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UK/Soviet Relations

Internal Situation

Document is dated July 1989 removed from Soviet file

Attachment Folder:- ① Review + East European Studies ② Dr. Nove's Paper on the Soviet Economy.

SOVIET UNION

Pt 1: May 1979

Pt 15: Feb 1990

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LITHUANIA: PRESIDENT BUSH'S MESSAGE TO GORBACHEV

SUMMARY

1. BUSH MESSAGE TO GORBACHEV URGES RESTRAINT, WARNS OF SERIOUS CONSEQUENCES FOR US/SOVIET RELATIONS IF FORCE IS USED AND COMMENDS THE IDEA OF HOLDING A REFERENDUM IN LITHUANIA.

DETAIL

2. CONTACTS AT THE NSC AND STATE HAVE TOLD US THAT BUSH'S MESSAGE TO GORBACHEV URGES RESTRAINT AND WARNS OF THE SERIOUS CONSEQUENCES FOR US/SOVIET RELATIONS, AND EAST/WEST RELATIONS, IF MOSCOW RESORTS TO FORCE. THE ONE NEW ELEMENT IS THAT IT COMMENDS THE IDEA OF HOLDING A REFERENDUM IN LITHUANIA, BUT DOES NOT SPECIFY DETAILS, SUCH AS WHETHER THIS WOULD BE ON THE TERMS ENVISAGED IN THE NEW SOVIET SECESSION LAW. NSC (BLACKWILL) STRESSED THAT IT WAS A VERY PERSONAL MESSAGE, EXPRESSING SYMPATHY WITH GORBACHEV'S DILEMMA. WHEN IT WAS HANDED OVER SHEVARDNADZE SAID HE RECOGNISED THAT THE US WAS NOT TRYING TO COMPLICATE MATTERS.

3. THE CONTENTS OF THE LETTER ARE BEING CLOSELY GUARDED HERE. AT THE PRESS BRIEFING ON 30 MARCH, WHITE HOUSE SPOKESMAN (FITZWATER) DECLINED TO GIVE DETAILS SAYING SIMPLY THAT THE LETTER REAFFIRMED THE
US POSITION. HE SAID THE US SUPPORTED THE ASPIRATIONS OF THE LITHUANIAN
PEOPLE FOR SELF-DETERMINATION, AND HAD EXPRESSED THE VIEW THTA THE ONLY WAY TO RESOLVE THE CONFLICT WAS THROUGH PEACEFUL DIALOGUE. THIS HAD BEEN MADE ABUNDANTLY CLEAR TO BOTH PARTIES.

4. IN RESPONSE TO QUESTIONS, FITZWATER SAID A NUMBER OF FACTORS PERSUADED THE PRESIDENT TO SEND THE MESSAGE. THESE INCLUDED THE

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PRIME MINISTER'S 'PHONE CALL: BUSH'S CONVERSATIONS WITH SENATOR KENNEDY: THE AMERICAN ANALYSIS OF THE SITUATION: AND DISCUSSIONS BETWEEN BAKER AND SHEVARDNADZE. HE SAID THAT BUSH WANTED TO SEND A PERSONAL MESSAGE THAT GORBACHEV WOULD KNOW CAME DIRECTLY FROM HIM. THE PRESIDENT FELT A PERSONAL MESSAGE WOULD BE USEFUL IN MAKING CERTAIN THERE WAS NO MISUNDERSTANDING.

5. THE PRESIDENT'S LETTER FOLLOWS AN EARLIER MESSAGE FROM BAKER TO SHEVARDNADZE SENT AFTER BAKER'S RETURN FROM NAMIBIA WHICH WELCOMED SHEVARDNADZE'S ASSURANCES THAT FORCE WOULD NOT BE USED. AT TODAY'S PRESS CONFERENCE, JOURNALISTS SPECULATED THAT BUSH'S MESSAGE WAS PROMPTED BY SHEVARDNADZE'S FAILURE TO RESPOND TO BAKER'S. OFFICIALS TO WHOM WE HAVE SPOKEN DENIED ANY CONNECTION.

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PRIME MINISTER

I visited the USSR and Poland between 10 and 17 March. It was the week in which Gorbachev assumed his new powers and issued an ultimatum to Lithuania. I witnessed extreme contrasts - not least between the optimism of the Poles and the pessimism of the Russians.

The Contrast Between the Governments

The Soviet Government gave every appearance of being paralysed. Of course they were dominated by the events that were taking place in the Kremlin. But this could not excuse their ignorance of their briefs, nor the chaos of the programme. The lowpoint was the cancellation of a lunch due to the supposed illness of my host. But he appeared at a meeting that morning only to hear the Chairman (who had not noticed him) apologise for his indisposition!

More worryingly, only one of my host Ministers displayed anything other than distrust of the enterprise and market economy. They scarcely welcomed our comments or questions and seemed to have no feel for the scale or urgency of the changes that are required.

The Poles could hardly be more different. The Government is new, young and very professional. Stalin once joked that Communising Poland was as difficult as saddling a cow. It is therefore perhaps not surprising that the saddle has so quickly been thrown to the ground. Prices have already been radically reformed and the zloty is now well on the way to full convertibility.

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The Contrast Between the Economies

Despite the ignorance and incompetence of their Government, the Russians are at least beginning to talk about change. Moscow now stresses the autonomy of local councils and local enterprises, so that British investors and exporters now need to deal with local people as well as their old contacts in Moscow. But few steps have been taken to provide a framework within which local people can work. Prices bear no relation to cost or value and the currency is almost valueless, even within the country. Individual enterprises have no track record, no reliable accounts, and cannot be sued for debt. All in all the economy seemed less rational than many in the third world, and at first sight there seemed little point in British companies getting entangled in it.

Minister Sitaryan pointed to the advantages of consortia, by which the Russians mean voluntary groups of buyers and sellers whose hard currency transactions balance without troubling the Soviet treasury. Despite the claims made for one American consortium run by Chevron Oil, I am not surprised to hear that the concept remains elusive in practice.

Pressed on the delayed payments of which many British businessmen have complained, Mr Sitaryan had no coherent answer. It seemed from the Chairman of the Foreign Trade Bank that the problem was a mix of injudicious overspending on consumer goods last year, and the imposition of 'disciplines' on enterprises which had yet to come to terms with their new responsibilities.

Payment delays seem certain to go on for some months yet, and the Russians appear resigned to the adverse effect this will probably have on the availability and cost of new credit from banks and export credit agencies. Default, as opposed to delays, does not seem likely to occur on any scale. A recent report of official Soviet intervention to detain payments due

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to British joint venture partners (in one instance a hundred wagon loads of processed cotton) reinforce the impression I had of a society in which the arbitrary intervention of the State still plays a large part: a society, moreover, in such a confused state of transition that senior Ministers like Mrs Biryukova either do not know or will not admit to what is happening in their own areas of command.

And yet, against all the odds, the businessmen who accompanied me made contacts, and professed themselves pleased with their visit. I have just heard that UK exports to the Soviet Union reached £150 million in the period 1 January to 28 February 1990, 50 per cent up on the comparable period last year. So there is clearly business to be done - if one can cope with the anarchy - but only if the State is satisfied as to its importance, and is prepared to support it with guarantees.

I conclude that we should maintain our present policies towards the Soviet Union, subject only to the following points. I think we must keep a close eye on their creditworthiness. Their economy is in bad shape and we are exposed to the tune of £1 billion or more. We must also carefully track economic and legal developments, so that we can respond appropriately. I hope that DTI, ECGD and the Embassy will work together on this.

As indicated above, the pace of change in Poland is immeasurably faster. Unlike the Soviet Union (where the locals are more enterprising than their central government), many local Polish businesses are still trailing in the wake of their reformist Government. And they are still facing big problems. It has taken us ten years to privatise perhaps 10 per cent of our economy. The Poles are faced with the task of privatising maybe 90 per cent of theirs.

They are giving high priority to reforming agricultural production, currently dominated by a peasant class with tiny

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smallholdings. The land is fertile, so they will find it relatively easy to increase production. It is not clear where they will find markets, once they can feed themselves. They have a mistaken view that the EC will take their surpluses. They would be better advised to invest in non-agricultural sectors so as to create jobs for surplus agricultural labour.

I conclude that we should do more to help them with this process. We need to review the operation of the Know How Fund, to ensure that we and they get the maximum benefit from it. And we need to find a way to recommence the provision of medium term credits. In return, we must see if we can get some concessions concerning the repatriation of dividends and capital from investments in Poland.

The Contrast Between the Peoples

I visited Leningrad, Moscow, Warsaw and Crakow, flying over Vilnius on the way. In theory, all those cities were in only two countries. But they might easily have been five separate capitals.

Leningrad and Crakow have many similarities. They are each former Capitals - and never forget it. They are both elegant, westward looking cities, and their inhabitants each talk with disdain of the present capitals. They each remember - in different ways - the agony of the Second World War. Leningrad was under seige for two and a half years, and I visited a cemetery where 500,000 are buried. There are another 500,000 seige victims elsewhere. And my wife visited Auschwitz and Birkenhau, both only a short drive from Crakow.

But the differences between Leningrad and Moscow are much more serious than those between Crakow and Warsaw. The Leningrad region is fairly self-contained and looks towards the Baltic states. I was not surprised to hear that the Communists lost control of the city council a few days after I had visited the

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city. If that can happen in the cradle of the Revolution, it is hardly surprising that Gorbachev is facing the secession of the Baltic states and tensions in the western Ukraine, which were only annexed during the Second World War.

The Poles, too, look over their shoulders at developments to their north and east. Many of them see parts of Lithuania and the Ukraine as Polish and cannot wait to build links with their neighbours.

A Polish Minister remarked that the Russians had kept "an iron lid" on nationalism for forty, or in some cases seventy, years. The implication was that the pot (or pots) will now boil. The question is, can we reduce the activity to a simmer both with the USSR and in Eastern Europe? Some Poles think that Gorbachev will try to replace the lid. "His mask is beginning to slip" said one, on hearing of his demand for a response, within three days, from the Lithuanian Parliament. I think that may turn out to be a wrong verdict, but I can see the difficulties if he permits Lithuania simultaneously to deny him access to Kaliningrad, and set an example to the Western Ukraine.

It will also be difficult for the Lithuanians to settle the practical detail of independence from the Soviet Union. The economies have been developed as a single entity and there is no sensible pricing structure in either country.

My overwhelming impression, however, was of Leningrad, the Baltic states, Poland and the western Ukraine all looking west. They want to be part of Europe and they talk of the Community of twelve as if it is an anachronism. There are sensitivities of course - exacerbated by German insensitivity over the Oder-Neisse line. But they have turned their backs on Moscow, which is more than ever a city that looks to Asia for comfort.

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I am copying this to the Foreign Secretary, the Chancellor of the Exchequer, the Minister of Agriculture and the Ambassadors to the Soviet Union and Poland.

N R

DEPARTMENT OF TRADE AND INDUSTRY

30 March 1990

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MR POWELL

c Sir Robin Butler

Meeting of the New Estonian Parliament

In the elections on 18 March, nationalists of various parties are reported to have won 78 of the new Estonian Supreme Soviet's 105 seats. This gives them more than the two-thirds majority necessary to change the Estonian constitution and declare independence.

2. The first session of the new Supreme Soviet has apparently been advanced from next week. It began a two-day session yesterday. According to a reasonably well-placed nationalist official of the Estonian Communist Party (which provisionally broke with the CPSU on 25 March), the nationalist majority in the Supreme Soviet is pressing for a vote to suspend the Soviet constitution in Estonian territory so that only Estonian law applied.

3. The nationalists apparently intend by this to show that the republic is "apart" from the Soviet Union, and that, juridically, the inter-war republic survives, but to stop short of proclaiming a renewed, independent Estonian republic. Moscow would be likely to see it otherwise.

PERCY CRADOCK

30 March 1990

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LITHUANIA

1. I HAD A LONG TALK THIS MORNING (30 MARCH) WITH LAPTEV, THE CHIEF EDITOR OF IZVESTIYA. AMONG OTHER THINGS WE DISCUSSED LITHUANIA. LAPTEV IS A SHREWD AND EXPERIENCE FIGURE WHO HAS CLOSE CONTACTS WITH THE TOP LEADERSHIP.

2. HE SAID THAT LITHUANIANS HAD PUT GORBACHEV IN A VERY VERY DIFFICULT POSITION. IT WAS A TRAGI-COMEDY. TRAGIC BECAUSE THE OF RISKS IT POSED FOR PERESTROIKA: COMIC BECAUSE GORBACHEV WAS IN FACT PREPARED TO GIVE THE LITHUANIANS VIRTUALLY EVERYTHING THEY WANTED. BUT HE HAD TO BE SEEN TO BE ''GIVING'' IT. HE COULD NOT AFFORD TO BE HUMILIATED. AT THIS INITIAL STAGE OF THE PRESIDENCY, PRESIDENTIAL DECREES HAD TO BE SEEN TO BE IMPLEMENTED. RUSSIA/THE SOVIET UNION WAS A COUNTRY THAT WAS USED TO GAINING TERRITORY - NOT USED TO GIVING IT AWAY. THE LITHUANIANS HAD TO UNDERSTAND THIS. THEY ALSO HAD TO UNDERSTAND THAT GORBACHEV WAS UNDER CONSIDERABLE PRESSURE FROM PEOPLE IN MOSCOW WHO DID NOT UNDERSTAND THE FULL COMPLICAITONS OF THE SITUATION. HOWEVER, LAPTEV STRESSED ON SEVERAL OCCASIONS, THAT THE LEADERSHIP WAS STILL COMMITTED TO RESOLVING THE PROBLEM BY POLITICAL MEANS: AND THAT THEY EXPECTED THAT IN THE END LITHUANIA'S RELATIONSHIP WITH THE UNION WOULD BE ONE OF AUTONOMY FURTHERING A CONFEDERATION OR EVEN FULL INDEPENDENCE.

3. LAPTEV AGREED THAT THERE WAS A RISK OF ACCIDENTIAL ESCALATION. THE LITHUANIANS HAD MADE THEMSELVES AND GORBACHEV HOSTAGES TO THE ABILITY OF THE SOVIET ARMED FORCES TO PRESERVE THEIR DISCIPLINE. I STRESSED THE IMPORTANCE OF MAINTAINING EFFECTIVE POLITICAL CONTROL OVER THE ARMY, POINTING OUT THAT LAST YEAR'S EVENTS IN TBILISI HAD SHOWED WHAT HAPPENED WHEN THIS DID NOT EXIST. LAPTEV SAID THAT SUCH CONTROL DID EXIST. GENERAL VERENNIKOV HAD BEEN SENT TO LITHUANIA ON THE EXPRESS INSTRUCTIONS OF GORBAHCEV. HE WOULD NOT TAKE ANY MAJOR DECISION WITHOUT CONSULTATION. BUT POLITICIANS COULD NOT CONTROL THE MOVEMENTS OF EVERY TANK. IN RESPONSE TO MY QUESTION, LAPTEV SAID THAT IT WAS VARENNIKOV AND NOT GORBAHCEV WHO HAD AUTHORITSED THE MOVEMENT OF AN ARMED COLUMN THROUGH VILNIUS ON THE MORNING OF 24

MARCH.

4. WHAT WAS NEEDED NOW WAS FOR LANDSBERGIS TO THINK OF HIS COUNTRY RATHER THAN HIMSELF AND GET ON A PLANE AND COME TO MOSCOW. THEN THINGS WOULD CALM DOWN. LAPTEV DREW A PARALLEL WITH KARL RENNER THE AUSTRIAN PRESIDENT WHO HAD BEEN WILLING TO COME TO MOSCOW IN THE MID-50'S AND SO PAVED THE WAY FOR THE AUSTRIAN TREATY. INSTEAD, LANDSBERGIS WAS APPEALING TO THE US CONGRESS. IT WAS VERY IMPORTANT THAT THEY GAVE A MODERATE AND CONSIDERED RESPONSE. LANDSBERGIS, UNLIKE BRAZAUSKAS WAS A TOTALLY INEXPERIENCED POLITICIAN. HE WAS ALREADY BEGINNING TO LOSE POPULAR RESPSECT IN LITHUANIA. PEOPLE WERE BEGINNING TO MAKE JOKES AOBUT HIS DAILY RHETORIC. BRAZAUSKAS WAS WAITING IN THE WINGS.

COMMENT

5. LAPTEV'S REMARKS AGAIN REVEAL MOSCOW'S DEEP ANXIETY TO AVOID AN ESCALATION OF THE CRISIS. BUT, AS HE MAKES CLEAR, THERE ARE LIMITS TO GORBACHEV'S ABILITY TO BE FLEXIBLE. THERE IS ALSO THE CONTINUING DANGER OF ACCIDENTS. IT IS INTERESTING, ASSUMING IT IS TRUE, THAT IT WAS VARENNIKOV AND NOT GORBACHEV OR ANOTHER POLITICAL FIGURE WHO AUTHORISED THE SHOW OF MILITARY STRENGTH IN VOLNIUS ON 24 MARCH. THIS SUGGESTS HE HAS CONSIDERABLE FREEDOM OF ACTION WITHIN THE GUIDELINES HE HAS RECEIVED FORM GORBACHEV.

6. I AGREE WITH LAPTEV ABOUT THE IMPORTANCE OF THE US CONGRESS AGREEIG ON A MEASURED RESONSE TO THELANDSBERGIS APPEAL. LANDSBERGIS HAS BEEN COUNTING ON STRONG WESTERN SUPPORT TO MAKE HIS CONFRONTATIONAL APPROACHWORK. SO FAR HE HAS NOT GOT THIS IN THE FORM HE NEEDED. THE APPEAL TO CONGRESS MAY BE HIS LAST THROW. IF IT DOES NOT WORK, HE MAY DECIDE TO MAKE MORE SERIOUS MOVES TOWARDS AN ACCOMMODATION WITH MOSCOW. OR, HE MAY BE FORCED TO BY OTHERS - PARTICULARLY IF LAPTEV IS RIGHT AHT HE IS ALREADY BEGINNING TO LOSE POPULARITY. WE COULD THEN BE OVER THE WORST OF THE CRISIS.

7. THE NEW FEDERAL COUNCIL MEETS FOR THE FIRST TIME TODAY 30 MARCH: LITHUANIA IS ALMOST CERTAIN TO BE A MAJOR TOPIC

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UK/SOVIET POLITICAL DIRECTOR TALKS, 28 MARCH: BILATERAL ISSUES

1. WESTON HELD TALKS WITH DEPUTY FOREIGN MINISTER ADAMISHIN ON 28 MARCH. HE BEGAN BY UNDERLINING THE IMPORTANCE TO US OF THE BILATERAL RELATIONSHIP. THE FORTHCOMING HIGH-LEVEL VISITS WERE IMPORTANT IN THEIR OWN RIGHT, BUT THEY ALSO PRESAGED A CHANGE IN THE NATURE OF OUR RELATIONSHIP. WE HOPED IN THE 1990S TO BUILD A DIFFERENT TYPE OF PARTNERSHIP BASED ON COOPERATION. HE HAD COME TO MOSCOW TO GAIN A SENSE OF SOVIET CONCERNS, SO THAT THE SECRETARY OF STATE AND THE PRIME MINISTER COULD START THEIR DISCUSSION WITH A HIGH LEVEL OF UNDERSTANDING OF THESE.

2. ADAMISHIN RESPONDED THAT OUR RELATIONSHIP WAS INDEED PASSING THROUGH WHAT COULD BE DESCRIBED AS A HONEYMOON. THE SOVIET UNION HOPED THAT THIS WOULD LAST A VERY LONG TIME INDEED. THE IMPROVEMENT IN ANGLO-SOVIET RELATIONS WAS PART OF AN OVERALL PICTURE. THE SOVIET UNION WAS TRYING TO RECONSTRUCT THEIR INTERNATIONAL RELATIONS IN THE SAME SPIRIT AS THEY WERE RESTRUCTURING THEIR SOCIETY.

3. WESTON SAID THAT THE SECRETARY OF STATE WAS LOOKING FORWARD TO HIS VISIT ON 9-12 APRIL. HE WAS COMING AS SHEVARDNADZE'S GUEST. WE HAD HOWEVER HEARD FROM BONN THAT SHEVARDNADZE MIGHT BE INVITED THERE ON 11 APRIL FOR THE CLOSING CEREMONIES OF THE CSCE ECONOMIC CONFERENCE. ADAMISHIN CONFIRMED THAT SHEVARDNADZE HAD BEEN INVITED, BUT SAID THAT HE HAD TURNED DOWN THE INVITATION BECAUSE OF THE SECRETARY OF STATE'S VISIT. THAT WAS THE LATEST POSITION AND ADAMISHIN DID NOT EXPECT IT TO CHANGE BETWEEN NOW AND THE VISIT.

4. WESTON ASKED FOR CONFIRMATION THAT THE PRIME MINISTER'S VISIT IN JUNE WOULD NOT CONFLICT WITH OTHER HIGHLEVEL ENGAGEMENTS OF MR GORBACHEV. ADAMISHIN SAID IT DID NOT.

