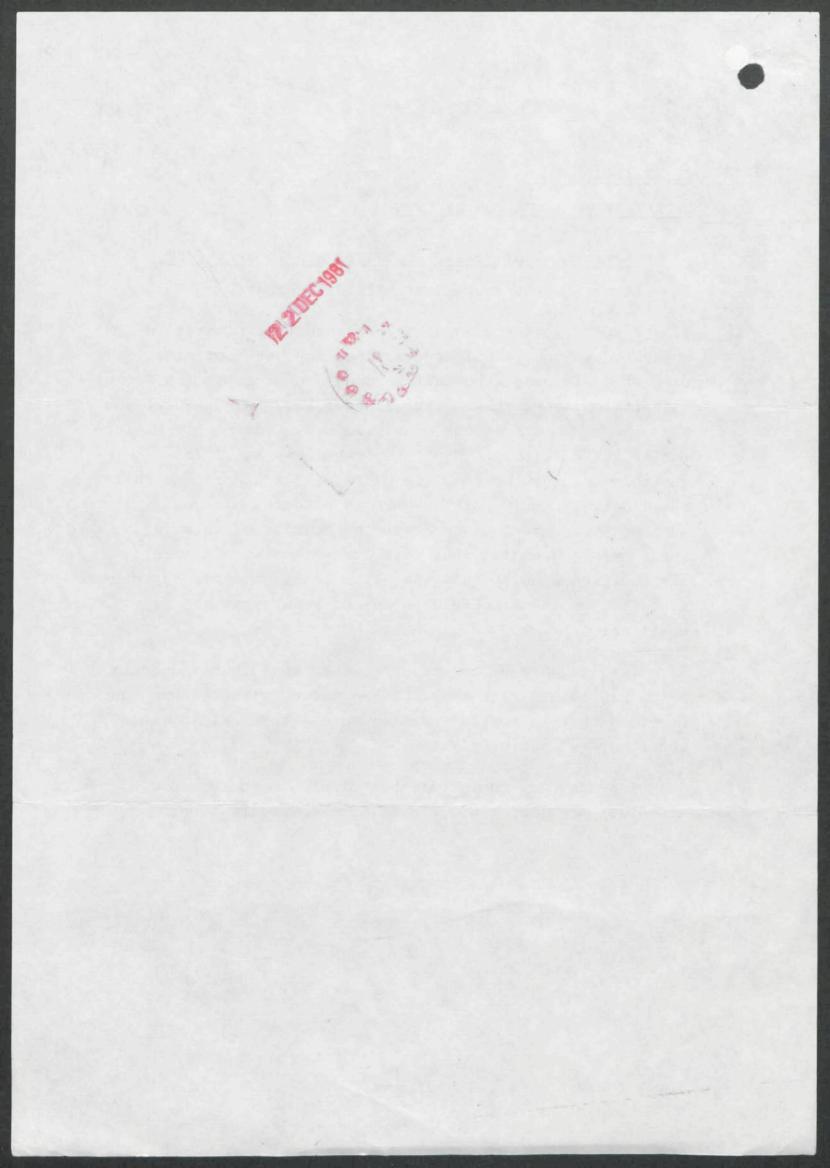
Activities of Warsaw Pact Airliners over the UK

- 1. Thank you for your minute of 10 December.
- 2. I agree that the intelligence-gathering activities described in your minute are serious and unacceptable. I also agree in principle that we should protest to the Soviet authorities about them. But I understand the incident you describe to be the latest of numerous similar ones. Before taking action with the Russians, I believe it would be sensible to have the complete picture. I understand that the JIC is urgently putting work in hand to this end. I suggest therefore that we await the results of this further study before deciding what form our action should take; any additional delay, now that five weeks have already passed since the incident, should not significantly affect our position.
- 3. I would have no objection to this and other indicents being publicised once we had taken action with the Russians, provided that in your view this would not reveal too much about our radar capabilities.
- 4. I am sending copies of this minute to the Prime Minister and other members of OD, and to Sir Robert Armstrong.

(CARRINGTON)

Foreign and Commonwealth Office 22 December 1981

SECRET: UK/US EYES ONLY



secret



From the Secretary of State

COPY NO ZOF 9

N. S.P.J.

Arrit F/C.O. comment.

A. J. C. 32

The Rt Hon Lord Carrington PC KCMG MC Secretary of State for Foreign and Commonwealth Affairs Whitehall London SWI

22 December 1981

Dear Reter.

ACTIVITIES OF WARSAW PACT AIRLINERS OVER THE UK

I was glad to see a copy of John Nott's minute to you on this subject dated 10 December. There is no objection on civil aviation grounds to the course of action which he has proposed.

The staff of my Department who grant overflying permission and the Civil Air Traffic Controllers in the Civil Aviation Authority keep in close touch with relevant staff in the Ministry of Defence so that together we are able to keep a close eye on the movements of Soviet Bloc airliners.

Unannounced departures by aircraft from their flight plan present a serious potential hazard to other aircraft which may be flying in the same airspace. I understand that the incident in question occurred outside controlled airspace, but a manoeuvre of this kind, particularly involving a large change of altitude, would present a very grave danger to other aircraft in the more congested conditions of the airways system.

This is an additional reason for making a protest to the Soviet authorities, and I suggest that any announcement that we make should SEGRET



From the Secretary of State

add to their embarrassment by drawing attention to this danger. It might perhaps incorporate a sentence on the lines: "An aircraft which departs from its planned flight path without informing air traffic control presents a serious danger of collision to other aircraft flying in the same airspace; this is particularly true where, as in this case, a large unannounced change in altitude occurs".

I am also asking my officials to consider with yours whether in delivering a formal protest to the Russians it should also be made clear to them that we shall have to consider curtailing their overflying rights if such incidents are repeated.

I am copying this letter to the Prime Minister, the other members of OD, and Sir Robert Armstrong.

Tom John Bilton

JOHN BIFFEN

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10 DOWNING STREET

From the Private Secretary

18 December 1981

PRESIDENT BREZHNEV'S 75TH BIRTHDAY

Following further discussion of your letter of 17 December we agreed that, in the light of the developing international situation, a message from the Prime Minister on the occasion of Brezhnev's 75th birthday would be inappropriate.

It may be helpful to you to know that the Prime Minister was inclined to think that the situation in Afghanistan was itself sufficient reason not to send a message.

A J COLES

Brian Fall, Esq., Foreign and Commonwealth Office.

COMPREHIMA

10 DOWNING STREET 18 December 1981 From the Private Secretary Activities of Warsaw Pact Airliners over the UK The Prime Minister has seen the minute of 10 December by the Secretary of State for Defence to the Foreign and Commonwealth Secretary. She wonders whether a protest and publicity now, over a month since the incident occurred, might not seem rather belated. In that connection the Prime Minister has asked why it took a month for the proposal to come forward and whether any steps are contemplated to prevent such incidents in future? The Prime Minister also believes that we ought to be clear about the real nature of the threat posed to our interests by these flights and the extent of damage which we may be suffering. She wonders whether it would be possible for the JIC to produce

an assessment covering these points?

I am copying this letter to Brian Fall (FCO) and to Sir Robert Armstrong.

David Omand, Esq., Ministry of Defence SECRET Rim Ninety

Apre that the rod Acred Secretary MO 15/3 of 10 December,

The Secretary of State for Defence has copied to the Prime Minister his minute to the Foreign and Commonwealth Secretary MO 15/3 of 10 December, suggesting that he should publicise an intelligence operation carried out by Aeroflot over the United Kingdom on 9 November and that a protest should be made to the Soviet authorities. There would be no objection (eg from the point of view of protecting the source of the information) to doing so; but it is now over a month since the incident. A protest and publicity now might seem a little belated. It might be worth asking why it took a month for the proposal to come forward; and whether any steps are contemplated to prevent such incidents in future.

2. There would seem to be no doubt about the deliberate nature of the incident on 9 November. But if any general action is contemplated to control Warsaw Pact airliner flights over the country, we ought to be clear about the real nature of the threat to our interests and the extent of the damage we may be suffering. This is largely, but not entirely, a military matter, but other Departments will also have views. I think it would be sensible to ask the JIC to produce an assessment, on the strength of which decisions could be taken about any future action to monitor or control these flights.

ROBERT ARMSTRONG

17 December 1981





Prime Minister do you will to send this manage?

Foreign and Commonwealth Office

London SW1A 2AH

17 December 1981

Dan John

President Brezhnev's 75th Birthday

President Brezhnev will be 75 on 19 December. have been considering whether the Prime Minister should be advised to send a brief formal message of congratulation, as Mr Callaghan did for Brezhnev's 70th birthday.

The international climate is, of course, very different from what it was in 1976, not least because of the continuing presence of Soviet troops in Afghanistan. If the Prime Minister sends a message she will be participating, albeit in a minor way, in the fêting of the Head of the state whose failure to exercise restraint in international affairs has been responsible for the present strain in East-West relations.

Against this, Brezhnev has recently been received by Chancellor Schmidt and we, together with other Western governments have recognised the value of that meeting. The Federal German President and Chancellor have decided to send messages of congratulation. although President Mitterrand will not do so, a message to be delivered in Moscow this week addressed to the Soviet leadership will contain an allusion to the birthday and will express suitable sentiments. Our other partners in the Ten have yet to take decisions. President Reagan has been advised to send a short message but we do not yet know whether he will do so.

On balance, and assuming that there is no Soviet intervention in Poland in the next 48 hours, Lord Carrington believes that it would be churlish not to send I enclose a draft. a short formal message.

Lord Carrington sees no reason to advise that HM The Queen send a message, even though Brezhnev is Head of State.

Jean Brezhnev is Head

Advise that

Advise t

A J Coles Esq 10 Downing Street

DRAFT MESSAGE TO PRESIDENT BREZHNEV FROM THE PRIME MINISTER

I offer my congratulations on the occasion of your 75th birthday.

Irina Pinistal

you will wind to wote

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MO 15/3

FOREIGN AND COMMONWEALTH SECRETARY

ACTIVITIES OF WARSAW PACT AIRLINERS OVER THE UK

You will wish to know that the RAF have carried out a special survey on some of the thousand or so Warsaw Pact airliners which fly over the United Kingdom each month.

- 2. They established that some of these aircraft deviated from their flight plan routes in circumstances which would lead us to assume that they were gathering intelligence.
- 3. One incident of particular interest took place on 9th November when an Aeroflot IL62 made an unauthorised and unannounced descent from 35,000ft to 10,000fr just below cloud level, to fly over RAF Boulmer, a radar station currently being modernised. It subsequently climbed back to 37,000ft. During this manoeuvre its Secondary Surveillance Radar which automatically broadcasts the aircraft's height was switched off, though it was on immediately before and after the incident. It must, therefore, be assumed that it was switched off intentionally to conceal a deliberate and premeditated manoeuvre. However, it was observed by the air defence radar at Saxton Wold.
- 4. Our investigations have now revealed that it was the same aircraft which over flew the USN base at Gorton when the first Trident submarine was being launched. You will recall that as a result of this incident the President banned Aeroflot flights over the USA for a short period.



- 5. I would like us to publish details of the 9th November incident as soon as possible. The Soviet submarine incident in Sweden was of great benefit in convincing Western public opinion that the Soviets are involved in unacceptable activities. We need such publicity to help us in the wider campaign against CND etc. Could you let me know as soon as reasonably possible what you think about a formal protest to the Soviet authorities, together with a public announcement by you or me of our suspicions?
- 6. I am copying this minute to the Prime Minister, the other members of OD and Sir Robert Armstrong.

IN

Ministry of Defence 10th December 1981

CONFIDENTIAL

Seriel

1 September 1981

EXPULSION OF THE BRITISH CULTURAL ATTACHE IN MOSCOW

Thank you for your letter of 27 August to Michael Alexander. The Prime Minister has noted the action taken by Lord Carrington.

WR

B.J.P. Fall, Esq., Foreign and Commonwealth Office.

SI



Prime Minister 2 Foreign and Commonwealth Office

Lord Carrington has

Lord Carrington has

London SW1A 2AH

decided not to retaliate

for the expulsion of Julin Gordon

from moscon.

London SW1A 2AH

27 August 1981

for the expulsion of Julin Gordon

from moscon.

Dear Michael

Expulsion of the British Cultural Attache in Moscow

Clive Whitmore's letter of 4 August reported the Prime Minister's approval of the Foreign and Commonwealth Secretary's decision to declare Mr V N Lazin, a Second Secretary at the Soviet Embassy, persona non grata for espionage.

As you will have seen from Moscow telegram nos 518, 519 and 523, the Soviet Deputy Foreign Minister summoned the British Charge d'Affaires on 18 August to give the Soviet reaction to our decision on Lazin. The Russians rejected the charges against Lazin, complained about the British press treatment of the case, and demanded the withdrawal of Mr John Gordon, our Cultural Attache in Moscow. Mr Gordon was alleged to have been involved in unacceptable activities and to have interfered in Soviet internal affairs.

A Soviet retaliation of this kind was more or less inevitable. For example, in the very different circumstances of 1971, the Russians retaliated for our expulsion of the 105 Soviet officials in London by demanding the withdrawal of 18 British diplomats and other personnel in Moscow. Their choice of Gordon was clearly carefully considered. Although he is senior to Lazin (a First, rather than Second Secretary), Gordon was on leave at the time of the Soviet decision. Further action against the political or commercial sections of our Furthermore, Embassy in Moscow would have been more damaging. It is also possible that in selecting our Cultural Attache, who naturally has extensive contacts with individual Russians, they have sought to identify someone against whom it would be possible to make the sort of charge of interference in internal affairs which was levelled in the British press against Lazin.

The Foreign and Commonwealth Secretary believes that our wider interest is not to allow Lazin's expulsion and its aftermath to escalate so that it becomes a serious obstacle to the measured policy towards the Soviet Union which we have pursued over the past year. In this light, he has considered whether to take retaliatory action for the expulsion of Gordon. has concluded that this would be likely only to perpetuate a cycle of retaliation and counter-retaliation in which British interests could be harmed more seriously that the Russians'. In particular, they have a far larger stock of British

/specialists



specialists than we have Russian speakers and a visa war at the present time, when we have a number of important postings either in the pipeline or in prospect over the next few months, would be seriously damaging to us.

Lord Carrington has, therefore, instructed the British Charge d'Affaires in Moscow to make a strongly worded statement to the Soviet Foreign Ministry about the expulsion of Mr Gordon, and to affirm our expectation that the Russians will cause no difficulty over an early replacement for him. It is made clear that if they do create such difficulties over the new Cultural Attache or other visa applications, we shall consider what further steps may be necessary. In deciding to act in this way, Lord Carrington has felt that the end result would not be an unsatisfactory one; if we secure a successful replacement for Mr Gordon and other postings go smoothly, our Embassy in Moscow will remain at full strength whereas the Russians will be one down in London following the expulsion of Lazin and the permanent reduction of the Soviet diplomatic ceiling as a result.

I am sending copies of this letter to John Halliday (Home Office) and David Wright (Cabinet Office).

(B J P Fall)

Private Secretary

M O'D B Alexander Esq 10 Downing Street 127 AUG 1988

Souret

ck



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10 DOWNING STREET

From the Private Secretary

20 August 1981

'Anglia'

The Prime Minister has now seen Roderic Lyne's letter to Clive Whitmore of 3 August. She has agreed to send a message to the Soviet readers of 'Anglia' to be included in the January 1982 edition. She is content with the draft attached to Roderic Lyne's letter, but would prefer the word "thereby" in the third line to be replaced by the word "so".

W. F. S. RICKETT

Francis Richards, Esq., Foreign and Commonwealth Office.

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10 DOWNING STREET

From the Principal Private Secretary

4 August 1981

INVOLVEMENT OF A SOVIET DIPLOMAT IN INTELLIGENCE ACTIVITIES

This is just to record that I showed your first letter of 4 August about the involvement of Mr. V.N. Lazin in intelligence activities to the Prime Minister earlier today and that she thoroughly approved of Lord Carrington's decision to declare Lazin persona non grata.

I am sending copies of this letter to John Halliday (Home Office) and David Wright (Cabinet Office).

C A WHITMORE

B.J.P. Fall, Esq., Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

4 August 1981

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Der Uir.

Involvement of a Soviet Diplomat in Intelligence Activities

Further to my letter earlier today, it has been decided that the press line on the Lazin case should be modified slightly. I accordingly attach a revised version. The only significant difference is that the number of Soviet diplomats in the UK will now be included in the points for defensive use, rather than the overall ceiling of Soviet officials permitted to reside in the UK on a long term basis. The former figure is available from the diplomatic list; we have never made public the latter.

I am sending copies of this letter to John Halliday (Home Office) and to David Wright (Cabinet Office).

* as laras I Know

(B J P Fall) Private Secretary

Clive Whitmore Esq 10 Downing Street [UNCLASSIFIED ONCE ANNOUNCEMENT HAS BEEN MADE]

ON THE RECORD ANNOUNCEMENT BY NEWS DEPARTMENT

The Soviet Chargé d'Affaires was summoned to the FCO earlier today and told that a Second Secretary in the Soviet Embassy in London, V N Lazin, was persona non grata in the United Kingdom and should leave the country within seven days.

4 August 1981

[RESTRICTED ONCE ANNOUNCEMENT HAS BEEN MADE]

DEFENSIVE

- 1. V N Lazin was declared persona non grata for activities incompatible with his status as a diplomat. We cannot comment further on the facts of the case.
 - 2. The Chargé d'Affaires was received at senior official level. [Unattributable to trusted contacts by the Acting PUS].
- 3. As a result of this action, the total number of diplomatic staff at the Soviet Embassy will be reduced by one, to 46, in accordance with the policy announced in 1971.
- 4. This is the first time such action has been taken since 1971.
- 5. There has not yet been any Soviet response. We hope they will not react in a way which might prejudice the development of our relations.

CONFIDENTIAL

TUP SECKET Copy No / of 5 copies 010 Foreign and Commonwealth Office London SW1A 2AH 4 August 1981 Den Clive Involvement of a Soviet Diplomat in Intelligence Activities The Foreign and Commonwealth Secretary thought that the Prime Minister should know immediately that a Soviet diplomat, Mr V N Lazin, was arrested last night in the course of a clandestine meeting with a Portuguese national. Lazin has been released, but Lord Carrington has decided that he should be declared persona non grata. The Acting Permanent Under Secretary will therefore summon the Soviet Charge d'Affaires today to tell him this. We will add that the ceiling on the number of Soviet officials permitted to reside in the UK on a long term basis will be reduced by one in accordance with the conditions put to the Soviet Embassy following the expulsion in 1971 of the 105 Soviet diplomats and other employees. News Department will make a short on-the-record statement after Sir E Youde has seen the Soviet Charge d' Affaires. I attach a copy, together with a list of points for defensive use. You will see that it mentions Lazin by name. The intention is to avoid any further publicity. We will also be telling a number of overseas posts of the action taken.

Lazin is the senior member of the Scientific and Technical Intelligence Section of the KGB in London. He has developed his relationship with the Portuguese national over several months and sought to obtain technical and scientific information in the UK from him and to use him as an agent with the possibility of eventually placing him in a NATO post. Meetings between the Soviet official and the Portuguese were on a completely clandestine basis.

Passage deleted and retained under Section 3(4).

ONDayland, 12 0406er 2012

I am sending copies of this letter to John Halliday (Home Office) and to David Wright (Cabinet Office).

(B J P Fall) Private Secretary

This era

Clive Whitmore Esq 10 Downing Street TOP SECRET

[UNCLASSIFIED ONCE ANNOUNCEMENT HAS BEEN MADE]

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4 August 1981

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- 2. The Chargé d'Affaires was received at senior official level.
 [Unattributable to trusted contacts by the Acting PUS].
- 3. As a result of this action, the ceiling for diplomatic staff at the Soviet Embassy will be reduced by one in accordance with the policy announced in 1971.
- 4. This is the first time such action has been taken since 1971.
- 5. There has not yet been any Soviet response. We hope they will not react in a way which might prejudice the development of our relations.
- 6. The permitted level of Soviet officials resident in the UK on a long-term basis is now 245. We do not disclose the subceilings by categories.

TOP SECRET

South 00 Foreign and Commonwealth Office London SW1A 2AH Prime Minister ,

Content that he attached message from your should be included in the 20 m anniversary edition of "Anglia"? 3 August 1981 Dear Chin, ms 'Anglia' We should like to propose that a message from the Prime Minister to the Soviet readers of 'Anglia' be included in the January 1982 edition, which will mark the 20th Anniversary of the magazine's publication. 'Anglia' is a Russian language magazine distributed in the Soviet Union under an agreement reached with the Russians in 1961. I enclose a copy of a recent number. It is produced by the COI under editorial guidance of the FCO. It is nonpolitical but within this general constraint conveys a picture of British life and achievements in the scientific, industrial, educational, social and sporting fields, and in the arts. 'Anglia' has a wide and avid readership. 100,000 copies of each quarterly issue are sold throughout the Soviet Union but we estimate that as many as 10 people may read each copy. We are considering seeking Soviet approval for an increase in the print of each number. After the BBC's Russian service, 'Anglia' is our best means of putting Britain across to the Soviet people. Indeed, following the re-imposition of jamming of the BBC's Russian language broadcasts, the importance of 'Anglia' has increased. We believe that a message from the Prime Minister would be a useful means of emphasising the standing of the magazine and the importance we attach to its continued wide circulation. It would follow the precedents set in 1962 and 1972 when Mr Harold Macmillan and Mr Edward Heath sent messages to the readership on the respective occasions of 'Anglia's' inauguration and 10th Anniversary. I attach a draft which the Prime Minister might wish to consider. Rodenic Tym Private Secretary Clive Whitmore Esq 10 Downing St

DRAFT MESSAGE

This issue of Anglia marks the 20th anniversary of the first publication of the magazine. Its aim is, as it has always been, to enable Soviet readers to know more about the British people and our way of life and thereby to contribute to better understanding between us.

The signatories of the Final Act of the Conference on Security and Co-operation in Europe, including the Soviet Union and Great Britain, recognised that an ever wider knowledge and understanding of life in other countries contributes to the growth of confidence among peoples. They undertook to facilitate the freer and wider dissemination of information of all kinds. Anglia has played its full part in this process since long before the Final Act was signed.

I send my best wishes to all Anglia's readers and believe that in the years to come it will continue to make a valuable contribution to the important task of increasing mutual knowledge and respect.

Prime Minister , Foreign and Commonwealth Office Independent London SWIA 2AH

Jid you see this when

it cannot in? We have

no record of your agreeing 3 August 1981

to me message to "Anglia".

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With

'Anglia'

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(R M J Lyne)

Clive Whitmore Esq 10 Downing St

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Soviet Uni CONFIDENTIAL GR 260 CONFIDENTIAL DESKBY 181600Z DISTRIBUTION SELECTION. FM MOSCOW 181415Z AUG 81 FLE COPY TO IMMEDIATE F C O TELEGRAM NUMBER 523 OF 18 AUGUST

MY TELS NOS 518/520 : LAZIN/GORDON

1. IN RESPONDING TO ZEMSKOV'S DEMAND FOR THE WITHDRAWAL OF GORDON, I MADE USE OF A SLIGHTLY MODIFIED FORM OF THE LANGUAGE WHICH SIR E YOUDE WOULD HAVE USED TO KELIN HAD HE THREATENED RECIPROCITY. I WAS CONCERNED. HOWEVER, NOT TO COMMIT YOU TO ANY SPECIFIC RESPONSE BUT RATHER TO KEEP THE RUSSIANS ON EDGE AND DO A LITTLE FLESH-CREEPING.

2. YOU WILL NOW BE CONSIDERING WHETHER AND IF SO HOW TO RESPOND TO THE EXPULSION OF GORDON. IT OCCURS TO US THAT THE CHOICE OF GORDON (REPRESENTING A RAISING OF THE LEVEL OF RECIPROCITY FROM SECOND TO FIRST SECRETARY; THOUGH NO OTHER ATTEMPT TO BALANCE OUR CUT IN THE SOVIET CEILING), MAY HAVE BEEN DUE TO A CONVICTION (OR AT LEAST SUSPICION) ON THE PART OF THE RUSSIANS THAT THEY WERE MATCHING LIKE WITH LIKE. THE CULTURAL ATTACHE NORMALLY HAS A WIDER RANGE OF SOVIET CONTACTS THAN-THE REST OF US AND THE RUSSIANS HAVE SUSPECTED FOR YEARS THAT THE CULTURAL JOB MAY HAVE INTELLIGENCE ASPECTS IN OUR EYES AS IT OF COURSE DOES IN THEIRS WHERE THEIR OWN PEOPLE ARE CONCERNED.

IT WOULD BE TEMPTING AND EVEN NATURAL TO RETALIATE AGAINST THE EXPULSION OF AN INNOCENT PERSON, ESPECIALLY WHEN LAZIN WAS CAUGHT RED-HANDED. I HOPE, HOWEVER, THAT THE CONSEQUENCES OF RETALIATION WILL BE CONSIDERED VERY CAREFULLY, SINCE A SERIES OF TIT-FOR-TAT EXPULSIONS COULD SERIOUSLY WEAKEN OUR REPRESENTATION HERE OVER THE COMING MONTHS.

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CONFIDENTIAL GR 450 CONFIDENTIAL DESKBY 181200Z . FM MOSCOW 181031Z AUG 81 TO IMMEDIATE F C O TELEGRAM NUMBER 519 OF 18 AUGUST M I P T : SOVIET STATEMENT 1. FOLLOWING IS THE TEXT OF ZEMSKOV'S ORAL STATEMENT.

- 2. IT WAS STATED IN THE AIDE-MEMOIRE OF THE BRITISH FOREIGN OFFICE OF 4 AUGUST 1981 THAT THE SECOND SECRETARY OF THE EMBASSY OF THE USSR IN GREAT BRITAIN, V N LAZIN, HAD ABUSED HIS DIPLOMATIC STATUS, AND THE DEMAND WAS MADE THAT HE SHOULD LEAVE GREAT BRITAIN.
- 3. THIS ASSERTION OF THE BRITISH SIDE HAS NO FOUNDATION AND IS AN INVENTION. ACCORDING TO ALL THE INFORMATION AVAILABLE TO US, V N LAZIN COMMITTED NO ACTS WHICH WOULD RUN COUNTER TO HIS STATUS AS A DIPLOMAT. HE BECAME THE OBJECT OF A PROVOCATIVE ACTION DEMONSTRATED BY THE FACT THAT HE WAS HELD WITHOUT ANY FOUNDATION AND IN CONTRAVENTION OF THE VIENNA CONVENTION ON DIPLOMATIC RELATIONS AND DESPITE PROTESTS AND PRODUCTION OF HIS . DIPLOMATIC CARD AFFIRMING WHO HE WAS, WAS SUBJECTED TO PHYSICAL FORCE AND TRANSFERRED TO A POLICE STATION WHERE HE WAS SUBJECTED TO A SEARCH.
- 4. AT THE SAME TIME ATTENTION IS DRAWN TO THE PROPAGANDA CAMPAIGN IN THE PRESS EVIDENTLY INSPIRED BY THE BRITISH AUTHORITIES AND FOUNDED ON FICTITIOUS ALLEGATIONS ABOUT THE PARTICIPATION OF THE SOVIET DIPLOMAT IN INTERNAL POLITICAL EVENTS IN BRITAIN.
- 5. THE BRITISH SIDE HAS TAKEN A SERIOUS RESPONSIBILITY UPON ITSELF IN UNDERTAKING THIS ACTION IN CONNECTION WITH A SOVIET DIPLOMAT. THE MFA OF THE USSR PROTESTS AGAINST SUCH ACTIONS OF THE BRITISH AUTHORITIES WHICH CAN ANSWER THE INTERESTS ONLY OF THOSE FORCES ACTING AGAINST THE DEVELOPMENT OF CONSTRUCTIVE RELATIONS BETWEEN THE SOVIET UNION AND GREAT BRITAIN.

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/ 6. THE ATTENTION

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- CERTAIN MEMBERS OF THE BRITISH SIDE IS DRAWN TO THE FACT THAT CERTAIN MEMBERS OF THE BRITISH EMBASSY IN THE SOVIET UNION ABUSE THEIR STATUS AS DIPLOMATIC REPRESENTATIVES. FOR SOME TIME THE UNACCEPTABLE ACTIVITY HAS BEEN NOTICED OF THE FIRST SECRETARY OF THE EMBASSY, JOHN GORDON, WHICH RUNS COUNTER TO THE EXISTING NORMS OF BEHAVIOUF OF FOREIGN DIPLOMATS AND THE PROVISIONS OF THE ABOVE-MENTIONED VIENNA CONVENTION AND GOES AS FAR AS DIRECT INTERFERENCE IN THE INTERNAL AFFAIRS OF THE COUNTRY WHERE HE IS STATIONED. IT WOULD BE APPROPRIATE FOR JOHN GORDON TO QUIT THE BORDERS OF THE SOVIET UNION WITHIN A WEEK.
- 7. IT IS EXPECTED THAT MEMBERS OF THE EMBASSY OF GREAT BRITAIN WILL IN THE FUTURE NOT ACT IN SUCH A WAY AS TO CONFLICT WITH THEIR DIPLOMATIC STATUS AND AFFECT FOR THE WORSE THE DEVELOPMENT OF ANGLO-SOVIET RELATIONS.

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TO IMMEDIATE F C 0

TELEGRAM NUMBER 518 OF 18 AUGUST

No 10

- 1. DEPUTY FOREIGN MINISTER ZEMSKOV ASKED ME TO CALL THIS MORNING TO RECEIVE AN ORAL STATEMENT (TEXT IN MIFT) IN REPLY TO THE REPRESENTATIONS MADE TO THE SOVIET CHARGE D'AFFAIRES ON 4 AUGUT. IN ESSENCE THIS REJECTED OUR CASE AGAINST LAZIN, COMPLAINED THAT AN ANTI-SOVIET PRESS CAMPAIGN HAD BEEN MOUNTED AND DECLARED THAT THE CULTURAL ATTACHE HAD BEEN ENGAGED IN ACTIVITIES INCOMPATIBLE WITH HIS DIPLOMATIC STATUS AND WAS REQUIRED TO LEAVE THE SOVIET UNION WITHIN A WEEK.
- 2. I SAID I REGRETTED THAT THE SOVIET SIDE HAD FELT BOUND TO MAKE THIS STATEMENT. WHEN THE SOVIET CHARGE HAD BEEN HANDED THE AIDE MEMOIRE IT MADE CLEAR THE BRITISH WISH TO CONTINUE A CONSTRUCTIVE DIALOGUE BASED ON MUTUAL TRUST AND THAT SUCH TRUST HAD ALSO TO APPLY TO OUR BILATERAL RELATIONS. THE 3 AUGUST INCIDENT HAD BEEN A SERIOUS ONE AND THERE WAS NO DOUBT IN HMG'S MIND THAT LAZIN HAD BEEN ENGAGED IN ACTIVITIES INCOMPATIBLE WITH HIS DIPLOMATIC STATUS. IT FOLLOWED THAT IT WAS INEVITABLE THAT WE SHOULD HAVE DONE WHAT WE PROMISED TO DO IN 1971. FROM THE INFORMATION AVAILABLE I COULD NOT ACCEPT THE STATEMENT THAT THE BRITISH SIDE HAD INVENTED THE INCIDENT. THE EVIDENCE AGAINST LAZIN WAS CONCLUSIVE. THERE WAS NO QUESTION OF A PROVOCATION. AS SOON AS HIS DIPLOMATIC STATUS WAS ESTABLISHED HE WAS ALLOWED TO LEAVE POLICE CUSTODY. I ALSO REJECTED THE ALLEGATION THAT THERE HAD BEEN A PRESS CAMPAIGN. A FREE PRESS WOULD INEVITABLY PICK UP THE STORY . THE BRITISH GOVERNMENT HAD DONE ITS BEST TO DAMP IT DOWN IN ORDER TO MINIMISE THE EFFECT ON ANGLO/SOVIET RELATIONS WHICH YOUR VISIT HAD DEMONSTRATED WE WISHED TO DEVELOP.
- GORDON. I SUPERVISED HIS SECTION AND WAS UNAWARE OF ANY
 ACTION BY HIM THAT WAS IN ANY WAY INCONSISTENT WITH HIS NTATUS.
 ON THE CONTRARY HE HAD SOUGHT TO IMPROVE ANGLO/SOVIET CULTURAL
 RELATIONS AT A DIFFICULT TIME. EXPULSION WOULD CREATE AN
 UNFORTUNATE IMPRESSION IN THE UK AND PROVE A BLOW TO THOSE
 CULTURAL RELATIONS WHICH WE HAD UNDERSTOOD IT WAS ALSO THE SOVIET
 WISH TO DEVELOP. I KNEW THE AMBASSADOR WOULD WANT ME TO ADD THAT
 ALL THE OTHER PERSONNEL OF THE EMBASSY KNEW THE NORMS OF DIPLOMATIC
 BEHAVIOUR AND WERE CAREFUL TO OBSERVE THEM. I WOULD REPORT WHAT
 ZEMSKOV HAD SAID. IT COULD ONLY BE REGARDED AS A THOROUGHLY
 UNFORTUNATE BLOW TO RELATIONS.
 - 4. ZEMSKOV REPLIED THAT HE REGRETTED I HAD REPEATED THE

 UNFOUNDED ACCUSATIONS AGAINST LAZIN. IF I THOUGHT GORDON WAS

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WORKING TO DEVELOP ANGLO/SOVIET RELATIONS HE WONDERED HOW MUCH I VALUED THOSE RELATIONS. HE HAD NOTHING TO ADD. I SAID I WOULD COMMUNICATE HIS FURTHER REMARKS AND THERE WOULD BE A RESPONSE TO THE SOVIET DECISION IN DUE COURSE. IT HAD BEEN OUR HOPE THAT THIS REGRETTABLE EPISODE COULD HAVE BEEN HANDLED WITHOUT PREJUDICE TO THE NEW OPENING IN ANGLO/SOVIET RELATIONS WHICH HAD RECENTLY OCCURRED AND WHICH WE HOPED MIGHT BE CARRIED FURTHER BY GROMYKO AND YOURSELF IN NEW YORK. I COULD NOT SAY WHAT YOUR REACTION WOULD BE BUT I COULD NOT EXCLUDE THE POSSIBILITY THAT HMG MIGHT WISH FURTHER TO CONSIDER THE WHOLE PICTURE OF SOVIET DIPLOMATIC REPRESENTATION IN LONDON. ZEMSKOV SAID HE WAS SURPRISED I HAD THREATNED OPENLY IN THIS CASE. THAT WAS NO WAY TO SPEAK TO THE SOVIET UNION. I SAID MY REMARK WAS NOT A THREAT BUT SIMPLY A STATEMENT THAT I COULD NOT EXCLUDE A POSSIBLITY. FOR THE REASONS I HAD GIVEN THE SOVIET STATEMENT COULD ONLY MAKE A BAD IMPRESSION ON THE BRITISH SIDE. WE WOULD HAVE TO SEE WHAT THEIR REACTION WOULD BE.

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Copy No. 2 of 3 Copies

MR. ALEXANDER

The Prime Minister may like to read the attached copies of Security Service letters, describing the activities of a KGB agent in the Soviet Embassy and the Security Service's proposals to unmask him and have him declared persona non grata. These proposals have been approved by the Foreign and Commonwealth Secretary.

ROBERT ARMSTRONG

ROBERT ARMSTRONG

17th July, 1981

Copy no ... of .2 copies.



This is a copy. Foreign and Commonwealth Office The original has been London SW1A 2AH expacted and retained under Section 3(4) (Whayland

14 May 1981

mie Minister:
A good stong.

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Exposure of KGB Operation in Norway:

'The Times' carried on its front page on 8 May a short item reporting the resignation from his post in Vienna of a Soviet official, Dr A Belozerov, following what he claimed were false reports that he had been involved in espionage activities. I attach a copy of the report.

You may be interested to know that this represents the tip of an iceberg

In 1974, a KGB officer then serving in Oslo 'recruited' a Norwegian oil expert. The expert was in fact controlled from the outset by the Norwegian intelligence authorities,

From 1974 until December 1979, the oil expert acted as a highly successful double agent, giving the Russians material which had in every case been approved by the Norwegians and our friends, who in the course of the operation learned a considerable amount about the way the KGB operates.

The KGB officer concerned showed himself from the outset yenal and avaricious; he asked the Norwegian for presents and subtracted a 'commission' for himself out of the money which the KGB was paying the Norwegian. He met the Norwegian regularly, first in Oslo, then in Vienna, until December 1979 when the KGB withdrew him, substituting as his case officer another KGB officer, Dr Arkady Belozerov, Secretary of the International Institute for Applied Systems Analysis in Vienna.

Shortly after this handover, the Norwegians concluded, that they had gained all that they could from the operation, and that it was time to end it. As a result of this and other cases, the Norwegian

/intelligence



intelligence authorities had identified as KGB agents 11 Soviet officials, six of whom were still in Oslo; and they accordingly recommended that all six should be expelled. However, Norwegian Ministers decided that only one of the Soviet officials in Oslo should be expelled. This was done on 1 April 1981; and the Russians were told at the same time that two other officials who had previously served in Oslo would not in future be issued with visas for Norway.

This action by the Norwegians has generated a satisfactory amount of international publicity, for which have been in part responsible. The publicity started with a detailed article in consultation with the Norwegian authorities - arranged to be printed in 'Now!' magazine on 10 April (copy attached). This article sparked off considerable interest in the international media. One of the authors was interviewed on BBC Radio 4 and on Canadian radio. Two Austrian papers carried articles based on the 'Now!' story and the Far Eastern Economic Review also carried a story on the same subject. A West German television station has recorded an interview with the Norwegian double agent; and there has also been extensive publicity in Norway.

On 16 April it was announced that Belozerov - identified in the 'Now!' article as one of the KGB officers who had helped to run the Norwegian double agent - had resigned from his job in Vienna. The story of his resignation, and of his links with the Norwegian affair, was promptly carried on the BBC World Service and was the subject of a front page story in the International Herald Tribune next day. 'The Times' seems to have got hold of it rather belatedly.

822

(G G H Walden) Private Secretary

M O'D B Alexander Esq 10 Downing Street

Soviet scientist resigns

By Pearce Wright, Science Editor

Dr Arkady Belozerov, a senior Soviet scientist, has resigned as secretary of an international think tank after accusations of spying against him.