5. ADAMISHIN ASKED WHEN WE ENVISAGED SIGNING THE THREE BILATERAL AGREEMENTS WAITING FOR SIGNATURE. WESTON SAID WE THOUGHT THE NUCLEAR SAFETY AGREEMENT SHOULD BE SIGNED WHEN THE SECRETARY OF STATE WAS IN MOSCOW, AND THE AGREEMENT ON CULTURAL CENTRES COULD WAIT UNTIL THE PRIME MINISTER CAME. THE TIMING OF SIGNATURE OF THE LONG TERM CULTURAL AGREEMENT SHOULD BE THE SUBJECT OF FURTHER DISCUSSION

BETWEEN THE EMBASSY AND THE FOREIGN MINISTRY.

6. ADAMISHIN ASKED IF WE HAD HAD FURTHER THOUGHTS AOBUT A JOINT DOCUMENT TO BE SIGNED DURING THE PRIME MINSTER'S VISIT. HE INDICATED THAT THIS WAS AN EXPOLORATORY QUERYONLY, AND THAT HE HAD NO INSTRUCTIONS. WESTON SAID THAT THINKING IN LONDON WAS AT AN EARLY STAGE. USPENSKY ASKED WHETHER WE FORESAW THERE BEING WORKING GROUPS IN ADVANCE OF THE PRIME MINISTER'S VISIT. WESTON REPLIED THAT WE WOULD WISH TO SEE HO THE EXPERIMENT WORKED DUIRNG THE SECRETARY OF STATE'S VISIT, BEFORE TAKING A DECISION ABOUT JUNE

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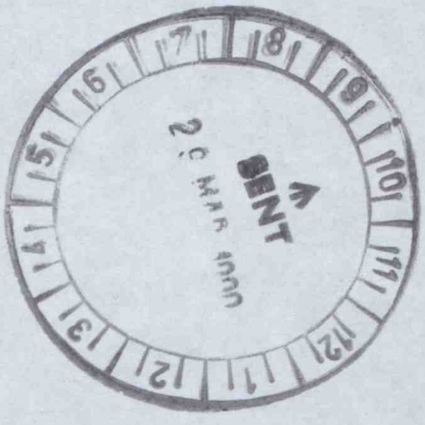

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MY TELNO 532: PRESIDENTIAL COUNCIL: GORBACHEV SPEECH

SUMMARY

1. PERESTROIKA - THE WORLDS FIRST LARGE-SCALE PEACEFUL REVOLUTION. URGENT NEED TO SPEED UP THE TRANSITION TO A FULL BLOODED MARKET ECONOMY WITH REAL COMPETITION, PRICE AND FINANCIAL REFORM. LOCAL SOVIETS MUST TAKE OVER THEIR NEW POWERS QUICKLY AND EFFICIENTLY. IMPORTANCE OF LAW AND ORDER: RISING CRIME IS NOT THE UNAVOIDABLE PRICE OF PERESTROIKA.

DETAIL

2. FOLLOWING ARE THE MAIN POINTS FROM THE SPEECH:
THE PRESIDENCY AND PERESTROIKA

3. THE FIRST SESSION OF THE PRESIDENTIAL COUNCIL IS A NEW STEP IN THE HISTORY OF OUR COUNTRY. WE NEED TO DEFINE OUR PRIORITY TASKS. THE PRESIDENCY DOES NOT REPRESENT THE REGENERATION OF PERSONAL POWER IN A NEW FORM. IT IS, RATHER, AN IMPORTANT INSTRUMENT FOR DEFENDING DEMOCRACY. ONE OF THE PRESIDENT'S MAIN TASKS IS TO RAISE SOCIAL RESPONSIBILITY AT A TIME WHEN SOCIETY IS CROSSING AN HISTORIC BOUNDARY. THE RECENT PAST HAS SHOWN US THAT WE NEED A RADICALISATION OF PERESTROIKA. WE ALSO NOW HAVE THE EXPERIENCE OF HOW TO IMPLEMENT IT AND UNDERSTANDING AMONG WORKERS OF THE SERIOUSNESS OF THE SITUATION AND THE NEED FOR ACCELERATION.

4. SOME PEOPLE, LOOKING AT THE CRISIS, WANT TO GO BACK NOSTALGICALLY TO THE ERA OF STAGNATION, AND EVEN FURTHER BACK THAN THAT. THESE ARE DANGEROUS PROPOSALS BUT THE INERT CONSERVATIVE FORCES ARE NOT GIVING WAY WITHOUT FIERCE RESISTANCE. ON THE OTHER HAND, WE ENCOUNTER THE IMPATIENCE OF THOSE WHO WANT TO CREATE A NEW WORLD TODAY - BUT WE CANNOT BUILD A REALISTIC POLICY ON THAT BASIS EITHER. THAT WOULD BE TO SUBMIT TO EXTREMISM AND DESTRUCTIVENESS.

5. PERESTROIKA IS A REVOLUTION - THE WORLD'S FIRST LARGE-SCALE PEACEFUL REVOLUTION - AND IT CAN OPEN A NEW ERA OF NON VIOLENT SOCIAL

TRANSFORMATIONS WITHOUT BLOODSHED. BUT THERE IS A GREAT DISTANCE BETWEEN THE CONCEPT AND ITS REALISATION. THE MAIN DIFFICULTIES LIE AHEAD. PRESIDENTIAL POWER IS NOT A PANACEA WHICH WILL GIVE SUPERNATURAL RESULTS.

THE ECONOMY

6. THE VERY FIRST OF OUR TASKS IS TO WORK OUT MEASURES TO SPEED UP ECONOMIC REFORM. WE BEGAN WELL: LONG DISCUSSIONS AND CONSULTATIONS, TAKING PRACTICAL STEPS SUCH AS THE TRANSFER OF THE NATIONAL ECONOMY ONTO A COST ACCOUNTING BASIS, DEVELOPMENT OF THE COOPERATIVE MOVEMENT. BUT WE FAILED TO CARRY THROUGH ALL THE MEASURES.

7. DELEGATING MORE INDEPENDENCE TO ENTERPRISES IN THE ABSENCE OF ANY GOVERNMENTAL CONTROL MECHANISMS, WITH EXTENSIVE MONOPOLY PRODUCTION HAS LED TOSEROUS DISRUPTIONS IN POLICY ON INCOMES, INVESTMENT, PRICES AND TO A DISORGANISED MARKET. THERE ARE NO MECHANISMS FOR HEALTHY COMPETITION. TRADE IS USUALLY ON A BARTER-BASIS. IN SHORT, WE DO NOT HAVE A MARKET IN THE NORMAL SENSE OF THE WORD AND THIS IS SLOWING REFORM. THE SHADOW ECONOMY FLOURISHES. PRODUCTIVITY REMAINS THE SAME WHILE WAGES GROW. MANY ENTERPRISES WORK AT LESS THAN FULL STRENGTH, AND ECONOMIC MISMANAGEMENT IS GETTING WORSE. PRICES GO UP BECAUSE ENTERPRISES (WHO ARE MONOPOLY PRODUCERS) HAVE ACCESS TO CHEAP CREDIT. AND RISING INFLATION IS THREATENING TO PUSH THE ECONOMY OUT OF CONTROL. WE CANNOT GO ON LIKE THIS. LET ME SAY IT OPENLY: THE EXISTING ECONOMIC REFORM MECHANISM NEEDS MAJOR CHANGES.

8. WE NEED TO CREATE A NORMAL, FULL-BLOODED MARKET, DEVELOP HEALTHY COMPETITION AND AN EFFICIENT AND PRODUCTIVE LABOUR SECTOR. DO NOT THINK WE CAN DO THIS BY COMPULSION: WE MUST INSTEAD INTRODUCE MAJOR CHANGES IN MANAGEMENT PRACTICES, INTRODUCE ANTIMONOPOLY LEGISLATION AND PROMOTE THE FORMAITON OF JOINT STOCK COMPANIES. THE LAW ON LAND (WHICH REPRESENTS A MAJOR CHANGE OF DIRECTION IN AGRARIAN POLICY) OPENS UP HUGE NEW POSSIBILITIES. IN ESSENCE, WHAT WE NEED IS A CONTROLLED TRANSITION TO MARKET RELATOINS. AND THAT REQUIRES A TRANSFORMAITON OF THE FINANCIAL SYSTEM, A FASTER ELIMINATION OF THE STATE BUDGET DEFICIT AND A REORGANISAITON OF THE PRICING SYSTEM. STATE OWNERSHIPWILL STIL PREDOMINATE, BUT IT WILL EMBRACE A VARIETY OF OWNERSHIP FORMS INCLUDING THE DEVELOPMENT OF SMALL COOPERATIVE OWNED ENTERPRISES, FAMILY BNUSINESSES AND COLLABORATION WITH FOREIGN FIRMS AND BANKS. CHANGING OVER TO MARKET RELATIONS WILL RULE OUT SUCH COMMAND-ADMINISTRATIVE METHODS AS THE DISTRIBUTION OF FUNDS AND RESOURCES BYCENTRALISED ALLOCAITON. BARTER TRADING AND RATIONING MUST BE REPLACED BY A TRUE FINANCIAL CENTRALISM WHERE THE STATE CONTROLS THE MACROECONOMY WHILE ALLOWING INDEPENDENCE TO ENTERPRISES

AND CITIZENS TO SHOW INITIATIVE.

10. ALL THESE MEASURE WILL OF COURSE BE ACCOMPANIED BYMOVES TO PROTECT THE INTERESTS OF THE LOWER PAID IN SOCIETY. BUT THIS WILL NOT BE ALLOWED TOENCOURAGE IRRESPONSIBILITY - SOCIAL JUSTICE MEANS PAYMENT ACCORDING TO LABOUR.

11. TO SUMMARISE, THIS IS A MAJOR TURN-AROUND IN POLICY, REQUIRING CAREFULLY CONSIDERED DECISIONS. THE NEXT PRESIDENTIAL COUNCIL MEETING WILL BE DEVOTED TO THIS AND ORDERS HAVE ALREADY BEEN GIVEN SO THAT IN 10, MAXIMUM 15, DAYS TIME WE WILL BE ABLE TO DISCUSS A DRAFT PLAN.

REFORM OF LOCAL GOVERNMENT

12. ECONOMIC MEASURES CANNOT BE TAKEN WITHOUT POLITICAL REFORM, AND VICE VERSA. THE RECENT ELECITONS INVOLVE A MASSIVE SHIFT OF POWER TO THE SOVIETS, BUT NOT ONE THAT HAS BEEN FULLY ABSORBED: LOCAL SOVIETS WILL NOW HAVE RESPONSIBILITY FOR ABSOLUTELY ALL PROBLEMS WHICH DIRECTLY CONCERN THE POPULATION. THE LAW ON REGIONAL SELF GOVERNMENT AND THE CREATING OF A COMPETENT APPARATUS WILLBE CRUCIAL STEPS IN THE PROCESS. THE NEW SOVIETS NEED THE ACTIVE SUPPORT OF THE SUPREME SOVIET AND THE PRESIDENTIAL COUNCIL. THE SOVIETS WILL HAVE BROAD RESPONSIBILITY FOR THE DEVELOPMENT AND IMPROVEMENT OF THE COOPERATIVE MOVEMENT, FOR THE IMPLEMENTAITON OF LAND REFORM, WHICH FACES GREAT OPPOSITION AND DIFFICULTIES, AND FOR THE SOCIAL AND ECONOMIC TRANSFORMATION OF RURAL AREAS.

NATIONALITIES

13. THE FEDERATION ALSO NEEDS RECONSTRUCITON: EVENTS IN TRANSCAUCASIA, THE BALTICS, AND ESPECIALLY IN LITHUANIA DICTATE THE NEED FOR IMMEDIATE REVIEW AND RESOLUTION OF RELEVANT QUESITONS. WITH THIS AIM THE COUNCIL OF THE FEDERATION WILL MEET HTIS WEEK (ON FRIDAY 30 MARCH)

LAW AND ORDER

14. THE CENTRE OF THE PRESIDENT'S ACTIVITY IS TO SUPPORT AND INCREASE OBSERVANCE OF THE LAW. WE CANNOT REFORM IN A SITUATION OF LEGAL NIHILISM. TO CARRY OUTTHIS KEY TASK WE NEED TO RAISE THE RESPONSIBILITIES OF THE FORCES OF LAW AND ORDER. TO COORDINATE LAW AND ORDER ACTIVITIES A SPECIAL GROUP ATTACHED TO THE PRESIDENTIAL COUNCIL IS TO BE FORMED, HEADED BY YAKOVLEV, AND INCLUDING KRYUCHKOV (HEAD KGB), BAKATIN (MINISTER OF INTERNAL AFFAIRS) AND YARIN (WORKER MEMBER OF THE COUNCIL) AND THE LEADERSHIPS OF THE RELEVANT ORGANS. MEASURES FOR COMBATTING CRIME MUST BE INTRODUCED WITHOUT DELAY, WITH

NO REFERENCE TO THE TASKS INVOLVED AS BEING TOO DIFFICULT OR TO CRIME AS BEING THE UNAVOIDABLE PRICE TO PAY FOR PERESTROIKA. EACH CITIZEN SHOULD BE ABLE TO RELY ON THE SECURITY AND DEFENCE OF HIS RIGHTS.

FOREIGN POLICY
15. IN THE INTERNATIONAL SPHERE WE MUST NOT THINK THAT TO DEMONSTRATE ''NEW THINKING'' IS ENOUGH, AND THAT WE CAN NOW SIT BACK. A WHOLE RANGE OF SEROUS PROBLEMS HAS EMERGED: DISARMAMENT, THE EUROPEAN PROCESS, OUR RELATIONS WIHT THE EATERN EUROPEAN COUNTRIES, AND NEW TASKS IN FOREIGN TRADE. IN THE LATTER FOR EXAMPLE, THE QUESITON OF THE CONVERTIBILITY OF THE ROUBLE IS IMPORTANT ENOUGHT TO MERIT THE ANALYSIS AND CONTROL OF THE PRESIDENTIAL COUNCIL.

16. IN CONCLUSIIN, I SEE THE FUNCTION OF PRESIDENTIAL POWER AS BEING TO INCREASE THE EFFECTIVENESS NOT ONLY OF THE UPPER ECHELON OF POWER BUT OF THE WHOLE SYSTEM OF STATE POWER AND MANAGEMENT. EACH LINK IN THE CHAIN WILL ASSUME GREATER RESPONSIBILITY, WITHOUT WHICH WE WILL NOT ACHIEVE THE AIMS WE ENVISAGED WHEN ITRODUCING THE INSTITUTION OF THE PRESIDENCY

BRAITHWAITE

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LITHUANIA: DEPUTY'S VIEWS

SUMMARY

1. SAJUDIS PEOPLE'S DEPUTY NIKOLAI MEDVEDEV GLOOMY ABOUT PROSPECTS FOR DIALOGUE WITH MOSCOW. FEARS LOSS OF INFLUENCE WITH RECALL OF ALL LITHUANIAN DEPUTIES FROM MOSCOW. EXPRESSES STRONG SUPPORT FOR PRIME MINISTER'S LINE. HOPES UK USE INFLUENCE TO ENCOURAGE DIALOGUE

DETAIL

2. A MEMBER OF CHANCERY BUMPED IN TO LITHUANIAN DEPUTY NIKOLAI MEDVEDEV AT THE SUPREME SOVIET ON 28 MARCH. MEDVEDEV IS THE ONLY ETHNIC RUSSIAN AMONGST THE RADICAL LITHUANIAN DEPUTIES. HE IS ALSO A MEMBER OF THE LITHUANIAN SUPREME COUNCIL. HE IS ONE OF THE THREE LITHUANIAN DEPUTIES TO HAVE CONTINUED TO WORK IN MOSCOW AFTER THE LITHUANIAN SUPREME COUNCIL'S DECISION TO WITHDRAW THEIR MANDATES AND INSTRUCT THEM TO ADOPT OBSERVER STATUS. AFTER THE INDEPENDENCE DECLARATION IT WAS HOPED THAT THESE DEPUTIES MIGHT FORM THE CORE OF A NEGOTIATING TEAM BUT THEY NOW HAVE INSTRUCTIONS TO RETURN TO LITHUANIA.

3. MEDVEDEV OPPOSED THE DECISION TO RECALL ALL LITHUANIAN REPRESENTATIVES. HE IS WORRIED THAT THE LITHUANIAN LEADERSHIP WILL BECOME EVEN MORE OUT OF TOUCH WITH EVENTS AND THINKING IN MOSCOW AND THAT IT WILL BE EVEN MORE DIFFICULT TO PERSUADE MOSCOW TO BEGIN NEGOTIATIONS. FROM HIS OWN POINT OF VIEW, HE WAS DISAPPOINTED THAT THELITHUANIANS WOULD LOSE THE ADVANTAGE OF ANY MODEST INFLUENCE HE MIGHT HAVE WITH THE MOSCOW LEADERSHIP - THE NEW PRESIDENTIAL COUNCIL FOR EXAMPLE. ANTANAITIS AND OTHER DEPUTIES HAD ALSO DISAGREED WITH THE VILNIUS DIRECTIVE TO RETURN.

4. MEDVEDEV THOUGHT THAT THE LITHUANIAN INDEPENDENCE DECLARATION HAD BEEN BADLY TIMED. ALL MIGHT HAVE BEEN WELL IF CIVILISED DISCUSSION HAD ENSUED. LANDSBERGIS WAS A REASONABLE AND MEASURED MAN BUT THE UNREASONABLE USE OF MILITARY FORCE HAD ENCOURAGED THE LITHUANIANS TO REACT PRECIPITATELY. THE SITUATION COULD HAVE BEEN HANDLED BETTER THROUGH CIVIL AUTHORITIES. GORBACHEV CONTINUED TO REFUSE TO TALK TO THE LITHUANIANS.

UK REACTION

4. MEDVEDEV PRAISED THE PRIME MINISTER'S 27 MARCH BALANCED RESPONSE TO PARLIAMENTARY QUESITONS ON LITHUANIA AND EXPRESSSED A WISH THAT SHE MIGHT USE HER INFLUENCE TO DISSUADE GORBACHEV FROM LETTING THE CONFLICT ESCALATE. MEDVEDEV IS GRAVELY CONCERNED ABOUT THE EFFECT OF THE SOVIET/LITHUANIAN DISPUTE ON THE POLITICAL PROCESSES IN THE SOVIET UNION. HE FEARS THAT AS A MINIMUM, THE LITHUANIANS MAY BE SPOILING THE PROSPECTS FOR THEIR BALTIC NEIGHBOURS: AT WORST THAT A WORSENING LITHUANIAN DISPUTE COULD BE THE TRIGGER FORMORE WIDESPREAD DISTURBANCES OR EVEN CIVIL WAR. HE WAS ALSO ALARMED BY THE POSSIBILITY OF EAST-WEST RELATOINS BEING ADVERSELYAFFECTED.

5. HE CAUIONED AGAINST HASTY RECOGNITION BY THE WEST OF LITHUANIAN INDEPENDENCE

COMMENT

6. MEDVEDEV HAS BEEN AN IMPORTANT FIGURE IN THE LITHUANIAN NATIONALIST MOVEMENT AND HAS ATTRACTED PARTICULAR ATTENTION AS THE

TOKEN RUSSIAN IN THE SAJUDIS LEADERSHIP. HE HAS PERFORMED WELL IN THE SUPREME SOVIET AND SEEMS A GENERALLY SENSIBLE INTERLOCUTOR, IF INCLINED TO APOCOLYPTIC PROGNOSIS. HE WAS CLEARLY EXPRESSING HIS OWN OPINIONS RATHER THAN A SAJUDIS PARTY LINE AND HIS VIEWS ON WHAT THE WEST SHOULD DO FOR LITHUANIA ARE MORE PRAGMATIC THAN THOSE OF OTHER SAJUDIS CONTACTS. BUT IT IS INTERESTING THAT OTHER LITHUANIAN CONTACTS INCLUDING PEOPLE'S DEPUTY CEKUOLIS HAVE ALSO TOLD US OF THEIR MISGIVINGS OVER THE TIMING OF THE LITHUANIAN ACTION.

7. WE HOPE TO CONTACT MEDVEDEV INFORMALLY AGAIN BEFORE HE LEAVES MOSCOW NEXT WEEK

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MIPT: LITHUANIA

1. FOLLOWING IS TEXT OF A COREU TELEGRAM WE SHALL BE ISSUING LATER TODAY:

BEGINS

PARTNERS WILL HAVE SEEN PRESS REPORTS OF A CONVERSATION BETWEEN THE BRITISH PRIME MINISTER AND MR GORBACHEV. THE DISCUSSION FOCUSSED ON LITHUANIA. MR GORBACHEV MADE IT CLEAR THAT HE WAS DOING EVERYTHING POSSIBLE TO AVOID THE SITUATION GETTING OUT OF HAND BUT HE ALSO EXPRESSED HIS CONCERN AT THE DIFFICULTIES. THE SITUATION IN LITHUANIA CLEARLY REMAINS TENSE, AND IN THE VIEW OF THE UK THE PROSPECTS FOR EARLY AND SERIOUS NEGOTIATIONS HIGHLY UNCERTAIN. THE CONSEQUENCES OF A FURTHER ESCALATION OF TENSION BROUGHT ABOUT EITHER BY A FURTHER UNILATERAL MOVE ON THE PART OF THE LITHUANIANS OR ANOTHER DISPLAY OF FORCE BY THE SOVIET ARMY COULD PUT SUCH NEGOTIATIONS OUT OF REACH AND HAVE A SERIOUSLY DAMAGING EFFECT ON EAST/WEST RELATIONS, EUROPEAN SECURITY AND THE PROSPECTS FOR CONTINUED REFORM IN THE SOVIET UNION ON WHICH SO MANY HOPES HAVE BEEN PLACED.

THE UK THEREFORE BELIEVES THAT A FURTHER STATEMENT BY THE TWELVE WOULD BE HELPFUL AND TIMELY. THE UK PROPOSES FOR THE CONSIDERATION OF THE PRESIDENCY AND PARTNERS A TEXT ON THE FOLLOWING LINES:

THE TWELVE ARE CONCERNED THAT THE SITUATION IN LITHUANIA REMAINS FRAUGHT WITH DANGER AND THAT FURTHER ESCALATION OF THE DIFFICULTIES COULD HAVE SERIOUS CONSEQUENCES FOR THE SOVIET UNION, FOR EAST/WEST RELATIONS, FOR EUROPEAN SECURITY, AND ABOVE ALL FOR THE PEOPLE OF LITHUANIA THEMSELVES. THE TWELVE MUCH REGRET THAT A PURPOSEFUL DIALOGUE BETWEEN THE LITHUANIANS AND THE SOVIET AUTHORITIES DOES NOT APPEAR YET TO HAVE STARTED. THE TWELVE ARE CONVINCED THAT, GIVEN GOOD WILL ON BOTH SIDES, SUCH A DIALOGUE CAN REACH AN OUTCOME ACCEPTABLE TO ALL. THE TWELVE THEREFORE STRONGLY URGE ALL CONCERNED NOT TO PERMIT ACTIONS WHICH COULD FURTHER AGGRAVATE AN ALREADY DELICATE SITUATION AND TO BEGIN DISCUSSIONS WITHOUT DELAY.

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No ack.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 March 1990

LITHUANIA

I enclose a copy of a letter to the Prime Minister from the 'President of the Supreme Council of the Republic of Lithuania' which was left at No.10 yesterday afternoon by Mrs. Laima Liucija Andrikiene. I should be grateful for advice in due course as to what response if any we should give.

(CHARLES POWELL)

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

Laima Liucija ANDRIKIENĖ

DEPUTY OF THE SUPREME COUNCIL
OF THE LITHUANIAN REPUBLIC,

ASSISTANT TO THE PRIME MINISTER
OF THE LITHUANIAN REPUBLIC

HOME:
ANTAKALNIO ST. 116—21,
VILNIUS,
LITHUANIAN REPUBLIC
PH: 74-47-40

OFFICE:
2, J. TUMO-VAIŽGANTO ST.,
COUNCIL OF MINISTERS,
VILNIUS,
LITHUANIAN REPUBLIC
PH: 62-21-01
FAX: 61-59-35

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LIETUVOS RESPUBLIKOS AUKŠČIAUSIOJI TARYBA

Margaret Thatcher
Prime Minister,
The United Kingdom of Great Britain and Northern Ireland
10 Downing St.
London, United Kingdom

Dear Madame Prime Minister:

On February 24, 1990 after a fairly-contested, multi-party campaign, the people of Lithuania went to the polls to elect national representatives for the first time since the Lithuanian nation came under foreign occupation in 1940. With the completion of the final run-off elections on March 10, 1990, the demand of the people of Lithuania was clear and overwhelming - immediate restoration of the Republic of Lithuania recognized *de jure* by Great Britain in 1921, and the entry into force on Lithuanian territory of the fundamental human, economic and political rights proclaimed in the first Lithuanian Constitution of May 15, 1920.

On March 11, 1990, the representatives of the Lithuanian people met in the Assembly Hall of the Supreme Council in the Lithuanian capital of Vilnius and expressing the will of the nation solemnly proclaimed the restoration of the Republic of Lithuania on the basis of its *de jure* continuity since 1940. The Lithuanian Supreme Soviet was reestablished as the Supreme Council of the Republic, and the 1977 U.S.S.R. Constitution and other Soviet laws were annulled, insofar as they applied to Lithuania. Only those Soviet laws which did not conflict with the Temporary Fundamental Law of the Republic of Lithuania were permitted to remain *en vigeur*. These laws will be examined and replaced with Lithuanian laws after future legislative review and debate.

I have been asked by the Supreme Council of Lithuania to convey to you and the people of Great Britain the most significant legislative documents enacted on March 11, 1990. In particular you will observe that the Lithuanian state emphasizes its adherence to universally accepted principles of international law, recognizes the provisions of the Helsinki Final Act with respect to international frontiers, and guarantees the rights of all peoples and ethnic communities living in Lithuania.

Madame Prime Minister, it has been nearly five decades since oppression and darkness descended upon the land and people of Lithuania as a result of an illegal and morally reprehensible Non-Aggression Pact with secret protocols entered into by Adolf Hitler and Josef Stalin on August 23, 1939. During this period, the Lithuanian people were denied nearly every fundamental human right enshrined in the Universal Declaration of Human Rights.

Commencing in June 1940, hundreds of thousands of Lithuanians of all ages, professions and backgrounds were deported to the U.S.S.R.; our schools and churches closed; our farms and property laid waste; our environment poisoned by industries over which we had little control; and our sons laid to rest on battlefields far beyond our frontiers.

In spite of these heavy burdens, and an unrelenting effort by an alien political system to destroy the religous and moral values of the Lithuanian people, the Lithuanian nation endured. In every Lithuanian heart burned a desire for freedom, justice and peace.

Many of our people have taken great hope and courage from the fact that Great Britain, like many other nations, has repeatedly stressed its non-recognition of the 1940 annexation and occupation of Lithuania by the U.S.S.R. Today, with increasing freedoms and liberties a reality for most Lithuanians, the people of Lithuania are hoping for your nation's support in the process of political, economic and environmental renewal now sweeping across our nation.

Madame Prime Minister, the people of Lithuania and the state Supreme Council have asked me to convey to you and the people of Great Britain their warmest greetings and best wishes. To all the peoples of the Soviet Union and Europe our nation extends the hand of friendship. I sincerely hope that the people of Great Britain will continue to reaffirm and support the right of the people of Lithuania to freedom, dignity and self-determination.

Very truly yours,

Vyt. Landsbergis

Vytautas Landsbergis
President of the Supreme Council of the
Republic of Lithuania

Vilnius, March 24,1990

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D E C L A R A T I O N

ON THE POWERS ENTRUSTED TO THE DEPUTIES OF THE LITHUANIAN SSR SUPREME SOVIET

By the decision of the Lithuanian nation, the independent Lithuanian state was restored on February 16, 1918, and confirmed by the resolution of the Constituent Assembly on May 15, 1920 and by the 1922 Constitution of the Lithuanian State. It became a full-fledged member of the world community of nations and expressed its sovereign power as a nation through the formation of sovereign institutions of the Lithuanian State until June 14, 1940.

On June 15, 1940, through violence and aggression, the Soviet Union restrained the sovereign power of the nation and illegally incorporated Lithuania into the USSR.

Even though the nation resisted continuously, this foreign force eventually destroyed the structures of the Lithuanian State, and imposed its own structures upon it.

Since 1988, as new possibilities arose, the nation's movement for rebirth and independence began to express itself openly, encompassing the broadest layers of society. The nation's will, expressed openly by civil actions, through existing intitutions became an expression of its sovereign power.

The imposition of the structures forced upon Lithuania by a foreign state should not be interpreted as a recognition of its sovereignty over the Lithuanian nation and its territory by the state which forced them upon it, or as recognition of the annexation executed by that state.

On February 24, 1990, during elections to the Lithuanian SSR Supreme Soviet those residents of Lithuania with the right to vote of their own will presented the elected Lithuanian SSR Supreme Soviet deputies with a mandate to restore the Lithuanian State and express the sovereign power (suprema potestas) of the nation through this Supreme Soviet, which, beginning March 11, 1990, 6:00 p.m., will be called the Supreme Council of Lithuania.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF LITHUANIA

Vilnius, March 11, 1990

SUPREME COUNCIL OF THE REPUBLIC OF LITHUANIA

A C T

ON THE RESTORATION OF THE LITHUANIAN STATE

The Supreme Council of the Republic of Lithuania, expressing the will of the Nation, resolves and solemnly proclaims that the execution of the sovereign power of the Lithuanian State, heretofore constrained by alien forces in 1940, is restored, and henceforth Lithuania is once again an independent state.

The February 16, 1918 Act of Independence of the Supreme Council of Lithuania and the May 15, 1920 Constituent Assembly Resolution on the restoration of a democratic Lithuanian State have never lost their legal force and are the constitutional foundation of the Lithuanian State.

The territory of Lithuania is integral and indivisible, and the Constitution of any other State has no jurisdiction within it.

The Lithuanian State emphasizes its adherence to universally recognized principles of international law, recognizes the principle of the inviolability of borders as formulated in Helsinki in 1975 in the Final Act of the Conference on Security and Cooperation in Europe, and guarantees the rights of individuals, citizens and ethnic communities.

The Supreme Council of the Republic of Lithuania, expressing sovereign power, by this act begins to achieve the State's full sovereignty.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 11, 1990

LAW OF THE REPUBLIC OF LITHUANIA

ON THE REINSTATEMENT OF THE MAY 12, 1938
LITHUANIAN CONSTITUTION

The Supreme Council of the Republic of Lithuania,

-- confirming the Lithuanian SSR Supreme Soviet February 7, 1990 resolution "on the liquidation of the 1939 Germany-USSR agreements and their consequences,"

-- declaring that the May 12, 1938 Lithuanian Constitution was suspended illegally when on June 15, 1940 the Soviet Union committed agression against the independent Lithuanian State and annexed it,

-- considering the July 21, 1940 People's Assembly to be the instrument for expression the will of a foreign country, and considering its decisions to be illegal,

-- striving to restore the violated sovereign rights of the nation and the State,

r e s o l v e s :

1. To annul the April 20, 1978 Lithuanian Constitution (Fundamental Law).

2. To annul the October 7, 1977 USSR Constitution (Fundamental Law), as well as the "Fundamentals of Legislation of the USSR and Soviet Republics," insofar as they apply to the Republic of Lithuania.

3. To reinstate the May 12, 1938 Lithuanian Constitution throughout the Republic of Lithuania, suspending those paragraphs and articles governing the status and powers of the President of the Republic, the Assembly, the State Council and the State Supervisory body.

4. To establish that the reinstatement of the May 12, 1938 Lithuanian Constitution does not in itself reestablish other laws in effect in the Republic of Lithuania prior to June 15, 1940.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 11, 1990

L A W
OF THE REPUBLIC OF LITHUANIA

ON THE PROVISIONAL FUNDAMENTAL LAW OF THE REPUBLIC OF LITHUANIA

The Supreme Council of the Republic of Lithuania, considering the necessity of bringing the provisions of the May 12, 1938 Lithuanian Constitution into accord with today's changing political, economic and other social circumstances,

r e s o l v e s :

1. To suspend the May 12, 1938 Lithuanian Constitution.

2. To ratify the Provisional Fundamental Law of the Republic of Lithuania.

3. To establish that Soviet laws and other legal acts which do not contradict the Provisional Fundamental Law of the Republic of Lithuania shall continue in effect in the Republic of Lithuania.

4. This law enters into force at the moment of its adoption.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 11, 1990

L A W

OF THE REPUBLIC OF LITHUANIA

ON THE STATE NAME AND EMBLEM

In accordance with the act of restoring the independence of the State of Lithuania, it is important to observe names and symbols that have deep spiritual and political meaning. Empowered by the will of the citizens-voters of Lithuania, the Supreme Council of the Independent Republic of Lithuania,

r e s o l v e s :

1. To use "Republic of Lithuania" as the single official name of the State in the Constitution and in other laws and legal enactments, "Lithuania", "Lithuanian" in shorter forms and in compound names.
2. To continue to use the official state emblem and symbol of the Republic of Lithuania, the "Vytis" (white knight on red background).
3. To refer to the Lithuanian SSR Supreme Soviet as the "Supreme Council of the Republic of Lithuania."
4. Henceforth to refer to the post of the Lithuanian SSR Supreme Soviet Chairman as the post of the "Chairman of the Supreme Council of the Republic of Lithuania."
5. To refer to all further acts of this Supreme Soviet as acts of the First Supreme Council of the Republic of Lithuania.
6. The names of government bodies shall be altered in accordance with the first article of this law.
7. This law enters into force on the date of its adoption.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 11, 1990

L A W
OF THE REPUBLIC OF LITHUANIA

ON THE ALTERATION OF THE STATUS OF FORMER STATE GOVERNING BODIES UNDER THE JOINT JURISDICTION OF THE LITHUANIAN SSR AND THE USSR

The Supreme Council of the Republic of Lithuania r e s o l v e s that:

1. All former Lithuanian SSR ministries, state committees and departments, which were under the joint jurisdiction of the Lithuanian SSR and the USSR shall henceforth be under the jurisdiction of the Republic of Lithuania.

2. This law enters into force on the date of its adoption.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 11, 1990

A D D R E S S

OF THE SUPREME COUNCIL OF THE REPUBLIC

OF LITHUANIA TO THE GOVERNMENTS OF DEMOCRATIC NATIONS

On March 11, 1990 the Supreme Council of the Republic of Lithuania expressed the will of the nation by proclaiming the legal continuation of the independent Lithuanian State, which was occupied and annexed by the USSR in 1940.

With this action Lithuania returns to the world family of independent democratic nations and hopes for their kind assistance. An important sign of political and moral support would be the recognition of the laws and legislative acts adopted on March 11, 1990 and the recognition of the new government of Lithuania. This we kindly request.

VYTAUTAS LANDSBERGIS
PRESIDENT OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 17, 1990

A D D R E S S

OF THE SUPREME COUNCIL OF THE REPUBLIC OF LITHUANIA

TO THE NATIONS OF THE WORLD

The Supreme Council of the Republic of Lithuania, having proclaimed the continuation of the independent Lithuanian State and a return to the world community of free nations, has faith in the solidarity and support of these nations.

Our decision is not directed against any one nation, nor is it against any nationality in Lithuania. This is a path that allows us to guarantee the rights of individuals, citizens and national communities in Lithuania, to become open to free association, and to offer to contribute our commitment and work to the world of justice and harmony that is now being created.

May God and all people of good faith help us.

VYTAUTAS LANDSBERGIS
PRESIDENT OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 11, 1990

TO THE CHAIRMAN OF THE SUPREME
SOVIET OF THE UNION OF SOVIET
SOCIALIST REPUBLICS

HIS EXCELLENCY
MIKHAIL GORBACHEV

We, deputies of the Supreme Council of the Republic of Lithuania, elected democratically and freely by the people of Lithuania, who for many decades have striven to restore the independent statehood of their country, wish to inform you that on March 11, 1990, the Supreme Council of the Republic of Lithuania adopted legal acts and political decisions establishing the restoration of the independent Lithuanian State.

The texts of the documents are attatched to this letter.

We hope that you and the entire leadership of the Soviet Union will show good will and favourably view our resolutions, and that the Union of Soviet Socialist Republics will recognize the Lithuanian Republic as an independent state.

We are inviting you to view this letter as an official proposal to the Union of Soviet Socialiast Republics to start negotiations for regulating all questions pertaining to the fact of the restoration of the independent Lithuanian state. We anticipate that you will pay special attention to the safety of the young people of Lithuania currently serving in the Soviet Armed Forces.

We wish to maintain good and stable political and economic relations with the Soviet Union, and we anticipate that you will exhibit a reciprocal position and attitude.

Respectfully yours

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnius, March 12, 1990

ADDRESS TO THE PRESIDENT OF THE USSR

The Supreme Council of the Republic of Lithuania, supported by mandates from the Lithuanian nation, states:

1. The government of Lithuania will not impede the activities of Soviet army troops based for a limited period of time in the territory of the Republic while pursuing negotiations with the government of the USSR concerning the status of those troops. Until conclusions are reached, Armed Forces of the USSR, the Internal and Border Army should not execute maneuvers or relocation within the territory of the Republic, and should not increase the present contingency without the agreement of the government of Lithuania. Likewise, the government of the Republic will assure the safety of the Soviet Army's soldiers, military officers and their families in Lithuania.

2. The people of Lithuania and the Supreme Council of Lithuania wish citizens (soldiers, military officers and their families) of the Republic to be immediately and safely returned to Lithuania.

3. We ask you, honorable USSR President, to give the appropriate orders to the government of the USSR.

VYTAUTAS LANDSBERGIS
CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

LIUDVIKAS SABUTIS
SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA

Vilnus, March 11, 1990

TEL. 628423
TELEX.261138 LTINF SU
FAX. 614544

BULLETIN: TEXT OF LITHUANIAN REPLY TO GORBACHEV

THE REPLY OF VYTAUTAS LANDSBERGIS, PRESIDENT OF THE SUPREME COUNCIL OF LITHUANIA, TO USSR PRESIDENT MIKHAIL GORBACHEV'S TELEGRAM THREE DAYS AGO IS BEING DELIVERED TODAY BY A DELEGATION HEADED BY VAIDOTAS ANTANAITIS. THE TEXT OF THE TELEGRAM FOLLOWS:

HIS EXCELLENCY M. GORBACHEV

PRESIDENT OF THE UNION OF THE
SOVIET SOCIALIST REPUBLICS

DEAR MR. PRESIDENT,

IN RESPONSE TO YOUR INQUIRY ABOUT THE POSITION OF THE SUPREME COUNCIL OF THE REPUBLIC OF LITHUANIA REGARDING A DECISION BY THE THIRD SPECIAL SESSION OF THE CONGRESS OF PEOPLES DEPUTIES, I WISH TO INFORM YOU THAT:

1. THE DECREE BY THE CONGRESS THAT RESOLUTIONS ADOPTED BY THE SUPREME COUNCIL OF THU REPUBLIC OF LITHUANIA ARE INVALID DOES NOT HAVE LEGAL FOUNDATION.

2. HUMAN RIGHTS IN LITHUANIA ARE GUARANTEED BY THE LAWS OF THE REPUBLIC OF LITHUANIA WHICH CONFORM WITH UNIVERSALLY ACCEPTED INTERNATIONAL PRACTICES AND AGREEMENTS, AND ARE DEFENDED BY THE LITHUANIAN GOVERNMENT AND THE COURTS. THE LEGAL USSR INTERESTS IN LITHUANIA SHOULD BE SPECIFICALLY DEFINED THROUGH NEGOTIATIONS AND WILL RECEIVE CAREFUL CONSIDERATION BY THE REPUBLIC OF LITHUANIA.

3. THE LITHUANIAN STATE IS TAKING MEASURES THAT LAW AND ORDER IS MAINTAINED IN THE TERRITORY OF THE REPUBLIC OF LITHUANIA.

MR. PRESIDENT, I AM TAKING THIS OPPORTUNITY TO DRAW YOUR ATTENTION TO THE FACT THAT SEVERAL SPEECHES DELIVERED AT THE THIRD SPECIAL SESSION OF THE CONGRESS OF PEOPLES DEPUTIES ON MARCH 15, 1990 AND BROADCAST BY NATIONAL SOVIET TELEVISION MISREPRESENTED THE FACTS AND CONTAINED ELEMENTS OF INTERFERENCE. WE HAVE ALWAYS BEEN OF THE OPINION AND CONTINUE TO BELIEVE THAT ALL PROBLEMS CONCERNING RELATIONS BETWEEN COUNTRIES MUST BE RESOLVED ONLY BY POLITICAL MEANS WITH THE UTMOST REGARD FOR PEACE AND GOODWILL.

WITH RESPECT,
PRESIDENT OF THE SUPREME COUNCIL OF THE REPUBLIC OF LITHUANIA
V.LANDSBERGIS
VILNIUS, MARCH 18 , 1990

END

SUPREME COUNCIL OF THE REPUBLIC OF LITHUANIA
BUREAU OF INFORMATION
Tel: 62 84 23
Fax: 61 45 44
Telex: 261138 LTINF

The following communication was transmitted by telegram on March 22, 1990 from the President of the Supreme Council of the Republic of Lithuania, Vytautas Landsbergis, to the Supreme Soviet of the USSR. The original document will be hand-delivered to Supreme Soviet of the USSR in Moscow on March 23, 1990.

March 21, 1990

The Supreme Soviet
of the USSR
The Kremlin
Moscow, USSR

Gentlemen:

The Government and Supreme Council of the Republic of Lithuania most strongly protest the resolution adopted by the third unscheduled Congress of Peoples' Deputies of the USSR on March 15, 1990, with respect to the international and internal status of the Republic of Lithuania.

In particular, the Republic of Lithuania objects to the description of Lithuania as a "republic of the USSR." The Republic of Lithuania was an internationally recognized member of the League of Nations until its forcible occupation by the armed forces of the USSR in June, 1940, pursuant to the secret protocols of the Nazi-Soviet Non-Aggression Pact of August 23, 1939.