Dr Belozerov, an expert in plasma physics, has returned to Russia from the International Institute for Applied Systems Analysis, near Vienna, which was created nine years ago in an agreement between the United States National Academy of Sciences, the Royal Society and 11 other national scientific bodies.

His letter of resignation simply states that there had been accusations made against him in the Austrian and foreign press. These were without factual basis, he said, and he denied them completely.

'The Times' 8 May 1981 (front page)



EXPOSED: THE KGB'S NORTH SEA SPY RING

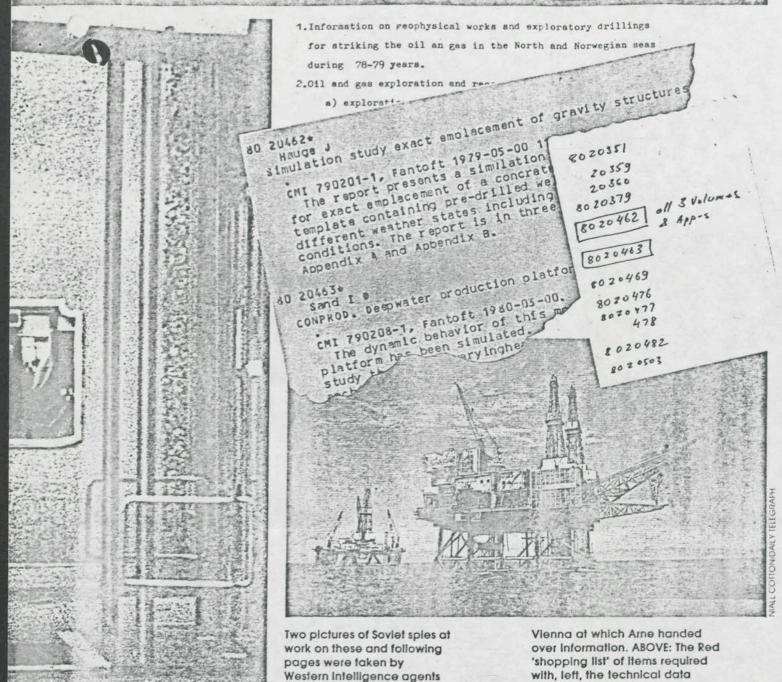
For six years, a brilliant double-cross by
Western Intelligence fed the Russians
false information about Britain's oilfields.
Christopher Dobson and Ronald Payne reveal
the secret of the courageous agent who
finally 'blew' his Red contacts on April Fools' Day

An international KGB operation to probe the technological secrets of Britain's North Sea oil fields and to prepare the way for Soviet naval attacks on them in the event of war has been foiled by a courageous double agent working for Western intelligence.

Now! can reveal that for six years the KGB spymasters were completely hoodwinked by an agent they knew as "Jan Jansen". He fed harmless information to his Russian contact while their meetings were photographed and their conversations recorded.

NOW! has seen some of the "shopping lists" of information the KGB sought. The Russians wanted highly detailed technological and geological information about exploration and drilling for both oil and gas in the North Sea. They also wanted him to spy on Nato.

But the answers supplied by Jansen (the codename the KGB gave a Norwegian oil engineer) were carefully doctored, not only to mislead the Soviet Union, but to get for



the West valuable information about the Russians' own military and technological advances.

Jansen's double-cross continued until just over a week ago. And, ironically, it was on April Fools' Day that the KGB realised that it had been duped. On that day Timov Besedin, a Soviet trade official, was expelled from Oslo for "activities incompatible with his diplomatic status". Besedin was a member of the "Jansen Ring" and his expulsion set the alarm bells ringing - especially in Vienna. For there, Dr Arkady Belozerov, the distinguished Soviet scientist who is Secretary of the International Institute for Applied Systems Analysis but was also "running" Jansen, had a rendezvous with him for 5 o'clock on Saturday, April 4 outside the Vienna Volks Opera to pick up more information. When Besedin was expelled Belozerov knew that his KGB role had been "blown". He must be wondering how his carefully nurtured operation went wrong.

Now! can enlighten him. Jan Jansen had another codename: Arne, given to him by the Norwegian security service. For more than six years Arne, thought by the Russians to be "Nash" (Ours), played the dangerous and difficult role of double agent. He completely outfoxed the Russians and when the Norwegians finally decided to end the game, they wrapped up yet another KGB spy ring.

LEFT: One of many meetings in

At every meeting Dr Belozerov and, earlier, a predecessor made specific requests for information from Arne, many of them involving British oil interests in the North Sea. But every request was passed directly to Western analysts. Every scrap of information passed to Dr Belozerov was "sanitised" before being handed over. All their meetings were monitored by counter-intelligence.

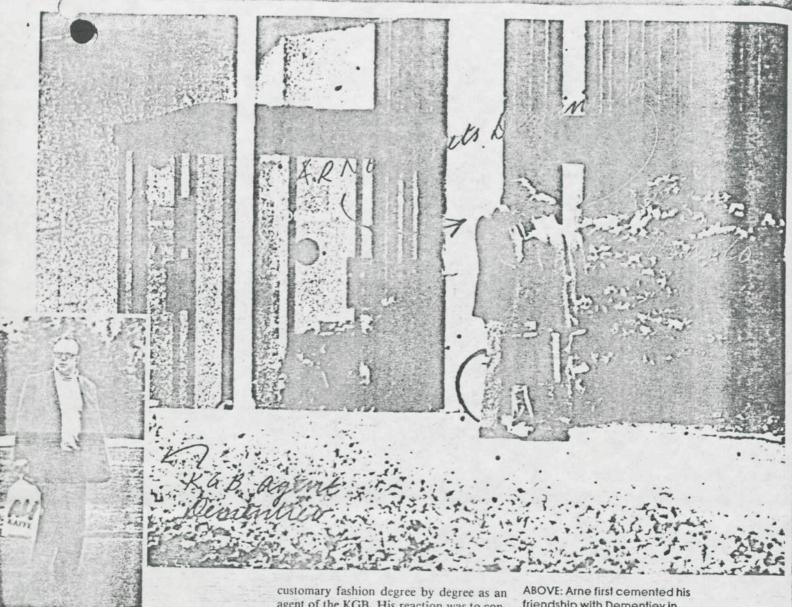
It was a brilliant operation. Much valuable information was gathered by studying the Russian requests for information. They revealed not only those fields in which the Russians were interested but, by a pro-

cess of reverse questioning, gave the Western analysts a picture of Russia's own advances in certain areas of great importance both militarily and economically. A certain amount of "disinformation" was also filtered back and now the Russians are faced with the task of re-evaluating all Arne's material. Psychologically, it has also given the KGB a bloody nose at a time when the rest of the world has begun to think that it gets everything right and the Western security services are made to look foolish. This time it is the KGB which is wearing the dunce's cap. And, with these revelations by Now!, the international espionage activities of Dr Belezerov should be at an end and he will be able to return to Moscow to carry on his studies in his speciality of plasma physics.

'fed' from a published pamphlet

The story started in August 1974 when Arne was on his company stand at a trade exhibition in Norway. Among the prospective customers who came along asking

continued on page 16



Spy ring exposed

continued from page 15

for information was a man who introduced himself as Alexander Dementiev from the Soviet trade mission.

Dementiev said that it would be nice if he could have some of the company publications sent on to him. Soon the idea of a business lunch was put forward, and then little presents — "a bottle of good Russian vodka" — started appearing.

In the best style of business contactmaking these moves were followed up. "Sasha", once they were on first name terms, explained that he had excellent contacts in Soviet commerce and could arrange deals on favourable terms. As the relationship became more cordial "Sasha" began to ask Arne for more precise information. When the arrangement seemed to be going nicely he went on to say how helpful even more details would be, and that his "business" friends in the Soviet Union would be happy to pay Arne for such helpful material. "If you play your cards right you could make a lot of money," said Dementiev.

But Arne was not as foolish and as pliable as the Russians believed. He realised at this point that he was being recruited in the customary fashion degree by degree as an agent of the KGB. His reaction was to contact the Norwegian Secret Service. They explained to him how to become a double agent and immediately took control of the affair. Operation Arne had begun.

At first it was played between Dementiev and Arne in Oslo. Arne has nothing but contempt for the Russian, regarding him as uncouth and corrupt — both professionally and financially.

Dementiev also placed high value on anything he could present as being secret. When Arne produced published documents which contained the answers to many of the questions he was asked - for much of the information requested was regularly published in scientific and oil industry journals Dementiev would say to him: "Please get your secretary to type it out so that it looks more secret." Not only did he deceive his masters in order to enhance his own prestige, he practically begged Arne to con him. Arne did so, but not in the fashion Dementiev expected. But what really angered Arne was that when Dementiev paid him for his information, usually sums of around £1000, he made Arne sign for the full amount - but always took his commission.

However, while Dementiev may have been low grade, his requests for information from his seniors were not. They were concentrated on three areas: 1. Technical and geo-physical

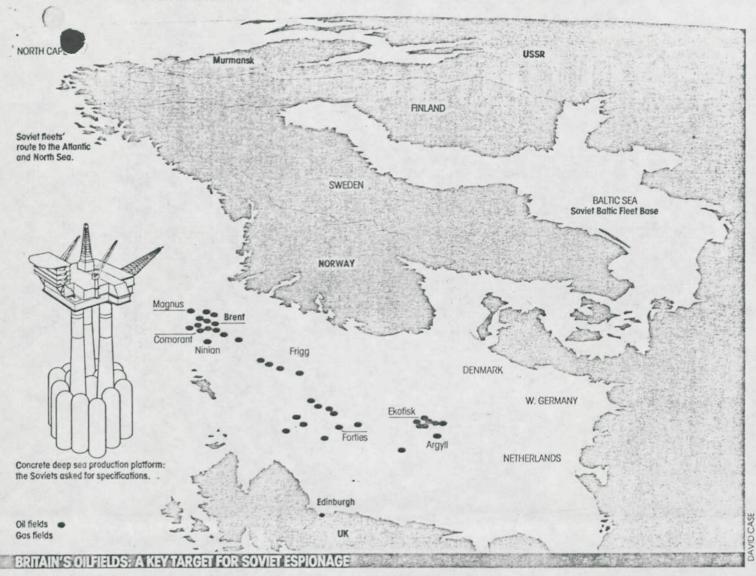
ABOVE: Arne first cemented his friendship with Dementiev in Oslo. INSET: A snatched frontal shot of the Russian agent

aspects of the North Sea oil fields; 2. Exploratory and naval activity in the Arctic — especially military activity by the United States; 3. Details of China's search for offshore oil wells.

China was of especial interest. Arne was told by Dementiev and later by Belozerov that China was Russia's main enemy and that information about developments in China was of prime importance. It was even suggested that they would finance Arne to establish a company in Hong Kong to collect intelligence on China.

Their particular interest in the North Sea was in the new technology developed by the Norwegians and the British to bring the underwater oil fields into production. At one stage they showed great interest in oil platforms which were being made of concrete.

At first sight their "shopping lists" of intelligence which were always written in English, the common language of the meetings, would seem to deal with relatively harmless subjects. Some of it has indeed been published in trade and scientific journals. But, on closer examination these re-



quests reveal a search for knowledge which would enable the Soviet Union's 400-strong submarine fleet to plan attacks on the North Sea oil fields and any similar Chinese developments.

Information they asked for about work carried out by Shell in the politically and militarily sensitive East China Sea included:

- Data of the Geophysical Survey performed by the Shell Company over the territory surrounded by Japan, Korea and Taiwan.
- Field maps, technical documentation and any other information concerning the regions of the South and East China Seas, the Yellow Sea and Pohai Bay on the following problems:
- a) Resources of all kinds of mineral reserves (oil, gas, coal, uranium, different ores and non-metallic minerals);
- b) Any information concerning fields of mineral deposits;
- c) Any facts of underground waters;
- d) Data of geological structure and mineral deposits of the East Asian Shelf area;
- e) Data about effective ranges of geological explorations;
- f) Data of geophysical investigations on dry land and in the Shelf;
- g) Data on the mining of different minerals in the area.

This sort of information, while invaluable

in assessing a potential enemy's economic assets and providing a framework for one's own research and development programmes is also, in the case of the Soviet Union, of special military value. It is fed into the military computer to provide maps giving information about the seabed, differing sea temperatures and magnetic anomalies — all of them part of the tactical battle for command of the oceans which would be vital in any future war between the West and the Soviet Union.

The game between Arne and Dementiev went on until 1977, when it was caught up in another case of espionage. Fru Gunvor Haavik, a 64-year-old clerk in the trade political department of the Norwegian Ministry of Foreign Affairs, was arrested at a secret meeting with A.K. Printsipalov, Third Secretary of the Soviet Embassy in Oslo. She was accused of having been recruited by the KGB during her tour of duty at the Norwegian Embassy in Moscow from 1947 to 1958 and was alleged to have supplied the Soviet intelligence service with "information of importance to Norway's security". Later, the Norwegian Attorney General announced that she had confessed to having spied for the Russians for nearly 30

A few months later Fru Haavik died of a heart attack while in custody. It was a typical case of a lonely woman diplomat being suborned by the KGB and the Norwegians reacted in the traditional way. They expelled Printsipalov along with G.T. Titov, who was named as the head of the KGB in the Russian Embassy, and several others. Among them was Dementiev.

Arne thought his double game was over. He had gone into it fully aware of its dangers because, he argues: "You hear about these things, but somebody has to do something to stop them. Why shouldn't that be me? That was my role. They have to be stopped somewhere." But he was not too unhappy that it appeared to have ended. The strain was beginning to tell. Dementiev had begun to get under his skin.

However, a year later he was contacted by G.G. Petrov, another official of the Russian Trade Delegation in Oslo, who approached Arne at another exhibition. Without subtlety he baldly told Arne he was bringing "a greeting from Dementiev". He asked: "Would you be interested in seeing him in Vienna?"

Arne agreed, and arrangements were made for a preliminary meeting with Petrov at a rendezvous in the University Bookstore at Blinden, Oslo at 2 pm on November 14, 1978. An alternative meeting was fixed for the following day in case anything went wrong.

In the event Petrov missed the first continued on page 20

Spy ring exposed

continued from page 17

meeting because, it is now known, the KGB were checking that Arne had gone to the rendezvous unaccompanied by minders. But the following day Petrov did come, and he told Arne to fly to Vienna on December 9 for a meeting with Dementiev outside the Volksopera at 1600 hours. An impressive team of Soviet counter-surveillance men covered that meeting.

Arne met Dementiev outside the Volksopera and was told to make his own way by taxi to Tetniker Strasse 5, a block of flats occupied by the Economic and Commercial Section of the Soviet Embassy.

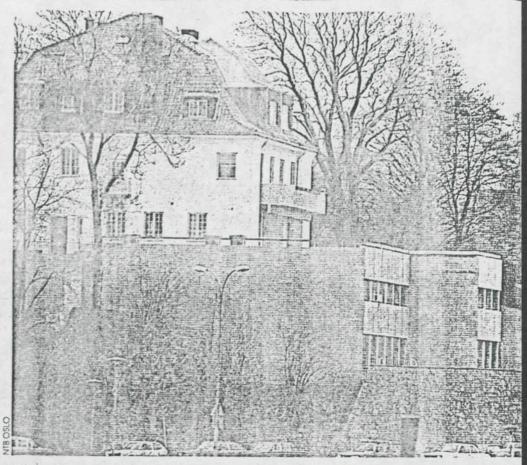
Arne went to the meeting wondering if they had discovered he was a "double" and had set a trap for him. His fears were increased when he was taken to the living quarters of the Russian diplomatic community in Vienna and led through a large group of Russians who were milling around in the doorway.

He was whisked through them and upstairs into a room. "All the time, I was wondering if this was a revenge type operation." But when they entered a room, the usual bottles of drink were produced and he was put back into operation. He now regards that first main meeting after the year-long break as a psychological test by the KGB to see if he had kept his nerve.

Dementiev asked Arne if whether he had reported to the Norwegian Secret Service about their relationship, but when Arne denied this indignantly they went on to discuss future meetings. Dementiev suggested they should take place in either Helsinki, West Berlin, Switzerland or Vienna. They agreed on Vienna. Dementiev then asked about his expenses. Arne said they totalled a thousand American dollars. Dementiev then said in a low voice - in case his own side was listening — that he too had incurred certain expenses. He pulled out a wad of 20-dollar bills and gave Arne 50. The rest he kept. He did not even offer to pay for Arne's taxi. Arne said he always took his "10 per cent."

From then on Arne picked up the routine, meeting Dementiev several times in Vienna. It was always the same. They would agree on a date, always a Saturday at five in the afternoon and usually outside the Volksopera. A few days before the meeting Arne would send a copy of the magazine Farmand to Petrov with a corner of the page showing the date turned down. This was the signal that he could keep the agreed meeting.

He would receive confirmation of the meeting when a copy of Fortune, the American business magazine, arrived through the post. Then, a couple of days before the meeting he would go to a pre-arranged spot in Oslo where he could be seen



The Russian trade mission in Oslo where Dementiev had his base and where Arne allowed himself to be 'suborned'

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by KGB men. There would always be Norwegian security agents waiting and in this way they were able to identify a number of Russian spies.

The system worked well until one Saturday Arne was met at the Volksopera not by Dementiev but by a short, plump, well-dressed man who spoke to him in excellent English. It was Dr Belozerov. Arne had not been warned of the switch and Belozerov gave little explanation for Dementiev's non-appearance and made no attempt to smooth the handover, Crudely, he told Arne that Dementiev had been promoted and could no longer leave the Soviet Union because he "knew too much".

Belozerov proved to be a bungler on a scale which amazed the Western watchers. If ever a film is made on how not to conduct the business of espionage, Belozerov would be the star.

He led Arne off to a restaurant which proved to be closed. He took him to another restaurant. It too, was closed. And so was a third. All this took place round the corner from his home at Gersthofstrasse, Vienna 18. When they eventually found a restaurant that was open he took some documents from Arne to hand them over to someone in a waiting car who would take them away for photocopying. He returned a few moments later with the documents, explaining that he could not find the car.

Belozerov gave away an extraordinary number of personal details, including the history of his service with the KGB and, astonishingly enough, he mentioned that he had recruited and "run" an "important person" in Vienna. He gave away sufficient details for Western agents to identify the traitor.

His attitude to money was strikingly different from Dementiev's. Though Arne had been promised 10,000 dollars for an oil report he had brought with him to the meeting, Belozerov refused to hand over any of the money until the report had been examined. Arne, furious, pointed out that he had paid for the report out of his own pocket and did not propose to act as the KGB's banker.

However, they fell into a routine for meeting. Having met at the Volksopera they would go for a long walk, with Belozerov checking to make sure they were not followed. Then they would go to a restaurant for a meal which would last several hours. They would discuss the material Arne had brought and he would be handed his new assignments.

Belozerov was always interested in China, reiterating that China was the Soviet Union's main enemy. He asked Arne to make contact with Chinese delegations visiting Norway and to find out as much as possible about their mission. He wanted to know if Arne had access to published reports on Chinese geological surveys and petroleum exploration.

He was also interested in virtually everything to do with North Sea oil technology. Russia, apart from a few shallow offshore wells at Baku has no experience in this field and as in most branches of technology where the Soviet Union lags behind the West, finds it simpler and

cheaper to steal the West's knowledge rather than develop its own.

One of the items in Now!'s possession is a slip of paper which was handed to Arne by Belozerov which lists the index numbers of various scientific papers relating to the North Sea oil industry in which he was particularly interested. They range from the effects of corrosion on oil rigs, to reports on concrete deepwater production platforms and the evaluation of diving accidents and

decompression problems.

What Soviet intelligence was trying to get hold of was every detail of operations by international oil companies operating in extremely difficult Northern conditions. Advanced technology for such operations is still lacking in the Soviet Union, which concentrates its scientific resources in strictly military areas. But Soviet espionage is not only acquisitive in the sense of discovering how the West develops its resources. It is also military and political.

The Red Army staff needs to know not only the extent of Western oil resources but also the precise position of installations which Soviet forces would attack in war. Equally their agents are always alert for information about the defence of oil installations, and that is why the Norwegian double agent was asked for information about Western naval operations in Arctic waters.

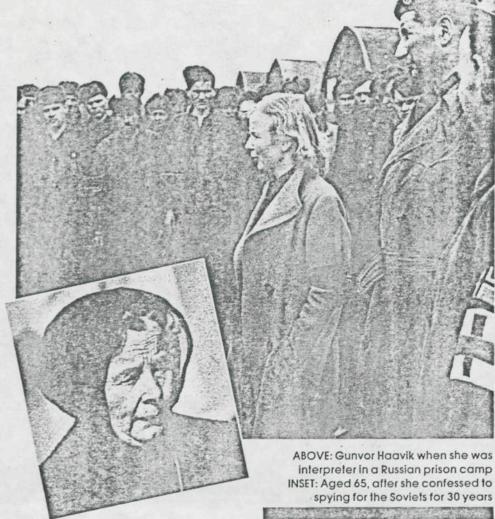
The Kola Peninsula and the North Cape, where Norway meets the Soviet Union, is a highly important military and naval area in big war strategy. It is not suprising that the Soviets wanted information about allied naval defences in that sea area, through which Soviet warships, submarines and troops would need to pass for their assault on the West.

Soviet agents on several occasions told Arne that they considered China to be their most formidable enemy. It is not surprising therefore that they should consider it a sinister development that Western oil companies have been at work in the Far East helping the Chinese to develop their own oil resources.

In the last three years an international consortium in which BP and Shell play a leading part has been searching for oil on the southern Yellow Sea off the China coast. So far they have carried out a major seismic survey of 30,000 square kilometres, and BP was drilling the second of two stratigraphic

Because the Chinese government insists on tight security, no details have been published of the findings. It was in order to probe such tightly guarded secrets that the Russians were urging the man they thought was their own exclusive agent to set up a business in Hong Kong.

This search for information is part of the



KGB's world wide plan for economic espionage. The campaign is run by the State Committee for Science and Technology whose staff is largely composed of KGB and GRU (Military Intelligence) officers. The deputy director of the committee's department for economic relations with the West is Dmitry Pronsky.

He was given the job after being recalled from Geneva following unwelcome publicity about the way his agents were using United Nations institutions to steal Western indus-

Dr Belozerov, with his Institute for Applied Systems Analysis, fits well into this pattern. The KGB likes to take on specialists in different spheres - biologists, mathematicians, linguists, electrical engineers - to become "Gebists" - the Russian slang for KGB agents derived from the letters G and B (KGB stands for Komitet Gosudarstvennoy Bezopasnosti, the Committee for State Security).

He studied in Canada and acquired a PhD in Plasma Physics, that arcane branch of modern research which concerns itself with the matter contained in thunderbolts and applies itself directly to the sources of power.

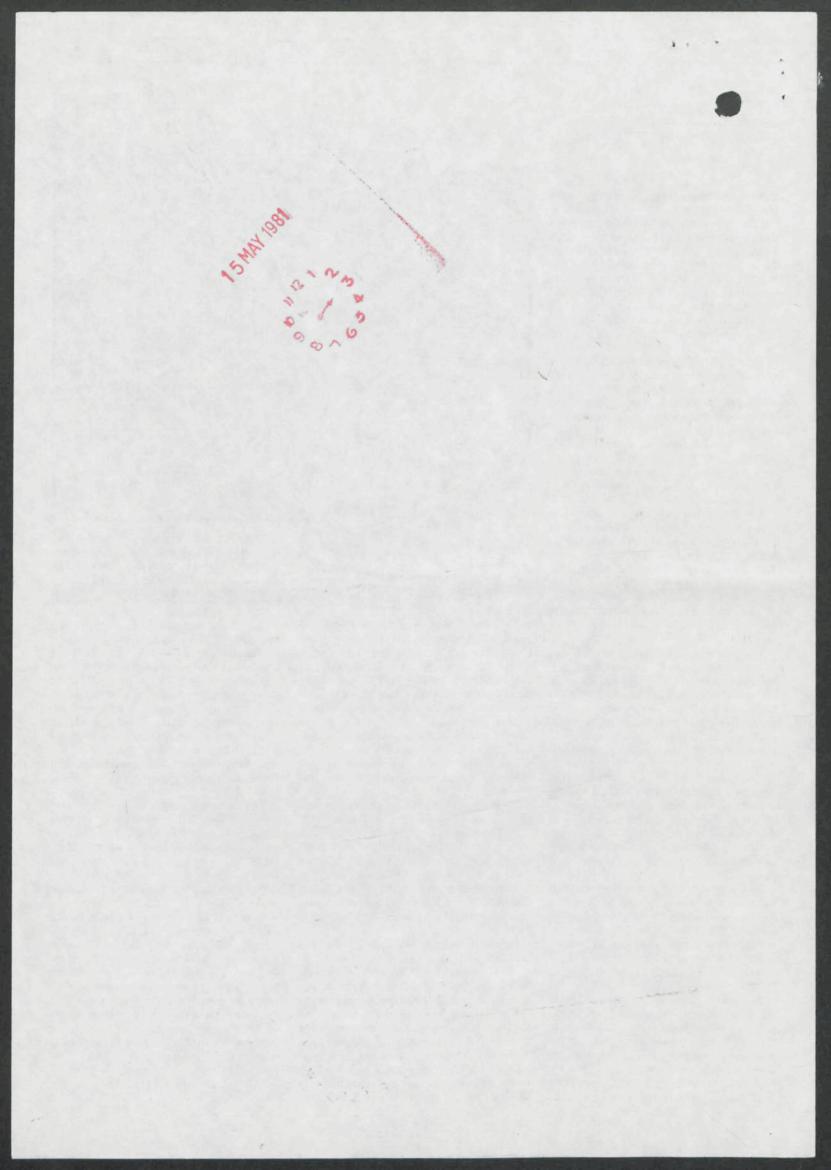
His Institute, through the generosity of the Austrians, enjoys the former Imperial amenities of the Hapsburg hunting lodge at Schloss Laxenburg, 10 miles South of Vienna. The Chairman of its Council is Professor Jermen Gvishiani who is also Deputy Chairman of the Soviet Union's State Com-

mittee for Science and Technology. Seventeen countries from both East and West take part in the Institute's work, with the Soviet Union and the United States providing the bulk of its funds. Its objective is said to be the "promotion of international collaboration by bringing together scientists of different disciplines, cultures and nationalities to work on problems of concern to mankind and creating a network of scientific institutions for joint research. . . and to apply its findings to problems of international impor-

The Institute is supposed to be "insulated from the undesirable intrusion of international political differences". But it is also left wide open to infiltration by the KGB's industrial spies. It provides a perfect cover for men like Dr Belozerov, who are at the same time respected scientists and members of the KGB.

Now that Dr Belozerov's true role as a "Gebist" has been revealed, it is likely that the Austrian authorities will look closely at the activities not only of him but also of the Institute. He may well feel relief at having been "blown" and the game is ended. Certainly Arne is. When the Norwegians took the decision that they could get no more out of it and decided to wrap it up by expelling Besedin, who had taken over Petrov's position as Arne's contact man in Oslo, Arne had had enough.

"It had gone on long enough . . . Too



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10 DOWNING STREET

From the Private Secretary

3 April 1981

BREZHNEV'S MESSAGE TO THE PRIME MINISTER

As I told you on the telephone a few days ago, the Prime Minister has seen the text enclosed with your letter to me of 26 March and has approved it subject to minor amendments and the omission of the reference to talks at all levels. However, she asked that despatch of the message should be delayed until the situation in Poland was a little clearer.

The Prime Minister has now agreed that the message may be despatched with the addition of a passage about Poland. I enclose a clean text.

M. O'D. B. Almannes

Francis Richards, Esq., Foreign and Commonwealth Office.

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PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. 7.59/81

Thank you for your letter of 6 March. As I said in response to a question about it in Parliament, it is important that there should be effective consultation between East and West. I see your message as a useful contribution to this process. I have also read with interest Sir Curtis Keeble's account of his recent conversation with Mr. Gromyko. I hope that there will be occasion for further such conversations. You will find the British side ready to play its full part in a business-like and constructive dialogue on questions of mutual interest.

I welcome your assurance that the Soviet Union is not seeking military superiority. As you know, there are differences between us as to whether an overall balance of forces now exists. But the objective of striking an even balance and of seeking to do so at a lower level is one which the British Government support and will strive to achieve. I hope that we shall be able to work together to this end. The overriding priority of all governments must be the preservation of peace. This can only be assured if international relations are conducted with the restraint necessary to the creation of a climate of confidence and trust. In the absence of such a climate, efforts to promote arms control agreements and to cut military spending, both of which are of the greatest importance, will not prosper.

There is a pressing need for a solution to the problem of Afghanistan in accordance with the resolutions of the United Nations General Assembly. I note with interest the reference in your letter to the need to protect fully the sovereignty and the non-aligned status of Afghanistan. This approach contains elements which are to be found in earlier proposals for resolving the problem. The aim should be to build on these proposals and to construct a political settlement which provides for the withdrawal of Soviet troops and the freedom of the Afghan people to have a government of their own choosing.

Such a settlement would need, of course, to take into account the legitimate interests of Afghanistan's neighbours, including those of the Soviet Union. Dr. Waldheim's appointment of Senor de Cuellar could be helpful in this connection and I hope that the Soviet Union will be willing to receive him. Whether achieved in these or other ways, there is no doubt that progress on Afghanistan would be of immediate benefit to East/West relations. I note your statement of willingness to take part in a settlement of the situation.

I also welcome your acceptance of the principle that Confidence Building Measures should cover the whole of the continent of Europe, including the European part of the USSR. If the question of territorial application is thus satisfactorily resolved, I hope that we can all move quickly to endorse the other criteria put forward in the French proposal at Madrid for a Conference on Disarmament in Europe. If we are really determined to increase confidence, it is obviously essential that the measures to be agreed should be militarily significant, verifiable and mandatory. I do not underestimate the difficulties which we shall face when we come to negotiate detailed measures at the Conference. But there is a good chance of success and the importance of the matter is such that we should not be content to set ourselves any lesser task.

I cannot, on the other hand, accept your suggestion that there should be a moratorium on the deployment of new medium range nuclear missiles in Europe. Such a moratorium would serve merely to contractualise the serious imbalance of theatre nuclear forces which exists today. We remain committed to the double decision which we took with our Allies in December 1979. This provides both for the deployment of American theatre nuclear forces in Europe and for negotiations on this vitally important subject. We believe that any agreed limitation on these systems should be consistent with the principle of parity. That is the only basis for long term stability.

You referred in your letter to stagnation in Anglo-Soviet relations. I do not disagree with this diagnosis, nor with your prescription of joint efforts as the remedy. Some of these efforts will have to be made in the wider international field, some in the purely bilateral. And it is by these efforts, much more than by words, that we shall judge and are ready to be judged. The British Government's policy is to pursue a consistent and constructive approach on all East/West issues. The challenge before us, and before other governments, is to translate the desire of our peoples for peace and cooperation into concrete action to build up confidence, strengthen security and develop our relations on a sound basis of mutual advantage. I am ready to work with you to this end. But I must conclude by emphasising that the situation in and around Poland continues to be in the forefront of my concerns. You will be aware of my position on this from the statement issued by me and my colleagues in the European Council in Maastricht on 23 March. We underlined the obligation of all States signatory to the Helsinki Final Act to base their relations with Poland on the strict application of the Charter of the United Nations and the principles of the Final Act. We emphasised that any other attitude would have very serious consequences for the future of international relations in Europe and throughout the world.

Parmi Rissler I have mude a (in minn

Foreign and Commonwealth Office

London SW1A 2AH

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Brezhnev's message to the Prime Minister

I attach a draft letter for the Prime Minister to send to Mr Brezhnev in reply to his message of 6 March.

All our Allies have received very similar messages, and they have been discussed in the North Atlantic Council. There was broad agreement on the substance of Brezhnev's proposals and on the points which might usefully be made to set out the Western position and avoid offering opportunities for Soviet wedge-driving. The draft draws upon this consensus in the Alliance.

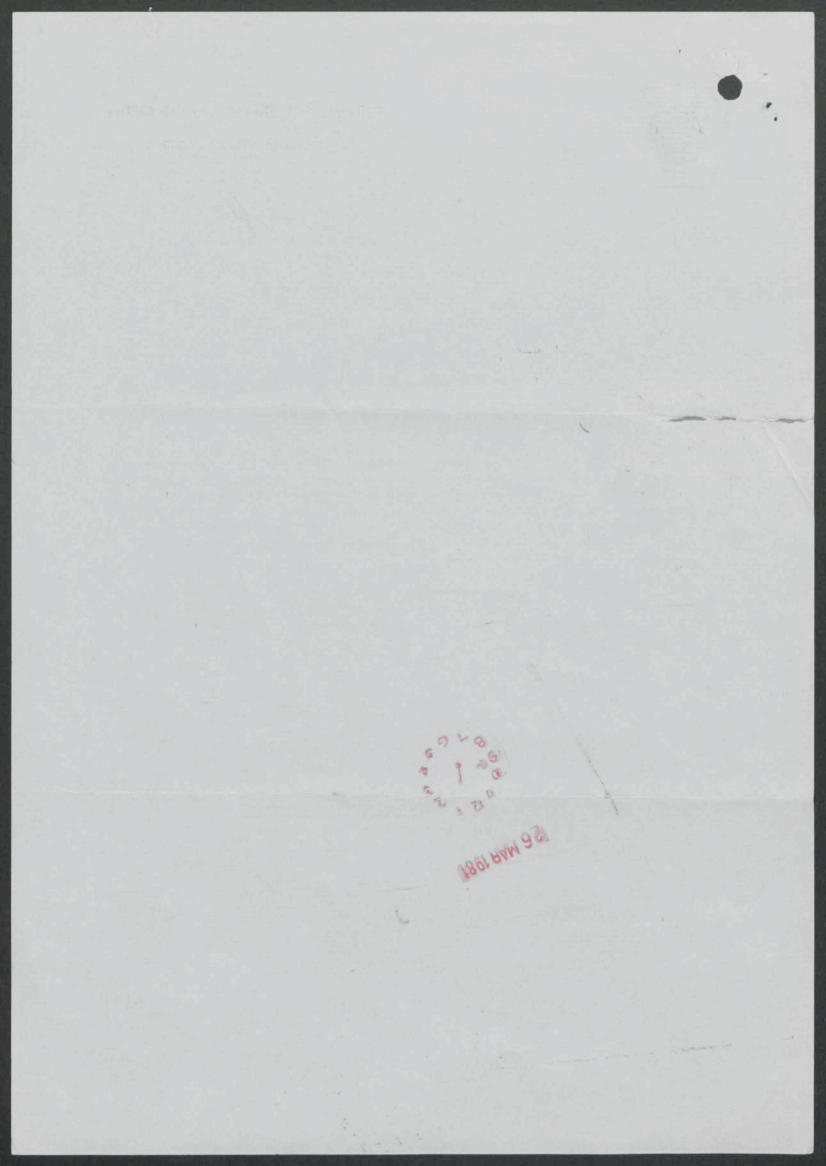
You will note that Lord Carrington has square bracketed the passage about talks in the last paragraph, in order to stress that this is for the Prime Minister's judgement.

7- ser

(G G H Walden) Private Secretary

M O'D B Alexander Esq 10 Downing St

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DRAFT REPLY FROM THE PRIME MINISTER TO MR BREZHNEV

Thank you for your letter of 6 March. As I said in response to a question about it in Parliament, it is important that there should be effective consultation between East and West. I see your message as a useful contribution to this process. I have also read with interest Sir Curtis Keeble's account of his recent conversation with Mr Gromyko. I hope that there will be occasion for further such conversations. You will find the British side ready to play its full part in a business-like and constructive dialogue on questions of mutual interest.

I welcome your assurance that the Soviet Union is not seeking military superiority. As you know, there are differences between us as to whether an overall balance of forces now exists. But the objective of striking an even balance and of seeking to do so at a lower level is one which we support and will strive to achieve. I hope that we shall be able to work together to this end. The overriding priority of all governments must be the preservation of peace. This can only be assured if international relations are conducted with the restraint necessary to the creation of a climate of confidence and trust. Assured a climate, efforts to promote arms control agreements and to cut military spending, both of which are of the greatest importance, are sufficiently prosper.

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Confidence Building Measures should cover the whole of the continent of Europe, including the European part of the USSR.

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4. ONLY ON AFGHANISTAN DID THE DISCUSSION COME TO LIFE. I TOOK HIS REFERENCE TO AN INDEPENDENT NON-ALIGNED AFGHANISTAN AS AN OPENING TO GO BACK OVER THE IDEAS PNT TO HIM BY YOU LAST YEAR AND FOLLOWED UP IN MY FRUITLESS TALKS WITH ZEMSKOV WHICH HAD MET THE EXPRESSED POINTS OF SOVIET CONCERN. GROMYKO MERELY CAME BACK REPEATEDLY TO TO THE NEED FOR BILATERAL PAKISTAN-AFGHAN TALKS. "WHY DON'T YOU SAY THIS TO THE PAKISTANIS AND GET THEM TO SIT DOWN AND TALK TO AFGHANISTAN" HAVING AT ONE TIME APPARENTLY WANTED TO GO AHHAD PAKISTAN NOW SEEMED TO HAVE CHANGED ITS MIND ANDUALL WAS FROZEN. WHEN I SAID THAT THESE BILATERAL TALKS WERE NOT THE COURSE TO PURSUE AND MENTIONED BREZHNEV'S REFERENCE TO THE "INTERNATIONAL ASPECTS" HE DID NOT FOLLOW THIS UP. NOR DID HE RESPON TO A REFERENCE TO DE CUELLAR'S APPOINTMENT, OTHER THAN TO HARK BACK AGAIN TO PAKISTAN AS THE KEY.