The annexation of Lithuania by the USSR violated the terms of Lenin's Declaration of Rights of the Peoples of Russia of November 15, 1917; the Soviet-Lithuanian Peace Treaty of July 12, 1920; the Lithuanian-Soviet Treaty of Non-Aggression of September 28, 1926; the Kellogg Briand Pact of 1929; the Lithuanian-Soviet Mutual Assistance Pact of October 10, 1939; and the Covenant of the League of Nations. The annexation and occupation of Lithuania, and its neighbors Estonia and Latvia has been reviewed and denounced as a flagrant breach of international law by the former Supreme Soviet of Lithuania, as well as the Supreme Soviets of Estonia and Latvia, the parliament of the Republic of Poland, and the Assemblies of the Council of Europe and the European Parliament. A similar action was taken by the USSR Congress of People's Deputies on December 24, 1989.

In light of the fact that Lithuania had come under Soviet occupation by June, 1940, all subsequent actions of Soviet authorities in Lithuania designed to subvert and destroy the nation's sovereignty were void ab initio, including all such actions initiated by the government of Jozef Stalin to portray as juridically valid the inclusion of Lithuania in the USSR on August 3, 1940.

The Government of the Republic of Lithuania wishes to bring to the attention of the Supreme Soviet of the USSR and the USSR Government that international crimes such as forcible annexation of territory do not produce valid legal title, and that the independence of the Republic of Lithuania has been re-established on the basis of the Lithuanian people's right of self-determination and the de jure continuity of the Lithuanian State since 1940.

The Government of the Republic of Lithuania also wishes to remind the Supreme Soviet of the USSR that the USSR Government declared in its 1920 Peace Treaty with Lithuania that it recognized without reservation and "for all time" the sovereign rights and independence of the Lithuanian State. It therefore follows that the Republic of Lithuania has never formed, juridically-speaking, part of the territory of the USSR, and that there is no legal justification for the validity of the 1977 USSR Constitution or other Soviet laws with respect to Lithuanian territory.

The Government of the Republic of Lithuania wishes to inform the Supreme Soviet of the USSR that although the USSR Constitution does not apply to Lithuania, article 72 of such Constitution does in fact provide for the unqualified right of each Soviet republic to secede from the USSR. In connection with this constitutional provision, the well-known Soviet Constitutional expert, Alexander Lukyanov and other scholars have written:

"This right of Soviet republics to secede is unconditional and for such right to be effectuated, the approval of the highest organs of the Soviet Government is not necessary; nor is the approval of the other Soviet republics."

It is therefore clear that the decision of the Lithuanian Supreme Council to restore Lithuanian independence is even valid from the standpoint of Soviet Constitutional Law. References to articles 74 and 75 of the Soviet Constitution made by the USSR Congress of People's Deputies in the aforementioned March 15, 1990 declaration are irrelevant to a discussion of the legal status of Lithuania in light of the fact that such articles do not modify or restrict the right of self-determination or secession granted by the Soviet Constitution.

The Government of the Republic of Lithuania also wishes to inform the members of the Supreme Soviet of the USSR that the Lithuanian Government is vested with all legitimate legal authority in Lithuania, and that any attempt by the government or military organs of the U.S.S.R. to interfere with the enforcement of Lithuanian law in Lithuania will be viewed as a violation of generally-recognized principles of international law including article 2(4) of the Charter of the United Nations, the International Human Rights Covenants, the General Treaty for the Renunciation of War of 1928, the United Nations 1974 Declaration with respect to the Definition of Aggression, and the 1970 United Nations General Assembly Resolution Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States.

The Republic of Lithuania in particular requests the Supreme Soviet of the USSR to urge the Soviet Government to respect the right of Lithuania to control and regulate all customs and passport formalities on its frontiers with the Kingdom of Sweden, the Russian S.F.S.R., Poland, Latvia, and the Byelorussian S.S.R. The Lithuanian Government reminds the Supreme Soviet of the USSR

that in accordance with the terms of the Helsinki Final Act and universally accepted principles of international law, including Article 13 of the Universal Declaration of Human Rights, all Lithuanian citizens have the right to leave Lithuania and return at any time. Any efforts by Soviet personnel stationed on and near the frontiers of Lithuania to harass or impede the legal right of Lithuanians to cross into states other than the RSFSR or Byelorussia will be viewed as a serious breach of international legal and human rights norms.

The aforementioned Resolution of the third unscheduled Congress of People's Deputies of the USSR also alleged that Lithuania "ignored" certain unspecified political, economic, social, territorial, legal and other problems connected with the re-establishment of Lithuanian independence. The Government of the Lithuanian Republic wishes to remind the members of the Supreme Soviet of the USSR that Lithuania has underscored on many occasions its sincere hope that immediate negotiations would commence with the Government of the USSR so that both parties might openly and rationally discuss all issues currently outstanding between them. The Government of Lithuania has set no preconditions for such negotiations, and on several occasions Lithuanian representatives in Moscow have had contacts with the President of the USSR, Mikhail Gorbachev.

The Government of Lithuania wishes to convey to the members of the Supreme Soviet of the USSR and the Government of the USSR the sincere wish of all Lithuanians for future mutually-beneficial political, economic and cultural ties with the peoples of the USSR. A forthright willingness to discuss issues of mutual concern will serve to hasten many positive developments in Lithuania, the USSR and East-Central Europe.

Vytautas Landsbergis
President, Supreme Council of the Republic of Lithuania
Vilnius, March 21, 1990

The National Archives

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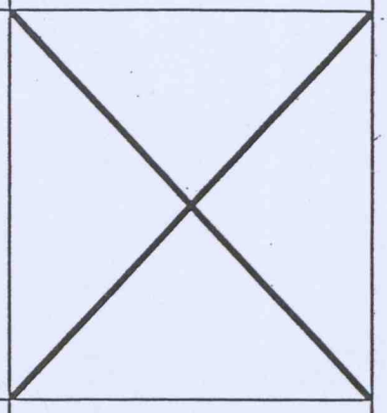
Extract details: CD POWELL TO MR APPLEYARD 29 MARCH 1990	
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FROM: The Rt Hon. The Lord Joseph CH PC

HOUSE OF LORDS

tel: 01-422 3488

29/3

Charles Powell Esq
10 Downing Street
London SW1A 2AA

28 March 1990

CONFIDENTIAL

Dear Mr Powell,

This is to confirm that at the urgent request of the MARATHON team, I last evening telephoned you - on the eve of my departure this morning for nearly three weeks in America - to ask you to put before the Prime Minister the request for an urgent meeting of Ministers to consider the necessary permit if MARATHON is put in the running.

As I told you, the MARATHON team passed on to me the information that the National Security Council in Washington is considering this afternoon the relevant submission of US West.

I am asking my secretary to sign this for me.

Yours Sincerely

Keith Joseph

pp R.M. Strong

The National Archives

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SECRET AND PERSONAL

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SUBJECT CC MASTER

A:\foreign\Wall (ECL)

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

bc: PC

28 March 1990

PRIME MINISTER'S CONVERSATION WITH PRESIDENT GORBACHEV

The Prime Minister had about an hour's talk (53 minutes to be precise) with President Gorbachev on the telephone this morning, as previously arranged. I enclose my record of the exchange. You will already have seen the message which the Prime Minister has sent to President Bush with her reflections.

The message described Mr. Gorbachev as very sombre. I also thought that he sounded rather tired and resigned. He was certainly a good deal less animated than usual, never raising his voice throughout.

The technical arrangements were fairly Heath Robinson. The conversation was conducted on a very crackly open telephone line, which went down completely at one stage, so that Mr. Gorbachev had to ring back. The initial contact was chaotic with a piercing voice constantly asking "are you Margaret Thatcher?". One had the impression that Mr. Gorbachev and the interpreter were probably passing the receiver to and fro at the other end. If such calls are going to become a habit, we might consider installing some special equipment.

I am copying this letter to Simon Webb (Ministry of Defence) and to Sir Robin Butler.

(CHARLES POWELL)

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

SECRET AND PERSONAL

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RECORD OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND PRESIDENT GORBACHEV ON WEDNESDAY 28 MARCH

The call commenced at 1155 am.

Mr. Gorbachev extended warm greetings to the Prime Minister. The Prime Minister returned hers to Mr. Gorbachev and made special reference to Mrs. Gorbachev. Mr. Gorbachev thanked the Prime Minister for this and asked for his best regards to be conveyed to Mr. Thatcher.

The Prime Minister said she was looking forward to her visit to Kiev in June. Mr. Gorbachev said that he believed the visit would be very interesting and useful. He was looking forward to continuing their discussions and cooperation on all subjects. The Prime Minister said that she found it constraining not to have more opportunities to talk freely and frankly to Mr. Gorbachev. She believed such discussions helped deal with problems.

The Prime Minister continued she would like to start by raising the subject of Lithuania. She had been careful in public statements to take a balanced and helpful line. She knew this was a difficult and sensitive issue for Mr. Gorbachev, and did not want to add to his difficulties. She very much hoped he could avoid the use of force, which would be a great mistake. We placed great weight on his public assurancies about this. She was sure the problems could be resolved through discussion and dialogue. She understood that legislation was being drafted by the Soviet Parliament which envisaged the possibility of secession. There was a need for patience, so that any changes could be made constitutionally. Meanwhile we were watching the situation with some anxiety and would continue to urge restraint and discussion.

Mr. Gorbachev said the Prime Minister had touched on an internal matter which was sensitive for the Soviet Union. There was provision in the Soviet constitution which envisaged the right to self-determination up to and including secession. The Soviet

Parliament was currently considering a law which would establish a mechanism for implementing this, and its adoption was just round the corner. The Parliament was also working on amendments to the treaty establishing the Union, with a view to recasting the Federation on new principles. It would be an entirely new type of Federation, in which individual republics had more sovereignty in every field. Unfortunately, the Soviet authorities were dealing with a Lithuanian leadership which insisted on acting outside the constitutional process. They had got together and made their decision on independence at dead of night. It had been voted through by a show of hands. And so far as they were concerned it was just as simple as that. In reality even the simplest law could take months to draft and pass. There had been no referendum and no discussion with the people of Lithuania. It was a shady deal and had caused great indignation elsewhere in the Soviet Union. In short he was dealing with rudimentary adventurers. They claimed that Lithuania was no longer part of the Soviet Union. But he had already explained to them several times that decisions on accession and secession could only be taken through a proper constitutional process: and he had wanred them of the consequences of their action.

Mr. Gorbachev continued that the way in which the Lithuanian decision had been taken was unacceptable. The matter must be brought within a proper constitutional framework. He also had to prevent a wider conflict. The non-Lithuanian minority were really angry at being treated so heavy-handedly. Indeed many Lithuanians rejected the way in which independence was being pursued. There was also talk of reopening territorial issues with Byleorussia. The Soviet Union had major defence interests at stake in Lithuania. He was engaged in trying to control the situation in other republics. They were upset because the Lithuanians had rejected dialogue, and were therefore imposing a blockade on some deliveries. In short the situation was tense.

Mr. Gorbachev went on that he had a mandate from the Third Congress of People's Deputies to ensure strict observation of the Soviet constitution and of all its provisions, in the interests of all the citizens of the Soviet Union. He was determined to

do this. The Lithuanians must therefore disavow the decisions which they had taken. Unfortunately they seem to have no understanding of this. They totally failed to understand that such far-reaching decisions could only be taken after full consideration of all the consequences for others. He did not want things to get out of hand or out of control. He would convene a meeting on Friday of the Federation Council to address the situation in Lithuania. The Prime Minister asked whether the meeting would agree on how to proceed. Mr. Gorbachev said that would depend on the outcome of the discussions.

The Prime Minister said that she understood Mr. Gorbachev's strategy was to keep things as calm as possible and to try to resolve the problem within a constitutional framework. He was saying that matters could be resolved peacefully given sufficient time. Mr. Gorbachev said that the possibilities for tactical manoeuvres were getting narrower. He could not conceal that. Tremendous pressure was being brought on him to take action. He did not know whether he could find adequate answers to defuse the situation. The Prime Minister said she was grateful to Mr. Gorbachev for telling her all this. It sounded very serious. She wondered whether he had briefed President Bush, who was taking broadly the same line as her in public. Mr. Gorbachev had achieved so much in the Soviet Union and more widely. We were all a bit fearful that if things were to go wrong over Lithuania, then it would have a very damaging effect on everything he had striven to achieve, both domestically and internationally. Mr. Gorbachev said that he understood all that and would keep it in mind. But in order for the Soviet Union to continue both internal and external changes, there must be mutual understanding. The Lithuanian leaders were trying to exploit the current difficult situation for their own purposes. This was causing uproar elsewhere in the Soviet Union. People were demanding that he should act strongly and decisively to ensure that matters developed within the constitution.

The Prime Minister said that she assumed Mr. Gorbachev would find it helpful if others urged the Lithuanian leaders to sit down round the table to try to settle matters peacefully.

Mr. Gorbachev said that the basic point of departure was that Lithuania remained a part of the Soviet Union. He would continue to approach the problem from this perspective. Some people were talking about international negotiations, but that was ludicrous. The Prime Minister recalled that western countries treated Estonia, Latvia and Lithuania differently from the rest of the Soviet Union because of the way in which their fate had been arranged between Hitler and Stalin. We had never given de jure recognition to their annexation. We therefore understood their desire for independence. But we also understood the sensitivities for the Soviet Union and for Mr. Gorbachev personally. Anything we could do to encourage dialogue and discussion we would do. Meanwhile, she hoped he would renew his undertaking not to use force. She wondered whether it would be helpful if she were to have a word with President Bush. Mr. Gorbachev said that the Soviet Union was in fairly regular touch with the United States and he had personally discussed the Lithuanian problem just two days ago with Senator Kennedy, asking him to pass on his views to the President. But he did not preclude the possibility of a further discussion of this serious subject with him.

Mr. Gorbachev continued that the Soviet Union had made clear that it wanted to avoid instability in international relations and to follow a peaceful course. But it looked as though they had first to go through 'these trials' over Lithuania, and prevent people from cashing in on current difficulties. Some people in the West were saying that what was happening in the Soviet Union was only temporary and transient, and everything would soon go back to square one. They therefore asked whether it was really worthwhile supporting Mr. Gorbachev and his policies. Indeed some people were trying to fish in troubled waters. Such ideas reflected a short term approach. He would prefer to see a more responsible and serious approach. The Prime Minister's telephone call indicated, however, that good and serious discussions were possible. He hoped he had not exhausted her with his account of the difficulties over Lithuania. The Prime Minister said that as far as we were concerned, we expected Mr. Gorbachev to be there for 10 years and hoped it would be 20. We wanted to see

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relations become steadily more friendly. Mr. Gorbachev's policies of reform and greater democracy continue to have our full support. She wanted to make this point loud and clear. Mr. Gorbachev thanked the Prime Minister for her words of support. He had always felt a strong desire on her part to work with him and he appreciated and valued their dialogue very highly. He had been grateful for their talk today.

The Prime Minister said she would be seeing Chancellor Kohl the next day and had intended to discuss with Mr. Gorbachev some of the issues which would arise during their meeting. But it might be easier for her to send him a message after the meeting. Mr. Gorbachev said he believed that his views and those of the Prime Minister on Germany were close. If the Prime Minister found it possible to inform him of her meeting with Chancellor Kohl, he would appreciate that very much. He would also arrange to convey to her his own ideas. It was necessary to resolve the problem of German unification responsibly, in the interests both of the Germans and of all the peoples of Europe. We should not try to simplify a complex matter. He wanted to repeat his gratitude for the Prime Minister's time and his best wishes.

The call finished at 1248 pm.

CHARLES POWELL
28 March 1990

A:\FOREIGN\GORBACHE (ECL)

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Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

28 March 1990

Dear Charles,

Telephone Conversation with Mr Gorbachev

Mr Gorbachev's telephone call with the Prime Minister at 12 noon today will provide an opportunity for the Prime Minister to renew her congratulations on Mr Gorbachev's election to the new post of Executive President on 14 March.

Mr Gorbachev will certainly wish to raise Germany. Except for their stand against German membership of Nato, the Russians have not yet shown their hand on the issues to be discussed in the 2 + 4 talks. There is also a good deal of coordination still to be done among the Western Four (this is in hand). At this stage there is little advantage in being drawn much further on Germany with the Russians. The Prime Minister might say:

- GDR elections a clear vote for unification. They were fairly conducted.

- Germans are saying that work on internal and external aspects should now run in parallel. That is right.

- Glad 2 + 4 talks underway.

- Convinced German membership of Nato in best interest of all concerned.

- [If other military issues are raised, eg size of Bundeswehr] For discussion in 2 + 4: have always said we are willing to take account of legitimate Soviet security concerns.

- [If raised] Welcome latest German position on Polish borders. Favour earliest Polish involvement in discussion of borders.

- [If Peace Treaty raised] Think a settlement is necessary. But need to be flexible on exact form. Discuss in 2 + 4.

CONFIDENTIAL

CONFIDENTIAL

The Prime Minister should raise the Baltic States. She could say:

- We are taking great care not to complicate the situation in our public comments. Have made clear that any lasting solution must be acceptable to both Moscow and the Balts.

- But concerned that some Soviet actions have heightened tension and anxieties, making dialogue more difficult. Occupation of building by Soviet military and arrest of young Lithuanians who do not wish to serve in Soviet armed forces likely to fan emotions and make Lithuanian people less ready to approach negotiation constructively. Exclusion of foreigners from Lithuania will also reduce confidence.

- Can you now take a personal initiative to resume talks in a way which will meet jusitified Lithuanian aspirations for self-determination and independence, but also prevent instability and safeguard legitimate Soviet interests? How much will your new Council of the Federation be able to help you?

- Douglas Hurd will be talking to Zamyatin about all this this afternoon.

The Prime Minister may like to cover the following bilateral points:

- Visit to Soviet Union on 7-10 June. In view of the pace of events a well-timed opportunity to take stock of bilateral relations, developments in Europe and CSCE. Hope we can give renewed impetus to Anglo-Soviet relations, which are now marked by greater depth and confidence than ever before. Possibly settle question of using existing Embassy as Residence.

- British Month in Kiev: look forward to showing you the main exhibit on life in Britain. Also attend English National Opera's performance of Handel's Xerxes.

- Will then be visiting Armenia to open school which we are building as part of our programme for post-earthquake relief.

- Foreign Secretary's forthcoming visit (9-12 April).

CONFIDENTIAL

CONFIDENTIAL

The Prime Minister may like to ask Mr Gorbachev how he would like to present the telephone call. She might propose that No 10 and the Soviet Presidency should inform the press that the conversation had taken place and that the two leaders had exchanged views on bilateral matters and key European questions. We would treat the details of the exchange as confidential but she would wish to mention the fact that she had raised Lithuaia with him and stressed the need for an agreed solution.

The Prime Minister should bear in mind that the conversation will be on an open line.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

The National Archives

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PRIME MINISTER

PRESIDENT GORBACHEV

President Gorbachev will telephone you tomorrow morning at 1200 our time. The Russians will initiate the call and he will have an interpreter on the line. You will want to bear in mind that it is an insecure line.

The Foreign Office will let us have some thoughts in the morning. But the subjects you will want to cover are:

- Soviet internal developments
  You have been following recent developments with the greatest interest and attention, in particular the constitutional changes. You congratulate him once more on his appointment as President. We have been particularly interested by some of the reforms in the economic and social area, such as the introduction of the law on private property. You recognise the great economic difficulties which he faces. You hope he will let you know if he feels there is more that the United Kingdom could be doing to help. You want to assure him of your continued support for what he is trying to achieve, and you will continue to make this clear in public.

- Your meeting with Chancellor Kohl
  President Gorbachev is particularly keen to talk to you about this, and will no doubt want to put his views on German membership of NATO. The Soviet position on this seems strangely fluid. You may have seen from the telegram that Shevardnadze has said that the Russians do not want Germany in NATO but they do not want it to be neutral either. Our assessment is that, with sufficient safeguards, they will eventually come to accept Germany in NATO.

- Lithuania
  You will want to tell him of the careful and balanced line that you have taken in public about this. You recognise it

6

is a difficult and sensitive problem. At the same time, you very much hope that any use of force can be avoided, as it would certainly create great uproar with public opinion in the West. You hope that he will confirm to you - for public quotation - that everything possible will be done to reach a solution through discussion.

- Your forthcoming meeting with President Bush
  You will be seeing President Bush in Bermuda on 13/14 April to review with him all the current international issues, in particular those affecting European security. If President Gorbachev has any particular thoughts he would wish you to convey to the President, he might like to set them out in a message.

- Your visit to Kiev
  You are greatly looking forward to your visit and to renewing direct talks. You hope the dates of 7-10 June remain convenient and will not clash with the proposed US/Soviet Summit.

It would be helpful at the end to get him to agree that we can tell the press that the two of you have talked on the telephone, and that he assured you personally that everything possible would be done to settle Lithuania's problems through discussion.

C.D.P.

CHARLES POWELL
27 March 1990

a:\foreign\gorbachev (ecl)

The National Archives

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SIC
LITHUANIA: LATEST REPORTS

SUMMARY

1. COMMUNISTS LOYAL TO MOSCOW SEIZE PARTY BUILDINGS WITH MILITARY HELP. LITHUANIAN SUPREME COUNCIL INCLUDES SEVERAL MEMBERS OF OLD (COMMUNIST) GOVERNMENT IN NEW ADMINISTRATION. LANDSBERGIS TELLS GORBACHEV VOLUNTEER FORCE TO BE UNARMED GROUPS TO HELP CONTROL ORDER. MOSCOW DIRECTS LITHUANIAN PROCURATOR TO OBSERVE SOVIET JURISDICTION. FOREIGN JOURNALISTS ALLOWED TO TRAVEL TO LITHUANIA DESPITE RESTRICTIONS.

DETAIL

MILITARY ACTION

2. ACCORDING TO A BULLETIN SENT TO US BY FAX BY THE LITHUANIAN SUPREME COUNCIL INFORMAITON CENTRE, COMMUNIST PARTY BUILDINGS IN VILNIUS WERE TAKEN OVER BY COMMUNISTS LOYAL TO MOSCOW ACCOMPANIED BY SOVIET TROOPS (IN ONE CASE 20 PARATROOPERS ARMED WITH AK-47 RIFLES). THE BULLETIN STATES THAT UNDER LITHUANIAN LAW THE PROPOERTIES BELONG TO THE (INDEPENDENT) LITHUANIAN COMMUNIST PARTY AND MOST ARE LEASED TO NON-PARTY ORGANISATIONS. TASS HAS REPORTED THAT THE RUMP CPSU WILL KEEP CONTROL OF THE BUILDINGS UNTIL A SETTLEMENT ON JOINT USE OF PROPERTIES IS REACHED. THE BULLETIN ALSO REPORTED THAT DEPUTY PRIME MINSTER OZOLAS TOLD AN AMERICAN JOURNALISTS ON 25 MARCH THAT THE MILITARY WERE PLANNING TO SEIZE THE SUPREME COUNCIL BUILDING.

3. THE ISSUE OF CONTROL OF BUILDINGS PREVIOUSLY BELONGING TO THE CPSU IN LITHUANIA WILL BE A SENSITIVE ONE FOR MOSCOW. DOUBTLESS THE OCCUPATION OF SOME OF THESE BUILDINGS WITH TROOPS IS DESIGNED TO INCREASE FURTHER THE PSYCHOLOGICAL PRESSURE ON THE LITHUANIANS. BUT MOSCOW WILL CONSIDER THAT THEY HAVE A REASONABLE CLAIM TO MONITOR CONTROL OF SOME OF THESE BUILDINGS ON BEHALF OF THE CPSU (WHOSE LEGAL PROPERTY THE BUILDINGS DOUBTLESS ARE) PENDING A SETTLEMENT WITH THE LITHUANIAN COMMUNIST PARTY. WITH A STRONG LIKELIHOOD OF SPLITS IN

THE CPSU OCCURING IN OTHER REPUBLICS, DECISIONS ON THE OWNERSHIP OF THESE BUILDINGS IN LITHUANIA ALSO HAVE WIDER IMPLICATIONS.

4. THERE WAS SOME ALARM EARLY ON THE MORNING OF 24 MARCH WHEN A CONVOY OF MILITARY VEHICLES PASSED THROUGH THE CENTRE OF VILNIUS AS THE SUPREME COUNCIL SAT IN SESSION. A PRAVDA COMMENTARY QUOTED THAT LITHUANIAN REPORTS OF THIS WERE QUOTE COLOURFUL UNQUOTE

LITHUANIAN GOVERNMENT

5. THE SUPREME COUNCIL SESSION OF 23 MARCH CONTINUED UNTIL THE EARLY HOURS DISCUSSING THE COMPOSITION OF THE NEW LITHUANIAN GOVERNMENT. OF THE TEN MINISTERS REPORTED TO HAVE BEEN ELECTED BY SATURDAY MORNING WE UNDERSTAND FIVE WERE MEMBERS OF THE PREVIOUS LITHUANIAN GOVERNMENT. ONE OF THE NEW MINISTERS, THE FOREIGN MINISTER, IS CHRISTIAN DEMOCRAT ALGIRDAS SAUDARGAS. THE LITHUANIAN PROSECUTOR (SEE BELOW) HAS BEEN REPLACED BY HIS DEPUTY ARTURAS PAULAUSKAS.

6. A TASS REPORT PRINTED IN IZVESITYA ON 24 MARCH NOTED THAT LANDSBERGIS HAD REPLIED TO GORBACHEV'S DEMAND THAT VOLUNTEER RECRUITMENT FOR BORDER CONTROL AND OTHER DUTIES SHOULD BE STOPPED. ACCORDING TO TASS, THE REPLY ASSURED GORBACHEV THAT THE VOLUNTEERS WERE REGISTERING ONLY TO ASSIST WITH CONTROL OF SOCIAL ORDER: THEY WOULD NOT BE ARMED FORMATIONS. LANDSBERGIS HAS DESCRIBED THE CURRENT SITUATION AS A WAR OF NERVES, WITH LITHUANIA COMING UNDER CONTINUING PSYCHOLOGICAL AND POLITICAL PRESSURE

PROCURACY

7. THE ACTING SOVIET PROCURATOR GENERAL VASILIEV SENT TELEGRAMS TO THE LITHUANIAN PROCURATOR BARAUSKAS, WHO HAS SINCE BEEN REPLACED BY THE NEW LITHUANIAN GOVERNOR, AND TO LANDSBERGIS. VASILIEV INSTRUCTS BARAUSKAS TO UPHOLD SOVIET LAW IN LITHUANIA IRRESPECTIVE OF LOCAL AUTHORITIES DISAGREEMENT AND TO BE RESPONSIBLE ONLY TO THE SOVIET PROCURATOR. A TEAM OF 11 PROSECUTORS HAS BEEN SENT FROM MOSCOW TO HELP IMPLEMENT THIS INSTRUCTION. BARAUSKAS' SUCCESSOR PAULAUSKAS HAS SAID THAT THE TEAM WILL BE WELCOMED AS GUESTS. INTERIOR MINISTRY OFFICIALS HAVE ALSO BEEN ARRIVING IN LITHUANIA TO ASSIST WITH THE CONFISCATION OF WEAPONS. A COMMENTARY PUBLISHED IN PRAVDA OF 25 MARCH INSINUATED THAT THE LOCAL KGB AND MILITIA WEE CONNIVING WITH THE LITHUANIAN GOVERNMENT TO OBSTRUCT THE SOVIET AUTHORITIES. CONTRARY TO THE PRAVDA REPORT LIBERAL DEPUTY ROY MEDVEDEV TOLD ME ON 23 MARCH THAT THE LOYALTIES OF THE PROCURACY AND MVD WERE SPLIT BADLY BUT THAT THE KGB AND ARMY WERE SOLIDLY BEHIND MOSCOW.

FOREIGN MINISTRY

8. AS YOU KNOW MANY WESTERN JOURNALISTS ARE STILL REPORTING FROM VILNIUS. SOME HAVE BEEN GIVEN PERMISSION TO EXTEND THEIR STAY. AT LEAST ONE BRITISH JOURNALIST HAS TRAVELLED TO VILNIUS SINCE THE TIGHTER RESRICTIONS ON FOREIGNERS TRAVELLING TO LITHUANIA WERE ANNOUNCED ON FRIDAY 23 MARCH. THE EMBASSY IS NOT AWARE OF ANY DIPLOMATS HAVING SECURED PERMISSION SINCE THE RESTRICTIONS WERE IMPOSED. DIPLOMATIC MISSIONS HAVE NOW RECEIVED A NOTE TO THE EFFECT THAT OFFICIALS NORMALLY ABLE TO TRAVEL WITHOUT LODGING FORMAL NOTIFICATION (COUNSELLORS AND ABOVE) WILL HAVE TO APPLY FOR PERMISSION TO VISIT LITHUANIA.

9. IT SEEMS THAT THE ORIGINAL INJUNCTION AGAINST FOREIGN VISITORS HAS BEEN RELAXED FOR MOSCOW BASED CORRESPONDENTS. IT SEEMS THAT WISE COUNSEL MAY HAVE PREVAILED AND THE SOVIET AUTHORITIES MAY HAVE RECOGNISED THE INADVISABILITY OF AN EFFECTIVE NEWS BLACKOUT. AS CONCERNS DIPLOMATS, MOSCOW MAY BE SEEKING TO RESTRICT THE FLEDGLING GOVERNMENT'S (SAJUDIS') CONTACT WITH FOREIGN EMBASSIES BOTH BECAUSE OF THE POSSIBLE LEGAL IMPLICAITONS, AND TO SHOW WHO REALLY CONTROLS ENTRY INTO LITHUANIA.

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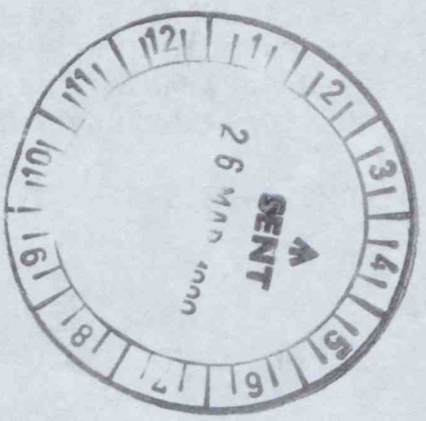

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MIPT: MEETING OF SUMMIT SEVEN POLITICAL DIRECTORS: SOVIET UNION AND EUROPE

SUMMARY

1. REPORT ON BAKER/SHEVARDNADZE MEETING. SHEVARDNADZE SAYS MOSCOW WILL NOT USE FORCE IN LITHUANIA: OPPOSED TO BOTH A UNITED GERMANY IN NATO AND A UNITED GERMANY THAT WAS NEUTRAL. AGREEMENT THAT THERE IS LITTLE THE WEST CAN DO TO HELP LITHUANIA. DISCUSSION OF GERMAN UNIFICATION. JAPANESE CONCERNED ABOUT LACK OF CHANGE IN SOVIET POSTURE IN ASIA/PACIFIC: UNDERLINE DESIRE FOR A ROLE IN EASTERN EUROPE.

DETAIL

BAKER/SHEVARDNADZE

2. KIMMITT (US) REPORTED ON THE BAKER/SHEVARDNADZE MEETING IN WINDHOEK. THEY HAD AGREED TO HOLD A FURTHER MINISTERIAL IN WASHINGTON IN APRIL, ANOTHER IN MOSCOW IN MAY AND POSSIBLY A THIRD TO PREPARE FOR THE JUNE SUMMIT. BAKER HAD FOUND SHEVARDNADZE VERY MUCH IN CONTROL IN SPITE OF RECENT EVENTS. REGIONAL POLICY DISCUSSION HAD CONCENTRATED ON ANGOLA AND AFGHANISTAN (SEE MIFTS). ON SOVIET INTERNAL REFORM SHEVARDNADZE SAID THE ALBALKIN ECONOMIC REFORM PLAN, DESPITE ITS DEFECTS (PARTICULARLY ON THE PRICING SIDE), WAS STILL THE BEST AVAILABLE. ON LITHUANIA, SHEVARNADZE HAD STRESSED THAT, WHILE THEY KNEW WHAT THEY WANTED TO ACHIEVE, THE RUSSIANS NEEDED TIME AND A PROCESS TO REACH THAT END. HE EXPRESSED IRRITATION WITH THE LITHUANIANS FOR FORCING THE PACE. MOSCOW WOULD NOT USE FORCE. THE TROOPS WERE THERE TO PROTECT NUCLEAR INSTALLATIONS AND DEFENCE FACILITIES. RUSSIAN INTERESTS HAD TO BE TAKEN INTO ACCOUNT. IN CENTRAL EUROPE TOO SHEVARDNADZE FELT EVENTS WERE MOVING TOO FAST AND GETTING AHEAD OF SECURITY DISCUSSIONS. ON GERMAN UNIFICATION, SHEVARDNADZE TOLD BAKER HE WAS OPPOSED TO A UNITED GERMANY IN NATO, BUT HE WAS ALSO OPPOSED TO A UNITED GERMANY THAT WAS NEUTRAL. BALTIC REPUBLICS

3. WESTON SAID THAT DESPITE HMG'S POLICY ON NON-RECOGNITION OF THE 1940 ANNEXATION WE HAD NOT RECOGNISED THE NEW STATE AS IT DID

NOT YET MEET OUR FULL CRITERIA. FOR THE PRESENT THE UK WAS AVOIDING CONTACTS WITH LITHUANIAN GOVERNMENT OFFICIALS. KIMMITT SAID THIS WAS PARALLEL TO US POLICY. OWADA (JAPAN) SAID THAT JAPAN HAD NOT RECOGNISED THE NEW LITHUANIAN GOVERNMENT OR ESTABLISHED CONTACTS WITH IT AS IT HAD NOT JUDGED THAT LITHUANIA HAD YET SECEDED IN FACT. KINSMAN (CANADA) NOTED THAT CANADA WAS IN PRINCIPLE MORE RELAXED ABOUT CONTACTS.

4. KIMMITT SAID SHEVARDNADZE HAD SPOKEN OF THE NEED FOR A SERIOUS AND SUBSTANTIVE DIALOGUE WITH LITHUANIA BUT HAD EXCLUDED THE USE OF FORCE BECAUSE THAT WOULD MEAN THE END OF PERESTROIKA. WESTON ASKED WHETHER THE ADMINISTRATION COULD RESIST DOMESTIC POLITICAL PRESSURE IN THE FACE OF EVENTS IN LITHUANIA. KIMMITT SAW SUCH PRESSURE AS INCREASING BUT CONTAINABLE, EVEN IN THE FACE OF SOVIET INTIMIDATION, AS LONG AS FORCE WAS NOT ACTUALLY USED. PRESIDENT BUSH WANTED GREAT CAUTION TO BE DISPLAYED TOWARDS EVENTS IN LITHUANIA NOTWITHSTANDING THE 93/0 VOTE IN THE SENATE. HE TOOK THE VIEW THAT IT WAS NOT FOR HIM TO PRESCRIBE AT A DISTANCE HOW SUCH DIFFICULT DEVELOPMENTS SHOULD BE HANDLED. KINSMAN SAID THAT CLARK'S IMPRESSION WAS THAT SHEVARDNADZE WAS WORRIED ABOUT THE PRECEDENT THAT MIGHT BE SET BY LITHUANIA. KIMMITT REJOINED THAT SUCH A PRECEDENT HAD ALREADY BEEN SET BY ALLOWING ELECTIONS TO TAKE PLACE. HE WONDERED WHETHER THE WESTERN RESPONSE TO EVENTS IN ARMENIA AND AZERBAIJAN HAD MADE THE RUSSIANS THINK THAT THE USE OF FORCE INTERNALLY WAS ACCEPTABLE, AS LONG AS IT WAS WITHIN CERTAIN LIMITS.

5. RANTZAU (FRG) ASKED WHAT WESTERN COUNTRIES COULD DO IF THE SOVIET UNION USED ECONOMIC RATHER THAN MILITARY PRESSURE ON LITHUANIA. WESTON SAID IT WOULD BE ONE THING FOR THE WEST TO STEP IN AND MAKE GOOD IF THE RUSSIANS FINALLY CONCEDED THE LITHUANIAN DEMAND FOR INDEPENDENCE BUT MADE THE ECONOMIC CIRCUMSTANCES THEREAFTER AS DIFFICULT AS POSSIBLE. IT WOULD BE QUITE ANOTHER IF ECONOMIC STRANGULATION WERE USED TO FURTHER THE SOVIET NEGOTIATING POSITION BEFORE THE EVENT, IN WHICH CASE IT WOULD BE MUCH MORE DIFFICULT FOR THE WEST TO INTERVENE WITHOUT PROVOCATION. THE GROUP GENERALLY AGREED.

GERMAN UNIFICATION

6. RANTZAU SAID THE GDR ELECTIONS SHOULD BE SEEN AS A REFERENDUM ON UNIFICATION. THE VOTE FOR THE CDU HAD BEEN A VOTE FOR UNITY NOW. THE TWO GERMANIES WOULD INCREASINGLY SPEAK WITH ONE VOICE, INCLUDING IN THE TWO PLUS FOUR. THE EAST GERMAN CDU WOULD HOWEVER HAVE DIFFICULTIES IN FORGING A COALITION AND FINDING QUALIFIED CANDIDATES TO SERVE AS MINISTERS. THE SOVIET UNION HAD SO FAR PLAYED A BASICALLY POSITIVE ROLE. KINSMAN BELIEVED THE SOVIET UNION WANTED TO NEGOTIATE IN THE TWO PLUS

FOUR ABOUT THE APPLICATION OF ARTICLES 5 AND 6 OF THE NATO TREATY TO THE FORMER GDR AND THE MILITARY STATUS OF THIS TERRITORY AFTER UNIFICATION. IT MIGHT NOT BE IN WESTERN INTERESTS TO GO AHEAD WITH A CSCE SUMMIT IF THE SOVIET UNION HAD BY THEN BLOCKED RESOLUTION OF THE KEY QUESTIONS RELATING TO A FUTURE UNITED GERMANY'S SECURITY ARRANGEMENTS. RANTZAU DID NOT BELIEVE THE SOVIET UNION WOULD TRY TO PUT ALL OF THESE ASPECTS ON THE TWO PLUS FOUR AGENDA. DUFOURCQ (FRANCE) WAS LESS CERTAIN. WESTON NOTED THESE WERE NATO ISSUES AND SHOULD NOT BE DISCUSSED WITH THE SOVIET UNION. IF SOLUTIONS HAD NOT BEEN REACHED THE CSCE SUMMIT COULD SIMPLY NOTE THE PROGRESS MADE. WESTON ASKED WHAT WOULD HAPPEN IF THE GDR GOVERNMENT APPLIED TO JOIN THE FRG UNDER ARTICLE 23 WITHOUT OBTAINING A TWO-THIRDS MAJORITY IN THE VOLKSKAMMER. REANTZAU SAID IT WAS NOT CLEAR WHETHER THE GDR LANDER COULD APPLY TO JOIN THE FRG IF THEIR CONSTITUTION PROHIBITED SUCH A SETTLEMENT. THIS WAS A COMPLICATED ISSUE.

JAPAN/SOVIET UNION

7. IN RESPONSE TO A QUESTION FROM WESTON, OWADA (JAPAN) SAID THE POSITIVE POLICIES ADOPTED BY THE SOVIET UNION IN EUROPE WERE NOT BEING REFLECTED IN THE ASIA/PACIFIC REGION. THERE HAD BEEN NO REDUCTION IN SOVIET AIR AND NAVAL POWER IN THE REGION (SOME DECREASE IN NUMBERS HAD BEEN OFFSET BY IMPROVEMENTS IN QUALITY). THE DIFFERENCE IN THE SOVIET ATTITUDE COULD BE EXPLAINED BY THE DIFFERENT GEOPOLITICAL ENVIRONMENT IN THE TWO REGIONS AND BY DIFFERENT POLICY GOALS. THE ASIA/PACIFIC REGION (TO SOME EXTENT STILL A SECONDARY PRIORITY FOR MOSCOW) WAS NOT BIPOLAR LIKE EUROPE. CHINA WAS A COMPLICATING FACTOR. THE SOVIET UNION WAS NOT LIQUIDATING THE GAINS OF THE POST-WAR PERIOD IN THE ASIA/PACIFIC REGION AS IT WAS IN EUROPE. THE ALIGNMENTS WERE FAR LESS CLEAR CUT IN THE REGION AND FOR THAT REASON MILITARY POWER AS AN INSTRUMENT OF POLITICAL INFLUENCE ASSUMED A CORRESPONDINGLY GREATER IMPORTANCE IN THE CONFIGURATION OF FORCES.

8. THE JAPANESE WERE NEGOTIATING WITH THE RUSSIANS ON A PEACE TREATY. THE NEXT VICE-MINISTERIAL MEETING WOULD TAKE PLACE IN THE FIRST HALF OF THIS YEAR. FOR JAPAN THE SOVIET ATTITUDE ON THE NORTHERN TERRITORIES WOULD BE A TEST OF NEW THINKING IN THE REGION. HE DID NOT EXCLUDE THE POSSIBILITY THAT THE SOVIET ATTITUDE WOULD CHANGE. THERE HAD BEEN INFORMAL HINTS THAT IT MIGHT BE EASIER ONCE THE BALTIC QUESTION HAD BEEN SOLVED. OWADA ASKED FOR WESTERN SUPPORT ON THE NORTHERN TERRITORIES. KIMMITT SAID BAKER HAD RAISED THIS ISSUE WITH SHEVARDNADZE IN MOSCOW AND WOULD RAISE IT AGAIN AT THE NEXT BILATERAL IN WASHINGTON.

JAPAN/EASTERN EUROPE

9. OWADA SAID THAT FOR JAPAN THE REVOLUTION IN EASTERN EUROPE

WAS MORE THAN A REGIONAL DEVELOPMENT. IT WAS A STRUCTURAL CHANGE IN THE INTERNATIONAL SYSTEM AND THE POST-WAR BIPOLAR WORLD. JAPAN WANTED TO BE INVOLVED IN THE PROCESS BECAUSE IT WOULD AFFECT THE ASIA/PACIFIC AND BECAUSE JAPAN WAS CONSCIOUS OF THE POLITICAL RESPONSIBILITY SHE WAS NOW EXPECTED TO ASSUME IN WORLD AFFAIRS. JAPAN WANTED TO CONTRIBUTE TO WORKING OUT NEW ARRANGEMENTS TO HELP BRING THE MARKET ECONOMIC SYSTEM AND PLURALIST DEMOCRACY TO EASTERN EUROPE.