5. REVERTING TO GROMYKO'S OPENING REMARKS I SAID THAT ANGLO-AMERICAN RELATIONS WERE INDEED CLOSE AND I HOPED THEY WOULD REMAIN SO. THEY REFLECTED A REAL COMMUNITY OF INTEREST. I REMINDED HIM, THAT WE SHOULD ALSO BE TAKING OVER THE COMMUNITY PRESIDENCY IN JULY. ON THE TOP MORATORIUM I SAID THAT IT LOOKED LIKE AN ATTEMPT TO PERPETUATE AN IMBALANCE. GROMYKO REPLIED ONLY THAT IF ONE LOOKED TO THE OVERALL PICTURE THE SOVIET UNION DID NOT HAVE AN ADVANTAGE. I FINALLY REFERRED TO THE CONSTRUCTIVE ELEMENTS IN THE BREZHNEY REPORT, FOR INSTANCE ON CONFIDENCE BUILDING MEASURES AND SAID THAT I HOPED THEY COULD ACCEPT THE REMAINING ELEMEN S OFTTHE FRENCH BPROPOSAL. GGROMYKO SAID HE HOPED THE WEST WOULD PROPOSE SOMETHING IN RESPONSE TO BREZHNEY'S REQUEST FOR A COUNTER CONCESSION. I SAID I DID NOT THINK THIS WAS FOR US TO DO. EUROPE WAS ALREADY COVERED ON THE WESTERN SIDE.

6. ON BILATERAL RELATIONS I REPEATED YOUR INTEREST IN AN EFFECTIVE DIALOGUE BUT THE QUESTION OF A POSSIBLE VISIT WAS NOT RAISED. I CONCLUDED BY REPEATING THAT SERIOUS SOVIET PROPOSALS WOULD BE EXAMINED SERIOUSLY AND THAT THE PRIME MINISTER WOULD BE REPLYING TO BREZHNEY.

7. A FULL RECORD FOLLOWS BY BAG . TEXT OF SOVIET PRESS STATEMENT IN IN M.I.F.T.

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- (A) BRITISH POLICY APPEARED TO BE A MERE ECHO OF THE UNITED STATES.
- (B) THE UNITED STATES SEEMED BENT ON MILITARY SUPERIORIT. THIS WOULD LEAD ONLY TO THE BOTTOMLESS ABYSS. THE SOVIET UNION CONSTITUTED NO THREAT. IT HAD NO EXPANSIONIST AIMS. BUT EVERY SOVIET INITIATIVE RECEIVED A NEGATIVE REPLY. WHY COULD WE NOT SIT DOWN AND TALK WITHOUT DEMANDING A PRIOR ASSURANCE THAT THE TALK SHOULD BE PRODUCTIVE?
- (C) THE UNITED STATES DID NOT SEEM TO HAVE ANYHREAL INTEREST IN THE NEGOTIATIONS. ALL IT REALLY WANTED WAS TO FORCE THROUGH THE MODERNISATION PROGRAMME. BUT HE HOPED THAT LONDON AND OTHER WESTERN CAPITALS WOULD TAKE A COOL AND CONSIDERED DECISION AND REACT APPROPRIATELY TO BREZHNEY'S MESSAGE.
- (D) SOVIET POLICY ON AFGHANISTAN WOULD NOT CHANGE. THEY WANTED AND INDEPENDENT NON-ALIGNED AFGHANISTAN AND COULD BE RELIED ON TO WITHDRAW THEIR FORCES WHEN EXTERNAL INTERFERENCE CEASED.
 - (E) THE STATE OF EAST-WEST RELATIONS WAS SERIOU. THE LANGUAGE USED BY THE UNITED STATES WAS WORSE THANGIN THE DIFFICULT POST WAR YEARS. BUT THE SOVIET UNION WANTED BETTER RELATIONS. BREZHNEV HAD SAID THAT HE WANTED ANGLO-SOVIET RELATIONS TO IMPROVE. THIS WAS IN THE OBJECTIVE INTEREST OF BOTH SIDES. WARTIME COOPERATION HAD BROUGHT VICTORY. COULD WE NOT RECREAT IT?

4. ONLY ON AFGHANISTAN DID THE DISCUSSION COME TO LIFE. I TOOK HIS REFERENCE TO AN INDEPENDENT NON-ALIGNED AFGHANISTAN AS AN OPENING TO GO BACK OVER THE IDEAS PNT TO HIM BY YOU LAST YEAR AND FOLLOWED UP IN MY FRUITLESS TALKS WITH BEMSKOV WHICH HAD MET THE EXPRESSED POINTS OF SOVIET CONCERN. GROMYKO MERELY CAME BACK REPEATEDLY TO TO THE NEED FOR BILATERAL PAKISTAN-AFGHAN TALKS. " WHY DON'T YOU SAY THIS TO THE PAKISTANIS AND GET THEM TO SIT DOWN AND TALK TO AFGHANISTAN" HAVING AT ONE TIME APPARENTLY WANTED TO GO AHHAD PAKISTAN NOW SEEMED TO HAVE CHANGED ITS MIND ANDUALL WAS FROZEN. WHEN I SAID THAT THESE BILATERAL TALKS WERE NOT THE COURSE TO PURSUE AND MENTIONED BREZHMEV'S REFERENCE TO THE PINTERNATIONAL ASPECTS"

- 4. ONLY ON AFGHANISTAN DID THE DISCUSSION COME TO LIFE, I TOOK HIS REFERENCE TO AN INDEPENDENT NON-ALIGNED AFGHANISTAN AS AN OPENING TO GO BACK OVER THE IDEAS PNT TO HIM BY YOU LAST YEAR AND FOLLOWED UP IN MY FRUITLESS TALKS WITH BEMSKOV WHICH HAD MET THE EXPRESSED POINTS OF SOVIET CONCERN. GROMYKO MERELY CAME BACK REPEATEDLY TO TO THE NEED FOR BILATERAL PAKISTAN-AFGHAN TALKS. "WHY DON'T YOU SAY THIS TO THE PAKISTANIS AND GET THEM TO SIT DOWN AND TALK TO AFGHANISTAN" HAVING AT ONE TIME APPARENTLY WANTED TO GO AHHAD PAKISTAN NOW SEEMED TO HAVE CHANGED ITS MIND ANDUALL WAS FROZEN. WHEN I SAID THAT THESE BILATERAL TALKS WERE NOT THE COURSE TO PURSUE AND MENTIONED BREZHNEV'S REFERENCE TO THE "INTERNATIONAL ASPECTS" HE DID NOT FOLLOW THIS UP. NOR DID HE RESPON TO A REFERENCE TO DE CUELLAR'S APPOINTMENT, OTHER THAN TO HARK BACK AGAIN TO PAKISTAN AS THE KEY.
- FINALLY REFERRED TO THE CONSTRUCTIVE ELEMENTS IN THE BREZHNEV
 REPORT, FOR INSTANCE ON CONFIDENCE BUILDING MEASURES AND SAID THAT
 I HOPED THEY COULD ACCEPT THE REMAINING ELEMEN SOFTHE FRENCH
 REPORDED THEY COULD ACCEPT FOR A COUNTER CONCESSION, I SAID I
 RESPONSE TO BREZHNEV'S REQUEST FOR A COUNTER CONCESSION, I SAID I
 DID NOT THINK THIS WAS FOR US TO DO. EUROPE WAS ALREADY COVERED ON
 THE WESTERN SIDE.
- 6. ON BILATERAL RELATIONS I REPEATED YOUR INTEREST IN AN EFFECTIVE DIALOGUE BUT THE QUESTION OF A POSSIBLE VISIT WAS NOT RAISED. I CONCLUDED BY REPEATING THAT SERIOUS SOVIET PROPOSALS WOULD BE EXAMINED SERIOUSLY AND THAT THE PRIME MINISTER MEQCABBE REPLYING TO BREZHNEY.
- 7. A FULL RECORD FOLLOWS BY BAG . TEXT OF SOVIET PRESS STATEMENT IN IN M. I.F.T.

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QTAIOULCON PARA 4 LINE 4 WA TALKS WITH ZEMSKOV RPT ZEMSKOVEU.

17 March 1981

Anglo/Soviet Contacts

As I mentioned to you on the telephone, the Prime Minister would prefer to discuss the proposal in your letter to me of 16 March with Lord Carrington before taking a decision as to whether or not Mr. Bullard should say anything to the Soviet authorities during his visit to Moscow next week.

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G.G.H. Walden, Esq., C.M.G., Foreign and Commonwealth Office.

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I would be the provent or one for the provent be form a view on balance for the provent become visibly inferior to those of our major allies. We not to promet to our views on Fact to

We weight to our views on Fact to to promote British and wider Western interests would be diminished. Our close ties with the Reagan Administration, and our impending assumption of the Presidency of the Community, make it important to ensure that our judgement of the Soviet scene at this stage is well founded and seen to be well founded. The Russians will have noted the impact made on American thinking by the Prime Minister's visit to Washington (eg on TNF negotiations; the Mexico Summit; and Central America). The Americans, for their part, would no doubt prefer not to leave European contacts with the Russians entirely in German (Herr Genscher goes to Moscow on 4 April) and French hands.

> Lord Carrington therefore feels that the time is approaching when he should himself re-establish contact with Moscow and explore at first hand what substance there may be behind the conciliatory facade set up by Brezhnev in his speech to the CPSU Congress and his subsequent messages to Western leaders.

As the Prime Minister knows, Julian Bullard is going to Moscow on 25 March for talks with the Soviet Deputy Foreign Minister. This is part of an established though erratic pattern of consultation between the two Foreign Ministries and provides the occasion for a review of points of current interest in international and bilateral relations; but it is not a substitute for access to the Russians at policy-making level. Lord Carrington believes that it would be useful to take the opportunity of Bullard's visit to indicate to the Russians that he would welcome a businesslike meeting with Mr Gromyko in the near future.

Formally it is Gromyko's turn to come to London on an official visit. This would however involve more protocol and publicity than Lord Carrington thinks appropriate in

/present



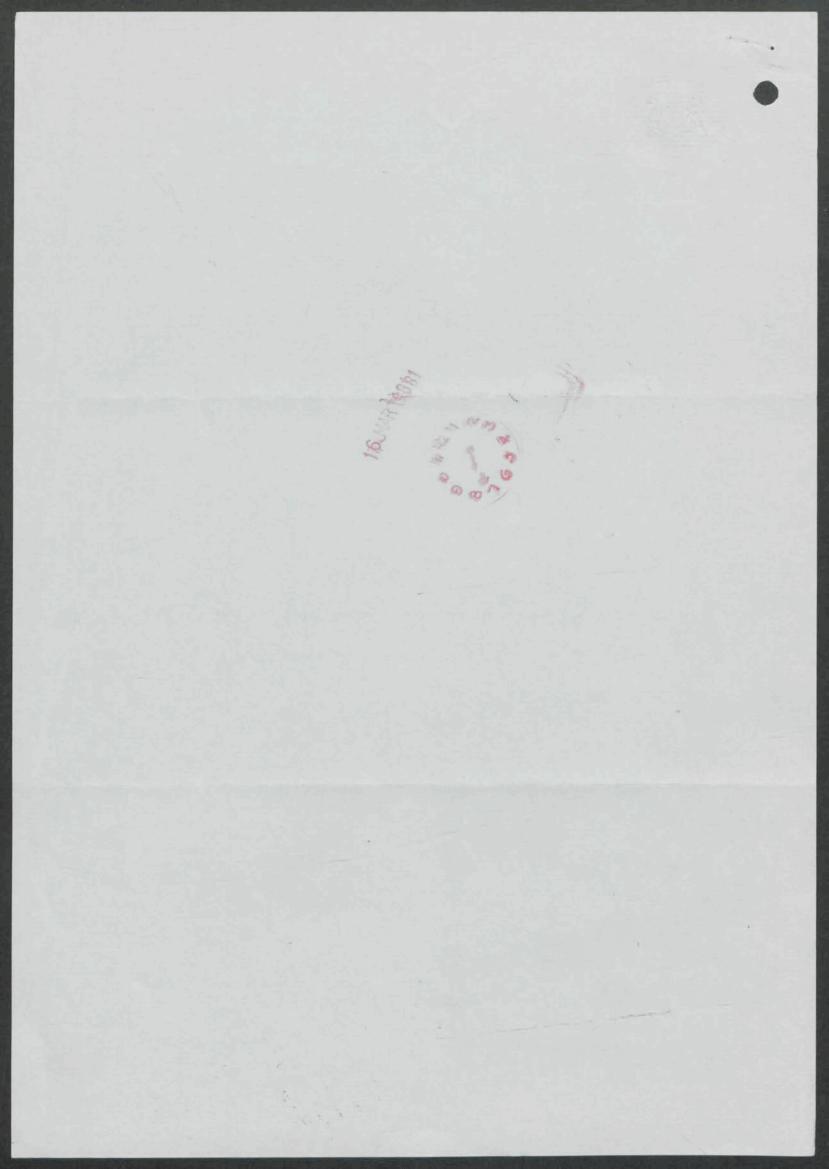
present circumstances, and his idea would be to go instead for a short working visit to Moscow. We think that the Russians would be prepared to accept a meeting on this basis, and that the programme could be so organised as to emphasise business and exlude frills.

There are reasons of substance why such a visit would be particularly useful before we take over the Presidency and while the US Administration is still in the process of formulating its policies towards the Soviet Union. These factors could also be used in public to explain the limited but important purpose of the visit and to rebut any criticism that we were changing the policies which we and our allies have followed since the invasion of Afghanistan.

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(G G H Walden)

M O'D B Alexander Esq 10 Downing Street



10 DOWNING STREET

From the Private Secretary

Societ Union

9 March 1981

Sear beorge,

Message from President Brezhnev

The Soviet Ambassador called on the Prime Minister this morning to deliver a message from President Brezhnev. He was accompanied by Mr. Ouspenski. Mr. Bullard was also present.

I enclose the Russian language text of the message together with an unofficial translation provided by the Soviet Embassy. At the Ambassador's request, the Prime Minister read the text of President Brezhnev's message in full before the discussion began. She told him that the message would be studied very carefully and a reply sent in due course.

The Prime Minister told the Ambassador that HMG were very anxious to reduce the level of armaments provided they could be certain that the Warsaw Pact countries would also do so, permanently, on a basis which could be trusted and with adequate verification. The Soviet Union must find its present arms programme a major drain on its resources. The West also wished to spend less on armaments provided that this did not damage its security. They wanted the military balance to be stabilised at a much lower level than presently obtained.

As regards detente, the Prime Minister said that she was anxious to pursue this provided it was a genuinely reciprocal process. It would be much easier to discuss this, and other matters, once the Soviet Union had withdrawn its forces from Afghanistan. To have an independent country occupied by a major power inevitably damaged confidence. It gave rise to the question: "who next?". The Soviet occupation therefore remained a source of grave concern to HMG.

NATO was anxious to discuss the control of theatre nuclear forces. NATO's wish to negotiate arms control measures in this area had been announced at the same time as their decision to deploy Cruise missiles. The Soviet Union was far ahead of the West in the number, design and sophistication of their theatre nuclear forces. The SS20 was still being deployed at a rate of one every five days.

People in the West were genuinely peace-loving. They valued freedom and the right to pursue their own lives in their own way. They wanted other countries to be free to determine their own

/ destinies.

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destinies. The Prime Minister recognised, however, that other countries did not see things the same way. Therefore HMG would continue to seek adequate defences, to maintain the Alliance, and to develop cooperation with allies. She saw these as prime duties of the Government. Hers was the last generation that remembered the horrors of World War II. She and her contemporaries would therefore take particular care to try to ensure that it did not happen again. This meant maintaining a military balance.

A new factor in the situation was that conflict seemed to encircle the globe. Hostilities were, or had recently been, in progress in Vietnam, Cambodia, Afghanistan, the Middle East, Ethiopia, Somalia, Angola and the Carribean. All these situations were extremely dangerous and must not be allowed to expand. The activities of the Cubans and the supply of arms to the third world were a source of concern. These matters could all be the subject of fruitful discussion. But the Prime Minister said that she would need assurances that such discussions were genuine. While the situation in Afghanistan persisted, the West would have to look at any proposal with "extreme care". President Brezhnev had proposed a summit meeting. She had suggested to President Reagan that if there was to be a summit, it would have to be very carefully prepared. If it were rushed into, it would not succeed. Summits always raised expectations and caused proportionate disappointment if they did not achieve anything.

The Prime Minister summarised her position as being that if President Brezhnev wanted to maintain the military balance at a reduced level; if he was prepared to withdraw Soviet forces from Afghanistan; and if he was willing to engage in "two-way" detente, then he would find that HMG were very anxious to discuss these matters.

The Soviet Ambassador said that he had found the Prime Minister's remarks very interesting. There were of course differences between the British and Soviet points of view, but there were also some points in common. The Prime Minister was concerned to resolve the difficult questions that faced both countries. He agreed with her that solutions could not be achieved without contacts, talks and negotiations. Failing such contacts, the problems would not be solved. Indeed, they would get worse. Problems could be tackled at different levels. The most difficult could only be dealt with at the highest level. The Soviet Union regarded the UK as a great power with influence in Europe and indeed in the world as a whole. Hence President Brezhnev's message. Any meeting at any level of course required careful preparation. But some of the most difficult questions got more complicated with the passage of time. As a consequence it was necessary to tackle them urgently.

Turning to disarmament questions, Mr. Popov said that neither side could win a victory in a nuclear war. Limited nuclear war was not possible. Any such war would lead to the destruction of civilisation. For this reason, the Soviet Union gave the highest priority to curbing the arms race. The Soviet Government had taken numerous initiatives and were prepared to discuss any approach to the problems. Mr. Popov quoted the experiences of his own family

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during the last war in support of his claim that the Soviet Union was deeply sincere in its approach to the problem of disarmament. He added that the Prime Minister was right about the damaging effects of the present level of defence expenditure on the Soviet economy. The Soviet Government would prefer to devote more money to economic development. The arms race was of no advantage to either side.

On Afghanistan, Mr. Popov said that the decision to send troops in to Afghanistan had been a difficult one for his Government. Three Afghan Governments had asked that Soviet troops should be sent; only the third request had been accepted. The Soviet Government wanted a political solution. Their troops would be withdrawn immediately if:

- (a) attacks by bands of bandits from outside the country ceased; and
- (b) a guarantee was given that the attacks would not be resumed.

The more arms that were supplied to the rebels fighting against a legitimate Government, the longer delayed the Soviet withdrawal would be. The Soviet Government was anxious to see a political solution achieved either in Afghanistan alone or together with the Gulf. Such a settlement would not only resolve the situation in Afghanistan but would lead to improved relations between the Soviet Union and the UK.

Mr. Popov said that his entire career had been spent in the field of Soviet/British relations. The relationship was "close to his heart" and he had come to London to seek an improvement in it. He was concerned to see trade relations between the Soviet Union and France, the Federal Republic, Finland and Italy expanding while thosewith the UK diminished. He was equally concerned to read of meetings at the highest level between the Soviet Government and the Governments of France and the Federal Republic and to note the absence of such meetings between the Soviet and British Governments.

The Prime Minister said that she was anxious to see more Anglo/Soviet trade where this was mutually beneficial. This, like all other aspects of the bilateral relationship, would flourish if it was clear that there was on the Soviet side a genuine wish for peace, and for the according to others of the freedom to decide their own destiny. Ours was an open society while that in the Soviet Union was not. She did not agree with the Ambassador about Afghanistan. She was worried about some aspects of the implementation of the Helsinki Final Act: the treatment of Mr. Orlov was one example of the sort of thing that was unacceptable. She could not divine the motives for Soviet actions. She could only judge the Soviet Government by its actions. If Soviet deeds matched Soviet words, the Soviet Government would find in the British Government very willing partners. For the moment they would remain watchful.

CONFIDENTIAL Yome ever Nichael Alexander

The Prime Minister ended the meeting by expressing her regret at the death of Mr. Kosygin and by recalling how impressed she had been when she met him in Moscow in 1979.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), Stuart Hampson (Department of Trade) and David Wright (Cabinet Office), together with copies of the enclosure.

G.G.H. Walden, Esq., C.M.G., Foreign and Commonwealth Office.

Unofficial translation HARNIE MINISTER'S PERSONAL- MESSAGE SERIAL No. 747/81 Dear Madame Prime Minister, I found it necessary to approach you on the most pressing problems created by the present situation in the world. The Congress of our party paid the paramount attention to its analysis, assessment and practical conclusions. The question was about what should be done to preserve peace, to ensure the primary right of every man - the right to live for the present and future generations. This is the essence of the adopted decisions which determine the course of the Soviet Union in foreign policy for years ahead. We are realists, and certainly we understand that the improvement of international situation, the diminishing and elimination of military threat depend not only on us, but on the will of other states. It also depends on whether it would be possible to create the proper mutual understanding and effective co-operation on the bilateral and multilateral basis in solving vital problems of the present time. We are convinced that the attitude towards the existing military - strategic balance between the USSR and the USA, between the Warsaw Treaty states and NATO is of a principled importance. The Soviet Union was not seeking and is not seeking military superiority. But we would not permit to create such superiority over us. The attempts of that sort as well as the attempts to speak to us from the porition of force have absolutely no perspective. The existing military-strategic balance objectively serves to preserve peace on Earth. We are standing for the consistent decreasing of this balances' level without tipping

it. To try to win in the arms race, to rely on the victory in the nuclear war - is a dangerous folly. It is necessary to realise that the endless competition in accumulating newer and newer weapons, the existing tension in the world - that is the real source of the military threat which hangs over all countries. We are ready to act hand in hand with all states in the resolute struggle against this threat.

We would like to express hope, Mrs.Prime Minister, that by joint efforts the present stagnation in Anglo-Soviet relations will be overcome and they will get a new positive impetus in the interests of the peoples of our countries and of the cause of strengthening peace.

We believe that, in spite of the aggravated international situation, there still remain real opportunities to preserve and to strengthen peace so that all nations can live in security and develop mutually advantageous co-operation. In particular, this can be referred to the situation on the European continent where, despite the efforts of the enemies of detente, peaceful co-operation among the countries with two different systems is developing not badly on the whole and where we manage to find common language on a number of major foreign policy issues. Of significant importance - both as such and for strengthening the political dimension - is the fact that the ties among European countries in various fields are widening and assuming new qualities.

As never before, in contemporary conditions consistent advancement is needed along those lines of principle which were defined by joint efforts during the last decade. Vital interests of peoples demand that Europe should follow the path laid down in Helsinki.

It is necessary to continue and to strengthen the process iniciated by the European conference. Every form of talks - multilateral, bilateral - should be used to resolve the problems of concern for its participants. From these positions the Soviet Union approaches the Madrid meeting. The adoption in Madrid of a decision to convene the European conference to discuss and resolve the military detente and disarmament issues in Europe would be of a particular importance.

The view is expressed in some countries that our recent proposals concerning Persian Gulf could not be taken apart from the question of the stay of the Soviet military contingent in Afghanistan. Our position is as follows: being prepared to reach an agreement on Persian Gulf as an independent problem and to participate separately in a settlement of the situation around Afghanistan, we at the same time have no objection either to the matters connected with Afghanistan being discussed together with the questions of Persian Gulf security. Such discussions naturally can concern only the international aspects of the Afghan problem and not the internal affaires of this country. The sovereignty of Afghanistan as well as its status as a non-aligned state must be fully protected.

Proceeding from the extreme importance of the strategic armaments limitation issue not only for the USSR and USA, but for other countries as well, we on our part are prepared to continue without delay relevant talks with the United States preserving all the positive elements that have so far been achieved in this field. Such talks understandably can be conducted only on the basis of equality and equal security of both sides.

Trying to prevent the dangerous stockpiling of nuclearmissile weapons in Europe and to contribute to a speedy decision on such weapons, we propose to reach an agreement that as
of now a moratorium should be set on the deployment in Europe
of new medium-range nuclear-missile weapons of the NATO
countries and the USSR, that is to freeze the existing
quantitative and qualitative level of these weapons, naturally including the US forward-based nuclear weapons in this
region. The moratorium could enter into force as soon as the
negotiations begin on this score and could be in force until
a treaty is concluded on limiting or, still better, reducing
such nuclear systems in Europe.

We believe that the knowledge by the wide public, all people of those consequences that nuclear war is fraught with, would be of major importance also from the point of view

The Soviet Union is prepared to participate in a constructive spirit in such a work and to do it together with other interested sides - with the arabs, including, of course, the Palestine Liberation Organization, and with Israel. We are ready to search together with the United States, with whom we had in the past a certain experience on this score, we are prepared to co-operate with European countries, with every one

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Уважаемая госпожа премьер-министр,

Считаю необходимым обратиться к Вам по наиболее жгучим проблемам, которые ставит современная мировая обстановка. Ее анализу, оценке и практическим выводам уделил первостепенное внимание съезд нашей партии. Речь шла о том, что должно быть сделано, чтобы сохранить мир, обеспечить для нынешнего и последующих поколений первейшее право каждого человека — право на жизнь. В этом — суть принятых решений, которые определяют внешнеполитический курс Советского Союза на годы вперед.

Мы реалисты и, конечно, отдаем себе отчет в том, что оздоровление международной обстановки, ослабление и ликвидация военной угрозы зависят не только от нас, но и от воли других государств, от того, удастся ли наладить надлежащее взаимопонимание и эффективное сотрудничество на двусторонней и многосторонней основе в решении актуальных проблем современности.

По нашему убеждению, принципиальное значение здесь имеет отношение к сложившемуся военно-стратегическому равновесию между СССР и США, между государствами Варшавского Договора и НАТО. Советский Союз не добивался и не добивается военного превосходства. Но мы и не позволим создать такое превосходство над нами. Подобные попытки, а также попытки разговаривать с нами с позиции силы абсолютно бесперспективны.

Существующее военно-стратегическое равновесие объективно служит сохранению мира на земле. Мы за то, чтобы, не нарушая этого равновесия, последовательно вести дело к снижению его уровня. Мытаться победить в гонке вооружений, рассчитывать на победу в ядерной войне — это опасное безумие. Нужно осознать, что бесконечное соревнование в накапливании все новых и новых

вооружений, сохраняющаяся в мире напряженность — действительный источник военной угрозы, которая нависла над всеми странами. В решительной борьбе с этой угрозой мы готовы действовать рука об руку со всеми странами.

Хотелось бы выразить надежду, г-жа премьер-министр, что совместными усилиями удастся преодолеть нынешний застой в советско-английских отношениях и они получат позитивный импульс в интересах народов обеих стран и дела упрочения мира.

Мы считаем, что, несмотря на осложнившуюся международную обстановку, по-прежнему имеются реальные возможности для сохранения и упрочения мира, с тем чтобы все народы могли жить в безопасности и развивать взаимовыгодное сотрудничество. В частности, это можно отнести к положению на европейском континенте, где, вопреки усилиям противников разрядки, мирное сотрудничество между странами двух систем развивается в целом неплохо и где по ряду крупных проблем внешней политики удается находить общий язык. Важное значение — и само по себе и для укрепления политической стороны дела — имеет то, что расширяются, приобретают новые качества связи между европейскими странами в различных областях.

В нынешних условиях, как никогда, требуется последовательное продвижение по тем принципиальным линиям, которые были заложены совместными усилиями в течение прошлого десятилетия. Кровные интересы народов требуют, чтобы Европа шла тем путем, который был проложен в Хельсинки.

Нужно продолжать и укреплять процесс, начатый общеевропейским совещанием. Любые формы переговоров — многосторонние, двусторонние — следует использовать для решения проблем, волнующих его участников. С этих позиций Советский Союз подходит и к нынешней Мадридской встрече. Особо важное значение имело бы принятие в Мадриде решения о созыве общеевропейской конференции для обсуждения и решения вопросов военной разрядки и разоружения в Европе.

Известно, что за последние годы Советский Союз внес немало предложений, направленных на уменьшение военной угрозы, упрочение международной безопасности, многие из которых получили одобрение ООН, других представительных форумов. Все они остаются в силе, и мы будем добиваться их претворения в жизнь.

Однако положение сегодня таково, что нужно еще более нарастить усилия, чтобы радикально оздоровить международную обстановку, дать людям уверенность в надежном будущем. Руководствуясь этой настоятельной необходимостью, Советский Союз выступает с новыми крупными инициативами, проникнутыми глубокой заботой о том, чтобы сдержать гонку вооружений, углубить разрядку, укрепить мир.

Я счел необходимым привлечь Ваше личное внимание, госпожа премьер-министр, к этим предложениям, выдвинутым, как Вы знаете, на съезде нашей партии. Помимо масштабности и далеко идущего характера этих инициатив, хочу особенно подчеркнуть их реализм, учет в них как наших собственных интересов, так и интересов наших партнеров.

Опыт показывает, сколь непростое, нелегкое дело ликвидация очагов военных конфликтов. Важно поэтому проводить профилактическую работу, предупреждая возникновение таких очагов.

В этом плане в Европе положительную роль играют меры по укреплению доверия в военной области, проводимые по решению общеевропейского совещания. Советским Союзом сделаны предложения по значительному расширению объема этих мер.

Теперь мы предлагаем существенно расширить и зону применения таких мер. Мы готовы распространить их на всю европейскую часть СССР — при условии соответствующего расширения зоны мер доверия и со стороны западных государств.

Мы считаем также, что разработка и применение мер доверия могли бы быть полезными и в районе Дальнего Востока. При этом необходимо будет учитывать специфику этого района.

В некоторых странах высказывается мнение о том, что недавние наши предложения, касающиеся Персидского залива, нельзя оторвать от вопроса о пребывании советского воинского контингента в Афганистане. Наша позиция состоит в следующем: будучи готовыми договариваться по Персидскому заливу как по самостоятельной проблеме и участвовать в отдельном урегулировании положения вокруг Афганистана, мы вместе с тем не возражаем и против того, чтобы вопросы, связанные с Афганистаном, были обсуждены в увязке с вопросами безопасности Персидского залива. Такие обсуждения, естественно, могут касаться лишь международных аспектов афганской проблемы, а не внутренних дел этой страны. Суверенитет Афганистана должен быть полностью огражден, как и его статус неприсоединившегося государства.

Исходя из исключительной важности не только для СССР и США, но и для других стран проблемы ограничения стратегических вооружений и их сокращения, мы со своей стороны готовы продолжать без промедления соответствующие переговоры с Соединенными Штатами с сохранением всего того положительного, что до сих пор было достигнуто в этой области. Понятно, что такие переговоры могут вестись только на основе равенства и одинаковой безопасности сторон.

Стремясь не допустить опасное накапливание ракетно-ядерного оружия в Европе и способствовать скорейшему достижению решения относительно такого оружия, мы предлагаем договориться о том, чтобы уже теперь установить мораторий на размещение в Европе новых ракетно-ядерных средств средней дальности СССР и стран НАТО, то есть заморозить в количественном и качественном отношении существующий уровень таких средств, включая, разумеется, ядерные средства передового базирования США в этом районе. Такой мораторий мог бы вступить в силу, как только начнутся переговоры, и действовать до тех пор, пока не будет заключен договор об ограничении, а еще лучше о сокращении таких ядерных средств в Европе.

Мы считаем, что информированность широкой общественности, всех людей о тех последствиях, которыми чревата ядерная война, имела бы важное значение, в том числе с точки зрения дополнительного воздействия на правительства для достижения договоренностей, практически направленных на то, чтобы не допустить возникновения такой войны. С этой целью мы предлагаем, чтобы был создан авторитетный международный комитет, который показал бы жизненную необходимость предотвращения ядерной катастрофы. В него могли бы войти виднейшие ученые из различных стран. Наверное, свою роль в осуществлении этой цели мог бы сыграть генеральный секретарь ООН. О сделанных комитетом выводах должен узнать весь мир.

Далее. Для решения многих существующих сегодня международных проблем нужны дальновидный подход, политическая воля и смелость, авторитет и влияние. Вот почему, по нашему мнению, было бы по-лезно созвать специальное заседание Совета Безопасности с участием высших руководителей государств — постоянных и непостоян—

ных членов Совета, чтобы поискать ключи к оздоровлению международной обстановки, недопущению войны. В заседании могли бы, очевидно, при желании принять участие и руководители других государств. Для обеспечения положительных результатов такого заседания, понятно, потребовалась бы соответствующая основательная подготовка.

Возвращаясь к мысли об очагах напряженности, задаче их ликвидации, хотел специально выделить вопрос о положении на Ближнем Востоке. Как бы ни относиться к тому, что делалось до сих пор в этом районе, ясно, что политическое урегулирование там за последнее время оказалось отброшенным назад. Создавшаяся обстановка настоятельно требует возврата к коллективным поискам всеобъемлющего урегулирования на справедливой и реалистической основе, что можно было бы сделать, скажем, в рамках специально созванной международной конференции.

Советский Союз готов в конструктивном духе принять участие в такой работе и делать это совместно с другими заинтересованными сторонами: с арабами, включая, конечно, Организацию освобождения Палестины, и с Израилем. Готовы мы вести совместные поиски с США, с которыми у нас в прошлом уже был определенный опыт в этом плане, готовы сотрудничать с европейскими государствами, со всеми, кто искренне стремится к обеспечению прочного и справедливого мира на Ближнем Востоке. Видимо, полезную роль здесь может продолжать играть и ООН.

Таковы вопросы, которые я хотел затронуть в настоящем послании. Мы рассчитываем, госпожа премьер-министр, что Вы со всем вниманием отнесетесь к нашим предложениям. Они, как видите, охватывают широкий круг проблем, предусматривают меры политического и военного характера, касаются различных видов оружия и вооруженных сил, затрагивают положение в разных районах мира.

Мы понимаем, конечно, что потребуется время для их изучения и обдумывания. Видимо, будет возникать необходимость и в каких-то консультациях, обменах мнениями, короче, - в различных формах диалога. Мы к этому готовы.

С уважением

Soriet Union DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SWIH OET TELEPHONE DIRECT LINE 01 215 SWITCHBOARD 01 215 7877 MRPNyer. Punt March 1981



From the Parliamentary Under Secretary of State

CONFIDENTIAL

Peter Rees Esq Minister of State HM Treasury Treasury Chambers Parliament Street London SW1P

Dear Peter,

ANGLO SOVIET JOINT MARITIME COMMISSION

I indicated when I wrote to you on 28 January that following your and Peter Blaker's letters to me I had asked my Department to draw up a paper outlining possible options for counter-measures should our consultations with the Soviet Union fail to ensure an increase in the UK's share of the bilateral general cargo market.

I am now enclosing this paper which, you will see, takes account of the points which you and Peter Plaker made in advance. The paper indicates a preferred option based on control of Soviet sailings in the bilateral trade but suggests further consultation with the Foreign Office on any wider political concerns, with Customs and Excise on the enforcement aspects, and with the Ministry of Defence in case any security advantages arise. suggest that our officials should meet as soon as possible to discuss the proposals in the paper in mor- detail and to report back to us. I have asked my Department to arrange an appropriate meeting.

I am sending copies of this letter and the attached paper to the Prime Minister, members of MISC 19 and Sir Robert Armstrong.

USSR BILATERAL GENERAL CARGO TRADE: COUNTERMEASURES TO ENSURE EQUITABLE PARTICIPATION BY BRITISH VESSELS.

Purpose of Paper

1 The purpose of this paper is to develop measures on a contingency basis should these prove necessary if the current consultations with the USSR fail to secure an equitable share of the bilateral general cargo trade for UK flag vessels.

The paper concludes:-

- a) that HMG has the legal powers to take countermeasures, and would be justified should the consultations with the Russians fail;
- b) that any measures have both advantages and disadvantages but the preferable option is one involving a control over the tonnage operated in the bilateral general cargo trade (para 7B);
- c) further consultation will however be needed with other departments concerned, particularly Customs and Excise to ensure the maximum economy in cost and staff, with the Foreign Office on any wider political aspects, and with the Ministry of Defence in case any security advantages arise.

Background

- The shipping of Anglo-Soviet bilateral trade is entirely controlled for the Russian side, both as to allocation and as to freight rates, as a result of the Soviet practice of experting CIF and importing FOB. Shipping relations between the 2 countries are the subject of inter-governmental agreements, including an undertaking made by the Soviets in 1977 to move towards parity of carryings between the 2 flags. This undertaking has not been kept, and in 1979 the UK share of the bilateral general cargo trade was only 12.3% (in weight terms) compared with 78.5% for the Soviets. During 1980, even this share of the trade came under threat, because Soviet refusal to allow the UK company in the trade, United Baltic Corporation (UBC), a freight rate increase for its conventional vessel meant that the company was making a loss on the vessel, and indicated that it would have to withdraw it unless its profitability improved. The withdrawal of the vessel would reduce the UK share to 6.5% in weight terms.
- At the Anglo-Soviet Joint Maritime Commission in Moscow in December 1980, the Department of Trade with Ministerial approval, told the Soviets that HMG had been considering whether to introduce national measures to raise the UK's share, and the Soviet team proposed a Working Party to consider how the carryings could be made more equitable. The question of counter measures is therefore in abeyance for the time beingbut, Department of Trade Ministers have decided that contingency plans must still be carried forward in case these negotiations fail. The Working Party is due to meet in London from 3-6March and the UK has already put proposals to the Soviets for increasing its share of the trade. These are as follows:
 - a) the carryings to be equalised include all the bilateral general cargo trade and not just those currently carried by the joint liner service (see paragraph 4 below).
 - b) The Soviets should accept progressive targest for increasing the UK's share of the trade and instruct their shipping agencies in London and the USSR to allocate cargoes accordingly.

c) The target would be:an increase in the UK flag liftings of general cargo to 40% by the end of 1981. Thereafter, an annual growth in UK flag liftings sufficient to ensure parity by the end of 1983. (The targets have been expressed in this way to make it clear that the UK is not aiming at excluding or limiting participation in the trade by third flag vessels operated on a commercial basis.) CHARACTERISTICS OF THE TRADE The general cargo trade between the UK and the USSR amounted to 619,000 tonnes in 1979, of which just over half was carried by vessels operating in the joint liner service, less than 10% by third flag carriers, and the remainder by other Soviet ships outside the joint liner service. These may call at UK ports primarily in a crosstrading role. There are currently no restrictions on Soviet calls at UK ports, or on the cargoes Soviet ships can carry. LEGAL CONSIDERATIONS, RAISED BY COUNTERMEASURES There are two of these:-2) Merchant Shipping Act 1974 and 1979 Section 14 of the Merchant Shipping Act 1974 (as amended) sets out countermeasures the Secretary of State may take by Order if a foreign government or its agency adopts measures which are damaging to UK shipping interests. The text of the amended section is at Annex A, and Annex B lists the countermeasures available and shows that the preconditions for operating them are met. Before the Secretary of State issues an order he is required to consult the appropriate shipping or trading interests. b) UK/USSR Treaty on Merchant Navigation 1968 Any countermeasures must either be compatible with this treatey or else justified by a prior Soviet breach. Annex C discusses the relovant articles of the treaty and comes to the conclusion that countermeasures would be justified in certain circumstances. The Foreign Office may wish to advise further on this aspect. OBJECTIVES OF COUNTERMEASURES. In deciding what countermeasures to take, it is important to define clearly what our objectives are and the likely ramifications. There are also a number of different considerations which will have to be weighed against each other. The prime considerations would seem to be as follows:-Our primary aim is to increase the UK's share in the bilateral trade at remunerative freight rates b) If the Working Grupu fail to increase the UK's share by consultation, we shall have to recognise that the Soviets are unlikely to give us such a share in response to our retaliation. Countermeasures should therefore be designed so that they themselves effect the remedy we are seeking.