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MR GOULDEN

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MR APPLEYARD, CABINET OFFICE
MR WICKS, TREASURY

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Prime Minister

A letter to you from the President of Lithuania.

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cc Press

LIETUVOS RESPUBLIKOS AUKŠČIAUSIOJI TARYBA

CBD 30/3

Margaret Thatcher
Prime Minister,
The United Kingdom of Great Britain and Northern Ireland
10 Downing St.
London, United Kingdom

We must reply - but perhaps it would be better to wait a few days yet. MB

Dear Madame Prime Minister:

On February 24, 1990 after a fairly-contested, multi-party campaign, the people of Lithuania went to the polls to elect national representatives for the first time since the Lithuanian nation came under foreign occupation in 1940. With the completion of the final run-off elections on March 10, 1990, the demand of the people of Lithuania was clear and overwhelming - immediate restoration of the Republic of Lithuania recognized *de jure* by Great Britain in 1921, and the entry into force on Lithuanian territory of the fundamental human, economic and political rights proclaimed in the first Lithuanian Constitution of May 15, 1920.

On March 11, 1990, the representatives of the Lithuanian people met in the Assembly Hall of the Supreme Council in the Lithuanian capital of Vilnius and expressing the will of the nation solemnly proclaimed the restoration of the Republic of Lithuania on the basis of its *de jure* continuity since 1940. The Lithuanian Supreme Soviet was reestablished as the Supreme Council of the Republic, and the 1977 U.S.S.R. Constitution and other Soviet laws were annulled, insofar as they applied to Lithuania. Only those Soviet laws which did not conflict with the Temporary Fundamental Law of the Republic of Lithuania were permitted to remain *en vigeur*. These laws will be examined and replaced with Lithuanian laws after future legislative review and debate.

I have been asked by the Supreme Council of Lithuania to convey to you and the people of Great Britain the most significant legislative documents enacted on March 11, 1990. In particular you will observe that the Lithuanian state emphasizes its adherence to universally accepted principles of international law, recognizes the provisions of the Helsinki Final Act with respect to international frontiers, and guarantees the rights of all peoples and ethnic communities living in Lithuania.

Madame Prime Minister, it has been nearly five decades since oppression and darkness descended upon the land and people of Lithuania as a result of an illegal and morally reprehensible Non-Aggression Pact with secret protocols entered into by Adolf Hitler and Josef Stalin on August 23, 1939. During this period, the Lithuanian people were denied nearly every fundamental human right enshrined in the Universal Declaration of Human Rights.

Commencing in June 1940, hundreds of thousands of Lithuanians of all ages, professions and backgrounds were deported to the U.S.S.R.; our schools and churches closed; our farms and property laid waste; our environment poisoned by industries over which we had little control; and our sons laid to rest on battlefields far beyond our frontiers.

In spite of these heavy burdens, and an unrelenting effort by an alien political system to destroy the religous and moral values of the Lithuanian people, the Lithuanian nation endured. In every Lithuanian heart burned a desire for freedom, justice and peace.

Many of our people have taken great hope and courage from the fact that Great Britain, like many other nations, has repeatedly stressed its non-recognition of the 1940 annexation and occupation of Lithuania by the U.S.S.R. Today, with increasing freedoms and liberties a reality for most Lithuanians, the people of Lithuania are hoping for your nation's support in the process of political, economic and environmental renewal now sweeping across our nation.

Madame Prime Minister, the people of Lithuania and the state Supreme Council have asked me to convey to you and the people of Great Britain their warmest greetings and best wishes. To all the peoples of the Soviet Union and Europe our nation extends the hand of friendship. I sincerely hope that the people of Great Britain will continue to reaffirm and support the right of the people of Lithuania to freedom, dignity and self-determination.

Very truly yours,

Vyt. Landsbergis

Vytautas Landsbergis
President of the Supreme Council of the
Republic of Lithuania

Vilnius, March 24,1990

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LITHUANIA

SUMMARY

1. SOME ADMINISTRATION CONCERN THAT MOSCOW MAY BE PREPARING MILITARY ACTION IN LITHUANIA OVER THE WEEKEND.

DETAIL

2. WE HAVE DISCUSSED THE TRAVEL RESTRICTIONS REPORTED IN MOSCOW TELNO 500 WITH STATE. THEY HAVE EXPRESSED CONSIDERABLE CONCERN ABOUT THE IMPLICATIONS. THIS AFTERNOON 23 MARCH THE PRESIDENT'S PRESS SPOKESMAN ISSUED A STATEMENT WHICH DESCRIBED THE RESTRICTIONS AS ADDING TO THE ADMINISTRATIONS CONCERN AND SAID THAT THE US HAD PROTESTED. THIS FOLLOWED A STATEMENT BY THE PRESIDENT EARLIER TODAY IN WHICH HE WARNED AGAINST ANY ATTEMPT TO COERCE OR INTIMIDATE OR FORCEABLY INTERVENE AGAINST LITHUANIA. HE REPEATED THAT THE ADMINISTRATION HAD MADE CLEAR TO THE SOVIET UNION THAT THE SITUATION COULD ONLY BE RESOLVED PEACEFULLY.

3. MEANWHILE, THE CIA HAVE TOLD US THAT THE SITUATION IN LITHUANIA MAY BE REACHING A CRITICAL POINT AND MOSCOW MAY BE PREPARING SOME KIND OF MILITARY INTERVENTION OVER THE WEEKEND.
THEY BASE THIS ASSESSMENT IN PART ON DEVELOPMENTS OVER THE LAST FEW DAYS, IN PART ON THE DEADLINE WHICH EXPIRES ON 24 MAY FOR LITHUANIAN DESERTERS TO RETURN TO THEIR SOVIET MILITARY UNITS, IN PART ON A PUBLIC STATEMENT BY LANDBERGIS CLAIMING THAT HE BELIEVED THAT THE SOVIET UNION WOULD INVADE ON 24 MARCH, AND IN PART ON THE ORDER TO FOREIGN DIPLOMATS TO GET OUT. THE CIA BELIEVE THAT EXISTING SOVIET FORCES IN LITHUANIA COULD CONDUCT A LIMITED INTERVENTION WITHOUT WARNING. THE AIM WOULD BE TO OCCUPY KEY BUILDINGS, INCLUDING THE PARLIAMENT, AND COMMUNICATIONS AND POWER FACILITIES.

4. INR AND THE OFFICE OF SOVIET AFFAIRS AT STATE ARE BOTH LESS ALARMIST ABOUT THE IMMEDIATE PROSPECTS THAN CIA APPEAR TO BE. BUT THEY RECOGNISE THAT ATTEMPTS THIS WEEKEND TO IMPLEMENT THE ORDER TO LITHUANIAN DESERTERS TO

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RETURN TO THEIR SOVIET MILITARY UNITS OR THE DECREE FOR LITHUANIAN TO SURRENDER THEIR WEAPONS COULD TRIGGER AN INCIDENT WHICH COULD GET OUT OF CONTROL.

5. EITHER WAY, THE ADMINISTRATION ARE PREPARING TO RESPOND TO THE WORST, ALTHOUGH HOPING THAT BOTH SIDES WILL STILL HAVE THE SENSE TO BACK DOWN. EVEN IF THERE IS NO MILITARY INTERVENTION THIS WEEKEND, THE MOOD IN WASHINGTON HAS HARDENED AND THE ADMINISTRATION ARE WORKING ON WAYS IN WHICH TO MAKE CLEAR THEIR DISPLEASURE AT SOVIET BEHAVIOUR IN LITHUANIA. IDEAS WHICH HAVE SO FAR BEEN MENTIONED INCLUDE A PRESIDENTIAL LETTER TO GORBACHEV, CALLING FOR A CSCE INSPECTION OF SOVIET FORCES IN LITHUANIA, CANCELLING PLANNED VISITS (EG BY THE US ARMY CHIEF OF STAFF), AND PERHAPS EVEN POSTPONING THE NEXT BAKER/ SHEVARDNADZE MINISTERIAL IN APRIL.

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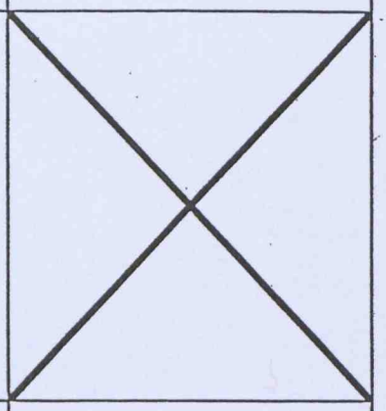
Extract details: MINUTE TO MR POWELL DATED 23 MARCH 1990.	
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LITHUANIA: HOW SERIOUS IS THE CRISIS?

SUMMARY

1. LITHUANIANS IN A HIGHLY EMOTIONAL STATE. MOST HERE BELIEVE THEY ARE BADLY MISPLAYING THEIR HAND. GORBACHEV HAS NO REAL ALTERNATIVE TO HIS PRESENT POLICY. BALANCE OF PROBABILITY REMAINS THAT MOSCOW AND LITHUANIANS WILL FIND A WAY OF SITTING DOWN TOGETHER. BUT THERE ARE RISKS.

DETAIL

2. GORBACHEV'S LATEST MESSAGE TO LANDSBERGIS GIVING HIM 2 DAYS TO DROP PLANS FOR A VOLUNTEER MILITIA COMES AT THE END OF A WEEK OF STEADILY RISING TENSION BETWEEN LITHUANIA AND MOSCOW. IT IS TIME TO ASSESS HOW MATTERS STAND AND WHERE THEY MIGHT LEAD.

3. TO SUMMARISE THE MAIN EVENS SO FAR:
- 11 MARCH THE NEWLY ELECTED LITHUANIAN SUPREME SOVIET DECLARES INDEPENDENCE, INFORMS GORBACHEV AND RYZHKOV AND ELECTS SAJUDIS LEADER LANSBERGIS AS CHAIRMAN.
- 15 MARCH: USSR CONGRESS OF DEPUTIES DECREES THAT LITHUANIAN ACTION IS ILLEGAL ACCOMPANIED BY A GORBACHEV TELEGRAM DEMANDING A RESPONSE WITHIN 3 DAYS.
- 19 MARCH: RYZHKOV INSTRUCTS ALL UNION MINISTRIES NOT TO ENTER INTO DISCUSSIONS ABOUT TRANSFER OF ASSETS TO LITHUANIAN CONTROL: TELLS AUTHORITIES TO GUARANTEE UNINTERRUPTED COMMUNICAITONS AND TO STEP UP SECURITY AT NUCLEAR AND OTHER KEY INSTALLATIONS.
- 21 MARCH: GORBACHEV PRESIDENTIAL EDICT TO HAND IN FIREARMS OR HAVE THEM CONFISCATED AND FOR MOSCOW TO CONTROL VISA REGIME FOR FOREIGNERS AND ESTABLISH STRONGER BORDER CONTROLS
- 2 MARCH: GORBACHEV TELEGRAM, REQUIRES THAT RECRUITMENT OF A LITHUANIAN VOLUNTEER IS STOPPED WITHIN 2 DAYS.

4. THE LITHUANIANS HAVE RESPONDED TO THESE DEMANDS BY DENOUNCING THE MOSCOW DECREES AS FOREIGN INTERFERENCE IN THE AFFAIRS OF A SOVEREIGN STATE. LANDSBERGIS HAS SPOKEN OF QUOTE THE SPECTRE OF STALINISM STALKING THE KREMLIN UNQUOTE

5. THE LITHUANIANS ARE IN A STATE OF POST-INDEPENDENCE EUPHORIA. THE GOVERNMENT IS DOMINATED, AS ONE RECENT VISITOR COMMENTED, BY PHILOSOPHERS AND MUSICIANS. NONE HAVE ANY REAL EXPERIENCE OF POLITICS: THEY ARE BEING CARRIED ALONG ON A WAVE OF POPULAR EMOTION. THEY PROMISED THEIR PEOPLE IMMEDIATE AND COMPLETE INDEPENDENCE IF THEY WERE ELECTED AND ARE NOW SETTING ABOUT ON ALL SIDES TO ACHIEVE IT. BEYOND THIS THEY APPEAR TO HAVE NO COHERENT ECONOMIC OR POLITICAL STRATEGY. BRAZAUSKAS, THE ONLY POLITICIAN WITH SUFFICIENT POPULAR STATURE TO EXERCISE A MODERATING INFLUENCE, HAS BEEN RATHER CLUMSILY SIDELINED BY SAJUDIS. HE IS ALSO THE ONLY POLITICIAN WITH EXPERIENCE OF HOW TO HANDLE MOSCOW. FOR THE REST, THEY ARE CONFIDENT THAT MOSCOW WILL NOT SEND IN THE TROOPS, AND SEEM TO BELIEVE THAT, THIS ASIDE, GORBACHEV HAS NO OTHER OPTIONS. THE IMPRESSION OF RECENT VISITORS IS THAT THEY SUBSTANTIALLY UNDERESTIMATE THE ECONOMIC CARDS HE HAS TO PLAY, AND BELIEVE THAT IF THEY KEEP UP THE PRESSURE GORBACHEV WILL BE FORCED TO TALK. THEY AND THE OTHER BALTIC STATES HAVE HAD SUBSTANTIAL SUCCESS WITH THESE TACTICS IN THE LAST YEAR. AND THEY HAVE BEEN WATCHING EVENTS IN EASTERN EUROPE. SOME MAY BELIEVE THAT, IF THINGS REACH CRISIS POINT, THE WEST WILL COME TO THE RESCUE.

6. LITHUANIA'S CONFRONTATIONAL POLICY IS PUTTING GORBACHEV IN A VERY DIFFICULT POSITION. ONE OF THE JUSTIFICAITONS FOR CREATING THE NEW PRESIDENCY WAS THE NEED TO DEAL MORE EFECTIVELY WITH THE PROBLEMS OF EMPIRE. GORBACHEV NOW HAS TO PROVE HIS POINT. AT PRESENT HE IS TRYING TO PUSH THROUGH THE SUPREME SOVIET A BATCH OF RADICAL MEASURES (NOT, OF COURSE, AS RADICAL AS MANY REPUBLICS WOULD LIKE) TO REFORM THE FEDERAL STRUCTURE. THEY INCLUDE A MECHANISM FOR REPUBLICS TO SECEDE. AT THIS POINT, HE CANNOT BE SEEN TO BE CAVING IN TO LITHUANIAN PRESSURE BY AGREEING TO TALKS AT A TIME WHEN THEY ARE UNILATERALLY TAKING UPON THEMSELVES MOST OF THE ATTRIBUTES OF STATEHOOD (THEIR OWN MILITIA, CURRENCY AND BORDER AND CUSTOMS CONTROLS) AND THREATENING TO SEIZE SOVIET ECONOMIC ASSETS.

7. THERE ARE SOME WHO ARGUE THAT GORBACHEV SHOULD STAND ASIDE FOR A WHILE AND LET THE LITHUANIANS RUN OUT OF STEAM. BUT THIS WOULD RUN THE RISK OF LETTING THE LITHUANIANS ESTABLISH THEIR POSITION FOR TALKS AS AN INDEPENDENT SOVEREIGN STATE. THE ARMY, NERVOUS ABOUT THEIR ACCESS TO MILITARY BASES IN LITHUANIA AND KALININGRAD WOULD STRONGLY OPPOSE SUCH A POLICY. THERE IS MUCH TO BE SAID FOR EXCHANGING THE CURRENT POLICY OF PUBLIC WARNINGS FOR SOME SESSIONS OF BEHIND-THE-SCENES DIPLOMACY (THERE IS NO SIGN THAT THIS IS GOING ON AT THE MOMENT). BUT, IN THE PAST, THIS HAS NOT BEEN AN ACTIVITY IN WHICH THE LITHUANIANS HAVE SHOWN THEMSELVES VERY ADEPT. LITHUANIANS

SUMMONED TO MOSCOW FOR SUCH TALKS HAVE PROMPTLY BROADCAST THE OUTCOME TO THE WORLD'S PRESS ON RETURN TO LITHUANIA. GORBACHEV PROBABLY FEARS THAT THIS WOULD HAPPEN AGAIN AND BE TAKEN AS A SIGN OF WEAKNESS ON HIS PART.

8. GORBACHEV, THEREFORE, HAS FEW REAL ALTERNATIVES TO HIS POLICY OF ISSUING PUBLIC WARNINGS WHILE THE LITHUANIANS CONTINUE THEIR PRESENT TACTICS. I BELIEVE THAT HE HAS STILL RULED OUT USING REAL FORCE. NOR DO I THINK HE WILL BE UNDER PRESSURE OVER THIS FROM OTHERS IN MOSCOW. EVEN ARMY GENERALS WILL UNDERSTAND THE CONSEQUENCES AND, FOR MOST OF THEM, THEY WOULD NOT BE WELCOME. BUT MOSCOW'S CURRENT POLICY DOES INVOLVE THE REAL RISK, IN A HIGHLY VOLATILE SITUATION, THAT ONE SIDE OR ANOTHER MIGHT MISJUDGE THE SITUATION. JUST AS THE LITHUANIANS HAVE LITTLE EXPERIENCE OF NEGOTIATING WITH MOSCOW, SO GORBACHEV PROBABLY HAS LITTLE UNDERSTANDING OF THE STRENGHT OF LITHUANIAN NATIONALISM OR OF THE EXTENT TO WHICH LITHUANIANS DISLIKE AND MISTRUST RUSSIANS. HE MAY ALSO NOT FULLY APPRECIATE THAT THE EMOTIONAL STATE IN LITHUANIA IS SUCH THAT THE SAJUDIS LEADERS WILL FIND IT DIFFICULT TO EMBARK ON ANYTHING THAT COULD BE SEEN AS REPRESENTED AS A CLIMB DOWN IN FACE OF THREATS FROM MOSCOW. ONE SIDE OR THE OTHER COULD PAINT THEMSELVES INTO A CORNER. SOME OF MOSCOW'S RECENT INSTRUCTIONS EG DISARMING THE POPULATION, ABANDONING PLANS FOR A POPULAR MILITIA - GORBACHEV WILL HAVE TO BE SEEN TO ENFORCE IF THE LITHUANIANS DO NOT COMPLY. THIS COULD PROVOKE A MAJOR REACTION. THEY MAY COMPROMISE: BUT THEY HAVE SHOWN LITTLE SIGN SO FAR OF BEING COWED BY MOSCOW'S THREATS. THERE IS ALSO THE DANGER THAT THE RUSSIAN MINORITY IN LITHUANIA, POSSIBLY EGGED ON BY SOME IN RUSSIA, MAY DELIBERATELY PROVOKE INCIDENTS. IN MOSCOW THERE IS A SENSE OF ANXIETY THOUGH EVEN MOST LIBERALS THINK THE LITHUANIAS ARE BEING NEEDLESSLY PROVOCATIVE.

9. IT IS IMPOSSIBLE TO PREDICT HOW THINGS WILL GO. MOSCOW IS LIKELY TO CONTINUE ITS ATTEMPTS TO ENSURE ITS BASIC MILITARY AND ECONOMIC INTERESTS IN LITHUANIA AND, AT THE SAME TIME TO STEADILY INCREASE THE ECONOMIC PRESSURE - BUT REFRAINING IF POSSIBLE FROM A FULL ECONOMIC BLOCKADE WHICH THEY WILL PROBABLY JUDGE TO BE TOO PROVOCATIVE TO THE WEST. THERE ARE ALREADY REPORTS THAT DELIVERY OF OIL AND OTHER RAW MATERIALS HAVE BEEN CUT BACK.

10. MY FEELING IS THAT, IN THE FACE OF THIS PRESSURE THE LITHUANIANS WILL AT SOME POINT FIND A WAY OF MODERATING THEIR STANCE AND THAT, AS A RESULT, A COMMON BASIS WILL BE FOUND FOR TALKS. GORBACHEV HAS CAREFULLY LEFT THE DOOR OPEN FOR THIS. ESTONIANS AND LATVIANS MOST OF WHOM ALSO BELIEVE THAT THE LITHUANIANS ARE SEROUSLY MISJUDGING THE

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SITUATION - MAY HELP IN THIS PROCESS. BUT THIS IS NOT AN ENTIRELY CONFIDENT JUDGEMENT. THE RISKS REFERRED TO ABOVE ARE REAL, AND NEXT WEEK IS LIKELY TO BE A POLITICALLY TESTING TIME FOR BOTH MOSCOW AND THE LITHUANIANS

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OUR TELNO 478: LITHUANIA: PESIDENTIAL DECREE. COMMENT

SUMMARY
FURTHER MEASURES TO AVERT FEDERAL CONTROL OVER LITHUANIA ADD TO THE RISK OF ACCIDENTIAL VIOLENCE. BUT WIDE SUPPORT HERE FOR GORBACHEV'S POLICIES, MINGLED WITH APPREHENSION.

DETAIL
2. THIS IS GORBACHEV'S FIRST DECREE AS PRESIDENT. LIKE THE GOVERNMENT DECREE OF 19 MARCH FROM WHICH IT FOLLOWS ON, IT IS CAREFULLY PRESENTED AS A MEASURE TO IMPLEMENT THE DECISION OF THE USSR CONGRESS OF PEOPLES' DEPUTIES WHICH DECLARED LITHUANIAN INDEPENDENCE TO BE ILLEGAL.

3. THE INSTRUCTION TO HAND IN FIRE ARMS WILL BE DESIGNED TO REDUCE THE RISK OF VIOLENCE AND ALSO TO PRE-EMPT ANY IDEAS THE LITHUANIANS MIGHT HAVE AOBUT CREATING THEIR OWN MILITARY, OR PARA-MILITARY STRUCTURES. THE MEASURES ON PASSPORT ISSUE, CONTROL OVER FOREIGNERS AND THE STRENGTHENING OF THE BORDER GUARD PRESENCE ON THE FRONTIER WITH POLAND WILL BE DESIGNED TO ENSURE THAT SOVIET SECURITY REGULATIONS CONTINUE TO BE APPLIED. MUCHOF LITHUANIA IS STILL, ACCORDING TO SOVIET REGULATIONS, A CLOSED AREA FOR FOREIGNERS. IT IS NOT YET CLEAR WHETHER THIS DECREE WILL AFFECT FOREIGN TRAVEL TO LITHUANIA. JOURNALISTS HERE HAVE BEEN TOLD BY THE MFA THAT THEY CAN CONTINUE TO TRAVEL AS USUAL. OUR ASSISTANT AIR ATTACHE IS INTENDING TO FLY THERE TOMORROW AND WE INTEND TO APPLY FOR ANOTHER CHANCERY VISIT AS SOON AS POSSIBLE NEXT WEEK.

4. THE LITHUANIAN PARLIAMENT HAS REMAINED IN SESSION THROUGHOUT THE WEEK, BUT IT IS DIFFICULT FOR US HERE TO KEEP TRACK OF ALL THE DECISIONS THEY ARE TAKING. OFFICIAL MEDIA COVERAGE OF LITHUANIA IN THE PAST FEW DAYS HAS BECOME TENDENTIOUS AND BIASED. EXTENSIVE TV

COVERAGE WAS GIVEN TO THE ANTI-SECESSIONIST RALLY IN VILNIUS ON 18 MARCH: THERE IS DETAILED PRESS COVERAGE OF THE ACTIVITIES OF THE RUMP COMMUNIST PARTY, BUT VIRTUALLY NO COVERAGE OF STATEMENTS BY LANDSBERGIS OR THE PROCEEDINGS OF PARLIAMENT. MEASURES THE LITHUANIANS HAVE TAKEN INCLUDE: A DECREE AIMED AT CLOSING DOWN MILITARY COMMISSARIATS (RESPONSIBLE FOR THE CALL UP), A STATEMENT THAT THE STATUS OF SOVIET MILITARY UNITS IS ''LEGALLY UNDETERMINED,'' AN ADDRESS TO LITHUANIANS ON SOVIET MILITARY SERVICE TO CONTINUE AT PRESENT UNTIL A RETURN TO LITHUANIA CAN BE ARRANGED WITH THE SOVIET GOVERNMENT, AND AN INSTRUCITON TO THE GOVERNMENT TO START WORK ON MARKING OUT BORDERS.

5. THESE LATEST PRESIDENTIAL MEASURES WILL, FOLLOWING THOSE IN THE RECENT GOVERNMENT DECREE, FURTHER INCREASE THE PRESSURES ON THE LITHUANIANS. OUR CONTACTS HERE STILL BELIEVE THAT MOSCOW HAS RULED OUT MILITARY FORCE: BUT THERE IS CONCERN THAT MOSCOWS POLICY RUNS THE RISK OF PROVOKING VIOLENT INCIDENTS. SOME ARE WORRIED THAT THE RUSSIAN MINORITY IN LITHUANIA MIGHT DELIBERATELY PROVOKE VIOLENCE. NEVERTHELESS, WE ARE NOT HEARING ANY SUGGESTIONS THAT GORBACHEV IS OVERSTEPPING THE MARK OR PANDERING TO HARD LINERS. HIS POLICIES SEEM TO HAVE VERY WIDE SUPPORT. THE SAME DOES NOT GO FOR THE LITHUANIANS. EVEN OUR MORE LIBERAL CONTACTS WHO SUPPORT BALTIC ASPIRATIONS FOR INDEPENDENCE, BELEIVE THAT THE LITHUANIANS ARE BADLY RUSHING THEIR FENCES AND DO NOT HAVE A REAL GRIP ON POLITICAL REALITIES. MOST EXPECT THAT MOSCOW WILL NOW STEADILY INCREASE THE ECONOMIC PRESSURE - POSSIBLY GOING AS FAR AS DECLARING A FULL ECONOMIC BLOCKADE IF THE LITHUANIANS CONTINUE WITH FURTHER MEASURES TO ASSERT THEIR INDEPENDENCE.

6. SEVERAL LITHUANIAN DEPUTIES ATTENDED YESTERDAY'S SESSIN OF THE USSR SUPREME SOVIET - AS OBSERVERS. THEY ARE RESIGNING ALL OFFICIAL POSITIONS THEY HOLD ON OFFICIAL SUPREME SOVIET COMMISSIONS. SOME OF THE DELEGATOIN APPARENTL HAD A MEETING WITH GORBACHEV EARLY THI WEEK WHICH HE OFFERED THEM WHAT AMOUNTED TO CONFEDERATION. BUT ONE OF THEM (LAURINKUS) TOLD US YESTERDAY (21 MARCH) THAT GORBACHEV WAS STILL ADAMANTLY REFUSING TO HAVE ANY DISCUSSIONS WITH THEM ABOUT INDEPENDENCE. THIS WAS CONFIRMED TO US BY ANOTHER DEPUTY (STAROVOITOVA) WHO SAID THAT SHE HAD TALKED TO GORBACHEV ON THE SUBJECT. IT IS NOT CLEAR WHETHER MOSCOW HAS GIVEN THE LITHUANIANS ANY PRECONDITIONS FOR SUCH TALKS. LAURINKUS TOLD US THAT THE LITHUANIANS WERE STILL RELAXED ABOUT RECENT EVENTS. BUT STARAVOITEVA SAID THAT THE LITHUANIAN DELEGATES IN MOSCOW HAD EXPRESSED ANXIETY TO HER THAT THEIR COLLEAGUES IN VILNIUS WERE BECOMING OUT OF TOUCH WITH THE ATMOSPHERE IN MOSCOW

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LITHUANIA

SUMMARY

1. WHITE HOUSE SPOKESMAN EXPRESSES CONCERN ABOUT GORBACHEV'S DECREE. US WATCHING SITUATION CLOSELY. ONE HUNDRED CONGRESSMEN URGE ADMINISTRATION TO RECOGNISE LITHUANIA.

DETAIL

2. STATE DEPARTMENT OFFICIALS HAVE TOLD US THEY WERE SURPRISED AND CONCERNED BY GORBACHEV'S DECREEE ON LITHUANIA, WHICH THEY DESCRIBED AS QUOTE NEEDLESSLY PROVOCATIVE UNQUOTE. THEY WERE CONSIDERING WHETHER TO ISSUE A STATEMENT TO THIS EFFECT ON 22 MARCH. SUBSEQUENTLY THE WHITE HOUSE SPOKESMAN SAID THE ADMINISTRATION WAS VERY CONCERNED ABOUT THE SITUATION, AND WAS WATCHING DEVELOPMENTS CAREFULLY. HE NOTED THAT ON 20 MARCH SHEVARDNADZE HAD INDICATED THAT HE HOPED THE SITUATION COULD BE RESOLVED PEACEFULLY. THE U.S. URGED THE CONTINUATION OF DIALOGUE.

3. IN A SEPARATE DEVELOPMENT IT HAS BEEN REPORTED THAT ONE HUNDRED CONGRESSMEN HAVE WRITTEN TO THE PRESIDENT URGING HIM TO RECOGNISE LITHUANIA.

COMMENT

4. AS OF THIS AFTERNOON THE PRESIDENT HAD STILL NOT WRITTEN TO GORBACHEV (ONE OF THE OPTIONS THE ADMINISTRATION HAS KEPT IN RESERVE). THE LATEST DEVELOPMENTS MAY MAKE HIM MORE INCLINED TO DO SO. WE HAVE MADE CLEAR TO THE ADMINISTRATION OUR WISH TO KEEP IN CLOSE TOUCH ON THIS.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 March 1990

Dear Richard,

SOVIET UNION

I wrote to you yesterday about Mr. Gorbachev's suggestion that he and the Prime Minister should talk on the telephone, and proposed that we should arrange this in the days immediately preceding the Prime Minister's meeting with President Bush in Bermuda.

The Soviet Ambassador has now told us that Mr. Gorbachev would very much hope it would be possible to speak before the Prime Minister sees Chancellor Kohl on 29/30 March. The Prime Minister is content to do this. Looking at our diary, the best day would be Wednesday 28 March and we should try to make the Prime Minister available for a talk anytime that day convenient to Mr. Gorbachev. I should be grateful if Sir Rodric Braithwaite could discuss this with Mr. Chernayev and agree a time and how the call should be placed. I assume the Russians would have an interpreter on the line who would interpret both ways. If they prefer both sides to have interpreters, then we would try to arrange for Richard Pollock to do it for the Prime Minister. But it is probably simpler with one.

Yours sincerely,

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

DSB

(1)

Anytime on Wed 28 March

PRIME MINISTER

SOVIET UNION

I have been back to the Russians with the suggestion that the best time for you to speak to Mr. Gorbachev on the telephone might be a few days before you meet President Bush. They have now come back again to say that Gorbachev would be disappointed not to be able to have a word before you see Chancellor Kohl on 30 March. Agree to set up a call in the second half of next week?

CDP

Yes – very pleased to do so – clearly his concerns are about Unification now

(C. D. POWELL)
20 March 1990
a:\foreign\Soviet (srw)

CONFIDENTIAL AND PERSONAL

FCE

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 March 1990

Dear Rodric,

SOVIET UNION

I had a short talk yesterday with Mr. Kossov of the Soviet Embassy on the usual basis. Kossov said that his Ambassador had returned from Central Committee meetings in Moscow, where he had met Mr. Gorbachev who had been very grateful for the Prime Minister's prompt and warm message of congratulations on his election as President.

The Ambassador had also brought back a message to the effect that Mr. Gorbachev would very much like to talk to the Prime Minister on the telephone at some stage. Kossov said they envisaged a talk on the "hot line". I pointed out that we did not actually have a telephone hot line, only a teleprinter and facsimile link. This seemed to surprise Mr. Kossov, who claimed that Chernayev had assured the Ambassador there was a hot line, with a telephone in the room next to Mr. Gorbachev's office! Still, it did not alter the fact that Mr. Gorbachev would very much like to talk to the Prime Minister, in particular about aspects of German unification.

I have subsequently discussed this with the Prime Minister. She would be perfectly ready to speak to Mr. Gorbachev on the telephone, although she does not enjoy it as an instrument of diplomacy. She thinks the best time might be early in the week that she goes to Bermuda to see President Bush. She will then be in a position to report to the President whatever latest thoughts Mr. Gorbachev may divulge to her.

I think it would be helpful if you would report the above to Rodric Braithwaite in Moscow and suggest that he say to Mr. Chernayev the Prime Minister will indeed be happy to talk to Mr. Gorbachev on the telephone, even though it would be an open line. She suggests that a good time would be the week beginning 8 April, shortly before she travels to Bermuda to see the President. Mr. Chernayev might like to suggest a day and a time in that week which will be convenient to Mr. Gorbachev (although you will want to steer him from the day of the drugs conference).

CONFIDENTIAL AND PERSONAL

I am copying this letter to Simon Webb (Ministry of Defence) and to Sonia Phippard (Cabinet Office).

Yours sincerely,

(CHARLES POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

19 March 1990

Dear Stephen,

SOVIET STUDIES IN BRITISH UNIVERSITIES

The Prime Minister had a word with your Secretary of State this afternoon. She said it had been brought to her attention that in recent years there had been a sharp decline in Soviet studies at British universities; she understood that your Secretary of State had received a report on this. She was extremely concerned at this development which would deprive the UK of the ability to build up a corps of future experts on the Soviet Union. Such an outcome must be avoided. It was important that action should be taken to remedy the position before her visit to the Soviet Union in June this year. One possibility might be to make a tranche of additional funds for Soviet studies available, either via the UFC or some alternative mechanism, for which universities and polytechnics might bid.

Your Secretary of State said that he was indeed aware of the position and agreed it was important to take appropriate action. He would urgently consider the position and let the Prime Minister have an early report.

I am copying this letter to Stephen Wall (Foreign and Commonwealth Office), John Gieve (H.M. Treasury) and Simon Webb (Ministry of Defence).

Yours,

Paul

PAUL GRAY

Stephen Crowne, Esq.,
Department of Education and Science.

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SOVIET ECONOMY: INTERVIEW WITH GORBACHEV'S ECONOMIC ADVISER

SUMMARY

1. PETRAKOV LAUNCHES ATTACK ON THE GOVERNMENT'S RECORD OF IMPLEMENTING ECONOMIC REFORM. HE HINTS AT CRASH PROGRAMME TO IMPROVE CONSUMER GOODS SUPPLY BY RAISING HARD CURRENCY IMPORTS, AND IN RESPONSE TO A QUESTION, REFUSES TO RULE OUT THE POSSIBILITY OF SOME SORT OF MARSHALL PLAN TYPE AID.

DETAIL

2. FOLLOWING GORBACHEV'S OUTLINE OF VARIOUS RADICAL ECONOMIC REFORM MEASURES CONTAINED IN THE PRESIDENTIAL ADDRESS,(OUR TELNO 444) THE SEMI OFFICIAL NEWSAGENCY INTERFAX HAS NOW PUBLISHED AN INTERVIEW WITH NIKOLAI PETRAKOV, GORBACHEV'S PERSONAL ADVISER ON THE ECONOMY. PETRAKOV (WHO WOULD HAVE WRITTEN THE MAIN PART OF GORBACHEV'S SPEECH) GIVES A FEW MORE DETAILS OF WHAT WE CAN EXPECT TO SEE IN THE WAY OF A PACKAGE OF EMERGENCY ECONOMIC MEASURES, AND ATTACKS THE GOVERNMENT FOR FAILURE TO TAKE ANY ACTION SO FAR. FOLLOWING IS A SUMMARY OF THE MAIN POINTS: FULL TEXT OF INTERVIEW FOLLOWS BY BAG TO SOVIET DEPARTMENT.

- A ''PRESIDENTIAL PLAN'' WILL PROVIDE AN ACCELERATED TRANSITION TOWARDS CREATING A ''FULL-BLOODED'' MARKET. WILL CONTAIN NOT ONLY DECISIVE MEASURES, BUT ALSO SET DEADLINES AND ESTABLISH INDIVIDUAL RESPONSIBILITIES.
- MUST TAKE A STRONG LINE TOWARDS REVITALISING THE MONETARY SYSTEM. BUT THIS DOES NOT MEAN SOME SORT OF CURRENCY REFORM, AS THE TRADE UNIONS ARE SUGGESTING TO SOLVE THE PROBLEM OF THE SHADOW ECONOMY. WILL PROMOTE FORMS OF INVESTMENT, SUCH AS SALE OF HOUSES, GARDEN PLOTS AND SHARES IN ENTERPRISES WHICH CAN BE OWNED BY OTHER ENTERPRISES AND BANKS (INCLUDING FOREIGN BANKS) AS WELL AS BY ITS OWN WORKERS.
- AN AUSTERITY REGIME WILL CUT DOWN ON GOVERNMENT SPENDING. HAVE TO TAILOR OUR CONSTRUCTION PROGRAMME TO PRESENT CAPABILITIES.
- BUT NECESSARY TO RETAIN CONFIDENCE OF POPULATION BY IMPROVING THE CONSUMER GOODS SITUATION ''AT ANY COST.'' NEED TO CONVINCE PEOPLE THAT THEIR LIVES ARE BIT BY BIT GETTING BETTER. AND IT WOULD BE GOOD

IF THIS COULD BE DONE BY TAKING UP FOREIGN CREDITS OFFERED ON EASY TERMS.
- (IN RESPONSE TO QUESTION OF USSR RECEIVING MARSHALL PLAN TYPE AID) POSSIBILITY NOT RULED OUT. BUT THIS WOULD NOT ONLY DEPEND ON THE USSR. FOREIGN AID WOULD OF COURSE BE IN THE INTERESTS NOT JUST OF USSR, BUT OF ENTIRE WORLD COMMUNITY INCLUDING THE WEST - BUT THEY DO NOT YET SEEM TO BE FULLY AWARE OF THAT.
- (IN RESPONSE TO QUESITON OF GOVERNMENT'S RESPONSIBILITY FOR CURRENT SITUATION) THEY HAVE BEEN WORKING VERY UNDECISIVELY. WE JUMPED TO CLEAR AN ABYSS - BUT SOMEHOW GOT OURSELVES SUSPENDED OVER IT. LOOK AT THE GOVERNMENT'S CLIMBDOWN IN THE FACE OF OPPOSITION FROM THE TRADE UNION COUNCIL OVER RAISED PRICES FOR FUEL AND TRANSPORT, AND OVER THE SALE OF LUXURY GOODS AT HIGHER PRICES IN SPECIAL SHOPS. THEY HAVE LOST CONTROL OVER THE POPULATION'S INCOMES. THEY ARE OPERATING AN ''INSANE'' INVESTMENT POLICY. FOR JANUARY-FEBRUARY, INCOMES ROSE BY 14%OR 15% WHILE GNP WAS 0% TO -2%. EITHER THEY BELIEVE IN WHAT THEY ARE DOING OR ELSE THEY DONT.
- (IN RESPONSE TO POSSIBLE RESIGNATION OF THE GOVERNMENT) FIRST THE SUPREME SOVIET WOULD HEAR A REPORT FROM THE PRIME MINISTER: ONLY THEN CAN SOME DECISION BE MADE.
3. AS FOR WHEN THESE MEASURES MIGHT BE INTRODUCED, PETRAKOV TALKS OF A PRESIDENTIAL PLAN OF ACTION BEING PUBLISHED ''IN THE NEXT FEW WEEKS'' RATHER THAN THE ''FEW DAYS'' MENTIONED IN OUR TUR. BUT JUDGING FROM OTHER REMARKS MADE BY BOTH HIM AND ABALKIN IN THE MARGINS OF THE CONGRESS, THIS WILL BE IN ADDITION TO A REPORT ON PROGRESS SO FAR TO BE PRESENTED BY RYZHKOV TO THE SUPREME SOVIET SOME TIME IN EARLY APRIL

COMMENT
4. ALTHOUGH PETRAKOV DOES NOT MENTION SEVERAL OF THE MAIN ECONOMIC POINTS MADE BY GORBACHEV IN HIS SPEECH ON BEING APPOINTED PRE:SIDENT (EG PRICE REFORM, FREE TRADE IN SURPLUS AGRICULTURAL PRODUCE), HE DOES TOUCH ON MORE CONTROVERSIAL STUFF - NAMELY THE USE OF FOREIGN CREDITS FOR A CRASH IMPORT PROGRAMME OF CONSUMER GOODS AND THE POSSIBILITY OF A MARSHALL PLAN FOR THE COUNTRY. WHETHER THESE IDEAS COME TO ANYTHING OR NOT, HE LEAVES NO DOUBT THAT THE PACKAGE WILL BE FAR REACHING AND RADICALLY ALTER PRESENT REFORM POLICY.
5. BUT IT IS NOT AT ALL CLEAR TO WHAT EXTENT RYZHKOV (OR EVEN ABALTIN) HAS BEEN INVLOVED IN DRAWING UP THE PACKAGE OF EMERGENCY MEASURES. SO FAR, THIS INDICAITONS ARE THAT IT WILL BE A PRESIDENTIAL RATHER THAN GOVERNMENTAL INITIATIVE - AND THAT IT CONTAINS MEASURES TOO RADICAL TO WIN SUPPORT FROM THE MORE CAUTIOUSLY REFORMIST RYZHKOV. IT MAY BE THAT WE ARE SEEING THE START OF A SPLIT BETWEEN GORBACHEV AND HIS PRIME MINISTER. AND ABOUT THE LACK OF WILL SHOWN

SO FAR IN IMPLEMENTING REFORMS FOLLOW HARD ON THE HEELS OF SOBCHAK'S ACCUSATIONS DURING THE CONGRESS OF GOVERNMENT INVOLVEMENT IN THE ANT TRADING SCANDAL, IN WHICH HE NAMED RYZHKOV AS ONE OF THOSE INVOLVED IN SETTING UP THE COOPERATIVE. RYZHKOV ANGRILY REFUTED THE SUGGESTION, BUT NOTABLY RECEIVED NO SUPPORT FROM GORBACHEV. THE APPEARANCE OF THIS INTERVIEW, PLUS THE WIDESPREAD SPECULATION OVER RYZHKOV'S POSITION WILL HAVE DONE NOTHING TO ALLAY SUSPICIONS HERE THAT HE WILL BE HELD RESPONSIBLE FOR THE FAILURE OF THE REFORM PROGRAMME

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ADDITIONAL 11

SOVIET INTERNAL/SOVIET ECONOMY

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PRIME MINISTER

SOVIET UNION

Mr Kossov from the Soviet Embassy came in to see me this morning. His Ambassador is back from the various Central Committee meetings in Moscow and had seen Mr Gorbachev, who had been very grateful for your prompt and warm message of congratulations on his election as President.