Countermeasues will have to be considered in relation to any wider Soviet political reactions. These could be against UK shipping, trade or other interest. On shipping, the Soviets would be unlikely to jeopardize the substantial benefits they get by calling as cross traders at UK ports. On trade, it is difficult to guage the Soviet reaction. The more severe the countermeasures the more likely it is that the Soviet reaction will spill over unto the general trade field. Many materials and products into currently shipped on Soviet vessels could be bought from or sold to other countries with little difficulty. The FCO will wish to advise on the likelihood of any wider response. If measures are remedial rather than retaliatory and are confined to the bilateral trade, there is clearly more likelihood of containing any Soviet reaction. The measures will obviously have to be sensitive to the cost and staffing d) implications. Consultations with Customs and Excise are thus imperative to ensure that costs are minimised. e) It may be that any countermeasures involving regulation of port calls could also serve a security purpose. The Ministry of Defence may like to advise on this. Annex D indicates the main advantages and disadvantages of the various options available under Section 14. It will be seen from the Annex that there is considerable overlap between the various options and most have advantages as well as disadvantages. Drawing on this Annex, the Department of Trade would recommend the following options for further consideration:-A LICENSING SYSTEM FOR BILATERAL CARGOES Thsi would involve Customs and Excise in monitoring the bilateral trade and refusing to allow the Soviets to carry any further exports or imports once they had reached a certain quota, expressed in tonnage terms based on the previous years trade figures and designed to give them eg 40% of the trade. ADVANTAGES This system may be easier to administer than some of the other options in i) Annex D because Customs and Excise already collects statistics on carryings in the trade. Moreover, the system would be based on the same principle as other industries where quotas are imposed eg textiles. It would however have to cover exports as well as imports. DISADVANTAGES The major problem would be that of evasion through trans shipment in continental i) ports, or through false declaration of the origin/destination of shipments in Customs documentation. ii) This system would not necessarily result in any redirection of cargo to British vessels unless it was also coupled with a system of control over cargo allocation. This would inevitably make the measure more complicated to administer. iii) Once the Soviets had reached their quota, they could retaliate by seeking other markets for their UK imports and exports. REGULATION OF SOVIET TONNAGE IN THE BILATERAL TRADE This option would effectively be a licensing system based on sailings. It would involve the issue of vouchers which Soviet vessels would have to present before they loaded or

landed bilateral general cargo. The vouchers would be equated to some measure of seel capacity eg gross registered tonnage, dead weight or teus. The number issued would represent a certain preportion eg 40% in weight terms of the carryings in the bilateral trade. At the moment the Soviet Union has considerably more carrying capacity in the bilateral trade than does the UK. One of the purposes of issuing vouchers would therefore be to rectify this imbalance.

As mentioned in paragraph 4 above, many Soviet ships in the bilateral trade are primarily engaged in cross trading activities out of the UK. They may therefore only be carrying a small proportion of cargo for the UK. This option would not propose to prevent this practice but it would make clear to the Soviets that if a ship was carrying any bilateral cargo, the whole of that vessel's tonnage would count against the Soviet allowance under the voucher system.

ADVANTAGES

- i) it should be easier to administer a system based on control of sailings as opposed to control of cargoes (see the option at paragraph 7B above). Control system recording Soviet use of vouchers in any UK port would however be needed.
- ii) there is already a risk of evasion through transhipment or false declaration. Hopefully, however, once the Soviets understood that we meant to enforce the system, the need for controls would diminish or even disappear.
- iii) The emphasis would be on remedy not retaliation.
- iv) The system would allow the Soviet flexibility as to which ships they utilized in the bilateral trade and would probably not therefore be considered too intrusive by them.

DISADVANTAGES

These would be the same as at the option in paragraph 7a above.

Conclusion

8 The Department of Trade considers that the option at paragraph 7b is the preferable approach on administrative grounds and merits further consideration in conjunction with Customs and Excise, the Foreign Office and the Ministry of Defence. It suggests that a meeting should be set up for this purpose as soon as possible.

SP3A

ZS February 1981

MERCHANT SHIPPING ACT 1974 (AS AMENDED BY MERCHANT SHIPPING ACT 1979)

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Part III

Foreign action

PROTECTION OF SHIPPING AND TRADING INTERESTS

- affecting 14 (1) The Secretary of State may exercise the powers shipping. conferred by this section if he is satisfied that a foreign government, or any agency or authority of a foreign government, have adopted, or propose to adopt, measures or practices concerning or affecting the carriage of goods by sea which -
 - (a) are damaging or threaten to damage the shipping or trading interests of the United Kingdom, or
 - (b) are damaging or threaten to damage the shipping or trading interests of another country, and the Secretary of State is satisfied that action under this section would be in fulfilment of the international obligations of Her Majesty's Government to that other country.
 - (2) The Secretary of State may by order make provision for requiring persons in the United Kingdom carrying on any trade or business to provide the Secretary of State with all such information as he may require for the purpose of enabling him -
 - (a) to determine what further action to take under this rection, and
 - or type and to a recent (b) to ensure compliance with any orders or directions made or given under this section.
 - . (3) The Secretary of State may by order provide for -
 - (a) regulating the carriage of goods in ships and the rates which may or must be charged for carrying them;
 - (b) regulating the admission and departure of ships to and from United Kingdom ports, the cargoes they may carry, and the loading or unloading of cargoes:
 - (c) regulating the making and implementation of agreements (including charter-parties) whose subject matter relates directly or indirectly to the carriage of goods by sea, and requiring such agreements to be subject to the Secretary of State's approval in such cases as he may specify;
 - (d) imposing charges in respect of ships which enter United Kingdom ports to load or unload cargo, and in this subsection "regulating", except in relation to the rates which may or must be charged for carrying goods, includes imposing a prohibition.

finite or Fig.

(4) In a case falling within subsection (1)(a) above, an order under subsection (3) above shall specify the measures or practices which in the opinion of the Secretary of State are damaging or threaten to damage shipping or trading interests of the United Kingdom. (5) An order under this section may authorise the Secretary of State to give directions to any person for the purposes of the order: Provided that this subsection shall not apply for the purpose of recovering charges imposed under subsection (3)(d) above. (6) Any order or direction made or given under this section -(a) may be either general or special, and may be subject to such conditions or exceptions as the Secretary of State specifies (including conditions and exceptions operating by reference to the giving or withholding of his approval for any course of action); (b) may be in terms that require compliance either generally or only in specified cases; . (c) may be varied or revoked by a subsequent order, or as the case may be, a subsequent direction, so made or given, and an order made pursuant to this section shall be contained in a statutory instrument. (7) Before the Secretary of State makes an order under this section he shall consult such representatives of the shipping or trading interests of the United Kingdom, and such other persons, as appear to him appropriate. (8) If a person discloses any information which has been furnished to or obtained by him under this section, or in connection with the execution of this section. he shall, unless mer of the disclosure is made -(a) with the consent of the person from whom the information was obtained, or (b) in connection with the execution of this section, or (c) for the purposes of any legal proceedings arising out of this section or of any report of such proceedings, or (d) in pursuance of a Community obligation to a community be liable on summary conviction to a fine not exceeding £1,000 (9) A person who -(a) refuses or wilfully neglects to furnish any information which he is required to furnish under this section, or (b) in furnishing any such information makes any statementwhich he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular,

shall be liable on summary conviction to a fine not exceeding £500 in the case of an offence under paragraph (a) of this subsection and not exceeding £1,000 in the case of an offence under paragraph (b) of this subsection. (10) A person who wilfully contravenes or fails to comply with any provision of an order or direction made or given pursuant to this section, other than a provision requiring him to give any information, shall be liable -(a) on summary conviction to a fine of not more than £5,000; (b) on conviction on indictment to a fine; and where the order or direction requires anything to be done, or not to be done, by, to or on a ship, and the requirement is not complied with, the owner and master of the ship are each to be regarded as wilfully failing to comply, without prejudice to the liability of anyone else. (11) In this section "foreign government" means the government of any country outside the United Kingdom and "agency or authority of a foreign government" includes any undertaking appearing to the Secretary of State to be, or to be acting on behalf of, an undertaking which is in effect owned or controlled (directly or indirectly) by a State other than the United Kingdom: and references to ships are to ships of any registration. (11A) A recital in an order under this section that the persons who have adopted, or propose to adopt, the measures or practices in question are a foreign government, or an agency or authority of a foreign government, shall be conclusive. (12) Schedule 4 to this Act shall have effect for supplementing this section, which in that Schedule is called "the principal section". Parliamentary 15 - (1) No order shall be made in exercise of the powers control of conferred by subsection (3) of the last preceding section unless orders under (a) a draft has been approved by resolution of each House Part III. of Parliament, or (b) it is declared in the order that it appears to the Secretary of State that by reason of urgency it is necessary to make the order without a draft having been so approved. (2) An order made in exercise of the powers conferred by the said subsection (3) without a draft having been approved by resolution . of each House of Parliament shall cease to have effect at the expiration of a period of 28 days beginning with the date on which it was made unless before the expiration of that period it has been approved by resolution of each House of Farliament, but without prejudice to anything previously done, or to the making of a new order.

In reckoning for the purposes of this subsection any period of 28 days, no account shall be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days. (3) An order under the last preceding section which is not made in exercise of the powers conferred by subsection (3) of that section shall be subject to annulment in pursuance of a resolution of either House of Parliament. room on Pired Lini under (4) If an order under that section recites that it is not made in exercise of the powers conferred by the said subsection (3), the recital shall be conclusive. 139 Section 93 of the Cuttons and Eveine Act 1962 (enver in 1277 229e legges on total classica et ante or straff, a vil sour en e the principal section of this Granduc were contributed to the for. Coders (madeing dranges Torre ir or expense with the first of the crotion - 2 Talkers were goto shine of any resolutions on a fact which the may be by the partition of the mental and an a medited coming, or thing tarrying specific to de of cerpoes, and of their contains and provisions as appear to the feet them. of that's expensent to chable the for the course and house to tollout any Charge Imposet by the times let may maybe and of the provintion of the of the Area are to or exceptions areguined to the orbits. The report of the property of the first the fit of the form (a) Petrome as as a large temperature successful and a large Confunction of process only an entered to consider this grown and are pupales the first of the Tritle Colored Labors that the sold was at it State of the last A SE FERRA

SCHEDULE 4 Section 14(12) PROTECTION OF SHIPPING AND TRADING INTERESTS Small indicate rational tax Customs powers 1 - (1) An order made under the principal section with the consent of the Commissioners of Customs and Excise may provide for the enforcement and execution of any order or direction under the principal section by officers of customs and excise. (2) Officers of customs and excise acting under any provision made under sub-paragraph (1) above shall have power to enter any premises or vessel. (3) Section 53 of the Customs and Excise Act 1952 (power to 1952 c.44 refuse or cancel clearance of ship or aircraft) shall apply as if the principal section and this Schedule were contained in that Act. Orders imposing charges 2 - (1) An order under subsection (3)(d) of the principal section -(a) may apply to ships of any description specified in the order, and may apply in particular to ships registered in a specified country, or ships carrying specified goods or cargoes, and (b) may contain such provisions as appear to the Secretary of State expedient to enable the Commissioners of Customs and Excise to collect any charge imposed by the order, and (c) may apply any of the provisions of the customs Acts which relate to duties of customs, subject to any modifications or exceptions specified in the order. (2) The charge so imposed may be a fixed amount, or may be an amount depending on the tonnage of the ship. (3) Any such charge shall be payable to the Secretary of State. (4) Nothing in this paragraph prejudices subsection (6) of the principal section. Criminal proceedings 3 A person shall not be guilty of an offence against any provision contained in or having effect under the principal section or this Schedule by reason only of something done by that person wholly outside the area of the United Kingdom unless that person is a British subject or a company incorporated under the law of any part of the United Kingdom.

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Conclusion

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SP3A

25 February 1981

MERCHANT SHIPPING ACT 1974 (AS AMENDED BY MERCHANT SHIPPING ACT 1972)

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Part III.

Foreign action

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 - (b) to ensure compliance with any orders or directions made or given under this section.
 - (3) The Secretary of State may by order provide for -
 - . (a) regulating the carriage of goods in ships and the rates which may or must be charged for carrying them;
 - (b) regulating the admission and departure of ships to and from United Kingdom ports, the cargoes they may carry, and the loading or unloading of cargoes:
 - (c) regulating the making and implementation of agreements (including charter-parties) whose subject matter relates directly or indirectly to the carriage of goods by sea, and requiring such agreements to be subject to the Secretary of State's approval in such cases as he may specify;
 - (d) imposing charges in respect of ships which enter United Kingdom ports to load or unload cargo, and in this subsection "regulating", except in relation to the rates which may or must be charged for carrying goods, includes imposing a prohibition.

sterio. No. 87.

(4) In a case falling within subsection (1)(a) above, an order under subsection (3) above shall specify the measures or practices which in the opinion of the Secretary of State are damaging er threaten to damage shipping or trading interests of the United Kingdom. (5) An order under this section may authorise the Secretary of State to give directions to any person for the purposes of the order: Provided that this subsection shall not apply for the purpose of recovering charges imposed under subsection (3)(d) above. (6) Any order or direction made or given under this section -(a) may be either general or special, and may be subject to such conditions or exceptions as the Secretary of State specifies (including conditions and exceptions operating by reference to the giving or withholding of his approval for any course of action); (b) may be in terms that require compliance either generally or only in specified cases; (c) may be varied or revoked by a subsequent order, or as the case may be, a subsequent direction, so made or given, and an order made pursuant to this section shall be contained in a statutory instrument. (7) Before the Secretary of State makes an order under this section he shall consult such representatives of the shipping or trading interests of the United Kingdom, and such other persons, as appear to him appropriate. (8) If a person discloses any information which has been furnished to or obtained by him under this section, or in connection with the execution of this section, he shall, unless my was so the disclosure is made -(a) with the consent of the person from whom the information was obtained, or (b) in connection with the execution of this section, or (c) for the purposes of any legal proceedings arising out of this section or of any report of such proceedings, or (d) in pursuance of a Community obligation to a community be liable on summary conviction to a fine not exceeding £1,000 (9) A person who -(a) refuses or wilfully neglects to furnish any information which he is required to furnish under this section, or (b) in furnishing any such information makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular,

shall be liable on summary conviction to a fine not exceeding £500 in the case of an offence under paragraph (a) of this subsection and not exceeding £1,000 in the case of an offence under paragraph (b) of this subsection. (10) A person who wilfully contravenes or fails to comply with any provision of an order or direction made or given pursuant to this section, other than a provision requiring him to give any information, shall be liable -(a) on summary conviction to a fine of not more than £5,000; (b) on conviction on indictment to a fine; and where the order or direction requires anything to be done, or not to be done, by, to or on a ship, and the requirement is not complied with, the owner and master of the ship are each to be regarded as wilfully failing to comply, without prejudice to the liability of anyone else. (11) In this section "foreign government" means the government of any country outside the United Kingdom and "agency or authority of a foreign government" includes any undertaking appearing to the Secretary of State to be, or to be acting on behalf of. an undertaking which is in effect owned or controlled (directly or indirectly) by a State other than the United Kingdom: and references to ships are to ships of any registration. (11A) A recital in an order under this section that the persons who have adopted, or propose to adopt, the measures or practices in question are a foreign government, or an agency or authority of a foreign government, shall be conclusive. (12) Schedule 4 to this Act shall have effect for supplementing this section, which in that Schedule is called "the principal section". Parliamentary 15 - (1) No order shall be made in exercise of the nowers control of conferred by subsection (3) of the last preceding section unless orders under (a) a draft has been approved by resolution of each House Part III. of Parliament, or (b) it is declared in the order that it appears to the Secretary of State that by reason of urgency it is necessary to make the order without a draft having been so approved. (2) An order made in exercise of the powers conferred by the said subsection (3) without a draft having been approved by resolution . of each House of Parliament shall cease to have effect at the expiration of a period of 28 days beginning with the date on which it was made unless before the expiration of that period it has been approved by resolution of each House of Farliament, but without prejudice to anything previously done, or to the making of a new order.

In reckoning for the purposes of this subsection any period of 28 days, no account shall be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days. (3) An order under the last preceding section which is not made in exercise of the powers conferred by subsection (3) of that section shall be subject to annulment in pursuance of a resolution of either House of Parliament. (4) If an order under that section recites that it is not made in exercise of the powers conferred by the said subsection (3), the recital shall be conclusive. 17) Sections 90 of the Contons and Exeins Act 1957 Conver in tory outer - in the content of the same of any or stropsist a all most of the principal section but this Santials were contributed to the Opiers imposing charges The series sever with the life of the 57 61 60 C -Talling the good street of our resolution on a flet The said the same of the last the same of the same and the a medicine country, or colou carrying specified ande of cerpusa, and ill may contain such providers as appear to the feet face of their expensent to emphis the first community of the first and harme to collect any charge imposed as a different ted may apply one of the penvironial of the contract of or exceptions mediated in the progra-The course of property of a soluted ato pt. or online of all deferre as the arms demonstrated by the Service was an access on a service of the service of the property of the service of successes the transfer of the Printer Advances and an animal control of the THE STATE OF THE S Mark Autolia

b) Have they adopted or do they propose to adopt measures or practices concerning or affecting the carriage of goods by sea?

The Soviet Ministry of Foreign Trade adopts the practice of requiring all Soviet exporters and importers to insist that goods are always shipped to and from the UK on terms which permit the choice of ship to be made by the Soviet shippers. The Ministry of Foreign Trade also requires the decisions as to the choice of ships to be delegated to the Soviet shipping agencies referred to in a) above. The Soviet shipping agencies adopt the practice of placing most of the cargoes on Soviet ships. The Soviet Ministry of Foreign Trade's recent refusal of a price increase for UBC's conventional vessel can also be cited as a measure affecting the carriage of goods by sea.

c) Do the measures damage or threaten to damage the shipping or trading interests of the UK?

The Soviets control over the allocation of cargoes together with the threat to the viability of UBC's operation as a result of Soviet refusal to allow a price increase clearly damages the UK's interest in the bilateral trade.

UK/USSR Treat on Merchant Navigation 1968

1 The UK/USSR Treaty on Merchant Navigation 1968 effectively binds us to give Soviet vessels in our ports the same treatment as we would give UK vessels. The relevant articles in considering the scope for counter-measures are as follows:-

Article 5

The High Contracting Parties agree to follow in international shipping principles of free and fair competition. In particular, each High Contracting Party shall abstain from taking measures which may limit the opportunities for vessels of the other High Contracting Party to compete in relation to trade between its own ports and ports of the other High Contracting Party on equal commercial conditions.

Article 6

Each High Contracting Pary shall afford to vessels of the other High Contracting Party the same treatment as it affords its own vessels engaged on international voyages in respect of free access to ports, use of ports for loading and unloading of cargoes and for embarking and disembarking passengers, and normal commercial operations connected with the above; and also in respect of the payment of port dues and port taxes.

Article 7

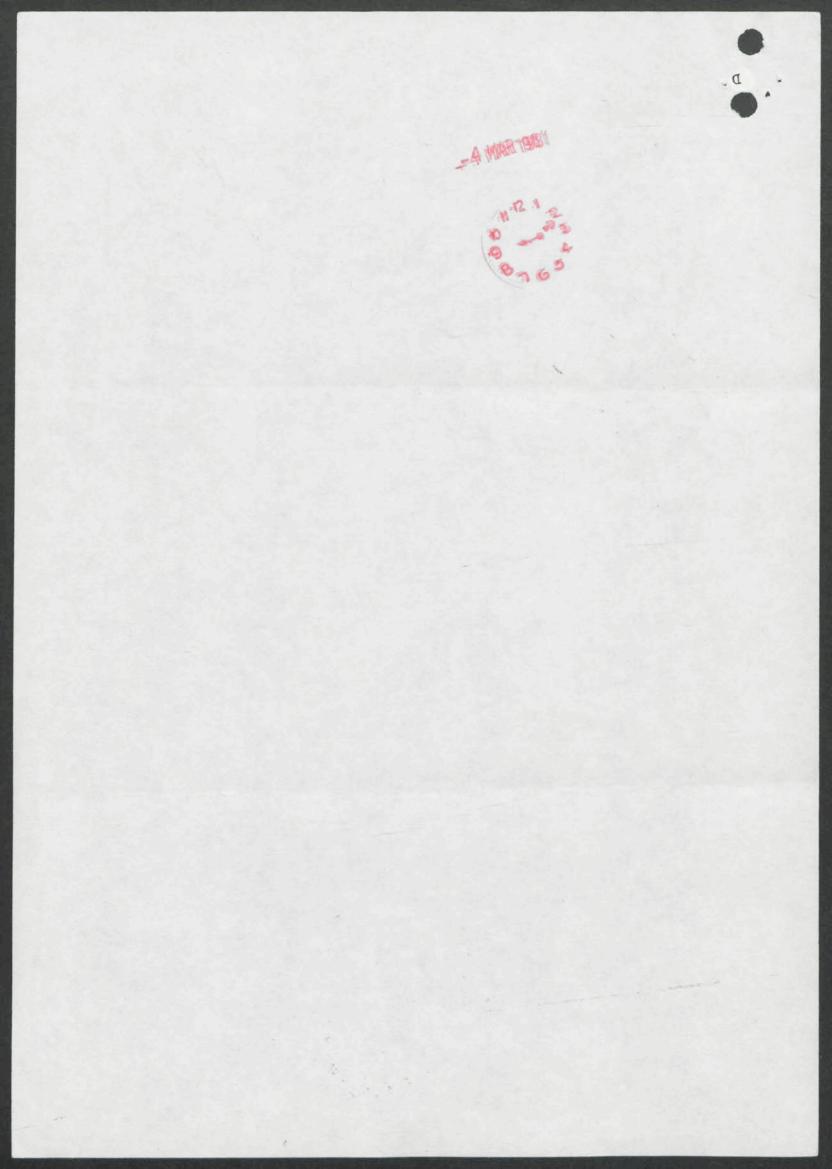
The High Contracting Parties shall adopt, within the limits of their law and port regulations, all appropriate measures to facilitate and expedite maritime traffic, to prevent unnecessary delays to vessels ...

- 2 Given the terms of the 1968 Treaty, counter-measures can only be justified without abrogating the Treaty if a prior Soviet breach can be pointed to. It would be possible to argue that the Soviets had already breached Article 5 by their unfair allocation of cargoes resulting from their control of the trade, together with their recent refusal to increase the joint liner service rates for UBC's conventional vessel. It could also be argued that the Soviets were in breach of Article 7 because of the considerable berthing delays experienced by UBC at Leningrad which the Soviets have refused to alleviate either by allowing the payment of demurrage or by permitting UBC to increase its rates.
- Whether or not we found ourselves in breach of Article 6 would depend upon the measures contemplated vis-a-vis Soviet access to UK ports. Measures restricting Soviet access to UK ports might not however be in breach of the Treaty if they could be shown to be proportionate to any prior Soviet breaches of the Treaty. Thus, the Soviets probably could not object to the imposition of charges on ships in the bilateral trade nor the exclusion of some of their ships from the bilateral trade (we would not be preventing the ships from engaging in cross-trade operations out of UK ports). They could however protest at the denial of all access of one of their ships to UK ports and would be likely to see the imposition of charges on all Soviet vessels as discriminatory.
- 4 As a general principle, if counter-measures are restricted to remedial action, it would clearly be more difficult for the Soviets to claim that we were unjustifiably in breach of the 1968 Treaty

CONFIDENTIAL ANNEX D OPTIONS FOR MEASURES UNDER THE MERCHANT SHIPPING ACT 1979 Regulation of Cargoes There are a wide range of options available here but the following discusses two possible measures -Allocation of cargoes by the introduction of a licensing system for all exports and imports in the bilateral trade Advantages The measure would concentrate on the fundamental cause of the current imbalance in the trade, ie the Soviet control and allocation of cargoes. It should achieve a major objective of the exercise, ie an increased share of the trade for UBC, particularly if the system was sophisticated enough to take account of differential freight rates. Disadvantages It would be fiendishly difficult to administer, requiring not only machinery to check the amount of cargo carried by both sides, but also machinery to reallocate cargoes to UBC. There could be a serious problems of payment for UBC given that the Soviet Ministry of Foreign Trade is effectively the paymaster under the current terms of trade. (iii) The scope for evasion via transhipment would be considerable. Alteration of the terms of trade so that exports from both countries were shipped on a cif basis Advantages The measure would be aimed at Soviet control of the trade and could be justified on the basis that it is the normal commercial practice in other trades. Disadvantages Alteration of the terms of trade does not determine the flag of shipment. UBC would not therefore necessarily increase its share of the trade by this approach unless the system also provided for a redirection of trade to UBC. Administrative back up would have to be provided to ensure all UK exports went cif. The small shipper, who was unaware of the measure, might find himself breaking the law unwittingly. Regulation of freight rates There are three possible options here as follows -An increase in Soviet rates CONFIDENTIAL -1-

CONFIDENTIAL Disadvantages It would harm the UK exporter or importer who was forced for whatever reason, to use a Soviet ship. It would be administratively almost impossible to police because it would involve checking all Soviet cargoes in the bilateral trade to ensure that they were charging the prescribed rates. (iii) Given the Soviets are currently the paymasters, payment at the new rates would probably be difficult to enforce. An increase in UBC's rates Disadvantages (i) The company would be priced out of the market. Increase in both parties rates Disadvantages Although it might give UBC a better rate of return it would not bring about any increase in their share of the trade. (ii) The Soviets could well refuse the extra payments in practice. Charges on Soviet Ships Charges could be imposed either just on ships involved in the bilateral trade or on all Soviet ships using UK ports. [There were 1606 port calls by Soviet ships in 1979 of which 400 are estimated to be by ships in the bilateral trade.] Disadvantages The Soviets might claim such measures were in breach of Article 6 of the 1968 treaty particularly if taxes were imposed on ships outside the bilateral trade. (Also see Annex QC paragraph 3 which argues that a proportionate breach of Article 6 could be justified). The measure would only help UEC if the charges were used to compensate the company for their inability to make sufficient returns in the trade. This might be politically unattractive. Moreover, it would not increase UBC's share of the trade. (iii) If the charges were too high (and even if restricted to the bilateral trade) it could mean the withdrawal of the Soviets from the trade, particularly as they could almost certainly get all the goods they import from the UK from other sources. Advantage Access to UK ports is important to the Soviets primarily because of their cross trading activities from UK ports. If the charges were imposed on all Soviet ships and were such as to hinder their cross trading activities. it might make the Soviets more cooperative on the bilateral trade. CONFIDENTIAL -2-

Regulation of Agreements Some measure based on regulation of the joint liner service might be appropriate. This could take the form of prohibiting the movement of general cargo in the bilateral trade except by named vessels in the joint liner service, with a system for third flag carriers. Consideration would need to be given to some way of ensuring that British flag vessels were not fobbed off with poor value cargo. Advantages Reasonably uncomplicated to operate. Enforcement should only need to be pursued against those Soviet vessels outwith the joint liner service. Disadvantages Evasion could occur through transhipment or false declaration of cargoes. (i) The system would be regarded as intrusive by the Soviets because it required them to operate their ships in a certain way which they may not consider advantageous. Regulation of Port Calls There are two options here, as follows -Regulation of calls in the bilateral trade Advantage Regulation of port calls is clearly simpler than regulation of cargoes and freight rates. (See paragraph 7B of the main paper). Disadvantages There would be no guarantee that UBC would pick up the remaining cargoes. The Soviets could well redirect it to Eastern Bloc third flag carriers. Evasion via transhipment would be relatively easy . (ii) Regulation of all Soviet port calls This would have much the same advantages and disadvantages as the regulation of calls in the bilateral trade with the further considerations -Advantage It might be possible to draw some security benefits from such regulation the Ministry of Defence could advise on this. Disadvantages There would be a greater risk of challenge under Article 6 if the measure was not confined to the bilateral trade, and threatened the Soviet's cross trading activities. m 3m



Ser Vina CONFIDENTIAL Foreign and Commonwealth Office London SW1A 2AH 24 February 1981 Dear Mithad, 26th Congress of the CPSU: Brezhnev's Speech You asked for an assessment of Brezhnev's Report to the Party Congress. I enclose a short note by the Department, covering telegrams from Moscow containing Sir C Keeble's first reactions and a summary of the points of foreign policy interest. There may be points to add when we have been able to study the full text of the speech. Private Secretary M O'D B Alexander Esq 10 Downing St CONFIDENTIAL

THE 26TH CONGRESS OF THE COMMUNIST PARTY OF THE SOVIET UNION: BREZHNEV'S SPEECH

- 1. We have not yet seen the complete text. Sir C Keeble's first reactions are in Moscow telno. 62 and the foreign policy section of the speech is summarised in Moscow telno. 63. We agree with Moscow's overall assessment that the speech 'was essentially what was to be expected, a re-statement and justification of existing policies.'
 - 2. There will be more to say on the <u>economic and domestic</u> policy aspects of the Congress when Prime Minister Tikhonov has made his report on the guidelines for the 5 Year Plan, and there may be points of interest also in other speeches. But the general line will clearly be business as usual, with no sign of a major economic reform. The proposed revision of the CPSU Programme (the present one dates back to 1961 and includes Krushchev's claim that by 1980 the Soviet Union will have overtaken the United States economically and be on the threshhold of full communism) may give rise to some interesting internal debate, but the event is unlikely to prove of much practical importance.
 - 3. On <u>foreign policy</u>, we agree generally with Sir C Keeble's assessment but the following points are worth noting:
 - i. Poland: While the commitment to preserving socialism in Poland goes no further than the Warsaw Pact declaration of last December, Brezhnev's statement that 'the enemies of socialism, with the support of outside forces, are creating anarchy and endeavouring to chennel events along a counter-revolutionary path' endorses, at the highest level, a disturbing trend in recent Soviet propaganda.
 - US/Soviet: The suggestion of a summit meeting with President Reagan, and the references to SALT, CBMs and TNF, seem designed to make the Soviet Union appear reasonable and to put pressure on the United States to respond quickly and in kind or accept the consequences in terms of public relations, more especially in Europe.
 - western Europe: Predictable attempts at wedge-driving, which will no doubt be developed as occasion arises. We, in particular, must expect to hear more of Brezhnev's statement that British/Soviet relations are stagnating and that the Soviet Union is not to blame.

ADVANCE COM 00 F C 0 IMMEDIATE WASHINGTON MR Bullard OO UKDEL NATO me Leguera GR 1160 CONFIDENTIAL FM MOSCOW 231640Z FEB 81 TO IMMEDIATE F C O FCO/WH) TELEGRAM NUMBER Ø62 OF 23 FEBRUARY INFO IMMEDIATE WASHINGTON AND UKDEL NATO SAVING FOR INFO TO EAST BERLIN, WARSAW, BUDAPEST, BUCHAREST. SOFIA, PRAGUE, PARIS BONN, BELGRADE, HELSINKI, UKDEL MADRID, UKMIS NEW YORK. PARTY CONGRESS BREZHNEV PRESENTED THE CENTRAL COMMITTEE REPORT ON 23 FEBRUARY. IN CONTRAST TO THE PRACTICE AT THE LAST CONGRESS ONLY THE FIRST AND LAST FEW MINUTES OF A THREE AND THREE QUARTER HOUR SPEECH WERE CARRIED LIVE ON TV AND RADIO, THE REMAINDER BEING READ BY AN ANNOUNCER. - BREZHNEY MAY IN FACT HAVE DELIVERED AN ABBREVIATED VERSION, BUT HE LOOKED IN GOOD ENOUGH FORM. THE REPORT WAS ESSENTIALLY WHAT WAS TO BE EXPECTED. A RE-STATEMENT AND JUSTIFICATION OF EXISTING POLICIES. AGAINST A BACKGROUND OF TENSION IN EAST-WEST RELATIONS, DISTURBANCE IN FOLAND AND IMMOBILITY INTERNALLY, IT IS NOT SURPRISING THAT THERE SHOULD BE MORE CAUTION THAN ADVENTURE IN IT. THE PRINCIPAL INTEREST IS IN THE SECTION ON FOREIGN AFFAIRS WHICH IS SUMMARISED IN MY IMMEDIATELY FOLLOWING TELEGRAM, WITH QUOTATIONS FROM AND UNOFFICIAL TASS TRANSLATION. THE POINTS WHICH STRUCK ME IN THAT SECTION WERE : (A) THE APPROACH TO RELATIONS WITH THE UNITED STATES AND ARMS CONTROL .. IN STRESSING THE SOVIET DEVOTION TO PEACE AND ATTACKING IMPERIALIST COMMITMENT TO INTERNATIONAL TENSION BREZHNEV WAS LESS STRIDENT THAN HE MIGHT HAVE BEEN. HE MADE HIS DOUBTS ABOUT THE NEW U.S. ADMINISTRATION CLEAR ENOUGH. BUT ALSO MADE CLEAR THE OVERRIDING IMPORTANCE OF U.S .- SOVIET RELATIONS FOR THE VAVOPNUTTOT

RELATIONS FOR THE CONDUCT OF INTERNATIONAL AFFAIRS AND HIS DESIRE FOR A MEETING WITH PRESIDENT REAGAN. THE REFERENCE TO THE SALT NEGOTIATIONS WAS SOMEWHAT MORE POSITIVE THAN RECENT SOVIET STATEMENTS ("CONTINUE THE RELEVANT NEGOTIATIONS WITHOUT DELAY PRESERVING ALL THE POSITIVE ELEMENTS THAT HAVE SO FAR BEEN ACHIEVED'') THIS AND THE OTHER ARMS CONTROL PROPOSALS ARE INTENDED TO BE SEEN AS A MAJOR FEATURE OF THE REPORT, BUT THE ONLY WHOLLY NEW ELEMENTS ARE THE EXPRESSED READINESS TO HAVE CBM'S EXTENDED TO ALL EUROPEAN RUSSIA AND THEIR INTRODUCTION TO THE FAR EAST. THE PRINCIPAL SOVIET INTEREST IS OF COURSE TO STABILISE THE STRATEGIC RELATIONSHIP AS IT NOW STANDS AND THIS IS THE OBJECTIVE OF THE PROPOSED MORATORIUM ON THE DEPLOYMENT, WHICH IS A REWORKING OF BREZHNEV'S PROPOSAL OF OCTOBER 1979. THE PROPOSAL FOR A SECURITY COUNCIL MEETING AT THEAD OF GOVERNMENT LEVEL TO INCLUDE OTHER INTERESTED PARTIES SEEMS LIKE A DEVELOPMENT OF LAST MAY'S PCC DECLARATION CALLING FOR A WORLD SUMMIT CONFERENCE.

(B) EUROPE

BREZHNEV DID NOT CONTRAST WESTERN EUROPEAN INTEREST IN
DETENTE AND A U.S. COMMITMENT TO CONFRONTATION AS MUCH
AS HE MIGHT HAVE DONE, THOUGH I HAVE LITTLE DOUBT THAT
THIS THEME WILL BE MADE MUCH OF IF PUBLIC REACTIONS IN
THE WEST PROVIDE ANY OPENING. HE HAD PARTICULARLY WARM
WORDS FOR THE FRENCH AS IN 1976. HE STRESSED THE
IMPORTANCE OF RELATIONS WITH THE FRG BUT MADE A LITTLE
MORE OF THE DIFFICULTIES AND, AS IN 1976, CALLED FOR
STRICT OBSERVANCE OF THE BERLIN AGREEMENTS. HE CSAID
THE STANDSTILL IN RELATIONS WITH BRITAIN REGRETTABLE, BUT
CLAIMED IT WAS NOT THE FAULT OF THE SOVIET UNION.

(C) THIRD WORLD

THE SUPPORT FOR NATIONAL LIBERATION MOVEMENTS WAS STANDARD. THE DISCLAIMER OF ANY EXPORT OF REVOLUTION WAS BALANCED WITH A REJECTION OF COUNTER REVOLUTION AND A PROMISE OF MILITARY SUPPORT WHERE IT WAS WANTED, BUT I FOUND HERE A SLIGHT IMPLICATION THAT WE ARE BEGINNING TO SEE THE SOVIET UNION ON THE DEFENSIVE IN THE THIRD WORLD. I DO NOT THINK THE SUGGESTION OF A CONFERENCE ON THE MIDDLE EAST IS PUT FORWARD WITH MUCH EXPECTATION OF EARLY PROGRESS AND IT IS NOT AMONG THE PROPOSALS SINGLED OUT BY BREZHNEY AT THE END OF THE FOREIGN AFFAIRS SECTION OF THE REPORT.

THE END OF THE FOREIGN AFFAIRS SECTION OF THE REPORT. ON AFGHANISTAN AND THE PERSIAN GULF BREZHNEY HAD NOTHING SIGNIFICANTLY NEW EXCEPT THE OFFER OF LINKED NEGOTIATIONS, A CLEAR RESPONSE TO WESTERN LINKAGE OF THE TWO PROBLEMS. (D) THE LENGTHY PASSAGE ON INTER-PARTY RELATIONS WAS DEFENSIVE IN TONE. THE THEME WAS THAT THERE COULD AND HAD TO BE DIFFERENCES BETWEEN COMMUNIST PARTIES AS REGARDS TACTICS: BUT THAT ALL COMMUNISTS SHARED A COMMON APPROACH AND THAT ABOVE ALL CRITICISM OF OTHER PARTIES SHOULD BE CONSTRUCTIVE. DISCONTENT WITH THE ITALIAN AND SPANISH PARTIES WAS APPARENT. (E) THE COMMITMENT TO PRESERVING SOCIALISM IN POLAND IS CLEAR BUT GOES NO FURTHER THAN THE WARSAW PACT DECLARATION OF LAST DECEMBER. BREZHNEY LAID CONSIDERABLE EMPHASIS ON THE NEED FOR UNITY IN THE SOCIALIST COMMONWEALTH, THE BENEFITS OF CMEA COOPERATION AND THE RESOLUTE DEFENCE OF SOVIET INTERESTS IN THAT SPHERE. 3. THE SECTION OF THE REPORT DEVOTED TO ECONOMIC AFFAIRS REFLECTED THE ALREADY PUBLISHED PLAN GUIDELINES. IT ADDED LITTLE EITHER BY WAY OF POLICY OR OF DETAIL. ALTHOUGH BREZHNEY REFERRED TO THE NEED FOR GREATER FREEDOM IN DECISION MAKING BY MANAGEMENT THERE WAS NO INDICATION OF MAJOR REFORM. STRESSED THE IMPORTANCE OF ENSURING A SUFFICIENT SUPPLY OF FCODSTUFFS AND CONSUMER GOODS TO THE POPULATION, BUT HIS CRITICISMS OF ECONOMIC PERFORMANCE WERE LESS STRONG THAN THOSE HE UTTERED AT THE OCTOBER PLENUM (MY SAVING TEL NO 20 OF 22 OCTOBER) LAST YEAR. I SHALL DEFER FURTHER COMMENT UNTIL WE HAVE TIKHONOVS SPEECH LATER IN THE WEEK. 4. ON INTERNAL AFFAIRS BREZHNEY DISTRIBUTED PRAISE AND BLAME IN TIME HONOURED FASHION BUT HAD LITTLE NEW TO SAY. HIS REFERENCES TO THE PLACE OF TRADES UNIONS IN SOVIET SOCIETY WERE UNEXCEPTIONABLE, ALTHOUGH HE URGED THEM TO MAKE GREATER USE OF THE RIGHTS THEY ALREADY ENJOYED. HE CONFINED HIMSELF TO GENERALITIES ON THE DEVELOPMENT OF THE NATIONAL REPUBLICS, NATIONALISM, YOUTH AND INTELLECTUAL AND CULTURAL ISSUES. DESPITE HIS CLAIM THAT THE ADOPTION OF A NEW CONSTITUTION HAD INVIGORATED THE SOVIET PEOPLE, BREZHNEY'S EMPHASIS ON THE NEED TO RESTRUCTURE THE PARTYS IDEOLOGICAL AND PROPAGANDA MACHINERY IMPLED SOME DOUBTS ABOUT THE DEGREE OF POPULAR COMMITMENT. BREZHNEY CONCLUDED BY STATING THAT MARXISM/LENINISM SHOULD BE FURTHER DEVELOPED AND RECOMMENDED THAT THE PRESENT CPSU PROGRAMME, WHICH DATES

AND RECOMMENDED THAT THE PRESENT CPSU PROGRAMME, WHICH DATES
FROM 1961, SHOULD BE BROUGHT UP TO DATE. HIS PRINCIPAL
OBJECTIVES IN ADVANCING THIS IDEA WERE PRESUMABLY TO PUT HIS
OWN IMPRINT ON ONE OF THE SURVIVALS OF THE KHRUSHCHEV ERA AND
TO TRY TO ENSURE THE CONGRESS HAS AT LEAST ONE POSITIVE
ACHIEVEMENT TO POINT TO ON THE INTERNAL FRONT.

F C O PLEASE PASS TO ALL SAVING ADDRESSEEES.

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CENTRAL COMMITTEE REPORT TO 26TH PARTY CONGRESS: FOREIGN AFFAIRS

- 1. BREZHNEY'S SPEECH BEGAN WITH A BRIEF SUMMARY OF THE GENERAL SITUATION. ON THE INTERNAL SIDE, THE TASKS SET AT THE 25TH CONGRESS HAD ON THE WHOLE BEEN SUCCESSFULLY FULFILLED. ON THE INTERNATIONAL SCENE, THE PREVIOUS FIVE YEARS HAD BEEN ROUGH AND COMPLICATED. THE POWER, ACTIVITY AND PRESTIGE OF THE SOVIET UNION HAD GROWN. THE SPHERE OF IMPERIALIST DOMINATION HAD NARROWED. BUT THE AGGRESSIVENESS OF IMPERIALIST POLICY HAD INCREASED ACUTELY.
- BREZHNEY DEALT INITIALLY WITH RELATIONS WITH THE SOCIALIST 2. COUNTRIES. HE STRESSED THE BENEFITS OF COOPERATION WITH THE CMEA, WITH A SPECIAL WORD FOR THE INDIVIDUAL SKILLS DEVELOPED BY HUNGARY (AGRICULTURE), THE GDR (THE RATIONALISATION OF PRODUCTION), CZECHOSLOVAKIA AND EVEN BULGARIA. THIS EXPERIENCE SHOULD BE STUDIED AND UTILIZED. CONDITIONS WERE GETTING MORE COMPLICATED HOWEVER WITH THE DETERIORATION OF THE WORLD ECONOMY AND SPIRALLING PRICES: "THE SLOWING OF THE DETENTE PROCESS AND THE ARMS RACE IMPOSED BY THE IMPERIALIST POWERS ARE NO SMALL BURDEN FOR US AS WELL ". THE IDIOLOGICAL STRUGGLE HAD SHARPENED, AND IMPERIALISTS WERE SYSTEMATICALLY CONDUCTING HOSTILE CAMPAIGNS AGAINST THE SOCIALIST COUNTRIES. WHEN SUCH ACTIVITY WAS COMPOUNDED WITH " MISTAKES AND MISCALCULATIONS IN HOME POLICY" AS IN POLAND, ANTI-SOCIALIST ELEMENTS APPEARED. THE POLISH COMRADES WERE, HOWEVER, ENGAGED IN REDRESSING THE CRITICAL SITUATION. THE DECEMBER MEETING IN MOSCOW HAD RENDERED

POLAND IMPORTANT POLITICAL SUPPORT. ''WE WILL NOT ABANDON FRATERNAL SOCIALIST POLAND IN ITS HOUR OF NEED.'' EVENTS IN POLAND HAD UNDERLINED THE NEED FOR A PARTY TO HEED THE VOICE OF THE MASSES. AFTER REFERRING TO PAST DIFFICULT TIMES IN THE HISTORY OF WORLD SOCIALISM, HE WENT ON ''LET NO ONE DOUBT OUR COMMON DETERMINATION TO SECURE OUR INTERESTS AND TO DEFEND THE SOCIALIST GAINS OF THE PEOPLES''.

- 3. ON CHINA, BREZHNEV CLAIMED THAT DEVELOPMENTS OVER THE PAST 20 YEARS HAD SHOWN WHERE DISTORTIONS OF THE PRINCIPLES OF SOCIALISM LED. CHANGES WERE NOW UNDER WAY BUT ONLY TIME WOULD SHOW WHAT THESE MEANT. THERE WERE NO GROUNDS TO SPEAK OF CHANGES FOR THE BETTER IN PEKING'S FOREIGN POLICY. THE US, JAPAN AND NATO WERE ATTEMPTING TO USE CHINA'S HOSTILITY TO THE SOVIET UNION FOR THEIR OWN ENDS, BUT THIS WAS A HAZARDOUS GAME. THE SOVIET UNION STOOD FOR NORMALISING RELATIONS.
- 4. TURNING TO "NEWLY-FREE COUNTRIES", BREZHNEV REFERRED TO SOVIET ECONOMIC AID AND EXPRESSED READINESS TO 'STRENGTHEN A THEIR DEFENSIVE CAPABILITY" IF REQUESTED. " WE ARE AGAINST THE EXPORT OF REVOLUTION, AND WE CANNOT AGREE TO ANY EXPORT OF COUNTER-REVOLUTION''. THE ''UNDECLARED WAR''AGAINST THE AFGHAN REVOLUTION HAD CREATED A DIRECT THREAT TO THE SECURITY OF THE SOUTHERN FRONTIER OF THE SOVIET UNION. THE SOVIET MILITARY CONTINGENT WOULD BE WITHDRAWN ONCE THE INFILTRATION OF COUNTER-REVOLUTIONARY GANGS HAD CEASED AND DEPENDABLE GUARANTEES OF NON-INTERVENTION HAD BEEN GIVEN. THE REVOLUTION IN IRAN WAS COMPLEX AND CONTRADICTORY, BUT ESSENTIALLY ANTI-IMPERIALIST. THE SOVIET UNION RESPECTED RELIGIOUS CONVICTIONS. ISLAMIC SLOGANS COULD EITHER BE USED IN THE BATTLE FOR LIBERATION, OR MANIPULATED BY REACTION: WHAT MATTERED THEREFORE WERE THE AIMS BEING PURSUED BY A MOVEMENT. THE IRAN/IRAQ WAR WAS SENSELESS AND AN ADVANTAGE ONLY TO IMPERIALISM. THE SOVIET UNION WAS STRIVING TO FACILITATE AN END TO THE WAR. A SETTLEMENT IN THE MIDDLE EAST REQUIRED A "COLLECTIVE SEARCH" E.G. IN THE FRAMEWORK OF A SPECIALLY CONVENED INTERNATIONAL CONFERNECE. THE SOVIET UNION WAS PREPARED TO COOPERATE WITH THE UNITED STATES AND EUROPE AND TO JOIN WITH OTHER INTERESTED PARTIES INCLUDING THE PLO AND ISRAEL TO ACHIEVE A JUST AND DURABLE PEACE. ON THE SUBSTANCE, THERE SHOULD BE AN END TO ISRAELI OCCUPATION OF ALL ARAB TERRITORIES CAPTURED IN 1967, A STATE FOR THE ARAB PEOPLE OF PALESTINE AND MEASURES TO ENSURE THE SECURITY AND SOVEREIGNITY OF ALL STATES IN THE AREA INCLUDING ISRAEL. THE STRENGTH OF THE NAM STEMMED FROM ITS "ORIENTATION AGAINST IMPERIALISM AND COLONIALISM". THE SOVIET UNION WAS PREPARED TO CONTRIBUTE TO

COLONIALISM". THE SOVIET UNION WAS PREPARED TO CONTRIBUTE TO .THE ESTABLISHMENT OF EQUITABLE INTERNATIONAL ECONOMIC RELATIONS.

5 BREZHNEV THEN TURNED TO RELATIONS BETWEEN COMMUNIST PARTIES. HE NOTED THAT DIFFERENT APPROACHES AND DISSIMILAR OPINIONS WERE NATURAL. THE "LEADERSHIPS OF A FEW COMMUNIST PARTIES" HAD ENERGETICALLY DEFENDED THE RIGHT TO SPECIFICALLY NATIONAL NATIONAL WAYS OF BUILDING SOCIALISM, ALL THE SOCIALIST COUNTRIES CARRIED OUT REVOLUTION IN THEIR OWN WAY AND NO-ONE WAS IMPOSING ANY STEREOTYPES. THE SOVIET UNION HEEDED "COMRADELY CONSTRUCTIVE CRITICISM' BUT OPPOSED CRITICISM WHICH DISTORTED SOCIALIST REALITY OR AIDED IMPERIALIST PROPAGANDA (THE ITALIAN AND SPANISH PARTIES WERE NOT INCLUDED IN THE EXAMPLES GIVEN OF PARTIES WITH WHOM THE CPSU HAD FRIENDLY RELATIONS). THE SOVIET UNION SUPPORTED CO-OPERATION WITH SOCIAL DEMOCRATS AND OTHER PEACE LOVING FORCES. SOCIAL DEMOCRACY HAD CONSIDERABLE POLITICAL WEIGHT AND COULD DO MORE TO IMPROVE THE INTERNATIONAL SITUATION BUT ''SOCIAL DEMOCRATIC LEADERS DO NOT ALWAYS ACT ALONG THESE LINES", AND SOME WERE "AFFLICTED WITH THE VIRUS OF ANTI-COMMUNISM".

6. TURNING TO THE CAPITALIST COUNTRIES, BREZHNEV REFERRED TO THE AGGRAVATION OF THE GENERAL CRISIS OF CAPITALISM, LEADING TO A SCRAMBLE FOR MARKETS AND SOURCES OF RAW MATERIALS AND THE PURSUANCE OF NARROW AND SELFISH GOALS. MILITARY EXPENDITURE HAD RISEN UNPRECEDENTLY. THERE WERE ATTEMPTS TO DELUDE PEOPLE THAT NUCLEAR WAR COULD BE LIMITED, BUT A LIMITED NUCLEAR WAR WOULD MEANT THE DESTRUCTION OF EUROPEAN CIVILISATION AND THE UNITED STATES WOULD NOT ESCAPE. THE UNITED STATES PROCLAIMED SPHERES OF "VITAL INTERESTS" AND THERE WAS TALK OF EXTENDING THE FUNCTIONS OF NATO. BY CONTRAST, THE SOVIET UNION HAD PROPOSED AN INTERNATIONAL AGREEMENT FOR THE PERSIAN GULF WHICH WOULD ENSURE THE LEGITIMATE INTERESTS AND SOVEREIGN RIGHTS OF ALL SIDES AS WELL AS THE SECURITY OF MARITIME COMMUNICATIONS. ON US/SOVIET RELATIONS, BREZHNEV ACCUSED THE U.S. OF DESTROYING POSITIVE ELEMENTS ACHIEVED IN THE PAST. SINCE THE CHANGE OF ADMINISTRATION THERE HAD BEEN "BELLICOSE CALLS AND STATEMENTS" DESIGNED TO POISON THE ATMOSPHERE. THE SOVIET UNION HOPED THAT THE U.S. LEADERSHIP WOULD BECOME MORE REALISTIC. THE SOVIET UNION HAD NOT SOUGHT AND WOULD NOT SEEK MILITARY SUPERIORITY "TO THE OTHER SIDE" ! NEITHER WOULD IT ALLOW SOPERIORITY OVER IT TO BE BUILT UP. AN APPROXIMATE PARITY IN STRATEGIC AND MEDIUM-RANGE NUCLEAR WEAPONS IN EUROPE EXISTED. THERE WAS INDEED A WAR DANGER FOR THE UNITED STATES, AS FOR ALL OTHER COUNTRIES. IT DID NOT ORIGINATE FROM THE SOVIET UNION OR ANY MYTHICAL SOVIET SUPERIORITY: BUT FROM THE ARMS RACE AND WORLD TENSION.

SOVIET SUPERIORITY: BUT FROM THE ARMS RACE AND WORLD TENSION.

"WE ARE PREPARED TO COMBAT THIS TRUE AND NOT IMAGINARY DANGER HAND IN HAND WITH THE UNITED STATES, WITH THE COUNTRIES OF EUROPE, WITH ALL COUNTRIES IN THE WORLD IT IS UNIVERSALLY RECOGNISED THAT IN MANY WAYS THE INTERNATIONAL SITUATION DEPENDS ON THE POLICY OF THE USSR AND THE USA. AS WE SEE IT, THE STATE OF RELATIONS BETWEEN THEM AT PRESENT AND THE ACUTENESS OF THE INTERNATIONAL PROBLEMS REQUIRING A SOLUTION NECESSITATE A DIALOGUE, AND AN ACTIVE DIALOGUE, AT ALL LEVELS. WE ARE PREPARED TO HAVE THIS DIALOGUE. EXPERIENCE SHOWS THAT THE CRUCIAL LINK HERE IS MEETINGS AT SUMMIT LEVEL. THIS WAS TRUE YESTERDAY AND IS STILL TRUE TODAY".

- 7. ON RELATIONS WITH OTHER CAPITALIST COUNTRIES, BREZHNEV POINTED TO THE POLITICAL DIALOGUE WITH FRANCE. 'ALTHOUGH WE DO NOT AGREE WITH ALL THAT FRANCE IS DOING ON THE INTERNATIONAL SCENE', RELATIONS REMAINED A MAJOR FACTOR OF DETENTE. RELATIONS WITH THE FRG HAD ON THE WHOLE SHAPED FAVOURABLY, THOUGH THERE WERE IMPORTANT FIELDS WHERE POSITIONS DIVERGED SUBSTANTIALLY (CIRCUMVENTION OF QA, ATTEMPTS TO DISREGARD GDR SOVEREIGNITY). ANGLO/SOVIET RELATIONS HAD STAGNATED. THIS WAS 'NOT THROUGH ANY FAULT OF OURS' AND WAS NOT IN THE INTEREST OF EITHER. DEPLOYMENT OF MODERNISED THE WAS BOUND TO AFFECT SOVIET RELATIONS WITH THE COUNTRIES CONCERNED, 'TO SAY NOTHING OF HOW THIS WILL PREJUDICE THEIR OWN SECURITY'. NEGATIVE ELEMENTS WERE GAINING PROMINENCE IN RELATIONS WITH JAPAN THOUGH THERE WAS STILL HOPE DTHAT FAR SIGHTEDNESS WOULD PREVAIL.
- 8. FOLLOWING A BRIEF SUMMARY OF KNOWN SOVIET POSITIONS ON DISARMAMENT, THIS SECTION OF BREZHNEV'S SPEECH CONCLUDED WITH A NUMBER OF PROPOSALS WHICH HE DESCRIBED AS AN 'ORGANIC CONTINUATION AND DEVELOPMENT OF OUR PEACE PROGRAMME' !-
- A) THE SOVIET UNION HAD PROPOSED EXTENSION OF CONFIDENCE
 BUILDING MEASURES TO INCLUDE NAVAL AND AIR EXERCISES
 AND ADVANCE NOTIFICATION OF LARGE SCALE TROOP MOVE—
 MENTS. IT NOW PROPOSED THAT THESE SHOULD APPLY 'TO
 THE ENTIRE EUROPEAN PART OF THE USSR, PROVIDED THE
 WESTERN STATES TOO EXTEND THE CONFIDENCE ZONE ACCORD—
 INGLY'':
 - B) THE SOVIET UNION WAS PREPARED TO HOLD CONCRETE NEGOT-IATIONS ON CBM'S IN THE FAR EAST (WHERE CHINA, JAPAN AND THE USSR BORDERED ON EACH OTHER AND THE U.S. HAD HAD BASES).

THE COULT WHICH ASDID NOT OBJECT TO THE OUESTIONS

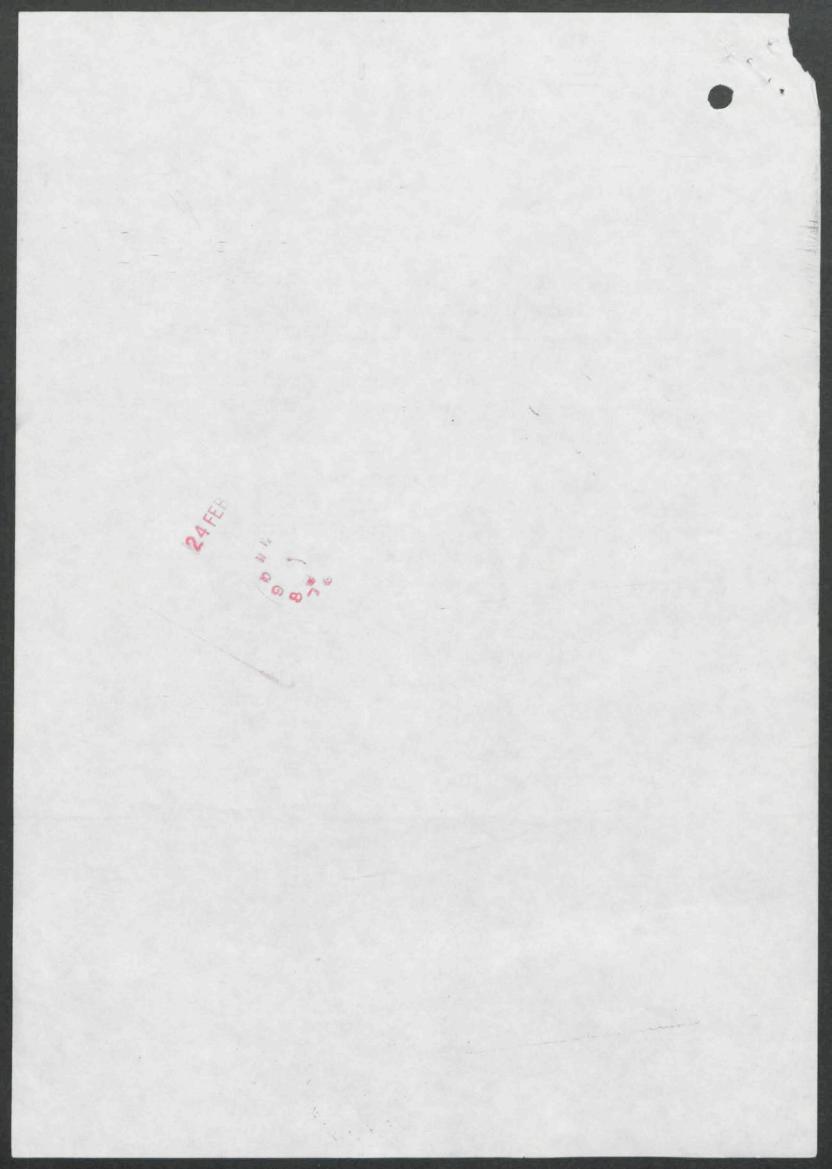
- C) THE SOVIET UNION ''DID NOT OBJECT TO THE QUESTIONS

 CONNECTED WITH AFGHANISTAN BEING DISCUSSED TOGETHER

 WITH THE QUESTIONS OF PERSIAN GULF SECURITY ''BUT

 THIS APPLIED ONLY TO THE INTERNATIONAL ASPECTS OF THE

 AFGHAN PROBLEM AND NOT TO INTERNAL AFGHAN AFFAIRS.
 - D) LIMITATION AND REDUCTION OF STRATEGIC ARMAMENTS WAS A PARAMOUNT PROBLEM. THE SOVIET UNION WAS 'PREPARED TO CONTINUE THE RELEVANT NEGOTIATIONS WITH THE US WITHOUT DELAY, PRESERVING ALL THE POSITIVE ELEMENTS THAT HAD SO FAR BEEN ACHIEVED IN THIS AREA', THOUGH IT WOULD NOT CONSENT TO AN AGREEMENT GIVING THE U.S. UNILATERAL ADVANTAGE. THE SOVIET UNION WAS PREPARED TO COME TO TERMS ON LIMITING DEPLOYMENT OF NEW SUBMARINES OF THE OHIO TYPE BY THE U.S. AND SIMILAR ONES BY THE SOVIET UNION' (HE MENTIONED THE TYPHOON IN HIS PREAMBLE).
 - E) ''A MORATORIUM SHOULD BE SET ON THE DEPLOYMENT IN
 EUROPE OF NEW MEDIUM RANGE NUCLEAR MISSILE WEAPONS
 OF THE NATO COUNTRIES AND THE SOVIET UNION THAT IS TO
 FREEZE THE EXISTING QUANTITATIVE AND QUALITATIVE
 LEVEL OF THESE WEAPONS NATURALLY INCLUDING THE U.S.
 FORWARD BASED NUCLEAR WEAPONS IN THIS REGION'. A
 MORATRRIUM COULD ENTER INTO FORCE AT ONCE AND LAST
 UNTIL A PERMANENT TREATY WAS CONCLUDED. THE TWO SIDES
 WOULD STOP ALL PREPARATIONS FOR DEPLOYMENT OF
 ADDITIONAL WEAPONS, INCLUDING PERSHING II AND GLCM'S.
 - SHOULD BE SET UP ''TO DEMONSTRATE THE VITAL NECESSITY OF PREVENTING NUCLEAR CATASTROPHE '', AND IT WOULD BE ''USEFUL TO CALL A SPECIAL SESSION OF THE SECURITY COUNCIL WITH THE PARTICIPATION OF THE TOP LEADERS OF ITS MEMBER STATES IN ORDER TO LOOK FOR KEYS TO IMPROVING THE INTERNATIONAL SITUATION AND PREVENTING WAR. IF THEY SO WISH LEADERS OF OTHER STATES COULD EVIDENTLY ALSO TAKE PART IN THE SESSION''. THOROUGH PREPARATION WOULD BE NEEDED.



CONFIDENTIAL

Consider the commonwealth Office of the constant of our uncert foling on 30 January 1981 from the constant of the boundary of th

There has been some recent press interest in the trade talks now being held in Moscow between officials from the Department of Trade and their Soviet opposite numbers. The news that we are to negotiate a new Anglo-Soviet Cultural Agreement may also attract attention (there has already been a not unhelpful article in the Daily Telegraph' of 28 January). You will have seen the material provided for the Prime Minister's use at Question Time recently but you may find some additional background helpful, in particular on how these developments fit with our policy on relations with the Soviet Union post-Afghanistan.

David Wright's letter to Stuart Hampson of 28 October recorded the Prime Minister's approval for the resumption of inter-governmental trade contacts with the Soviet Union. We have consistently said that normal trade with the Soviet Union which benefits British exporters should continue. This involves a degree of governmental support, through the mechanism of the Anglo-Soviet Joint Commission which meets annually to review progress in implementing our 1975 Agreement on the Development of Long Term Economic Cooperation (the meeting has normally been held in May; in 1979 this slipped to October and in 1980 no date was in fact arranged). this framework, our exporters would find themselves at a disadvantage compared to their Western competitors. As you will see from the enclosed table, we export much less to the Soviet Union than our main West European competitors. (Our exports to the Soviet Union rose last year because a number of major contracts were signed before the invasion of Afghanistan. They are expected to drop this year.) Some of our partners have already resumed full-scale inter-governmental trade relations with the Soviet Union, and others plan to do so soon. We therefore believe it right to begin preparing for a meeting of the Anglo-Soviet Joint Commission, perhaps in the late spring. A necessary part of this preparation is the review at official level of the Programmes for Economic and Industrial, and Scientific and Technological Cooperation. This is the purpose of the current talks in Moscow.

There are no plans to relax the specific measures on trade with the Soviet Union which we took following the invasion of Afghanistan. We do not intend to replace the

/inter-governmental



inter-governmental credit agreement which we decided not to renew when it expired on 16 February 1980. Credit for trade with the Soviet Union is now available on a case by case basis, but at interest rates not more favourable than those laid down by the International Consensus. addition, together with our partners, we have since January 1980 refrained from submitting to COCOM any major exceptions to the rules governing the transfer of sensitive technology. There has been some amendment of the COCOM lists to cover specific items of new technology not previously covered. We have also discussed with our partners proposals for widening the scope of COCOM to cover areas such as know-how. But here the prospects for agreement are not good, given the wide divergence of views between the Americans on the one hand and the French and Germans on the other. Discussions continue, however, and there may be some small extensions of the embargoed list. Moreover the European Community has maintained its policy of not substituting supplies of agricultural products from the Community for those denied to the Soviet Union by the United States, subject to 'traditional' trade. This decision did not go as far as we should have liked. We have consistently argued for an end to all subsidised food sales by the Community to the Soviet Union. And exports of some products in 1980 were higher than even the Commission's estimates of 'traditional' trade. The Community's action in supporting the Americans has nonetheless had some impact, and appeared to satisfy the previous US Administration.

We also decided after the invasion of Afghanistan to avoid any major cultural event which might be used by the Russians to claim that we were carrying on business as usual. We cancelled or withheld support for a number of such events during 1980, and none are in prospect for 1981. time we decided not to abrogate the 1979/81 Anglo-Soviet Cultural Agreement, nor to stop the routine exchanges of students, teachers and academics for which that agreement This is the balance we want to maintain, and Lord provides. Carrington has decided that it would be right to negotiate a new two-year Cultural Agreement to replace the one expiring this year and to allow for our routine exchanges to continue. There are good arguments, in terms of what we are attempting to do in the CSCE meeting in Madrid, for renewing this agreement since it translates into practical terms our efforts to promote freer exchanges with the Soviet Union of people and information. We think these work on balance to our advantage in the battle of The new Agreement will not commit us to any major cultural event during its lifetime, and there is therefore no question of our being obliged to go back on the policy we adopted in January 1980.

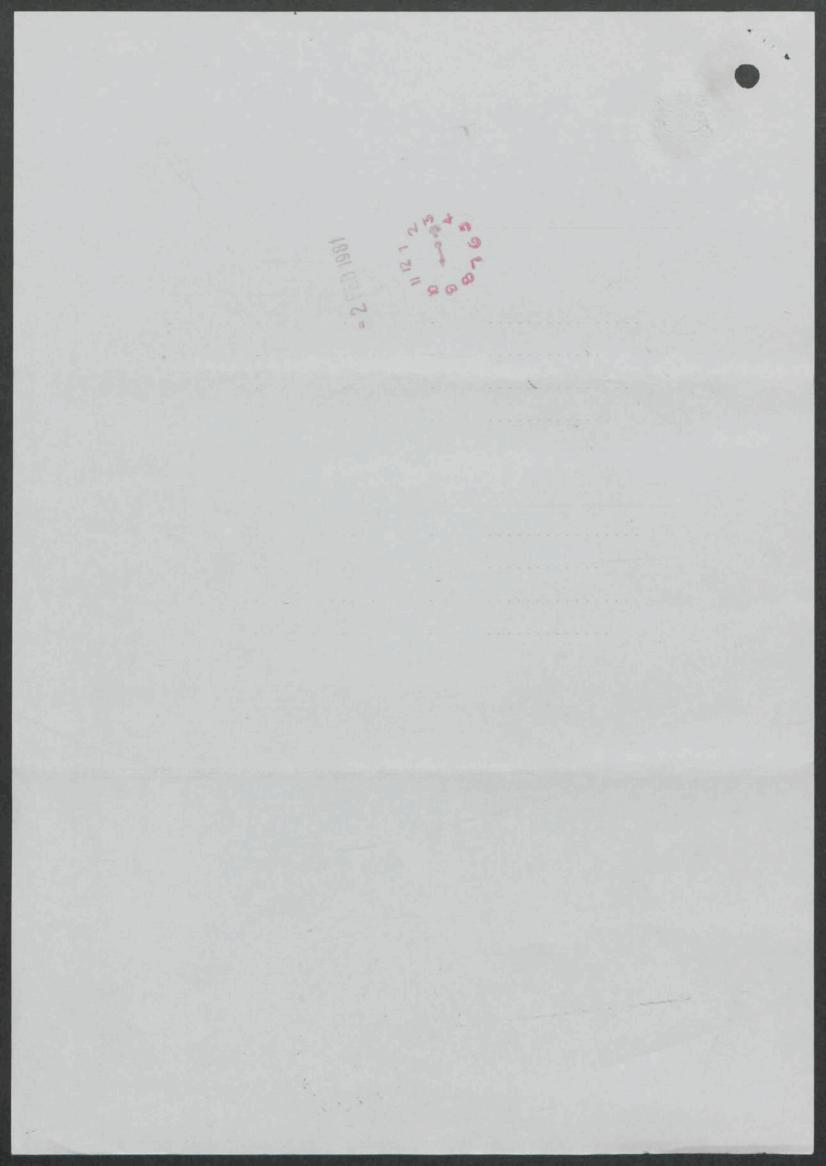
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(G G H Walden)

EXPORTS TO THE SOVIET UNION

	£ million			
	1977	1978	1979	1980
UK	347.1	422.9	416.2	452.8 prov
France	857.1	761.7	945.0	NA
FRG	1598.4	1636.4	1705.8	NA
Italy	705.2	590.8	576.0	NA
IMPORTS FROM THE SOVIET UNION				
UK	787.6	692.2	828.7	786.2 prov
France	663.4	639.2	847.5	NA
FRG	1125.8	1419.1	1914.1	NA
Italy	834.7	870.5	957.7	NA

Sources: Direction of Trade for France, West Germany and Italy and Overseas Trades Statistics for UK.



SOVIET UNION



From the
Parliamentary Under Secretary of State

Peter Rees Esq QC MP Minister of State

HM Treasury
Treasury Chambers
Parliament Street
London SW1P 3AG

DEPARTMENT OF TRADE

1 VICTORIA STREET
LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 378
SWITCHBOARD 01 215 7877

NBPR And 291,

28 January 1981

Dean Peter,

ANGLO SOVIET JOINT MARITIME COMMISSION

Thank you for your letter of 9 January indicating that your officials would be prepared to co-operate with mine in developing contingency plans for use against the Soviets should we fail to increase the UK's share of the bilateral trade by consultation. You will also have noted Peter Blaker's letter of 4 January to me which also supports preparatory work on such measures.

In line with your and Peter's views, I have instructed my officials to draw up a paper outlining the options open to us. In doing so, I have instructed them to take into account the cost and staffing implications of any measures and Peter's point that such measures should be remedial rather than provocative. We will let you have a paper on our preliminary thinking as soon as possible. I am sending copies of this letter to the Prime Minister, members of MISC 19 and Sir Robert Armstrong.

your rincerely,

LORD TREFGARNE

Extract from 28 January -

the Daily Freeze on Eased Telegraph Russia to be

By JOHN MILLER Diplomatic Staff

BRITAIN has agreed to hold talks with the Soviet Union on renewing their long-standing cultural agreement despite the Soviet army's continued presence in Afghanistan. A Foreign Office and British Council team will go to Moscow in March.

The Foreign Office decision to renegoliate the agreement was taken in close collaboration with No. 10 Downing Street and in no way reflected any shift in the Government's attitude to the Soviet occupation of Afghanistan.

In January last year. Whitehall "got tough" with the Kremlin over the invasion and effectively imposed cultural sanctions against the Soviet Union.

I understand that Lord Carrington, Foreign Secretary, was still anxious to maintain the machinery of the cultural agreement because he believed it provided the only framework for "getting Britain across" to the Russians,

The new agreement was not expected to be substantially different from previous ones and is likely to concentrate on routine exchanges of students and research workers.

TRADE TALKS

Offer accepted

writes: The Soviet Union has accepted Britain's offer to resume discussions of the bilateral commission on economic and trade matters in London in May. The focus will be on openings for British firms in Russia's development of oil and gas.

There was no meeting of the ministerial - level commission last year, following Russia's invasion of Afghanistan.

And MODE A to see Sorrer Union Foreign and Commonwealth Office London SW1A 2AH From The Minister of State
Peter Blaker MP 14 January 1981 Jean David, entache Norman Tebbit wrote to Douglas Hurd on 23 December about the outcome of the meeting of the Anglo-Soviet Joint Maritime Commission. It is encouraging that the Soviet side appeared to take seriously our concern about flag share and have themselves put forward proposals which might lead to an improvement in the situation. Nevertheless I agree that it is not too early to consider what measures we might take under the 1974 Merchant Shipping Act if the Soviet side fails to live up to its promises, and I welcome your suggestion that officials should meet to develop proposals on a contingency basis. We would see such counter-measures as a response to Soviet practices which are themselves in breach of the 1968 Treaty on Merchant Navigation. To put our action on the soundest footing the measures considered should therefore be in proportion to such breaches and justifiable as an appropriate response to Soviet practice. The question of when any such measures might be introduced is something we shall need to consider when we see what progress, if any, is possible in the further meetings with the Soviet side that are planned. I am copying this letter to the Prime Minister, members of MISC 19, Peter Rees and Sir Robert Armstrong. yours wes. The Lord Trefgarne PUSS Department of Trade Victoria Street LONDON SW1

15 JAN 1981

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Sorret vois



Treasury Chambers, Parliament Street, SWIP 3AG

The Lord Trefgarne
Parliamentary Under Secretary of State
Department of Trade
1 Victoria Street
SW1

La Amil

Jan David

9 January, 1981

ANGLO-SOVIET JOINT MARITIME COMMISSION

I refer to the correspondence between Norman Tebbit and Douglas Hurd concerning the possibility of introducing countervailing measures against the Russians should they persist in their discriminatory policies against our shipping interests.

Customs and Excise will, of course, co-operate with your officials and others in developing contingency plans and they have indeed already participated in earlier discussions.

I should, however, place on record that some of the measures which have been contemplated could not be accommodated within normal Customs procedures and would therefore give rise to significant additional staffing demands. Given the reductions in staff that the Customs have already made and are expected to make in the future, there might well be difficulties in introducing such measures.

Miller Wer

I am sending copies of this letter to the Prime Minister, Douglas Hurd, members of MISC 19 and Sir Robert Armstrong.

PETER REES

Soviet Union



Parliamentary Under Secretary of State

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 3781 SWITCHBOARD 01 215 7877

Mike Pattison 10 Downing Street London SW1

73rd December 1980

Dear moke,

ANGLO-SOVIET JOINT MARITIME COMMISSION

In his letter of 12 December Mr Tebbit drew the Prime Minister's attention to a problem in our bilateral shipping relations with the USSR. I now attach a copy of a letter from Mr Tebbit to Mr Hurd, which describes the result of the recent Anglo-Soviet Joint Maritime Commission, and the way we think we should now proceed.

Yours sincerely, Anne Willocks.

ANNE WILLCOCKS PRIVATE SECRETARY TO NORMAN TEBBIT 

From the Parliamentary Under Secretary of State

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 3781
SWITCHBOARD 01 215 7877

Mr Douglas Hurd Minister of State Foreign and Commonwealth Office Downing Street West London SW1A 2AL

23 December 1980

D Douglas,

ANGLO-SOVIET JOINT MARITIME COMMISSION

My Tebbit is making some Mogress with the ON Russians.

Prime Minister

Thank you for your letter of 12 December.

The result of the Joint Maritime Commission was mixed.

The Russians refused to make any concessions on freightrates, in spite of the fact that our shipping line's need
for an increase arises entirely from the delays they have
been suffering in Leningrad, delays from which the
Russians themselves admitted they could see no prospect
of relief. We are thus still faced with the prospect that
one of the British ships will have to be withdrawn from the
trade, leading to a still further reduction in our flag share
of the carryings.

On the other hand, the Russians professed to take seriously our concern over our flag share, and themselves proposed two steps which <u>could</u> (if they are serious) bring about an improvement:-

- 1. The possibility that part of the service might be moved from Leningrad to Riga, where there is less congestion, and where the Russians said they would be willing to give assurance of adequate cargoes; such a move might be combined with a switch to a different type of vessel.
- 2. A working Party at government level to examine ways in which the UK flag share of the bilateral general cargo trade might be raised.

In order to keep the Russians under pressure, we got them to agree to tight deadlines for both these initiatives. They recognise that in both cases we shall be looking for definite progress before the end of February. So by then we



should know whether they are genuinely prepared to take action to meet the concern we have expressed, or whether they are merely procrastinating.

All the discussions took place against the background of our threat to introduce national legislative requirements if we got no satisfaction by agreement. As you suggested in your letter, we said little about the precise measures we might take: but we made it clear that the powers existed in the Merchant Shipping Act 1974 which would enable us to set freight rates and to allocate cargoes or sailings between the two flags. We made no mention of our attitude to the 1968 Treaty. The Russians reacted predictably to our threat, protesting that they were not prepared to negotiate under duress, and claiming that any such action as we had mentioned would be contrary to the Treaty. In spite of this however they took more trouble to move towards our position than they have done in the past, and I think we can conclude that our threat had at least the initial effect that we wished.

I think we now need to proceed on two fronts. We shall be working with the Russians and with the British shipping line in the trade to see whether they are genuinely prepared to bring about by agreement the kind of improvements they have foreshadowed. However, all experience shows that it would be unsafe to assume that they will. I therefore believe we must develop measures of our own under Section 14 of the 1974 Act on a contingency basis. I shall welcome the co-operation of your officials in this task with mine, and I should also be grateful to Feter Rees for the co-operation of the Customs and Excise in these contingency plans.

I am copying this letter to the Prime Minister, members of MISC 19, Peter Rees and Sir Robert Armstrong.

I Now an

for Onic ules 10 DOWNING STREET From the Private Secretary 15 December 1980 UK/USSR Bilateral Shipping Relations The Prime Minister has seen and taken note of the Parliamentary Under Secretary of State's letter to her of 12 December. I am sending a copy of this letter to David Wright (Cabinet Office). A.U. Willcocks, Esq., Department of Trade.



From the
Parliamentary Under Secretary of State

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 3781 SWITCHBOARD 01 215 7877

Primaie Pinister.

I magine you will be content to see our negotiators lake as longh a line as is commercially sensible?

The Prime Minister 10 Downing Street London SW1

12 December 1980 Pml

D. Pome Minister

UK/USSR BILATERAL SHIPPING RELATIONS

2

I enclose a copy of a letter that I have sent to Douglas Hurd, about a problem in our bilateral shipping relations with the USSR.

I felt that you should be aware of the line we propose to take on this, in view of the possible reaction.

NORMAN TEBBIT



From the
Parliamentary Under Secretary of State

CONFIDENTIAL

Mr Douglas Hurd Minister of State Foreign and Commonwealth Office Downing Street London SW1A 2AH

,1

December 1980

1 VICTORIA STREET LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 3781

D Daughes.

UK/USSR BILATERAL SHIPPING RELATIONS

I am writing to warn you and our colleagues about a problem in our shipping relations with the USSR; namely the potential disappearance of all but a derisory token British participation in the carriage of the bilateral trade, as a result of Soviet refusal to allow sufficient freight rate increases and diversion of cargo away from British ships. If this happened we should have to decide whether or not we were prepared to accept it.

Our shipping relations with the USSR are governed by the 1968 Treaty on Merchant Navigation which commits each side to enable the other's ships to compete on "equal commercial conditions". But in practice the Treaty operates greatly to the Soviets' advantages, primarily because the Soviet government has always controlled access to all Soviet cargoes. It gives Soviet shipping free access to cross-trade business to and from our ports but none to British ships in the cross-trades to and from the USSR. As for the bilateral trade, although in 1977 we managed to obtain Soviet agreement to the principle of parity of carryings in the liner sector which handles most of our exports to the USSR, the UK company in the bilateral trade has for some years had difficulty in persuading the Soviets to agree to adequate freight rates; and is now close to being squeezed out. Discussions on the 1981 rate level have reached an impasse, the Soviets refusing to agree to the increase the British firm say it needs merely to eliminate its losses. Moreover the Soviets have been making inadequate cargoes available to the British company. The motives for their behaviour are unclear, but it would of course help their own lines if they drove UK tonnage out of the trade. If one of the British ships was withdrawn, UK flag participation in the



bilateral liner trade would be reduced from 15% to about 5%, which would render the agreement on parity of carryings meaningless.

The matter falls to be finally determined at the annual Joint Maritime Commission meeting, to be held in Moscow next week. There, officials will argue for adequate freight rates on their merits, but if this is unsuccessful, the only alternative to acquiescence in a blatantly unequal arrangement will be to indicate that HMG would have to consider countervailing measures designed to improve our share of the trade.

Any such measures would be taken under the Merchant Shipping Act 1974 which gives us the power to take counter measures when action by a foreign government is damaging or threatens to damage UK shipping or trading interests. It would enable us, for example, to make our own stipulations on the freight rates to be charged on outbound trade; and on its division between British and Russian vessels. We believe we can justify such action both under the criteria in the Act and in terms of the 1968 Treaty in view of the Soviet failure to accord our ships the "equal commercial conditions" that the Treaty requires.

It is difficult to gauge how the Soviets would react to any counter measures, and although there is a risk that they might retaliate commercially outside the shipping field, I think they would seek to avoid this for fear of jeopardising the advantages we give them in the cross trades. If the Soviets remained unyielding I would obviously need to ask Peter Rees for the co-operation of Customs and Excise in working out and giving effect to measures which would fulfil our political aims with the greatest administrative economy.

I am copying this letter to the members of MISC 19, Peter Rees and Sir Robert Armstrong, and in view of the possible verue bours of house also tel the Prime House tenero of one intentions



Foreign and Commonwealth Office

London SW1A 2AH

12 December 1980

From The Minister of State
Douglas Hurd CBE MP

Non yes

Pand 15/x1 required

UK/USSR BILATERAL SHIPPING RELATIONS

)cas The Tebbit

Thank you for your letter of 12 December warning me about the problem which has arisen over freight rates in the UK/USSR liner trade.

As you point out, the 1968 Treaty on Merchant Navigation has never in practice given us the 'equal commercial conditions' it promises because of the nature of the Soviet system. I entirely agree that we should not allow the Soviet side to squeeze our share of the liner trade any further by insisting on rates which do not allow the British company concerned even to cover its costs. It is therefore right, if your officials fail to reach agreement next week, that they should make it absolutely clear to the Soviet delegation that we will have to consider measures to redress the balance.

I agree that the action you are considering under the Merchant Shipping Act 1974 would be defensible in terms of our Treaty obligations (although we must accept that the position is not entirely clear cut and the Soviet side would no doubt argue strongly that we were in breach of the 1968 Treaty). I suggest that we should in any case allow ourselves the maximum flexibility by not referring in next week's talks to the precise measures we have in mind. I see advantage, against the background of the situation in Poland and of our worries about the possible security threat posed to the UK by the Soviet merchant fleet, in leaving the Soviet delegation guessing about our attitude to the 1968 Treaty itself.

We shall, of course, need to look at the position again once your officials have reported. One point we may want to consider is whether there would be advantage in seeking to solve the problem at a higher level or perhaps in the wider trade context before we proceed to counter-measures.

I am sending copies of this letter to the members of MISC 19, Peter Rees and Robert Armstrong.

(Approved by Mr Hurd and signed for him in his absence by his Private Secretary)

Norman Tebbit Esq MP

CONFIDENTIAL

Societ Union

21 November, 1980

Thank you for your letter of 21 November.

I have brought the enclosed message from the Chairman of the Council of Ministers of the USSR, to the Prime Minister's immediate attention.

M. O'D. B. ALEXANDER

Monsieur V N Keline

(Embassy of the Union of Soviet Socialist Republics)

Jup

" 2/ " November, 1980 Dear Mr. Alexander, I have the pleasure to transmit the enclosed message of Mr. N. A. Tikhonov, the Chairman of the Council of Ministers of the USSR, to the Rt. Hon. Mrs. M. Thatcher, Prime Minister of Great Britain. Yours sincerely, V. Keline Charge d'Affaires a.i. of the Union of Soviet Socialist Republics Mr.M. Alexander, Prime Minister's Office, 10 Downing Street, London

Unofficial translation Her Excellency Mrs. Margaret Thatcher, Prime Minister of Great Britain, 10 Downing Street, London Thank you for your congratulations on the occasion of my appointment to the post of Chairman of the Council of Ministers of the Union of Soviet Socialist Republics. N. Tikhonov, Moscow, The Kremlin, 21 November, 1980

ЕЕ ПРЕВОСХОДИТЕЛЬСТВУ ГОСПОЖЕ МАРГАРЕТ ТЭТЧЕР ПРЕМЬЕР-МИНИСТРУ ВЕЛИКОБРИТАНИИ

ДАУНИНГ СТРИТ, IO ЛОНДОН

Благодарю Вас за поздравление по случаю моего назначения Председателем Совета Министров Союза Советских Социалисти ческих Республик.

н. тихонов

Москва, Кремль 2I ноября 1980 года

Soviet leno-HINTE WINDSTER'S SONAL MESSAGE CONFIDENTIAL 724 - 2 CONFIDENTIAL FM FCO 291700Z OCT 80 TO IMMEDIATE MOSCOW TELEGRAM NUMBER 594 OF 29 OCTOBER MESSAGE FROM THE PRIME MINISTER 1. PLEASE ARRANGE DELIVERY OF THE FOLLOWING MESSAGE FROM THE PRIME MINISTER TO TIKHONOV: BEGINS I SEND YOU MY CONGRATULATIONS ON YOUR APPOINTMENT AS CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE USSR. I SHALL BE GRATEFUL IF YOU WILL TRANSMIT TO MR KOSYGIN MY HOPE THAT HE WILL QUICKLY RECOVER HIS HEALTH. I REMEMBER WITH APPRECIATION THE COURTESY HE SHOWED TO ME DURING MY BRIEF STOP AT MOSCOW AIRPORT IN JUNE LAST YEAR, AND I AM SURE THAT THE MANY BRITISH MINISTERS WHO WORKED WITH HIM DURING HIS LONG AND DISTINGUISHED CAREER WILL WISH TO JOIN ME IN EXPRESSING GOOD WISHES TO HIM IN HIS RETIREMENT. ENDS CARRINGTON NNNN LIMITED PS/MR BLAKER EESD PS/PUS PS MR BULLARD PS/LPS MR FERGUSSON COPIES SENT TO No. 10 DOWNING STREET CONFIDENTIAL

Smit Vux 28 October 1980 MESSAGE TO MR. TIKHONOV The Prime Minister has approved the text of the message to the new Chairman of the Council of Ministers of the USSR, enclosed with your letter to me of 27 October. I should be grateful if you could arrange for its despatch. MODBA R.M.J. Lyne, Esq., Foreign and Commonwealth Office.

CONFIDENTIAL Foreign and Commonwealth Office Rome Panister London SW1A 2AH Apre lixt? 40 27 October 1980 Dear Michael, Message to mark the retirement of Mr Kosygin Mr Kosygin's retirement at his own request comes after the exceptionally long period of 16 years as Soviet Prime Minister. There is no reason to believe that it is due to anything other than ill health, which was the reason President Brezhnev gave when making the announcement: Kosygin has had a series of heart attacks since 1976, most recently in 1979. As a result, he has probably had little influence on Soviet policy making in the last year or so. It seems likely that many world leaders, including major Western leaders, will send messages to mark Kosygin's retirement.

It seems likely that many world leaders, including major Western leaders, will send messages to mark Kosygin's retirement. Kosygin has been closely associated over the years with British/Soviet relations and has visited the UK twice, in 1955 and 1967. The Prime Minister will remember meeting him at Moscow airport on her way to Tokyo in June 1979. HM Ambassador at Moscow has recommended that the Prime Minister send a message to mark Kosygin's retirement. Lord Carrington agrees that this would be appropriate. He thinks that the best way of doing this would be for the Prime Minister to address her message to Kosygin's successor as Prime Minister, Mr Tikhonov. The message would then both congratulate Tikhonov on his appointment and convey good wishes to Kosygin.

I enclose a draft for the Prime Minister's consideration.

yours our
Rodonic Lynn

(R M J Lyne) Private Secretary

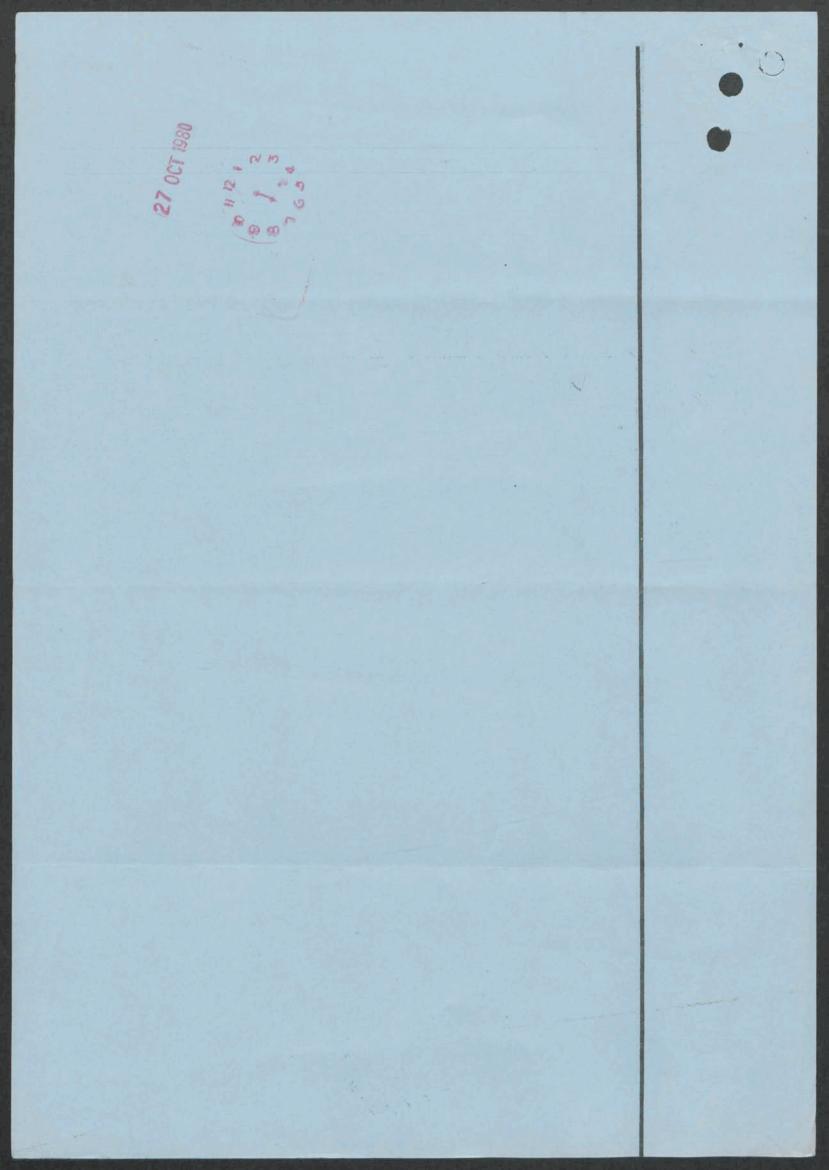
M O'D B Alexander Esq 10 Downing Street London

MESSAGE FROM THE PRIME MINISTER TO MR NIKOLAI ALEXANDROVICH TIKHONOV, CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE USSR

I send you my congratulations on your appointment as Chairman of the Council of Ministers of the USSR.

I shall be grateful if you will transmit to Mr Kosygin my hope that he will quickly recover his health. I remember with appreciation the courtesy he showed to me during my brief stop at Moscow airport in June last year, and I am sure that the many British Ministers who worked with him during his long and distinguished career will wish to join me in expressing good wishes to him in his retirement.





Con'et Union Prine Kuister Recent repals of Warsaw part Goop movements CONFIDENTIAL Aure aroused speculation GRS 160 about intervention in Poland. This report CONFIDENTIAL DESKBY 211600Z FM MOSCOW 211500Z AUG 80 Nan Moscow is more TO IMMEDIATE F C O massuring TELEGRAM NUMBER 514 OF 21ST AUGUST FOR INFO IMMEDIATE WARSAW , UKDEL NATO, WASHINGTON AND HELSINKL SOVIET TROOP MOVEMENTS. THE MA HAS REPORTED IN HIS SIGNAL 2113000Z (NOT TO ALL) SIGHTINGS BY THE AMA AND A US COLLEAGUE ON 20 AUGUST AT BREST WHICH INDICATE THAT A GUARDS MOTORISED DIVISION HAS VACATED ITS BARRACKS. NUMBERS OF SELF-PROPELLED GUNS AND TANKS WERE LOADED ON FLAT CARS STANDING IN NEARBY RAILWAY SIDINGS. SURVEILLANCE ON THE AMA WAS ABNORMALLY SENSITIVE. SOVIET TROOPS SEEN AT THE STATION WERE CARRYING SUITCASES AND WEARING THEIR BEST UNIFORMS. THEY WERE NOT IN FORMED UNITS. 2. THIS ACTIVITY IS PROBABLY ASSOCIATED WITH THE WARSAW PACT EXERCISE DUE IN EAST GERMANY IN EARLY SEPTEMBER. THE AUTHORITIES WOULD PROBABLY HAVE PREVENTED AN ATTACHE VISIT HAD TROOPS IN BREST BEEN PREPARING FOR OPERATIONS IN POLAND, AND THE TROOPS AT THE STATION WOULD HAVE BEEN LIKELY TO BE IN COMBAT GEAR. THE GUARDS DIVISION MAY BE TAKING THE PLACE OF SOVIET TROOPS IN POLAND TRANSFERING TO THE GDR FOR THE EXERCISE , OR GOING DIRECT TO THE GDR THEMSELVES. BROOKE TURNER COFIES SENT TO STANDARD No. 70 DOWNING STREET EESD DEF D PUSD 010A NEWS D CABINET OFFICE CONFIDENTIAL

Soviersuni ce Afghanisto From Vienna No.177: 17 May Following from Private Secretary: Secretary of State's Meeting with Mr. Gromyko 1. Lord Carrington met Mr. Gromyko for just over an hour this morning. He began by asking Gromyko about Soviet ideas on OSCE and the Madrid meeting. The Soviet Union had put forward proposals on CBM's and disarmament which were not dissimilar to those of the French. Perhpas we could all make a step forward on this basis, though progres s would also be needed on other baskets. He agreed with the Soviet view that Foreign Ministers should not be involved at Madrid unless something useful seemed likely to emerge from the meeting. Gromyko said that Madrid must be well prepared, and held in a positive atmosphere. The Soviet Union wanted to be constructive, but would give as good as she got if others used the meeting for demagogic declarations, as had happened in Belgrade. The Soviet Union wanted what it called a conference on military detente and disarmament, but could conceive of a two stage meeting, the first on CBMs and military detente and the second on disarmament. Madrid might give life to this idea, though he did not rule out the possibility of something concrete being put forward at Madrid itself. If not, a mandate could be given by the Madrid meeting to an ensuing conference. Such a conference could inject some warm air into the atmosphere in Europe. 2. Lord Carrington said that Madrid would be less warm if a solution were not found over Afghanistan. The historical background showed that Afghanistan was a natural buffer state, and that the only answer to that country's problems was to ensure / that

that no power exercised influence there to the detriment of others.

But there was now a revival of fears in the West and especially
the US (Britain was self sufficient) about oil and the Gulf. Hence
our proposals for a neutral and non-aligned Afghanistan, which had not
been badly received in the Third World. We had also looked carefully
at the recent Afghan proposals to see whether they could be built on.
There seemed to be a germ of an idea in all this. A neutral and
non-aligned Afghanistan, with guarantees of non-interference, might
suit both the Soviet Union and the West.

- 3. Gromyko dismissed Western "propaganda" over Soviet ambitions in oil producing areas as "sheer nonsense". His Government had no intention of affecting the oil interests to the US, Britain or anyone else in that area, though everyone was entitled to their own interests. The Soviet Union wanted to see Iran as an independent State. If British neutrality proposals meant intereference in the internal affairs of Afghanistan, (and there seemed to be a strong dose of this in them) they were unacceptable. But if we meant respect for the present independent regime, that was a different matter.
- 4. Lord Carrington welcomed and took note of Gromyko's assurances on the Gulf area. Yet the scale of Soviet intervention in Afghanistan had aroused concern. Gromyko asked whether we accepted the present Afghan leadership, or whether we wanted to change it? Lord Carrington said that we believed that the BARNAK regime only existed because of Soviet support. If it were shown that the Afghans themselves wanted it, that was fine, though a million refugees seemed to have voted with their feet. Gromyko said that we could believe what we wanted. But what was needed was agreement

other states taking part in such guarantees, if those directly concerned considered this necessary. He knew the Pakistanis had doubts about their frontier with Afghanistan, and this problem must also be resolved. We must get it into our heads that the Russians would definitely withdraw once agreement was reached. This withdrawal would however be a process in itself, and could not be accomplished as quickly as the signature of the agreement itself. But the process of withdrawal too was open to negotiation, and could be raised by Pakistan in talks with Afghanistan. A non-aligned Afghanistan would suit the Soviet Union. Muskie had not objected to it, and it should suit us too. We should explain to the Pakistan leadership the need for talks with the Afghan Government. There was no way to settle the situation in the region without such discussions.

- 6. Lord Carrington said that a guarantee of non-interference and the withdrawal of troops had to go hand in hand. It might take time to withdraw, but the decision to do so could be taken in a few seconds. Some people might be suspicious if there were a delay between the signature of an agreement on non-interference and the withdrawal of Soviet troops. The Afghans must be allowed to decide who they wanted to govern them and there should be no Soviet interference either through troops or political advisers. We wanted a truly neutral Afghanistan.
- 7. Gromyko claimed that Soviet forces had entered Afghanistan by request under an agreement with the Afghan Government, and could only be withdrawn by agreement with that Government, and not by agreement between Pakistan and Afghanistan. But both the Soviet and Afghan Governments had said that the troops would go following an agreement with political guarantees. Lord Carrington surely had no doubts in his own mind. Why therefore was he making difficulties?
- 8. In a brief private exchange at the end of the meeting, Lord Carrington told Gromyko that our positions might not be as far apart as they seemed, though simultaneity was important. Gromyko agreed that we should keep in touch.
- 9. The only other subject raised was the proposed memorial in London to the "victims of Yalta". Gromyko affected amazement that HMG should be involved in a project of this nature, given that the United Kingdom had participated at Yalta. He gathered that the Prime Minister herself had agreed to its erection. He could only regard this as a hostile act, of which due account would have to be taken. Lord Carrington explained that the Government's involvement was limited to the decision not to withhold permission for the memorial to be erected on Crown land. Some of his fellow countrymen

interpreted history rather differently from Mr. Gromyko.

GRS 280

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TO IMMEDIATE F C O

TELEGRAM NUMBER 267 OF 22ND APRIL FOR INFO IMMEDIATE WASHINGTON AND UKDEL NATO INFO ROUTINE EAST BERLIN, PRAGUE, SOFIA, BELGRADE, WARSAW, BUDAPEST AND BUCHAREST.

PONOMARIEV.

1. THE SPEECH GIVEN BY PONOMARIEV ON 21 APRIL IN COMMEMORATION OF THE 118TH ANNIVERSARY OF LENIN'S BIRTH CONTAINED A STRONGLY WORDED ATTACK ON THE US AND UK. THE PASSAGE OCCURRED AT AN EARLY STAGE IN THE INTERNATIONAL SECTION OF THE SPEECH. AFTER QUOTING WESTERN WARTIME LEADERS ON THE DEBT DUE TO THE SOVIET UNION IN THE SECOND WORLD WAR PONOMARIEV WENT ON TO SAY THAT ''THESE SPEECHES SHOULD BE RECALLED BY ALL TODAY. THE PRESENT LEADERS OF THE US AND GREAT BRITAIN HAVE COMPLETELY CONSIGNED TO OBLIVION THE DEBT THAT WAS SPOKEN OF AT THAT TIME. THEY NOW BEAR MALICE AGAINST US AND DO NOT REFRAIN FROM ANY KIND OF BLASPHEMOUS DEMAGOGY. BUT THE TRUTH IS THAT THE NATIVE OF THE SOVIET UNION, THE CHARACTER OF THE SOVIET PEOPLE , THE ESSENCE OF OUR PARTY HAS NOT CHANGED SINCE THOSE TIMES. NOW, AS THEN, THE SOVIET UNION IS STRUGGLING WITH THE FORCES OF AGRESSION AND DEFENDING THE CAUSE OF CIVILIZATION AND FREEDOM. AND THE PEOPLES OF THE WORLD HAVE A RIGHT TO ASK THOSE GOOD PEOPLE RUNNING THE US AND BRITAIN: WHY ARE YOU UNDERTAKING THIS DECEPTION, ON WHAT BASIS ARE YOU WHIPPING UP AN ANTI-SOVIET CAMPAIGN AND LEADING AFFAIRS TOWARDS A SHARPENING OF INTERNATIONAL TENSION, TO THE STRENGTHENING OF THE DANGER OF WAR? THE INTERESTS OF THE PEOPLE DEMAND: STOP THIS KIND OF POLICY, CONFIRM THE SOURSE OF DETENTE AND PUT A STOP TO THE ARMS RACE''. THE REST OF THE INTERNATIONAL SECTION OF THE SPEECH CONCENTRATED HEAVILY ON HECTORING ATTACKS ON THE US. THE FULL REPORT FOLLOWS BY BAG.

2. THIS ATTACK BY A SENIOR FIGURE MARKS A NEW DEVELOPEMENT IN CRITICISM OF THE UK. WE HAVE PREVIOUSLY BEEN SINGLED OUT AS THE LEADING WESTERN EUROPEAN FOLLOWER OF AMERICAN POLICY BUT THIS IS THE FIRST TIME, POST-AFGHANISTAN, THAT WE HAVE SHARED THE HONOURS SO UNEQUIVOCABLY.

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SOVIET UNION: ANNUAL REVIEW FOR 1979

(Tannany 1980)

SUMMARY

- 1. The Afghan campaign marks a new stage in the Soviet Union's relations with the rest of the world. The Russians believed that where there was no risk of direct military confrontation with a major power they could afford to use the Soviet armed forces to achieve a political end and acted with cold-blooded effrontery. The international presentation was surprisingly clumsy. (Paras 1-3)
- 2. The Russians were more prudent in reacting to Chira's attack earlier in the year on Vietnam, but the Chinese action may have made the Russians feel free to intervene directly in Afghanistan. The year nevertheless saw the start of talks on normalising Sino-Soviet relations. (Para 4)
 - 3. The Russians have gained from developments in Iran, but were willing to put their reputation in the Third World at risk by their invasion of Afghanistan. (Paras 5 6)
- 4. 1979 opened with a comfortable strategic situation for the Soviet Union reaching a high point with the signature of Salt II in the summer in Vienna. But the Russians were over-confident in their policies towards the United States and by the end of the year the West was re-assessing its policies, ratification of Salt II was unlikely and NATO was preparing to modernise its Theatre Nuclear Forces. The essence of Soviet policy towards detente has been the attempt to extend its influence, while maintaining a stable relationship between the major powers. The constraint on them remains that of risk to Soviet security. (Paras 6 8)



- 5. 1979 was not a good year for the Soviet economy. There were no leadership changes of significance. Anglo-Soviet relations were cool by the end of the year. (Paras 9 12)
- 6. 1979 threw a clear light on essential features of Soviet foreign policy, but was heartening in the evidence it gave of the inability of the Soviet system to produce either prosperity at home or respect abroad. (Para 13)



BRITISH EMBASSY
MOSCOW

7 January 1980

The Rt Hon The Lord Carrington KCLG MC etc etc etc Foreign and Commonwealth Office LONDON

My Lord

SOVIET UNION ANNUAL REVIEW FOR 1979

- 1. This Review must be dominated by the Soviet military occupation of Afghanistan which began on Christmas Eve. It is difficult yet to offer even an immediate assessment of this operation, let alone the more reflective analysis which might be appropriate for an annual review. The Afghanistan campaign must however mark a new stage in the Soviet Union's relations with the rest of the world.
- 2. In my Review for 1978 I said that the Afghanistan revolution represented a significant extension of Soviet influence and that the Soviet Union, with its Friendship Treaty, had put on to a formal basis what Brezhnev described as "a qualitatively new relationship". During 1979 the Soviet Union realised that political and economic means backed by limited numbers of military advisers might not suffice to hold Afghanistan firmly within the Soviet orbit. The resultant military action demonstrated just what the qualitatively new relationship meant. The Soviet Union believed that in a situation where there was no risk of direct military confrontation with a major.

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power it could afford to use substantial military force to achieve a political end, covering its action with pretexts, including prior foreign intervention, so flimsy as to constitute an added affront to the international community. There can scarcely be a country, even including the Soviet Union's closest allies, which does not feel anger, disquiet or both.

- I must admit that I was surprised at the cold-blcoded effrontery of the action in Afghanistan. I ought not to have been. When Soviet force is used it is used massively, swiftly and combined with political brutality. nothing in the Afghanistan operation which ran counter to the classic Soviet pattern. In Angola and Ethiopia it was convenient to use Cuban forces. Afghanistan required Soviet forces. So they were used. What I still find slightly surprising is the clumsiness with which the international presentation was conducted. A sequence of events under which Soviet troops are introduced on the 24th, and their introduction publicly justified by an appeal said by the Soviet Union itself to have been made on the 28th by a new puppet government, after the Prime Minister in power at the time the Soviet forces entered has been murdered, indicates either a certain carelessness for detail or a remarkable contempt for international opinion.
 - 4. In assessing the occupation of Afghanistan it is well first to look back at the year's other major military operation, the Chinese punitive attack on Vietnam, a country bound to the Soviet Union in a treaty relationship if anything stronger than that with Afghanistan. Yet Brezhnev, having thretened China, committed no Soviet forces. His decision in relation to Vietnam must have been based on



an assessment that China meant what it said when it declared the limited nature of the operation; that there was no absolute need to introduce Soviet forces in order to sustain the Government in Hanoi; and that military action against China itself could not have been quick, limited and decisive. So China administered the "lesson" and in doing so probably heightened Soviet readiness to take military action in circumstances where it could do so with impunity. The Vietramese occupation of Kampuchea served, however, to awaken awareness among the nations of South East Asia of the threat they might face. For their part, the Russians proved sufficiently realistic in their attitude to China to recognise its increasing importance in world affairs by beginning talks on normalising relations. The fact that discussions have not yet broken down represented a degree of progress in the unusual world of Sino-Soviet affairs.

5. In the context of the development of Soviet foreign policy during 1979 it is also appropriate to consider Iran. It was in November 1978 that Brezhnev issued his public warning against intervention. Since then as the revolution has developed, the Soviet Union, whatever its own irritation at the interruption of its gas supplies and its distaste for Moslem fanaticism, has been able to draw comfort from the loss of American influence, the change in the balance of power in the Middle East and the weakening of the West by the escalation of oil prices. After indicating, at a relatively early stage, that the Iranian revolution had a long way to run, the Soviet Union offered little direct comment, referred only occasionally to the Tudeh party, concentrated on criticism of the United States and appeared to be biding its time while the internal situation evolved.



It was an interesting sign of the importance attached to total control over Afghanistan that to achieve it the Soviet Government was willing at the end of the year to accept the risk of prejudice to its influence in the Moslem world. Looking more widely it is perhaps not fanciful to hope that if the West plays its cards well we may, in retrospect, see 1979 as the year when the events of Kampuchea and Afghanistan made the tide begin to ebb away from the Soviet Union in the politics of the third world.

- 6. If Vietnam, Afghanistan and Iran were the principal points of concern in relation to the third world, the consolidation of the Soviet hold on Ethiopia and South Yemen was not unimportant. There were no new Soviet initiatives in the Arab-Israel dispute.
- 7. The conclusion of Salt II and the NATO decision to modernise its theatre nuclear forces in Europe made 1979 a significant year for the development of Soviet foreign policy at the strategic level. At the start of the year the Soviet Union enjoyed a remarkably satisfactory situation in respect of the nuclear and conventional balance with NATO. Parity in strategic intercontinental nuclear weapons had been established and with the prospect of sustaining it at minimal cost, the Russians must have thought it worth while making some movement to secure signature of Salt II. At the theatre level the development of the SS20 rocket and Backfire bomber had given the Soviet Union a qualitative if not quantitative superiority and with the Vienna negotiations on the reduction of forces stalled, the Soviet superiority in conventional forces in Europe remained substantial. With this comforting prospect the Soviet Union developed its relationship with

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the West. concentrating on high-level contacts with the United States, France and Germany. President Giscard d'Estaing visited Moscow in April, Gromyko was in Bonn in November and Schmidt was to meet Brezhnev in Moscow early in 1980. As for the United States, the meeting between Carter and Brezhnev at Vienna, with signature of Salt II, offered for a moment the hesitant promise of an easier bilateral relationship between the superpowers. But the underlying conditions were not such as to permit it. Soviet Union believed that it was dealing with an indecisive and inconsistent American administration. Over confident after the success of the campaign against the "neutron bomb", the extraordinary muddle over Soviet troops in Cuba and the acute American dilemma over the hostages in Tehran, it may well have miscalculated the will of President Carter to hold the NATO alliance together and to respond to the occupation of Afghanistan. By the end of the year, with the West reassessing its policies in the light of Afghanistan, the ratification of Salt II unlikely and NATO preparing, despite a Soviet campaign based on letters from Brezhnev to NATO Heads of Government and a major speech by Brezhnev in East Berlin, to instal Cruise missiles and Pershing II rockets in Western Europe, the strategic prospect for the future was substantially less reassuring to the Soviet Union.

8. The Soviet actions in respect of Afghanistan, Vietnam and Iran and policy towards the West during 1979 provide an excellent illustration of the different facets of a complex but to the Soviet mind consistent foreign policy. The essence of that policy, misleadingly described as detente, has been to establish enough stability in



the relationship between the major powers to allow the Soviet Union to pursue its proclaimed policy of shifting the balance of power in favour of "socialism", or in other words, without risking its own security, to extend by covert or overt means its influence and ultimately its political control within the developing world - and, albeit more cautiously, within Europe itself. The tactics and the timing have been determined by a careful assessment of the risks and opportunities in each case. Where the risk of extended conflict was high or the time perhaps premature caution and patience prevailed. In the case of Afghanistan, the inhibiting factors were absent. Soviet policy there had a double basis. The reversal of the April revolution could not be accepted and the Soviet Union would not permit a state bordering the Soviet Union "to be turned into a bridgehead of imperialist aggression", ie such a state should accept subservience to Soviet policy, although the extent of that subservience, the means of attaining it and the timing might depend on the local circumstances. It is because the only wholly effective inhibiting factor is the security of the Soviet Union itself that the Soviet detente policy is so hard to contest effectively unless others are ready for a trial of nerve which in a nuclear world can seem reckless. In fact, because of the Soviet Union's obsession with its own security, Soviet expansion can, with firmness and patience, be contained. But this takes me beyond the bounds of an annual review.

9. If 1979 was a year in which the world had clearly revealed to it the nature of Soviet foreign policy, it was also a year in which the Soviet Union had to acknowledge the failings of its economic policy. A growth rate of about 25 would not look bad for a developed economy but



is not adequate in the present state of the Soviet Union. Day after day Pravda has come out with case histories of failure in different industries and, in his speech to the Central Committee in November, Brezhnev summed it up in an explosion of irritation and frustration, naming nine of his Ministers for various degrees of inefficiency, yet having nothing to offer except yet more exhortation. A former Pakistani colleague once said to me "Communism is like a car with bottom gear only. It is good for getting you out of the mud, but not much use on the motorway". The Soviet economy is no longer in the mud, but it cannot cope with the motorway and the diver's remedy of blowing his horn and cursing the passengers has little effect. In practical terms I have the feeling that the sheer problem of a government trying to plan every detail of the economic life of a country of 260 million is just too much. One of our British visitors was recently received by the Deputy Minister of Foreign Trade. Mr Kuzmin. Explaining the production of consumer goods, Kuzmin said "We know the breakdown of the population by age and sex and we can calculate easily enough the requirement for socks and stockings. But then you come along with tights and all our planning is thrown out". Pravda comes out with an article "Ch, those tights". Brezhnev addresses the Central Committee on everything from nuclear power to nappies. The miracle is not that the economy creaks but that it functions at all, when every detail of it is a responsibility of the Government itself. Searching for remedies the leadership have castigated the lower and middle reaches of the party. Their dilemma was well revealed by Scherbitsky, the Party Leader in the Ukraine, who was given



a half page of Pravda at the end of the year to call for enthusiasm and creativity. "I think I am not mistaken when I say that the prerequisite for a further development of the initiative of the masses and of the creativity of labour exists in the nature of our system of society, the economy and the state, in our conception of life". His readers must have sighed as they reached for the vodka bottle.

- 10. Each winter the world has wondered whether Brezhnev would survive to the summer. This December again he is ill, but not too ill to congratulate his new Afghan protegé. Kosygin has been seriously ill for over two months. Whether and when the change of leadership will come I cannot predict, but the fact that the military occupation of Afghanistan was carried out when neither Brezhnev nor Kosygin was wholly fit makes it reasonable to conclude that there is no reason from optimism about the course of events when they are gone.
- 11. In March The Duke of Edinburgh paid a successful visit to Moscow in his capacity as President of the International Equestrian Federation. It coincided with an improvement in Anglo-Soviet relations which continued in the early months of the Conservative Government. The Soviet leadership have a certain respect for plain speaking. They were much impressed by the Prime Minister's action in receiving Mr Patolichev, the Foreign Trade Minister, who arrived in London immediately after she had taken office and the frank discussion which Mrs Thatcher had with Mr Kosygin at Moscow airport on her way to Tokyo seems to have gone down rather well. Your own action in receiving the Deputy Foreign Minister, Mr Zemskov, was much appreciated and the subsequent political consultations at official level were developing satisfactorily in the second half of the year.

/The



The British export trade to the Soviet Union did not however flourish. Even in cash terms it looks like amounting to only about £420 million in 1979, the same as in 1978, while Soviet exports to Britain will rise from £688 million to about £800 million. I doubt whether in 1980 we shall even reach the 1979 figure.

12. With the intensification of the Soviet campaign against modernisation of NATO forces in Europe, the Anglo-Soviet relationship became more strained and Soviet hostility more apparent. It was focussed first on the Prime Minister's Luxembourg speech of 18 October and later on her reference to the need for the West to be able to negotiate from a position of strength. Now, the occupation of Afghanistan means that we and our allies must review the bilateral relationship and it is right that we should prepare for a further period of tension. There is always a temptation for an Ambassador to recommend measures to improve relations. Indeed he has a responsibility in this respect which is not just a matter of echoing the lady whom I heard say to her neighbour on the No. 11 bus "You know, dear, it's nice to be nice". I have in earlier despatches argued the case for our developing a more substantial relationship with the Soviet Union. I believe those arguments still to be valid. Our objective should be a relationship of mutual respect founded on consistent firmness and courtesy, pursued in close concert with our allies and designed to make it plain that the Soviet Union cannot attain the detente it seeks if it continues its expansionist policies. Your despatch of 7 December reads well in the light of the Afghanistan adventure and I hope that the broad line of policy established by it can be maintained.



13. An annual review of the Soviet Union could become a review of the whole international scene. This has been a remarkable year, enlightening in the way that the essential features of Soviet foreign policy have been displayed, but heartening in the evidence it has given of the inability of the Soviet system to produce either prosperity at home or respect abroad. I am conscious that I have omitted much. For that the calendar of events must suffice.

14. I am sending copies of this despatch to Her Majesty's Ambassadors at Washington, Bonn, Paris, Helsinki, Peking, Belgrade, Warsaw, Prague, Budapest, Bucharest, Sofia, East Berlin and Kabul; and to the United Kingdom Permanent Representative at NATO.

I am, My Lord

Yours faithfully Curtin King

Solen yn iron Foreign and Commonwealth Office London SW1A 2AH 1 February 1980 Dear Bran, The Soviet Embassy is organising a reception on 21 February to mark the 62nd Anniversary of the Soviet A number of FCO officials have received Armed Forces. invitations. Lord Carrington's view is that it would be quite wrong for officials to attend such an event in present circumstances. He has therefore instructed FCO officials to decline the invitations. He hopes that Ministers and officials in your Department will do the same. I should therefore be grateful if you would ensure that any who may have received invitations to this reception are aware of Lord Carrington's views. I am copying this letter to the Private Secretaries to the Secretaries of State for Trade, Industry and Energy, to the Private Secretary to the Chancellor of the Exchequer and to Michael Alexander in No 10. Yours was (P Lever) Private Secretary Brian Norbury Esq PS/Secretary of State for Defence Main Building Whitehall London

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MIPT & BREZHNEY'S STATEMENT.

BREZHNEY DEALT FIRST WITH THE INTERNATIONAL SITUATION.
HE CLAIMED THAT THE SOVIET UNION FOLLOWED A CONSISTENT AND

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BREZHNEV DEALT FIRST WITH THE INTERNATIONAL SITUATION.
HE CLAIMED THAT THE SOVIET UNION FOLLOWED A CONSISTENT AND CREATIVE COURSE AIMED AT PEACE, DETENTE AND DISARMAMENT.
BUT ON THE THRESHOLD OF THE 1980'S THE INTERNATIONAL SITUATION HAD BECOME MORE COMPLICATED. THE FAULT LAY WITH IMPERIALIST FORCES AND, PARTICULARLY, CERTAIN CIRCLES IN THE USA. THE RULING CIRCLES IN THE US AND CERTAIN OTHER NATO COUNTRIES HAD EMBARKED ON A COURSE HOSTILE TO DETENTE, AS WAS SHOWN BY THE 1978 NATO SUMMIT, THE US LONG TERM DEFENCE PROGRAMME. THE CREATION OF NEW US BASES INCLUDING SOME IN THE MIDDLE EAST AND INDIAN OCEAN, AND THE ESTABLISHMENT OF THE QUICK REACTION FORCE.

THE STORY OF SALT II PROVIDED A FURTHER EXAMPLE. ITS SIGNATURE OPENED THE PROSPECT OF FURTHER SIGNIFICANT STEPS.BUT WHAT DID CARTER'S ADMINISTRATION DO? SCARCELY HAD SALT II BEEN SIGNED BEFORE IT BEGAN TO BE DISCREDITED IN THE US. THE PROCESS OF RATIFICATION WAS BEING USED BY THE TREATY'S OPPONENTS, NOT WITHOUT CONNIVANCE FROM THE US GOVERNMENT. THE US HAD FORCED NATO INTO A A DECISION ON MEDIUM RANGE MISSILES, SILENCING THOSE WHO WISHED TO RESPOND TO THE SOVIET PROPOSALS.

2. BREZHNEY THEN TURNED TO AFGHANISTAN. A MOUNTAIN OF LIES , AND A SHAMELESS ANTI-SOVIET CAMPAIGN HAD GROWN UP ABOUT EVENTS IN THAT COUNTRY. THE FORCES OF THE PAST, SUPPORTED FROM ABROAD, HAD TAKEN UP ARMS AGAINST THE REVOLUTION OF APRIL 1978. THOUSANDS AND TENS OF THOUSANDS OF INSURGENTS HAD BEEN ARMED AND TRAINED ABROAD. THE AFGHAN LEADERSHIP BOTH UNDER TARAKI AND SUBSEQUENTLY HAD TURNED FOR HELP TO THE USSR, WHICH HAD WARNED THOSE WHO NEEDED WARNING THAT IT WOULD NOT LEAVE THE AFGHAN PEOPLE IN THE LURCH. AMIN, WHO HAD SEIZED POWER AND UNLEASHED HARSH REPRESSION AGAINST THOSE WHO HAD GUIDED THE AFGHAN REVOLUTION, HAD FURTHERED THE CAUSE OF THE AGGRESSORS. THE AFGHAN PEOPLE, LED BY THE PARTY UNDER THE LEADERSHIP OF KARMAL, ROSE AGAINST AMIN'S TYRANNY AND PUT AND END TO IT. WHY WAS THIS BEMOANED IN WASHINGTON, UNLIKE AMIN'S ACTS OF REPRESSION? EXTERNAL REACTION HAD CREATED A REAL THREAT TO AFGHANISTAN'S INDEPENDENCE, AND THREATENED TO MAKE IT A BRIDGEHEAD FOR IMPERIALISM ON THE SOUTHERN BOUNDARY OF THE SOVIET UNION. FOR THE SOVIET UNION NOT TO HAVE RESPONDED TO THE AFGHAN REQUEST WOULD HAVE MEANT SURRENDERING AFGHANISTAN TO IMPERIALISM (CF. CHILE) AND, COUNTENANCING A DIRECT THREAT TO SOVIET SECURITY. IT HAD NOT BEEN A SIMPLE DECISION TO SEND TROOPS TO AFGHANISTAN, BUT THIS RESPONSIBLE TASK HAD BEEN UNDERTAKEN, AND THE TROOPS WOULD BE WITHDRAWN AS SOON AS THE REASONS FOR THEIR PRESENCE NO LONGER APPLIED,

3. BREZHNEY ALLEGED THAT IMPERIALIST AND PEKING PROPAGANDA HAD CONSCIOUSLY SLANDERED THE ACTIONS OF THE SOVIET UNION IN AFGHANISTAN, THERE HAD BEEN NO INTERVENTION OR AGGRESSION: THE SOVIET UNION HAD HELPED ""NEW AFGHANISTAN" TO DEFEND ITSELF AGAINST EXTERNAL AGGRESSION. EVENTS IN AFGHANISTAN DID NOT AFFECT THE NATIONAL INTERESTS OR SECURITY OF THE USA OR OTHER GOVERNMENTS. " AFFIRMATIONS THAT THE SOVIET UNION HAS SOME SORT OF EXPANSIONIST PLANS DIRECTED AGAINST PAKISTAN, IRAN OR OTHER COUNTRIES OF THIS REGION ARE UTTERLY FALSE. THE POLICIES AND PSYCHOLOGY OF THE COLONIALISTS IS FOREIGN TO US. WE DO NOT HANKER AFTER OTHER PEOPLE'S LANDS NOR REACH FOR FOREIGN WEALTH. IT IS THE COLONIALISTS WHO ARE DRAWN BY THE SMELL OF OIL' . IT WAS PHARISAICAL TO SPREAD STORIES ABOUT THE SOVIET THREAT ON THE PART OF THOSE WHOSE RECORD INCLUDED THE DIRTY WAR IN VIETNAM, THOSE WHO DID NOT LIFT A FINGER WHEN THE CHINESE ATTACKED VIETNAM, WHO MAINTAINED A BASE ON CUBA AGAINST ITS GOVERNMENT'S WISHES AND WHO BRANDISHED THEIR ARMS AND THREATENED BLOCKADE AGAINST THE REVOLUTIONARY PEOPLE OF IRAN.

4. BREZHNEV WENT ON TO SAY THAT THERE WAS INDEED INTERFERENCE
IN THE INTERNAL AFFAIRS OF AFGHANISTAN AND THAT THE UN WAS
BEING USED FOR THIS PURPOSE. WHY ELSE WAS 'THE AFGHAN QUESTION''
BROUGHT UP AGAINST THE WISHES OF THE AGHAN GOVERNMENT ITSELF?
THE LATTER SIMPLY WISHED TO BE LEFT IN PEACE. AGGRESSION
CONTINUED, HOWEVER, AGAINST THE LEGITIMATE AUTHORITIES IN
AFGHANISTAN. 'THE WHITE HOUSE RECENTLY SPOKE OPENLY OF A
DECISION TO INCREASE THE SUPPLY OF MILITARY MATERIAL TO THESE
ELEMENTS AND TO GIVE THEM WHATEVER WAS NECESSARY FOR HOSTILE
ACTIVITY.'' THE US MINISTER OF DEFENCE HAD SPOKEN IN CHINA
ON COORDINATING SUCH ACTIVITY WITH THE CHINESE LEADERSHIP.

5. "IN A WORD EVENTS IN AFGHANISTAN ARE NOT THE REAL CAUSE OF THE CURRENT WORSENING OF THE INTERNATIONAL SITUATION.

IF IT HAD NOT BEEN FOR AFGHANISTAN THEN CERTAIN CIRCLES IN THE USA AND NATO WOULD IN ALL PROBABILITY HAVE FOUND SOME OTHER EXCUSE TO AGGRAVATE THE SITUATION IN THE WORLD". THE STEPS TAKEN BY THE US ADMINISTRATION OVER SALT II, COMMERCIAL GOODS, GRAIN, BILATERAL CONSULTATIONS AND SO ON SHOWED THAT WASHINGTON WAS TRYING TO SPEAK THE LANGUAGE OF THE COLD WAR.

CARTER'S ADMINISTRATION SHOWED ITS LACK OF RESPECT FOR IMPORTANT INTER-GOVERNMENTAL AGREEMENTS BY BREAKING SCIENTIFIC AND CULTURAL TIES. IT WOULD BE HARD TO ENUMERATE THE TREATIES,

AND CULTURAL TIES. IT WOULD BE HARD TO ENUMERATE THE TREATIES, AGREEMENTS AND UNDERSTANDINGS BETWEEN THE UNITED STATES AND THE SOVIET UNION BROKEN BY PRESIDENT CARTER. " "WE OF COURSE WILL GET BY WITHOUT THESE OR OTHER TIES WITH THE UNITED STATES AND IN GENERAL NEVER COUNTED ON THEM BELIEVING THAT THEY WERE A MATTER OF MUTUAL ADVANTAGE AND ANSWERED THE MUTUAL INTERESTS OF BOTH COUNTRIES, ABOVE ALL AS A MEANS OF STRENGTHENING PEACE. " WASHINGTON'S ATTEMPT TO ASSERT A RIGHT TO REWARD OR PUNISH INDEPENDANT SOVEREIGN GOVERNMENTS RAISED A QUESTION OF RPINCIPLE AND THE ADMINISTRATION'S ACTS WERE A BLOW TO INTERNATIONAL LAW. ''AS A RESULT OF THESE ACTIONS, CARTER'S ADMINISTRATION IS MORE AND MORE SEEN IN THE WORLD AS CONFIRMING THE SUPPOSITION THAT THE UNITED STATES IS A COMPLETELY UNRELIABLE PARTNER IN INTER-GOVERNMENTAL RELATIONS, IS A GOVERNMENT WHOSE LEADERSHIP IS INSPIRED BY SOME SORT OF WHIMS, CAPRICES OR FLASHES OF EMOTION, WHOSE IDEAS ARE FILLED WITH NARROWLY CONCEIVED MOMENTARY ADVANTAGE, AND IS READY AT ANY MOMENT TO BREAK ITS INTERNATIONAL OBLIGATIONS AND RIP UP TREATIES OR AGREEMENTS IT HAS SIGNED. " IT WAS EVIDENT THAT SUCH BEHAVIOUR WAS DESTABILISING. IT WAS ALSO CLEAR THAT THE USA WOULD NOT DEAL THE SOVIET UNION THE BLOW IT WAS COUNTING UPON. "'CYNCICAL CALCULATIONS ABOUT A "WORSENING" OF THE FOOD POSITION IN THE SOVIET UNION AS A RESULT OF THE UNITED STATES. REFUSAL TO SELL US GRAIN ARE BASED ON A FALSE UNDERSTANDING OF OUR ECONOMIC POTENTIAL. THE SOVIET PEOPLE HAVE SUFFICIENT CAPACITY TO LIVE AND WORK PEACEABLY, FULFIL THEIR PLANS, AND INCREASE THEIR WELFARE. IN PARTICULAR I CAN CONFIRM THAT PLANS TO SUPPLY THE SOVIET PEOPLE WITH BREAD AND GRAIN PRODUCTS WILL NOT BE LESSENED BY A SINGLE KILOGRAMME". THE ACTIONS OF THE AMERICAN ADMINISTRATION COULD ONLY BE SEEN AS AN ATTEMPT TO BLOCK INTERNATIONAL EFFORTS TO LESSEN THE DANGER OF WAR AND STRENGTHEN PEACE AND TO LIMIT THE ARMS RACE. THEIR UNILATERAL MEASURES WOULD BE A BOOMERANG AGAINST THEMSELVES, IF NOT TODAY, THEN TOMORROW.

6. BREZHNEV SAID THAT IF THESE ATTACKS ON SOVIET POLICY WERE DESIGNED TO DEMONSTRATE STRENGTH, THEY IGNORED THE LESSONS OF HISTORY. NO ONE ASKED PERMISSION FOR THE 1917 REVOLUTION AND THE SOVIET PEOPLE WOULD NOW AGAIN DECIDE BY WHAT LAWS TO LIVE. IMPERIALISM HAD TRIED IN VAIN TO CRUSH THE REVOLUTION AT BIRTH. FASCIST AGGRESSORS HAD BEEN DEFEATED. THE SOVIET PEOPLE HAD ENDURED THE RIGOURS OF THE COLD WAR. THESE THINGS SHOULD NOW BE RECALLED.

7. IN ANSWER TO A SECOND QUESTION, ABOUT THE PROSPECTS IN EUROPE, BREZHNEV CONTINUED BY SAYING THE EUROPEAN SITUATION WAS MUCH BETTER THAT AT THE BEGINNING OF THE 70'S BUT THAT WASHINGTON'S IRRESPONSIBLE POLICIES HAD HAD THEIR EFFECT HERE TOO. THE US WAS NOT CONTENT WITH RUINING SOVIET-AMERICAN RELATIONS BUT WANTED TO DO THE SAME TO SOVIET-EUROPEAN RELATIONS. THE USA WAS UNDERMINING THE SPIRIT OF THE HELSINKI FINAL ACT AND AIMED TO DOMINATE THE GOVERNMENTS OF EUROPE, ESPECIALLY ITS ALLIES. THE FUNDAMENTAL INTEREST OF THE PEOPLES OF EUROPE, HOWEVER, WAS BOUND UP WITH DETENTE. THEY HAD EXPERIENCED WAR AND WERE NOT READY FOR ADVENTURES. IT WAS IMPOSSIBLE TO BELIEVE THEY WISHED TO THROW AWAY THE FRUITS OF DETENTE. THEY, AND THE US ALSO HAD NO LESS INTEREST IN DETENTE THAN THE SOCIALIST COUNTRIES AND THE SOVIET UNION. THERE WERE PLENTY OF POSSIBILITIES FOR CONSTRUCTIVE DEVELOPMENT IN EUROPE, IN MADRID AND THE WARSAW PACT SUGGESTION OF A CONFERENCE ON MILITARY DETENTE AND DISARMAMENT. THE SOVIET UNION WAS EMP Q

TICALLY IN FAVOUR OF STRENGTHENING AND DEVELOPING WHAT HAD BEEN ACHIEVED IN EUROPE OVER THE YEARS. IN GONTRAST TO THE EXTREMIST POLICIES OF WASHINGTON, THE SOVIET UNION WAS FOR CONTINUING NEGOTIATIONS BEGUN IN RECENT YEARS. "I REPEAT", SAID BREZHNEY, "WE ARE FOR NEGOTIATIONS, FOR HONEST, EQUAL, NEGOTIATIONS WHICH OBSERVE THE PRINCIPLE OF EQUALITY OF SECURITY. IT WAS JUST SUCH NEGOTIATIONS WE RECENTLY PROPOSED SHOULD BEGIN ON THE QUESTION OF MEDIUM RANGE NUCLEAR SYSTEMS. NO ONE CAN EXPECT THAT THE SOVIET UNION WILL ACCEPT NATO'S CONDITIONS, BASED UPON THE CONDUCT OF NEGOTIATIONS FROM A POSITION OF STRENGTH. THE PRESENT POSITION OF THE NATO COUNTRIES MAKES NEGOTIATIONS ON THIS PROBLEM IMPOSSIBLE. WE TOLD THE GOVERNMENT OF THE USA ABOUT THIS OFFICIALLY A FEW DAYS AGO."

8. BREZHNEV CONCLUDED BY SAYING HE LOOKED AT THE FUTURE WITH WELL FOUNDED OPTIMISM. AMERICAN IMPERIALIST POLICIES EXPRESSED THEIR DISCONTENT WITH THE STRONGER POSITION OF SOCIALISM, THE RISE OF THE NATIONAL LIBERATION STRUGGLE AND THE INCREASE OF FORCES IN FAVOUR OF DETENTE AND PEACE. DETENTE WAS SUPPORTED BY POWERFUL PORCES. THE SOVIET PEOPLE AND THEIR FRIENDS ABROAD COULD BE SURE THE SOVIET UNION WOULD NOT HESITATE IN ITS LENINIST FOREIGN POLICY, TRIED IN THE PAST, AND CONSTANT IN ITS LOVE OF PEACE AND RESISTANCE TO AGGRESSION.

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BREZHNEY ON THE INTERNATIONAL SITUATION.

- 1. MIFT CONTAINS A SUMMARY OF A STATEMENT DATED 13 JANUARY MADE BY BREZHNEV IN ANSWER TO TWO QUESTIONS PUT BY A PRAVDA CORRESPONDENT ABOUT THE PRESENT INTERNATIONAL SITUATION AND THE PROSPECTS FOR ITS DEVELOPMENT IN EUROPE.
- 2. THE PRINCIPAL FOREIGN TARGET OF BREZHNEV'S REMARKS WAS THE UNITED STATES. HIS STATEMENT WAS CLEARLY DESIGNED TO ISOLATE THE US, DIVIDE IT FROM EUROPE AND OBSCURE THE QUESTION OF AFGHANISTAN IN A CLOUD OF OTHER ISSUES. BREZHNEY'S TONE WAS SCORNFUL AND BELLIGERENT TOWARDS THE UNITED STATES AND 'CARTER'S ADMINISTRATION'. HE ATTACKED THE UNITED STATES AS AN UNRELIABLE PARTNER WHICH BROKE AGREEMENTS AND THE NORMS OF INTERNATIONAL LIFE. THE AMERICANS HAD FOR SOME CONSIDERABLE TIME PURSUED POLICIES DESIGNED TO INCREASE INTERNATIONAL TENSION. THE UNITED STATES WAS GOVERNED BY FLASHES OF EMOTION AND SHORT-TERM CONSIDERATIONS.
- 3. THE TONE OF BREZHNEY'S COMMENTS ON EUROPE WAS IN NOTABLE CONTRAST TO WHAT HE HAD TO SAY ABOUT THE USA, ALTHOUGH IN SUBSTANCE THEY GAVE NO REASON TO SUPPOSE THAT ANY REAL PROGRESS ON THE POINTS AT ISSUE BETWEEN WESTERN EUROPE AND THE SOVIET UNION IS POSSIBLE. HE REAFFIRMED THAT NO NEGOTIATIONS ON THEATRE NUCLEAR FORCES WERE POSSIBLE FOLLOWING NATO'S DECISION OF LAST DECEMBER. IT WAS EVIDENT FROM WHAT HE HAD TO SAY THAT THE SOVIET LEADERSHIP WOULD STILL LIKE DETENTE ON ITS TERMS IN EUROPEALTHOUGH THE SUBJECTS HE MENTIONED (THE CSCE MEETING IN MADRID AND WARSAW PACT PROPOSALS FOR TALKS ON DISARMAMENT) ARE ONES IN WHICH THE UNITED STATES IS INTIMATELY INVOLVED.

A. BREZHNEV SAID NOTHING NEW ON AFGHANISTAN: INDEED HE WAS NOMTABLY UNSPECIFIC ABOUT THE COURSE OF EVENTS IN THAT COUNTRY AND THE CALL FOR SOVIET SUPPORT. PERHAPS THE LEADER-SHIP HAVE REALISED THAT THEIR COVER-STORIES ARE UNCONVINCING. AND HOPE TO BLUR THE PICTURE. HE CLAIMED THAT AFGHANISTAN WAS A FAR AWAY AND UNIMPORTANT COUNTRY FROM THE US POINT OF

VIEW. BUT A PLACE OF STRATEGIC SIGNIFICANCE TO THE USSR WHERE

EVENTS HAD LED TO A POTENTIALLY "SERIOUS THREAT TO THE SECURITY OF THE SOVIET STATE ON ITS SOUTHERN FRONTIER".

DREZHNEV PROBABLY HAD A SOVIET AS WELL AS FOREIGN
AUDIENCE IN MIND. HE SEEMS TO HAVE BEEN CONCERNED TO REASSURE
THE SOVIET PUBLIC AND PERHAPS ALSO SOME OF THE LEADERSHIP
ABOUT THE GOVERNMENT'S POLICIES IN AFGHANISTAN. HENCE,
FOR INSTANCE THE INVOCATION OF THE SECURITY OF THE SOVIET
STATE. HE ADMITS THAT THE DECISION TO HELP THE AFGHAN GOVT
WAS NOT AN EASY ONE. IT WAS A LIE TO SUGGEST THAT THE USSR HAD
EXPANSIONIST AIMS TOWARDS IRAN OR PAKISTAN. THE SOVIET UNION
REMAINED COMMITTED TO DETENTE. THE SOVIET UNION HAD NOT
SOUGHT THE ARRANGEMENTS WHICH THE AMERICANS WERE NOW ABROGATING.
THEY COULD GET ALONG QUITE WELL WITHOUT THE UNITED STATES,
WHOSE COUNTER-MEASURES WOULD BOOMERANG, (BREZHNEV'S ASSURANCE
THAT THE SOVIET POPULATION WILL NOT SUFFER IN RESPECT OF
CEREALS OR CEREAL PRODUCTS WAS A TYPICAL SOVIET HALF TRUTH.,
IT IS ANIMAL FEED, LIVESTOCK AND MEAT WHICH WILL BE AFFECTED).

6. THE WHOLE STATEMENT IS IN FACT A HECTORING ATTEMPT TO CONDEMN THE UNITED STATES AND WOO EUROPE. IT AVOIDS THE PROBLEM THAT DETENTE REQUIRED A STABLE US-SOVIET RELATIONSHIP AND DOES NOT EVEN GIVE ANY INDICATION OF SPECIFIC MEASURES TO PROMOTE EUROPEAN CONFIDENCE IN SOVIET INTENTIONS.

KEEBLE

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Soviet

8 November 1979

The Prime Minister has seen the Secretary of State for Trade's minute to her of 5 November together with its enclosure. She has taken note of the contents of Mr. Parkinson's report.

MICHAEL ALEXANDER

Stuart Hampson, Esq., Department of Trade.

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PRIME MINISTER

Cecil Parkinson led our delegation to the Eighth Session of the British Soviet Joint Commission from 23-26 October. I attach a copy of his report which I am sure you will find of interest.

I am sending a copy of this minute and attachment to Peter Carrington.

and

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J. N.

Department of Trade 5 November 1979



JOINT COMMISSION WITH USSR

I visited Moscow from 23-26 October to chair the British delegation at the 8th Session of the British-Soviet Joint Commission.

The main impression I received was of very great friendliness from our Russian hosts both to me personally and to the whole British delegation. The Russians had clearly decided either not to raise contentous trade issues at all, or if they did raise them, as in the case of quota restrictions, to do so in a low key, even perfunctory manner. On the very eve of the meeting we had indicated that we did not wish to discuss the renewal of the Credit agreement. I do not know whether the message got through, but the subject was never raised with me by any of the Ministers or officials whom I saw.

There were some critical comments on the Prime Minister's Luxembourg speech from Minister of Foreign Trade Patolichev, Academician (and Deputy Prime Minister) Kirillin and Kuzmin. The first two did not labour the subject and appeared to appreciate the point when I referred to the passage in the speech which called for increased contacts at all levels to promote understanding and trade with peoples who were, after all, fellow Europeans. The most senior Minister on whom I called, Deputy Prime Minister Arkhipov, who is in charge of Foreign economic relations, did not mention the subject at all, but at the end of a meeting of over an hour made a special point of referring to the Soviet Union's desire for peace. Kuzmin criticised the Prime Minister's speech on a number of occasions. After firm discussion we agreed to disagree.

I can only speculate about the reasons for this sweetness and light. The Russians seemed genuinely pleased
to hear that our new Government wished to increase
trade between us. They pointed out again and again
that more trade led to better political
relations. It may be that this attitude was part of
a peace offensive to back up what appears to be their

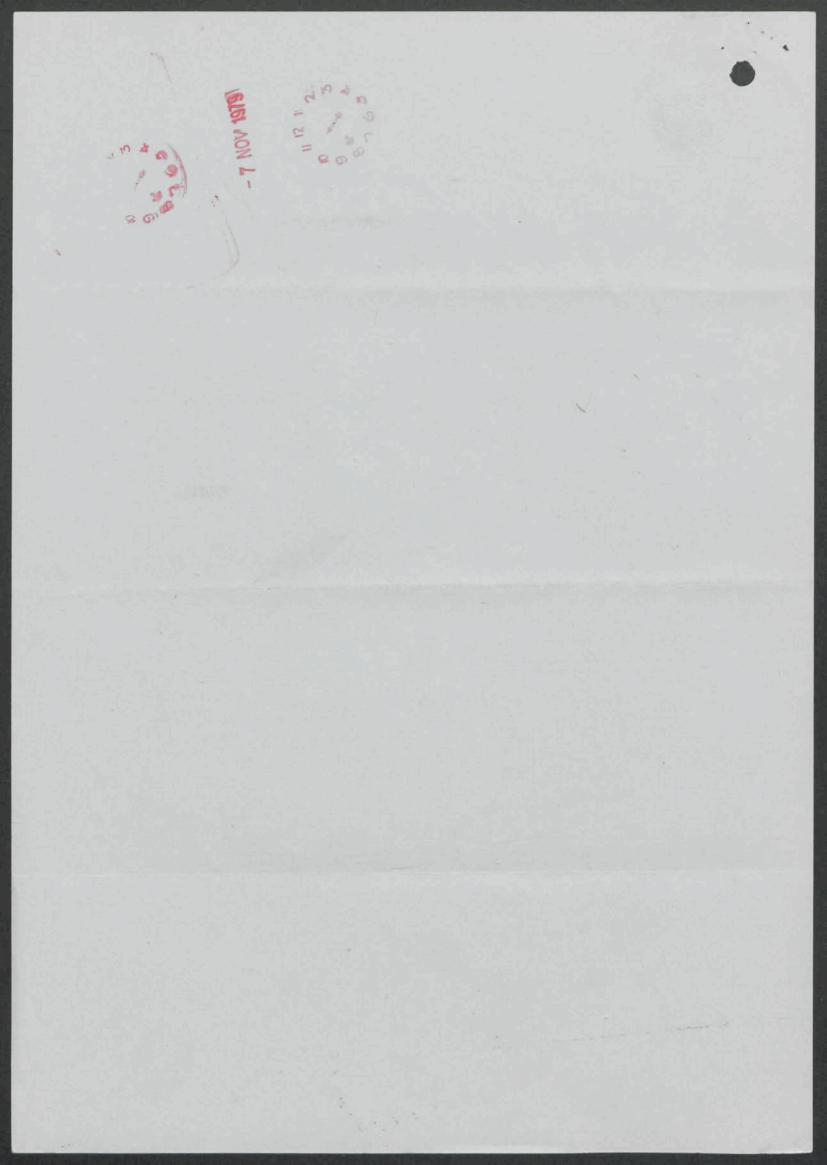
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current geopolitical strategy. I preferred having friendly to confrontationist discussions, but I have no doubt that the Russians would change from one to the other in a trice if that suited their overall aims better.

This friendliness did not appear to presage any very firm intention to take a significantly increased level of exports from us. There was much talk of the need to increase our mutual trade and of the opportunities which would be open to British firms under the new Five Year Plan when it is adopted, but very little in the way of statements, or even hints, that any of the major contracts currently under discussion were likely to come our way. I took five senior businessmen with me who took part in the Joint Commission meetings and pursued their own interests separately. They professed themselves well satisfied with what they had achieved but it was clearly only one more step along the hard road which leads to successful exporting to the Soviet Union. But their contribution to my discussions was considerable and I strongly support the policy of including businessmen on our delegations to Joint Commissions.

What of a Ministerial presence at these sessions? I must confess that I was shaken in my previous feeling that this is not a good use of Ministerial time. It is clear that in state trading countries politics and trade are closely linked together and that a good political relationship (which implies a high level relationship) greatly improves the general trade atmosphere, even if one cannot expect particular contracts to be awarded on this basis. All the businessmen active in Eastern Europe with whom I have spoken share this view. I am sure that regular Ministerial visits to these countries are important and there is certainly something to be said for their taking place at Joint Commissions which are occasions those Governments are used to and fully understand. are needless to say for the Minister concerned a boring grind but Ministerial presence does seem to open doors to businessmen which might otherwise remain closed.



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8TH SESSION OF THE BRITISH-SOVIET JOINT COMMISSION.

1. WE HAVE REASON TO BE SATISFIED WITH THE OUTCOME OF THE JOINT COMMISSION HELD IN MOSCOW 24-26 OCTOBER. THE COMMISSION IS A MAJOR INSTRUMENT FOR EXPRESSING OUR INTEREST IN ANGLO-SOVIET TRADE AND SCIENTIFIC RELATIONS AND IT MEETINGS ARE IMPORTANT IF WE ARE TO MAINTAIN, LET ALONE IMPROVE, THE BRITISH POSITION IN THIS MARKET. THE FACT THAT THE MINISTER OF STATE FOR TRADE ATTENDED AND UNDERTOOK A HEAVY PROGRAMME OF CALL ON SOVIET MINISTERS HELPED TO REINFORCE BRITISH INTEREST AT THE POLITICAL LEVEL. MR PATOLICHEV TOOK ADVANTAGE OF A CALL BY THE MINISTER OF STATE TO REFER WITH SOME BLUNT-NESS TO THE PRIME MINISTER'S SPEECH IN LUXEMBOURG. MR PARKINSON POINTED OUT ON THIS AND OTHER OCCASIONS THAT THE SPEECH SHOULD BE READ AS A WHOLE AND PROVIDED A BASIS FOR A CONSTRUCTIVE RELATIONSHIP WITH THE USSR. THIS WAS A TIMELY OPPORTUNITY TO PUT INTO THE PROPER CONTEXT A SPEECH WHICH THE SOVIET PRESS AT LEAST HAD MISINTERPRETED. IT WAS NOTEWORTH THAT DEPUTY PRIME MINISTER ARKHIPOV DID NOT MENTION MRS THATCHER'S SPEECH WHEN MR PARKINSON SAW HIM THE NEXT DAY.

2. THIS SESSION WAS THE FIRST ORGANISED BY THE SOVIET
MINISTRY FOR FOREIGN TRADE RATHER THAN THE STATE COMMITTEE
FOR SCIENCE AND TECHNOLOGY. BOTH SIDES FIELDED LARGE
DELEGATIONS, THE BRITISH INCLUDING FIVE BUSINESSMEN. THE
WORK OF THE SESSION CONSISTED ESSENTIALLY OF A REVIEW OF
A YEAR IN WHICH OUR COMMERCIAL PROGRESS HAD BEEN DISAPPOINTING
AND THE MEETING OF THE TRADE AND ECONOMIC SUB-COMMITTEE
WAS NOTABLE FOR SOME STRAIGHTFORWARD SPEAKING ABOUT BUSINESS
PROBLEMS BY THOSE DIRECTLY CONCERNED. ONE POSSIBLY IMPORTANT

RESULT

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RESULT IN TERMS OF FUTURE BUSINESS WAS THE AGREEMENT RECORDED IN THE PROTOCOL THAT WORK SHOULD BEGIN UPDATING THE EXISTING LONG-TERM ECONOMIC AND INDUSTRIAL COOPERATION PROGRAMME OF 1975. IT WAS ALSO AGREED, AND RECORDED IN THE PROTOCOL, THAT A FURTHER HIGH-LEVEL MEETING OF BUSINESS REPRESENTATIVES OF THE TWO SIDES, FOLLOWING ON FROM THAT HELD IN THE UK IN MARCH 1978, SHOULD BE HELD NEXT YEAR IN THE SOVIET UNION.

- 3. IT WAS USEFUL TO HAVE THE PRESENCE ON THE FIRST DAY OF MR LAMONT, PUSS FOR ENERGY, AS FURTHER EMPHASISING THE SERIOUSNESS OF THE BRITISH GOVERNMENT'S COMMITMENT TO DEVELOPING POSITIVE TECHNOLOGICAL AND TRADE RELATIONS WITH THE SOVIET UNION. HE PROPOSED THE ESTABLISHMENT OF A HOINT WORKING GROUP ON THE OIL AND GAS INDSUSTRIES, AN IDEA WHICH THE RUSSIANS NOTED. THAT HE STAYED ON FOR THE ENERGY SYMPOSIUM THIS WEEK WILL HAVE UNDERLINED OUR GENERAL INTEREST. DESPITE THE FACT THAT THE STATE COMMITTE WERE NOT THIS TIME RESPONSIBLE FOR ORGANISING THE JOINT COMMISSION, THERE WAS NO SOVIET TENDENCY TO PLAY DOWN THE IMPORTANCE OF SCIENCE AND TECHNOLOGY. A DECISION WAS TAKEN TO TRY TO ALIGN THE OPERATIONS OF THE TECHNOLOGICAL WORKING GROUPS WITH COMMERCIAL ACTIVITIES. THE TWO NEW SOVIET REPRESENTATIVES (VELIKHOV, OF THE ACADEMY, AND KOMAROV, OF THE STATE COMMITTEE) MADE A GOOD IMPRESSION WHICH AUGERS WELL FOR FUTURE COLLABORATION.
- 4. FULL RECORDS OF THE JOINT COMMISSION PROCEEDINGS ARE BEING PREPARED AND WILL BE SENT BY BAG. TWO EXTRANEOUS MATTERS RAISED WERE:
- A) THE SOVIET CO-CHAIRMAN SAID DURING THE PLENARY SESSION
 THAT THE TIME HAD NOW COME TO REMOVE RESTRICTIONS ON THE
 NUMBERS OF THE SOVIET TRADE DELEGATION IN LONDON 'THROUGH
 DIPLOMATIC CHANNELS AS PREVIOUSLY AGREED'. THOUGH THE
 RUSSIANS EVENTUALLY AGREED TO LEAVE ANY MENTION OF THIS
 SUBJECT OUT OF THE PROTOCOL THEY SEEM CERTAIN TO RETURN TO
 THE QUESTION AND MAY PERHAPS SPURIOUSLY ARGUE THAT LIFTING
 THE RESTRICTIONS IS A NECESSARY PRE-CONDITION FOR INCREASING
 ANGLO-SOVIET TRADE.

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B) MR PARKINSON SAID HE REGRETTED THAT THE SOVIET REFUSAL TO AGREE TO THE NECESSARY RISE IN THE FREIGHT RATE IN 1980 FOR THE ANGLO-SOVIET SHIPPING SERVICE. HE HOPED A SOLUTION COULD BE REACHED IN THE NEAR FUTURE, SO AS TO AVOID A DIFFICULT SITUATION.

(FCO PSE PASS ALL)

KEEBLE

[PASSED AS REQUESTED]

FCO WH DISTN EESD PRIME MINISTER

Relations with the Soviet Union

I attach an internal Foreign and Commonwealth Office paper entitled "Managing Russia". I am not aware that it has been submitted to FCO Ministers. I disagree with a number of points in it eg:
(a) it underplays the instability introduced into East-West relations by the fact that the Soviet leadership is bound to regard the existence and vitality of the free democracies as a threat to their regime. This seems to me to be true more or less regardless of actions taken by Western governments, eg on human rights;

- (b) a 'certain cautious activism' is altogether too modest a description of Soviet attempts to extend their influence - whatever the motivation (para. 10);
- (c) the Russians have certainly "failed to get a grip" on the Middle East but it is probably sufficient for their purposes to cause trouble there (para. 17).

Nonetheless, the paper is short, well written and relevant. (It echoes here and there what Mr. Karamanlis was saying.) I am submitting it to you now, not only because of its general interest, but because I am starting to put together some points for your New York speech. It would be very helpful in that connection to have your reaction to the paper's general thesis. This is that the Russian menace is serious and long term, but manageable; and that the West must keep up its guard but has no need to despair. On the contrary.

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TO IMMEDIATE F C O

TELEGRAM NUMBER 1127 OF 26 SEPTEMBER

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MIPT

FOLLOWING FROM SECRETARY OF STATE.

TALK WITH GROMYKO.

THIS WAS ONLY MY SECOND MEETING WITH GROMYKO AND IT LEFT ME IN NO HURRY FOR THE THIRD. HE HAD EARLIER DELIVERED A SPEECH OF EVEN MORE THAN THE USUAL CYNICISM TO THE GENERAL ASSEMBLY, POOHPOOHING TALK OF A SOVIET-CUBAN THREAT, ACCUSING OTHERS OF MEDDLING IN AFGHANISTAN AND TABLING A PORTENTOUS ITEM ON THE OUTLAWING OF HEGEMONISM. WITH ME HE WAS BY TURNS JOCOSE, HECT-ORING AND DISAGREEABLE, SWITCHING TO BONHOMIE ONLY RIGHT AT THE END AND THEN WITH HEAVY QUALIFICATIONS. BUT HE SEEMED SINCERE ABOUT TAKING UP HIS OLD INVITATION TO VISIT BRITAIN AND I INTEND TO TAKE HIM AT HIS WORD ON THIS. IT IS OBVIOUSLY HIGH TIME HE INHALED SOME FRESH IDEAS.

PARSONS

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SIRA DUFF

MR BULLARD

MR FERGUSSON

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TELEGRAM NUMBER 1126 OF 26 SEPTEMBER

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FOLLOWING FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH MR GROMYKON

RHODESIA

1. LORD CARRINGTON EXPLAINED OUR APPROACH TO THE RHODESIAN CONFERENCE. MR GROMYKO SAID THAT THE SOVIET GOVERNMENT DID NOT QUESTION OUR SINCERITY, BUT HAD THEIR OWN OBJECTIVE ANALYSIS OF THE SITUATION. THE MAJORITY MUST BE GIVEN POWER, IN RHODESIA AS IN NAMIBIA AND ALSO IN SOUTH AFRICA, ALTHOUGH OF COURSE THE LATTER WASS A SOVEREIGH STATE, THE UNITED KINGDOM CALLED THE PRESENT RHODESIAN REGIME · QUOTE A GOVERNMENT UNQUOTE (SIC), BUT UNTIL THE MAJORITY GAINED POWER THE SOVIET UNION MOULD NOT DO SO. IT WAS CLEAR THAT BRITAIN HAD NOT FOUND A COMMON LANGUAGE WITH THE PATRIOTIC MONT. BUT EVEN SUPPOSING THAT THE PATRIOTIC FRONT UNDER WHATEVER PRESSURES OR INFLUENCES WERE EVENTUALLY TO COME TO SOME AGREEMENT MITH THE UNITED KINGDOM. THE SOVIET UNION WOULD CONTINUE TO HAVE THEIR OWN AMALYSIS OF THE POSITION. AT PRESENT HOLEVER THERE WAS NO DIFFERENCE BETWEEN THEIR VIEWS AND THOSE OF THE PATRIOTIC FRONT LEADERS.

2. LORD CARRINGTON EXPRESSED SURPRISE AT MR GROMYKO'S AMALYSIS: WE WERE BENT ON ACHIEVING PRECISELY WHAT HE HAD DESCRIBED, MAMELY A GENUINE TRANSFER OF POVER TO THE MAJORITY, HE ASKED MR GROMYKO TO TAKE AN ODJECTIVE LOOK AT WHAT HE HAD TERMED OUR QUOTE SUBJECTIVE UNQUOTE ATTITUDE.

3. MA GROMYKO CLAIMED THAT THERE HAD CLEARLY BEEN SUBSTANTIAL DIFFERENCES BETWEEN THE PATRIOTIC FRONT AND OURSELVES. LORD CARRIMOTOR SUGGESTER THAT ME GROMYKO WAS UNDER A MISUNDERSTANDING: THE CONFERENCE HAD NOT BROKEN UP, MR GROMYKO INSISTED THAT HE HAD

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PATRIOTIC FRONT IN THE AMERICAN PRESS. HOWEVER HE ADMITTED THAT THE RUSSIANS MIGHT BE SHORT OF INFORMATION: THEY COT VERY LITTLE FROM THE UNITED KINGDOM AND WOULD LIKE MORE. LORD CARRINGTON UNDERTOOK TO MAKE THIS AVAILABLE.

THE ARMS RACE

- 4. REFERRING TO LORD CARRINGTON'S SPEECH TO THE GENERAL ASSEMBLY, MA GROMYKO SAID THAT WESTERN COUNTRIES SEEMED TO BE TRYING TO FRIGHTEN EACH OTHER INTO INCREASING ARMS PRODUCTION. THE SOVIET UNION QUOTE WAS DOING NOTHING NUMERICALLY OR OTHERWISE TO INCREASE THEIR ARMS, AND HAD NO PLANS TO DO SO UNQUOTE, OUR INFORMAT-1011 WAS CLEARLY DEFECTIVE. HE COULD ONLY SUPPOSE THAT WE WANTED TO SCARE THE TAX-PAYER INTO FINANCING AN INCREASE IN THE DEFENCE BUDGET. LORD CARRINGTON SAID THAT WE WERE NOT PRIVY TO SOVIET MOTIVES, BUT COULD ONLY CO BY THE FACTS. WE NOTED THE INCREASED CAPACITY OF SOVIET CONVENTIONAL FORCES, SOVIET DEFENCE SPENDING AND THE BACKFIRE AND SSEW. WE COULD HARDLY BE BLAVED FOR WONDERING WHAT ALL THIS WAS FOR. MR GROMYKO SUGGESTED THAT WE SHOULD SCRAP OUR INFORMATION ON THE SSEW AND THE BACKFIRE BOMBER. AFTER PROLONGED NEGOTIATIONS, EVEN THE AMERICANS HAD AGREED THAT THE LATTER WAS NOT A STRATEGIC MEAPON. (IN THAT CASE, SAID LORD CARRINGTON, IT WAS EVEN MORE DANGEROUS TO WESTERN EUROPE). THE AMERICANS MOREOVER HAD VAST AMOUNTS OF ARMS AND ALRCRAFT IN EUROPE ATHED AT THE SOVIET UNION. THE RUSSIANS DID HOWEVER WANT TO CONTINUE WITH MBFR, DESPITE THE WEST'S LACK OF ENTHUSIASM FOR AN AGREEMENT. THE POSSIBILITIES OF PROGRESS IN VIENNA HAD NOT BEEN EXHAUSTED. PERHAPS MORE FREQUENT AND MORE DETAILED EXCHANGES BETWEEN THE SOVIET UNION AND THE UK WERE NEEDED IN THIS WHOLE FIELD.
- 5. LORD CARRINGTON REFERRED TO THE OUTSTANDING INVITATION TO MR GROWYNO TO VISIT THE UNITED KINGDOM: SUCH A VISIT MIGHT HELP HIM TO UNDERSTAND OUR ATTITUDES. WE TOO HOPED THAT MBFR WOULD HELP TOWARDS A PROPER ASSESSMENT OF THE BALANCE OF POWER IN EUROPE. MR GROWYNO ASKED BRITAIN TO REFLECT ON THE FACT THAT OUR CRITICISMS OF SOVIET DEFENCE POLICY WERE MADE BY A COUNTRY WHOSE ENTIRE STRATEGIC FORCES WERE LEFT INTACT BY THE SALT II TREATY.

SOVIET DISSIDENTS

6. LORD CARRINGTON SAID THAT MR GROMYKO HAD REFERRED IN

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HIS SPEECH TO THE NEED FOR BETTER RELATIONS WITH THE UNITED

INGDOM. HE AGREED THAT THERE WAS SCOPE FOR IMPROVEMENT. BUT HE
WOULD BE LESS THAN CANDID IF HE DID NOT MENTION THE PROBLEM
WHICH SOVIET TREATMENT OF CERTAIN JEWISH CASES AND CAMPAIGNERS FOR
THE IMPLEMENTATION OF THE HELSINK! AGREEMENT POSED FOR US. THESE
CAUSED CONSIDERABLE PUBLIC PRESSURE AND TENDED TO SOUR OUR
FELATIONS. MR GROMYKO SAID THAT THERE WAS INDEED SCOPE FOR
IMPROVEMENT OF RELATIONS, PROVIDED BRITAIN DID NOT CONCENTRATE ON
FETTIFOGGING ISSUES. THERE WAS NO QUOTE JEWISH PROBLEM UNQUOTE
IN THE SOVIET UNION. ALL JEWS WHO WISHED TO LEAVE WERE ALLOWED
TO DO SO FREELY EXCEPT WHEN SECURITY CONSIDERATIONS APPLIED.
WHY DID WE NOT EXPLAIN TO PUBLIC OPINION THAT LARGE NUMBERS OF JEWS
WERE NOW ALLOWED TO LEAVE?

BILATERAL RELATIONS

7. FINALLY GROMYKO SAID THAT BRITAIN SHOULD TAKE A MORE SERIOUS ATTITUDE TO ANGLO/SOVIET RELATIONS. WE HAD BEEN ALLIES IN TWO WORLD WARS IN WHICH WE HAD BOTH MADE SACRIFICES. THERE WERE GREAT OPPORTUNITIES IN THE TRADE AND ECONOMIC FIELDS, ALTHOUGH BRITISH POLICIES CHANGED AS OFTEN AS THE WEATHER. THE SOVIET UNION FAVOURED GREATER CONTACT. AS REGARDS HIS OWN VISIT TO THE UNITED KINGDOM IT WAS ONLY A MATTER OF AGREEING THE RIGHT TIME. THE SOVIET GOVERNMENT WOULD ALSO BE GLAD TO WELCOME LORD CARRINGTON IN MOSCOW. HE ASKED WHEN IT MIGHT BE CONVENIENT FOR HIM TO COME TO LONDON? LORD CARRINGTON INDICATED THAT ANY TIME AFTER THE RHODESIAN CONFERENCE YOULD BE SUITABLE. HE REFERRED TO THE FORTHCOMING ANGLO-SOVIET ROUND TABLE IN LONDON AND SAID THAT HE HOPED THE.

8. THE MEETING LASTED AN HOUR AND A QUARTER.

FOO PASS SAVING EAST EEELIN BUDAPEST, WARSAW, BUCHAREST, SOFIA, PRAGUE.

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SIR A DUFF
MR PN MOBERLY
MR BULLARD
MR FERGUSSON.
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GENERAL ASSEMBLY: SOVIET FOREIGN MINISTER'S SPEECH

1. THERE WERE FEW SURPRISES IN GROMYKO'S LENGTHY STATEMENT TO THE
GENERAL ASSEMBLY THIS MORNING.

- 2. HE SPOKE IN FAVOUR OF DETENTE, BUT SAID THAT UNFORTUNATELY SOME PEOPLE STILL MADE QUOTE A WRY FACE AT THE WORD DETENTE, LIKE A HUNGRY CAT IN A KITCHEN GARDEN AT THE TASTE OF CUCUMBER UNQUOTE. HE REJECTED QUOTE FALSCHOODS UNQUOTE AND QUOTE PROPAGANDA UNQUOTE AGAINST CUBA AND THE SOVIET UNION.
- 3. HE DESCRIBED SOVIET/FRENCH CO-OPERATION AS BEING ON THE INCREASE AND SAID THAT SOVIET RELATIONS WITH THE FRO HAD BEEN FOLLOWING A POSITIVE TREND. ON THE UK, HE SAID QUOTE WE ARE INTERESTED IN THE CONSISTENT DEVELOPMENT OF SOVIET/BRITISH RELATIONS. WE ARE HOPEFUL THAT THERE IS A DESIRE FOR THIS IN BRITAIN TOO UNQUOTE.
 - 4. ON THE CTB NEGOTIATIONS, HE SAID QUOTE WE WOULD EXPECT THAT HO COMPLICATING ELEMENTS WILL BE INTRODUCED IN THE NEGOTIATIONS BY OUR PARTNERS AS UNFORTUNATELY IS THE CASE EVEN TODAY UNQUOTE.
 - S. HE INTRODUCED AS THE ANNUAL SOVIET INITIATIVE A RESOLUTION ENTITLED QUOTE ON THE INADMISSIBILITY OF A POLICY OF HECEMONISM IN INTERNATIONAL RELATIONS UNQUOTE, HE SAID THAT FOLLOWING THE ADOPTION OF THIS RESOLUTION BY THE GENERAL ASSEMBLY, THE SECURITY COUNCIL QUOTE SHOULD ALSO EXPRESS ITSELF AGAINST HEGEMONISM UNQUOTE. IT. WOULD BE A QUOTE GOOD IDEA SUBSEQUENTLY TO COUCH THE RENUNCIATION BY STATES OF A POLICY OF HEGEMONISM IN ALL ITS MANIFESTATIONS IN TERMS OF A BROAD INTERNATIONAL AGREEMENT UNQUOTE.
 - 6. FULL TEXT OF STATEMENT FOLLOWS TO UN DEPARTMENT BY TODAY'S BAG, WE WILL SEND TEXT OF DRAFT DESOLUTION ON MEGEMONISM AS SOON AS IT IS AVAILABLE.

PARSONS

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ACDD NEWS D CABINET OFFICE

10 DOWNING STREET From the Private Secretary 13 August 1979 Sir Curtis Keeble's Call on the Prime Minister on Friday 10 August 1979 As you know, Sir Curtis Keeble called on the Prime Minister on 10 August at 1230 for a short discussion before returning to Moscow at the end of his mid-tour leave. The following is a summary of the main points which arose. The Prime Minister asked Sir Curtis whether this year's bad harvest in the Soviet Union would increase the likelihood of an adventurous turn in Soviet foreign policy. Sir Curtis thought it unlikely that the harvest would in itself produce this result; it would, however, add still further to the load on the US/Soviet relationship. A study was in hand of the feasibility of turning the Soviet Union's agricultural shortcomings to the political advantage of the West. When the Prime Minister asked Sir Curtis how fundamental were the Soviet Union's other internal problems, such as those arising from the high birth rate of the country's Asian population, Sir Curtis Keeble said that cynicism about the leadership and its policies was widespread in Soviet society, in which the more intelligent elements fully recognised the shortcomings of the system; but that the deep patriotism of all Russians counter-balanced these feelings and prevented them from becoming socially damaging. The Prime Minister asked whether anything could be done to aid Professor Orlov and others like him who were suffering for their attempts to monitor the Helsinki Agreement. Sir Curtis said that it was open to the UK to make direct representations to the Soviet authorities when there was a clear British connection with the case in question; and that it was also worth reminding the Russians that Helsinki gave the British Government certain standing even in cases without a UK link. In general, however, Sir Curtis thought that representations in this field should be tough but sparing; and that they were best made at the political level. It had to be borne in mind that dissidents were generally unpopular with the Soviet population as a whole who, encouraged by the regime, tended to regard dissident activity as treasonous. / In a discussion CONFIDENTIAL

CONFIDENTIAL

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In a discussion of Brezhnev's health, Sir Curtis Keeble agreed with the Prime Minister that to some extent his physical infirmity increased the average Russian's admiration for him. Sir Curtis thought that Brezhnev's immediate successor was more likely to come from the elderly second rank of the leadership rather than from among the younger men lower down; he did not exclude the possibility that Kosygin, who was at present in exceptionally good form, might take over if Brezhnev retired or died.

Sir Curtis-Keeble gave the Prime Minister an account of some of the built in defects of the Soviet planning mechanism and of current developments in Soviet nuclear research. The Prime Minister expressed interest in the UK/Soviet Energy Symposium which is to take place in Moscow and which Sir Hermann Bondi has helped to organise.

B. G. CARTLEDGE

Paul Lever, Esq., Foreign and Commonwealth Office.



Sovietnin

Foreign and Commonwealth Office

London SW1A 2AH

9 August 1979

Decor Bryan,

Call on the Prime Minister by HM Ambassador, Moscow

Sir Curtis Keeble is due to call on the Prime Minister at 12.30 pm on 10 August.

Sir Curtis Keeble has been Ambassador in Moscow since April 1978. He had previously been Deputy Under-Secretary in the FCO with responsibility for the administration of the Diplomatic Service and, before that, the first British Ambassador in East Berlin. Sir Curtis's earlier postings included Washington, Berne and Canberra.

I enclose some short notes on the present situation in the Soviet Union.

Yours was

P Lever

B G Cartledge Esq 10 Downing Street Star of a so o

SOVIET LEADERSHIP

President Brezhnev (who is 72) may last one more winter, but not two. There is, however, no sign that his authority is under challenge. He has pursued cautious domestic policies throughout his 15 years in power and is closely identified with detente (as the Russians interpret it) in foreign policy. It is hard to know who will succeed him. A number of the older members of the Politburo, including Kirilenko and Kosygin are credible candidates to take over, at least for a short period. It is unlikely that there will be abrupt changes in Soviet domestic or foreign policy in the early stages of a new regime, particularly if the initial succession is of an interim nature. The new leader(s) will be faced with the same constraints in Soviet policy arising particularly from internal conditions (para 2 below). But the average age of the Politburo is now 68 and younger men will come to prominence in the next decade. If they have little experience of foreign affairs, Soviet foreign policy could become more unpredictable and uncertain and this could carry danger.

SOVIET ECONOMY

- 2. The Soviet economy is faced with many serious problems.
 In particular:
 - (a) chronic difficulties persist in agriculture. There is likely to be another poor harvest this year and it is estimated that the Russians will have to purchase about 30 million tons of grain, mainly from the US, Canada and Australia;

- (b) some major targets of the present 5-year plan (1976-1980) will not be realised. Problems of poor labour productivity and low quality of production persist.

 The Central Committee of the Communist Party and the Council of Ministers adopted a decree at the end of last month on ways of improving economic planning with a view to solving these problems. However, none of the ideas put forward are new and the decree does not seem likely to herald radical economic reform. The decentralisation which would be a necessary component of major changes has always been rejected in the past, apparently for political reasons;
- (c) it is generally agreed that the rate of increase in Soviet oil production will slow in the early 1980s. This will mean either that the Russians are unable to meet the energy demands of Eastern European countries, or that they will be unable to export much oil to the West for hard currency, or both;
- (d) the nationalities problem. The birth rate among non-Russian peoples of Soviet Central Asia has for many years far exceeded that in European Russia.

 The problems which changing demographic patterns will pose for centralised control from Moscow are potentially great.

/DISSIDENCE

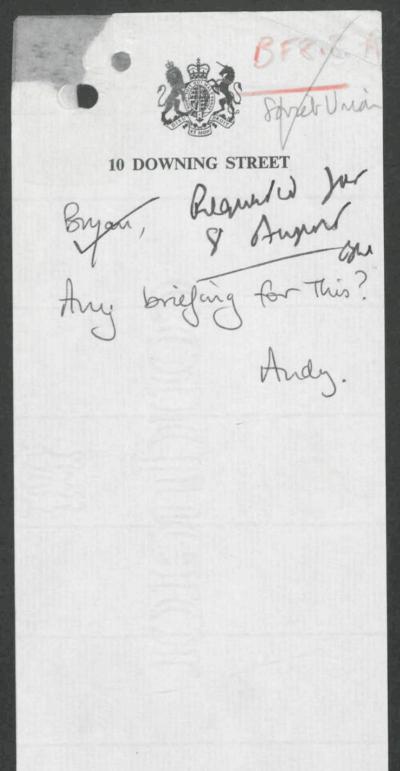
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DISSIDENCE AND HUMAN RIGHTS

3. There is no sign of any fundamental relaxation in Soviet policies on human rights matters, although there is some evidence of a (possibly temporary) relaxation in some areas for tactical reasons. For example, Jewish emigration has been running this year at the record level of about 4000 successful applications a month. This can probably be explained by a Soviet desire for ratification of the SALT II agreement and for a favourable international climate in which the 1980 Olympic Games can be held. Human rights movements in the Soviet Union were savagely repressed last year but dissidence is reappearing in new contexts (eg among workers). There is however no evidence that dissent poses any real threat to the Soviet regime.

8 August 1979

Eastern European and Soviet Department Foreign and Commonwealth Office



PRIME MINISTER

HM AMBASSADOR IN MOSCOW

Our Ambassador in Moscow, Sir Curtis Keeble, is shortly coming home on mid-tour leave and would be very grateful if you could agree to see him briefly for a short talk on the present situation in the Soviet Union. Sir Curtis is an acute observer and I think you would find half-an-hour with him useful.

May I arrange a call at a convenient time?

18 July 1979

Miss Stephen 23/7 10 July An 1230, 10 August (I have food

lapana 1220 10 July Ang

TELEGRAM NUMBER 337 OF 7 JUNE.

Enlu pa

POLITICAL CONSULATIONS.

- 1. IN MY DESPATCH OF 3 APRIL I ARGUED THAT BRITISH INTERESTS
 COULD BE SERVED BY THE DEVELOPMENT OF A RELATIONSHIP OF GREATER
 SUBSTANCE BETWEEN BRITAIN AND THE SOVIET UNION AND NOTED VARIOUS
 ITEMS OF BILATERAL BUSINESS WHICH WERE RELEVANT.
- 2. THE PRIME MINISTER'S ACTION IN RECEIVING PATCLICHEV,
 SPEAKING CLEARLY TO HIM ABOUT BRITISH POLICY AND VISITING THE
 SOVIET EXHIBITION HAS SET THE TONE WHICH THE RUSSIANS RESPECT.
 IN THE POLITICAL CONSULATIONS ON 13/14 JUNE, ZEMSKOV WILL
 BOUBTLESS BE SEEKING TO PROBE FURTHER BRITISH INTENTIONS AS
 REGARDS BOTH THE BILATERAL RELATIONSHIP AND MAJOR CURRENT
 INTERNATIONAL QUESTIONS, IN PARTICULAR THOSE RELATED TO
 SECURITY AND DISARMAMENT. HE WILL BE HOPING FOR AND WILL I
 THINK ACCURATELY CARRY BACK TO MOSCOW A REASONED PRESENTATION
 OF BRITISH POLICY, I DOUBT WHETHER IT WILL BE POSSIBLE TO DRAW
 HIM INTO SERIOUS AND THOUGHTFUL DISCUSSION AND WE MAY NOT LEARN
 MUCH THAT IS NEW ABOUT SOVIET POLICY, BUT THE CONSULTATIONS
 COME AT AN IMPORTANT STAGE FOR THE DEVELOPMENT OF ANGLO—
 SOVIET RELATIONS AND MAY BE MORE SIGNIFICANT THAN THEIR CONTENT
 WOULD SUGGEST.
- 3. GIVEN THE TIMING OF THE TALKS I WOULD EXPECT ZEMSKOV TO HAVE VERY MUCH IN MIND THE FOLLOW-UP TO SALT II, EUROPEAN SECURITY PROBLEMS AND IN PARTICULAR THE CURRENT WARSAW PACT PROPOSALS. SOVIET PROPAGANDA, REFLECTING CONCERN ABOUT NATO FORCE IMPROVEMENTS IN GENERAL AND THE IN PARTICULAR, IS NOW SEEKING TO PRESENT "INFLUENTIAL CIRCLES" IN BRITAIN, GERMANY AND THE UNITED STATES AS FORMING AN UNHOLY ALLIANCE AGAINST DETENTE. IT WILL BE HELPFUL IF ZEMSKOV COULD BE MADE TO REALISE THAT THERE IS A REAL UNITY OF INTEREST IN WESTERN EUROPE IN A BALANCED PROGRAMME DESIGNED TO ENHANCE SECURITY AT A LOWER LEVEL OF MILITARY EFFORT ON BOTH SIDES, AND THAT PROPOSALS WILL BE JUDGED BY THE EXTENT TO WHICH THEY CONTRIBUTE IN REAL TERMS TO THIS OBJECTIVE.

4. I HAVE THE IMPRESSION THAT SOME OF THE FIRE IS GOING OUT OF THE RUSSIANS ON THE QUESTION OF THE WESTERN RELATIONSHIP WITH CHINA, ZEMSKOV CAN SCARCELY FAIL TO SAY HIS PIECE ABOUT ARMS SUPPLIES AND MAY INDULGE IN OBJECTIONABLE RHETORIC BUT NEED NOT BE TAKEN TOO SERIOUSLY. A QUIET RE-EMPHASIS OF THE BALANCE OF OUR POSITION SHOULD BE SUFFICIENT TO KEEP THE RECORD STRAIGHT. ON VIETNAMESE REFUGESS ! WOULD EXPECT HIM TO DO HIS BEST TO EVADE THE POINT AND COME BACK TO CHINA POLICY, ON THE MIDDLE EAST THERE IS AS YET NO SIGN OF A SOVIET READINESS TO ACCEPT THE EGYPT-ISRAEL AGREEMENT AS A FAIT ACCOMPLI AND TO ASSIST IN THE MOVE FORWARD TO A SETTLEMENT OF THE PALESTINE PROBLEM. EVEN IF THE RUSSIANS ARE READY FOR ANY MOVEMENT ON THE QUESTION AT THE VIENNA SUMMIT. I WOULD EXPECT ZEMSKOV TO STICK HARD TO THE LINE THAT THE BILATERAL TREATY (AND PROBABLY SADAT WITH IT) MUST DISAPPEAR BEFORE THERE CAN BE PROGRESS TO A WIDER SETTLEMENT. ON AFRICA HE IS LIKELY TO DIG IN FIRMLY ON THE GROUND THAT THE SOVIET UNION WILL NEVER ABANDON ITS SUPPORT FOR LIBERATION MOVEMENTS, BUT THAT THE DIFFICULTIES FACED BY THE WEST ARE OF OUR OWN MAKING, THAT THERE IS NO PROSPECT OF A GENUINELY REPRESENTATIVE GOVERNMENT UNDER MUZOREWA AND THAT ANY MOVE TOWARDS RECOGNITION WILL MEET RESOLUTE AFRICAN OPPOSITION.

5. ONE AREA WHICH I THINK IS IMPORTANT IS THE DEVELOPMENT OF THE BRITISH ECONOMY. THE RUSSIANS MAY BE STARTING TO REALIZE THE EXTENT TO WHICH IN THE . NEXT DECADE BRITAIN'S ECONOMIC POWER AND POTENTIAL POLITICAL INFLUENCE CAN BE TRANSFORMED BY THE FACT THAT WE ARE THE ONLY MAJOR WESTERN POWER WITH THE PROSPECT OF SELF-SUFFICIENCY IN ENERGY. BUT THE MESSAGE HAS YET TO SINK HOME POLITICALLY AND IT WILL DO MUCH TO STRENGTHEN OUR POSITION IF ZEMSKOV COMES BACK TO MOSCOW CONVINCED OF OUR POTENTIAL STRENGTH AS WELL AS OF THE NEW BRITISH GOVERNMENT'S DETERMINATION TO REALISE IT.

6. IF MY ASSESSMENT IS RIGHT THE DISCUSSION WITH ZEMSKOV
WILL NOT SHOW MUCH SPARKLE BUT I HOPE THAT THOSE WHO MEET HIM
WILL NOT BE DETERRED BY THIS. HIS PERSONAL STYLE IS VERY MUCH
THAT OF THE SLIGHTLY BLINKERED OFFICIAL, NORMALLY MOST CORRECT
AND COURTEOUS AND APPRECIATIVE OF A WARMER RESPONSE THAN HE
BY NATURE FINDS IT EASY TO INSPIRE. HE OCCASIONALLY PERMITS
HIMSELF A DISPLAY OF ANGER, HE DELIVERED AN EMOTIONAL TIRADE
TO SIR R HIBBERT LAST YEAR ABOUT DISSIDENTS AND LIKE MOST RUSSIANS
HE IS EMOTIONAL ABOUT THE WAR. HE RECKONS TO BE SOMETHING OF AN
EXPERT ON THE HISTORY OF THE 3ØS AND IN PARTICULAR ON
BRITISH POLICY IN THAT PERIOD. HIS FIELD OF RESPONSIBILITY IS
BRITIAN, THE OLD COMMONWEALTH, IRELAND AND SCANDINAVIA, CULTURAL
AFFAIRS INCLUDING UNESCO, CONSULAR DEPARTMENT AND ARCHIVES.
HE SPEAKS VERY LITTLE ENGLISH BUT QUITE GOOD GERMAN AND ITALIAN.

KEEBLE

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(Net Exhibition Cette)

2. + (Visit of Mr Patolicheu)

3. Defence My (S.H / CTB

2. Master Set.

10 DOWNING STREET

From the Private Secretary

23 May 1979

Dear Paul,

CALL ON THE PRIME MINISTER BY THE SOVIET MINISTER OF FOREIGN TRADE, MR. PATOLICHEV, AT 10 DOWNING STREET ON 23 MAY 1979

As you know, the Prime Minister accepted the joint recommendation of the Foreign and Commonwealth Secretary and the Secretary of State for Trade that she should receive the Soviet Minister of Foreign Trade, Mr. Patolichev, during his current visit to London to open the National Exhibition of the USSR. Mr. Patolichev duly called at No. 10 this evening at 1715, accompanied by the Soviet Ambassador and an interpreter. The following is a summary of the main points which arose during a conversation lasting three-quarters of an hour.

Mr. Patolichev conveyed to the Prime Minister the congratulations of the Chairman of the Council of Ministers of the USSR, Mr. Kosygin, and added his own. The Prime Minister thanked Mr. Patolichev and said that although she doubted whether she would be able to remain in office for as long as Mr. Kosygin she was not without hope. The Prime Minister went on to say that the invitations which had been extended by her predecessor to President Brezhnev and Mr. Kosygin to visit the United Kingdom still stood: they would both be very welcome here.

After a further exchange of courtesies and reminiscences, Mr. Patolichev gave the Prime Minister an account of the National Exhibition of the USSR which he had opened this morning; he had read out, at the opening ceremony, a special message from Mr. Brezhnev. The Prime Minister said that she had read this message and thought it a kind gesture by Mr. Brezhnev which was greatly appreciated. Mr. Patolichev asked whether he could tell Mr. Brezhnev that the Prime Minister had read his message and the Prime Minister readily agreed, asking Mr. Patolichev to convey her thanks to President Brezhnev at the same time. The Prime Minister said that she would visit the National Exhibition if she possibly could, as a special compliment to Mr. Patolichev for his kindness in calling on her.

/ In response

In response to an enquiry from the Prime Minister about Mr. Brezhnev's health, Mr. Patolichev simply referred to his recent discussions with President Giscard and the forthcoming Summit Meeting with President Carter.

After a discussion of current developments in the Soviet economy, and especially of the Soviet energy programme, in which Mr. Patolichev outlined the achievements of the tenth five-year plan on familiar lines, the Soviet Ambassador reminded Mr. Patolichev that when he returned to Moscow he would be asked to give an account of the Prime Minister's views on longerterm political issues. The Prime Minister said that Mr. Patolichev could take back to Moscow a message of the greatest goodwill. The Government believed in detente, so long as it was two way; they believed in trade, so long as it was two way; and, like the Soviet Union, they believed in defence. The Prime Minister said that she believed in making judgements on the basis of actions rather than on words; for example, when she had told Mr. Patolichev that she would visit the Soviet Exhibition, she meant it and would go - she had not simply said this for effect. She believed that the talks which international statesmen had together should live in terms of action: the Government would make its judgements on the basis of what happened after an agreement had been signed. Mr. Patolichev told the Prime Minister that it was urgent to conclude the SALT II Treaty, since otherwise the world would find itself in an impasse. The Prime Minister said that the British Government hoped that the Treaty would be ratified; she herself believed that it would be, since otherwise the consequences would be so grave. The US Senate might, of course, have some small amendments to suggest.

The Prime Minister went on to say that the United Kingdom naturally had a strong interest in the next negotiation, of SALT III, largely because of the deployment of the SS-20 missile by the Soviet Union; such weapons were described as "theatre nuclear forces" but in reality they were strategic in nature. Mr. Lunkov referred to Mr Brezhnev's proposal for an all-European conference at the political level to discuss disarmament and put an end to the arms race. The Prime Minister said that it was necessary to make progress in all the negotiations which had been begun, including those on CTB and MBFR. The purpose of nuclear missiles was to ensure that they were never used; but to be effective, deterrence had to be balanced.

The Prime Minister told Mr. Patolichev that lasting trust between countries could be built up only through the way in which they carried out the agreements they had arrived at, whether in the field of defence or in that of trade. The British Government would work to build up this trust; but, the Prime Minister said, if the Soviet Union was tough she would be tough too. Mr. Patolichev said that the Prime Minister had described the Soviet Union's own position; the Soviet Government

could not, however, understand why anybody should find the Soviet Union's proposal on the non-first use of nuclear weapons unacceptable. The Prime Minister commented that it was important that a balance should be maintained between East and West so that the Third World could develop in its own way, without pressure on it from either side. The UK was concerned by the appearance of Cubans and East Germans in Africa and the Middle East; this had an unsettling effect and was disturbing.

Mr. Lunkov said that the Soviet Government was not responsible for the Cubans, who had been invited into Africa by the Angolans. Mr. Patolichev said that he would report the Prime Minister's views on all these matters to the Soviet leadership.

Concluding the conversation, the Prime Minister reaffirmed that the invitations extended by her predecessor to President Brezhnev and Mr. Kosygin still stood. Mr. Patolichev said that he would be glad to convey this to them and added that before taking his leave he would like to give the Prime Minister one word of advice: she had said that she could be tough, but he hoped that she would always be as she had been in receiving him.

I shall be in touch with you in due course about a possible date during the recess, and the arrangements, for the Prime Minister's visit to the National Exhibition of the USSR.

I am sending copies of this letter to Tom Harris (Department of Trade) and Martin Vile (Cabinet Office).

Yours ever, Byan Carreda.

Paul Lever, Esq., Foreign and Commonwealth Office. Also copied to Soviet Minion May 79 Patalolou Visit

CONFIDENTIAL

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Foreign and Commonwealth Office

London SW1A 2AH

23 May 1979

Dear Bryan,

Invitations to Soviet Leaders

commending that the Prime ese Premier Hua Guofeng to visit ear. This visit would add a

We wrote to you on 18 May recommending that the Prime Minister should invite the Chinese Premier Hua Guofeng to visit the United Kingdom later this year. This visit would add a further major dimension to the development of our relations with China.

We have sought to persuade the Russians that our burgeoning links with China are in no way directed at the Soviet Union, and to this end we have tried to maintain a balance in our relations with the two countries. Lord Carrington believes that we should continue to follow this course and that we now need to find a way to balance the invitation to Premier Hua. A convenient way to do this would be to renew the outstanding invitations to President Brezhnev, Mr Kosygin and Mr Gromyko to visit the United Kingdom. There has been no meeting between British and Soviet Prime Ministers since February 1975 and no visit at Foreign Minister level since Dr Owen was in Moscow in October 1977. It is highly unlikely that President Brezhnev will ever take up his invitation to visit the UK, and we believe it also unlikely, though not impossible, that Mr Kosygin would wish to visit the UK this year. The same may be true of Mr Gromyko, whom Lord Carrington would expect to meet in any case at the UN General Assembly in the autumn.

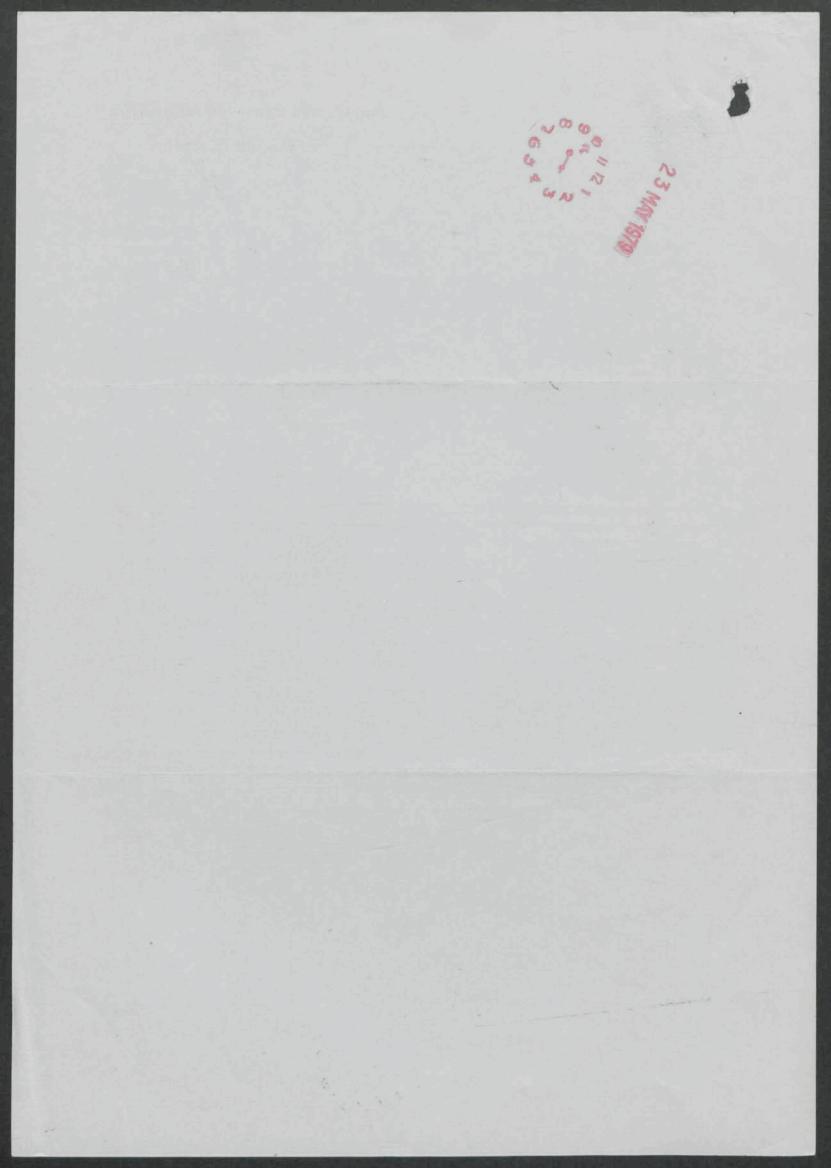
In Lord Carrington's view it is important that as little time as possible should elapse between the invitation to Premier Hua becoming public knowledge, as it now has, and the renewal of the invitations to the Russians. If the Prime Minister agrees, therefore, there would be advantage in her telling Mr Patolichev this afternoon that the outstanding invitations to the three Soviet leaders are to be regarded as still open.

Your 62

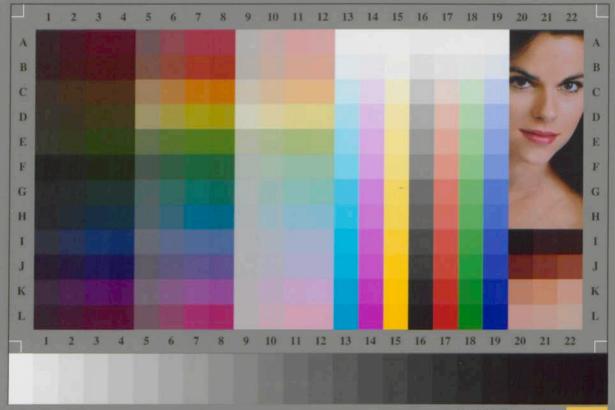
P Lever

Private Secretary

Bryan Cartledge Esq 10 Downing Street







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