He had also brought back a message to the effect that Mr Gorbachev would very much like to talk to you on the telephone at some stage. He had in fact referred to talking on the "hot line". I pointed out that we did not actually have a telephone hot line, only a teleprinter and facsimile link. Mr Kossov was rather taken aback at this and said that they had assured the Ambassador in Moscow that there was now a hot line. Still, it did not alter the fact that Mr Gorbachev would very much like to talk to you at some point. He seems to have two main purposes in mind. The Soviet press and television have apparently picked up stories in the British media about threats to your position and magnified them even further. Mr Gorbachev wants to express his support for you. There are also aspects of German unification which he would like to discuss. I said I would report the suggestion to you. I thought in principle you would be very happy to have a talk, although it would have to be on an open line. It would need to be carefully arranged in advance so that there were interpreters ready.

Mr Kossov said the Ambassador reported the situation in Moscow as being "tense". Some far-reaching personnel changes were in prospect, both in the upper reaches of the Party hierarchy and within the Soviet Foreign Ministry.

Another message which the Ambassador had brought back from Gorbachev was that he much appreciated your forthright stance on German reunification and felt that Britain and the Soviet Union

were close on the main aspects of this, although they differed on the question of a united Germany's membership in NATO. The first meeting of the Four Plus Two group had been encouraging.

C. D. POWELL
19 March 1990

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bc: PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

19 March 1990

BORIS YELTSIN

The latest predicted date for Boris Yeltsin's descent on London is Wednesday this week. I have provisionally put him in the diary for 1500 that day. Could we please have some briefing by tomorrow, late afternoon.

Postponed - CF //

C. D. POWELL

Richard Gozney, Esq.
Foreign and Commonwealth Office

DSS

10 DOWNING STREET

Charles

Anyone

fine by me

AP
19/3

Can Yeltsin

have 11

cancelled for

Dr Simon

Jenkins at 1130

1500 on Wednesday

CDR

PRIME MINISTER

SOVIET STUDIES IN BRITISH UNIVERSITIES

You saw the papers on this over the weekend. Since you have a bilateral with the Education Secretary later today, you might use the opportunity to raise it with him.

The points which you might make are:

- it has been brought to your attention that there has been a fairly calamitous decline in Soviet Studies at British universities. A report on this rests with his Department.

- the decision in 1979 to terminate Russian teaching and Soviet Studies at some 20 universities has deprived us of the ability to build up a corps of future experts on the Soviet Union. This will weaken our overall intelligence and research effort, and diminish our credibility in this area with the United States.

- you want to see action taken to remedy this. It is partly for the UGC. But we should select some universities as centres of excellence for Soviet Studies. And we shall need some new money - say £1 million. We might put that up and let the universities and polytechnics bid for it.

- this is all relevant to your visit to the Soviet Union in June. You would like to make an announcement then that the Government will be providing an additional sum to finance Soviet Studies in this country.

- you would like the Education Secretary to give you a worked up proposal within one month.

CDP

Charles Powell
19 March 1990

c: soviet (MJ)

PRIME MINISTER

SOVIET STUDIES IN BRITISH UNIVERSITIES

If you have time you might glance at the attached report about Soviet studies in British universities, a subject on which Bryan Cartledge is now taking a lead. Frankly it is a disaster area as will be apparent from your own recent seminars where we have had to rely either on Americans or on generalists to give much push to the discussion, with the honourable exception of Chris Donnelly (now at NATO).

This weakness stems in essence from the decision in 1979 to terminate Russian teaching and Soviet studies at some 20 British universities. We have now effectively deprived ourselves of any ability at the academic level to follow and interpret developments in the Soviet Union in the future. Some might argue blithely that the recent changes in the Soviet Union make it no longer necessary for us to be active in this area. We should just let the market operate and teach what there is a demand for. No I think myself this is a mistake and we shall regret it when it comes to staffing British Embassies, the JIC and GCHQ in the future: and it will count against us in our relations with the United States. (The Germans are now much stronger than we are in the field of Soviet studies).

It is an area where relatively little money buys you an awful lot. With a million pounds of new money - and it would have to be new - we could set Soviet studies in this country on a footing which would pay substantial benefits in 5-10 years' time. Without it, we face continuing decline. The reason for putting this to you now is that your visit to the Soviet Union in June offers an opportunity to do something about it. If you were to announce there that we are setting aside a million pounds to finance Soviet studies in this country, I believe it would have quite a strong effect, both in the Soviet Union and here. I just feel that this is one more area where the end of the Cold War must not lull us into a false sense of security that we do not any longer need to know about the Soviet Union and what it is up

to. Indeed by spending more in this area we may in the long term save ourselves substantial sums in the defence area.

Would you like me to pursue this? Yes please.

OR

Prefer to let nature take its course?

Party it will have to be done through the U.G.C. But we should select some Universities as centres of excellence and expect some Soviet studies to be taught at most. Richard Pollock will have some ideas no doubt

Alternatively we pursue some money and let the Universities & Polytechnics bid for it.

C. D. P.

(C. D. POWELL)
18 March 1990
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THE AFGHAN COMPLEX

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From: Chris Donnelly
Sovietologist-in-Residence

16 March 1990

Comment:

It is just over a year since the Soviet Army withdrew from Afghanistan. This short study by Michael Orr of SSRC underlines the social problems that still remain in the USSR as a result of the Afghan Experience.

Ten years ago Soviet troops invaded Afghanistan, provoking a war of insurgency which ended for the Soviet Union on 15 February 1989 when its last troops re-crossed the border. Over half-a-million Soviet soldiers served in 'The Limited Contingent of Soviet Troops in Afghanistan', the majority of them being conscripts. They are 'combat veterans whose fathers had never known war'; for most of them the war in Afghanistan was the most dramatic event in their lives. The phenomenon of the 'Afgantsy', who find themselves separated from the rest of society by their experience in Afghanistan, has been noted by the Soviet media for some years now and it is obvious that the impact of this experience has not been reduced by the withdrawal.

In an interview with Sovetskaya Rossiya (15.11.89) Colonel General Boris Gromov, the last commander of the 40th Army in Afghanistan and the 'last man out' of the country, spoke of the so-called 'Afghan complex'. A survey by Moscow University School of Psychology found that 60% of Afghan veterans feel the psychological impact of the war, a third of them in an acute form. The Afgantsy have a reputation for abnormal aggression and for outbursts of fierce anger against those who question them too persistently about their experiences. At the same time Afgantsy are often portrayed in the press as a force for social renewal, model citizens in their patriotism and concern for others. Clearly, as General Gromov noted, the impact of the war depends on the personality of the verteran. The 'Afghan complex' has positive and negative sides and it seems that Soviet society - and indeed the Soviet Army itself - find both aspects hard to cope with.

The Army has tried to 'accentuate the positive' by focussing attention on a group of officers who not only proved their professional competence in battle in Afghanistan but have been successful in applying their experience in their peacetime service. The pre-eminent example of this group is Lt.Col. Ruslan Sultanovich Aushev. Volunteering for service in Afghanistan, Aushev served as a battalion chief of staff from 1980 and was one of the first Heroes of the Soviet

Union gazetted during the war. After graduating from the Frunze Military Academy he returned to Afghanistan and was severely wounded during this second tour of duty. He is now serving as a regimental commander in the Far Eastern Military District and was elected to the Congress of Deputies. He is frequently quoted as an ideal commander who has applied the lessons of his Afghan service in raising his regiment to a leading position within the district.

However, by being selected as the ideal Aushev has in many ways become an exception to the rule. Other officers who served successfully but did not attract the attention of the media are finding peacetime service more frustrating. One regimental commander recently found that his in-tray contained news of the award of the Order of the Red Star to one of his company commanders for service in Afghanistan and that same officer's letter of resignation. Like many of his contemporaries life in a peacetime garrison had brought him down to earth with a jolt. In Afghanistan, he claimed, officers led their men on the principle of 'do as I do'; back home it was 'do as I say'. The routine of preparing for endless inspections or 'show exercises' controlled by senior officers whose tactical skills have not been developed in the harsh school of real battle is driving many young officers to ask for their release from the Army. This impatience with the old ways might revitalize the Soviet Army if only the old guard were prepared to give it more scope.

Official approval has been given to the 'Councils of Soldier-Internationalists' which have sprung up within the Army, for example, in the Northern Group of Forces and the Lenin Military-Political Academy. These provide a forum for Afghan veterans to meet and channel their energies into socially useful voluntary work such as 'Military Patriotic Education' in schools, helping crippled verterans or supporting the families of soldiers killed in the war. Similar clubs have been established by veterans who have now left the Army. The psychological wounds of Afghanistan may best be treated within such groups which provide both a sense of purpose and the chance to share experiences.

The problem though is to keep such organizations within an official framework. The veterans groups frequently find themselves at odds with the bureaucracy, whether over the provision of premises for their meetings or of the benefits which have been decreed for Afghan invalids and the dependants of those who died. The creation of a new 'Society of Veterans of the Armed Forces' has been opposed by the hierarchy of the older 'All-Union Council of Veterans of War and Labour'. The new society seems to be more orientated to the problems of Afghan veterans.

Control is also a problem when the state tries to channel the patriotic feelings and military training of Afghan veterans into supporting the cause of social order. Afghan veterans are being recruited for the new MVD 'special duties detachments', with preference being given to former paratroopers. However, it was a paratroop unit with many Afghan veterans which was responsible for attacking Tbilisi demonstrators with

entrenching tools in April 1989. The head of the investigating commission has even suggested that some of the paratroopers may have used gas cylinders which they had 'acquired' while in Afghanistan.

Afghan veterans have been encouraged to join the POSM (Workers Detachments for Co-operation with the Militia) and have helped arrest drunks, speculators, illicit distillers and so on. But there is a large element among the Afgantsy whose enthusiasm for stamping out corrupt and decadent groups in society is hard to distinguish from plain hooliganism. 'Punks' and other youngsters favouring Western pop music and fashions have been beaten up by Afgantsy and it was outraged Afgantsy who destroyed the grave of a well-known Moscow 'Mafioso' who was buried next to a soldier killed in Afghanistan.

Sometimes there is not even the excuse of righteous indignation. In August 1988 Airborne Forces Day was marked by drunken disturbances in Moscow and several other cities. In October this year it was said that 3,000 Afghan veterans were serving prison sentences. Difficulties in adjusting to civilian life are said to have contributed to this. It is also admitted that some veterans acquired the drug habit in Afghanistan.

There is nothing very surprising about these problems. Similar difficulties in adjusting to normal life were common among American soldiers after Vietnam and in the French Army following withdrawal from Algeria. There are, however, some special features of the Afghan complex. The media black-out on news from Afghanistan in the early years of the war must have added to the verterans' sense of isolation. The general perception that the war was a mistake, to be blamed on Brezhnev and his cronies, does not help those who served in Afghanistan. Officially they may be heroes but there is a strong body of public opinion which sees them as little storm-troopers. The intense indignation aroused by Andrei Sakharov's accusation that Soviet soldiers had been killed by their own side to prevent their capture by Afghan guerrillas was a clear indication of how sensitive a question is the self-image of the Afgantsy. While the failure to provide for those physically crippled during the war is approaching a national scandal it would be vain to expect a coherent programme to treat the psychological casualties. But if the Afghan veterans are not accepted in society then it is not just individual Afgantsy but Soviet society itself which will suffer.

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CONGRESS OF PEOPLE'S DEPUTIES: PRESIDENT GORBACHEV'S INAUGURAL SPEECH

SUMMARY
1. STRESS ON THE NEED FOR MORERADICAL ECONOMIC REFORM: A FIRST REFERENCE TO THE NEED FOR MILITARY REFORM. GORBACHEV INTENDS TO REMAIN PARTY LEADER AS WELL AS PRESIDENT FOR THE TIME BEING. REPORTS THAT A MAJOR NEW PACKAGE OF ECONOMIC REFORMS IS ABOUT TO APPEAR.

DETAIL
2. FOLLOWING ARE THE MAIN POINTS FROM THE 40 MINUTE SPEECH DELVIERED BY GORBACHEV TO THE CONGRESS ON 15 MARCH.
3. GORBACHEV SAW HIS MAIN TASK AS PRESIDENT TO PURSUE RADICAL REFORM MORE RIGOROUSLY. HE WOULD WORK FOR REAL DEMOCRATISATION. HE DID NOT ACCEPT THE ARGUMENTS OF THOSE WHO CLAIMED THAT THE PRESIDENCY WAS A USURPATION OF POWER. THERE WERE SUBSTANTIAL AND SUFFICIENT SAFEGUARDS - THE CONSTITUTION, THE CONGRESS OF PEOPLES' DEPUTIES, GLASNOT AND POLITICAL PLURALISM.

THE ECONOMY
4. PEOPLE WERE ACCUSING THE LEADERSHIP OF DELAY AND INDECISION. THERE WAS SOME JUSTICE IN THIS. BUT UNTIL NOW, PEOPLE HAD NOT BEEN READY FOR REAL REFORM. MANY WERE STILL NOT READY. UNTIL OLD STRUCTURES WERE COMPLETELY DISMANTLED THERE WOULD BE NO REAL PROGRESS. FINANCIAL AND COMMODITY IMBALANCES RESULTED FROM CONFLICTS BETWEEN OLD AND NEW. THE ONLY SOLUTION WAS TO SPEED UP REFORM. THERE COULD BE NO GOING BACK. AS PRESIDENT HE WOULD TRY TO ENSURE THAT THE NEW LEGISLATION ON LEASING, LAND AND PROPERTY WAS FULY IMPLEMENTED. THE COUNTRY HAD TO HAVE A REAL INTERNAL MARKET IN GOODS ANDLATER A CAPITAL MARKET AS WELL. THERE HAD TO BE A REFORM OF THE PRICE AND SUPPLY SYSTEM AND FREE TRADE IN SURPLUS AGRICULTURAL PRODUCTION: LEGISLATION ON DISMANTLING MONOPOLIES, PROPER TAX, CREDIT AND FINANCIAL STRUCTURES, WITH INTEREST RATES WHICH REFLECTED THE REAL ECONOMIC SITUAITON. THE CUTTING OF GOVERNMENT :SPENDING HAD TO

BE RESOLUTELY PURSUED. A SYSTEM OF SOCIAL GUARANTEES PROTECTING THE POOR AGAINST PRICE RISES HAD TO BE ESTABLISHED.

NATIONALITIES

5. GORBACHEV REAFFIRMED HIS COMMITMENT TO MAINTAINING THE TERRITORIAL INTEGRITY OF THE COUNTRY. THERE SHOULD BE A NEW UNION TREATY REFLECTING NEW REALITIES AND DIFFERENTIATING BETWEEN REPUBLICS TO REFLECT THEIR SPECIFIC CIRCUMSTANCES. THE LAW ON SECESSION FROM THE UNION WOULD BE DISCUSSED SOON IN THE SUPREME SOVIET. REPUBLICS, AS THEY GAINED SOVEREIGNTY, HAD TO ACCEPT POLITICAL AND MATERIAL RESPONSIBILITY OF PROTECTING THE RIGHTS OF ALL NATIONALITIES ON THEIR TERRITORY. THERE HAD TO BE RESOLUTE ACTION AGAINST THOSE WHO STIRRED UP RACIAL HATRED.

POLITICAL STRUCTURES

6. THERE WOULD SOON BE A NEW LAW ON LOCAL GOVERNMENT. REPUBLIC AND LOCAL SOVIETS HAD TO TAKE OVER THEIR NEW RESPONSIBILITIES RAPIDLY: OTHERWISE THERE WOULD BE A DANGEROUS POWER VACUUM. AS PRESIDENT, HE WOULD NOT CASE ASIDE HIS OWN POLITICAL CONVICTIONS: BUT HE WOULD BE GUIDED ONLY BY THE NATIONAL INTEREST, NOT BY ANY POLITICAL GROUP. THE ISSUE OF WHETHER THE POSTS OF PRESIDENT AND PARTY LEADER SHOULD BE COMBINED HAD RAISED EMOTIONS AT THE CONGRESS. IN HIS VIEW, THE NEEDS OF THE COUNTRY REQUIRED THAT BOTH POSTS REMAINED WIHT ONE PERSON FOR THE IMMEDIATE FUTURE. THE REFORM OF ARTICLE SIX AND SEVEN WOULD BRING A NEW STAGE IN DEMOCRACY. THE PARTY WOULD COMPETE IN ELECITONS AND ACHIEVE ITS RIGHT TO FORM THE GOVERNMENT AT ALL LEVELS BY DEMOCRATIC MEANS. AS PRESIDENT, HE WOULD ENGAGE IN DIALOGUE WITH OTHER POLITICVAL AND SOCIAL GROUPS. THERE SHOULD BE SPECIAL PEOPLE ON THE PRESIDENTIAL COUNCIL RESPONSIBLE FOR MAINTAINING LINKS WITH THE CONGRESS, SUPREME SOVIET, PUBLIC AND CREATIVE GROUPS.

7. THERE WERE SOME GROUPS WHO WERE SET ON STIRRING UP TENSIONS AND ACHIEVING THEIR AIMS BY THREATS, PRESSURE AND VIOLENCE. THIS WAS A THREAT TO A YOUNG DMEOCRACY AND A REAL DANGER TO PERESTROIKA. THEY MUST BE STOPPED. GORBACHEV SAID HE WOULD ALSO TAKE A STRONG STAND AGAINST CRIME AND CORRUPTION AND PURSUE REFORM OF LEGAL PROCEDURES. THE INTELLIGENTISIA MUST STOP THEIR FEUDING.

8. A MAJOR REFORM OF THE MILITARY WAS NEEDED. THIS WAS A COMPLEX ISSUE AND WOULD BE A KEY CONCERN OF THE PRESIDENT AND THE PRESIDENTIAL COUNCIL.

COMMENTS

9. THIS WAS A STRONGLY REFORMIST SPEECH - PARTICULARLY THE ECONOMIC SECTION WHICH READS AS IF IT WAS DRAFTED BY PETRAKOV, GORBACHEV'S NEW ECONOMIC ADVIERS. THIS REVEALS CONCERN THAT THE GOVERNMENT'S

ECONOMIC RESCUE PROGRAMME IS NOT YET WORKING. GORBACHEV AGAIN TALKED OF THE IMPORTANCE OF REFORMING THE PRICE SYSTEM: BUT GAVE NO DETAILS OR INDICATION OF TIMING. PETROKOV AND ABALKIN HOWEVER HAVE BEEN DROPPING STRONG HINTS IN CONVERSATIONS WITH JOURNALISTS IN THE PAST TWO DAYS THAT HTE RUMOURED NEW RADICAL REFORM PACKAGE WILL BE INTRODUCED VERY SOON - POSSIBLE BY PRESIDENTIAL DECREE. PETRAKOV SAID QUOTE IN THE NEXT FEW DAYS UNQUOTE. ABALKIN SPOKE OF A PACKAGE COVERING FOUR MAIN POINTS: PRICES, TAXES, SOCIAL COMPENSAITON AND CREDIT POLICY.

10. WE BELIEVE THAT THIS IS THE FIRST TIME GORBACHEV HAS SPOKEN PUBLICLY OF THE NEED FOR MILITARY REFORM. A YOUNG OFFICER DEPUTY TOLD US THAT HE AND OTHERS HAD PREPARED FOR THE CONGRESS A DRAFT PROPOSAL FOR A STAGED MOVE TOWARDS A PROFESSIONAL ARMY. IT WAS, IN HIS VIEW, THEIR PRESSURE WHICH HAD GOT THE REFERENCE TO REFORM WRITTEN INTO GORBACHEV'S SPEECH. HE ALSO SAID THAT THE GENERALS AND THE MINISTRY OF DEFENCE WERE STILL STRONGLY OPPOSED TO THEIR IDEAS AND WERE PREPARING COUNTER-PROPOSALS.

11. GORBACHEV'S COMMENTS ON FOREIGN POLICY ARE BEING REPORTED SEPARATELY

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CONGRESS OF PEOPLE'S DEPUTIES: PRESIDENT GORBACHEV'S INAUGURAL SPEECH: FOREIGN POLICY

SUMMARY

1. AT THE END OF HIS INAUGURAL SPEECH, GORBACHEV MADE A BRIEF TOUR D'HORIZON OF SOVIET FOREIGN POLICY. HE DEALT WITH THE SOVIET-AMERICAN SUMMIT, GERMANY, CSCE, AND SUMMARILY WITH ASIA, THE MIDDLE EAST AND LATIN AMERICA. HE REAFFIRMED SOVIET INTEREST IN JOINING THE WORLD ECONOMY AND STRENGTHENING THE UN.

DETAIL

2. GORBACHEV SAID THAT THE NEAR FUTURE WOULD SEE RENEWED EFFORTS TO MOVE FORWARD NEGOTIATIONS ON VARIOUS TYPES OF WEAPONRY.

3. MAJOR DECISIONS WERE BEING MADE READY FOR THE US-SOVIET SUMMIT IN JUNE WHICH WOULD BE POSITIVE STEPS NOT JUST IN THE BILATERAL REALTIONSHIP, BUT IN WORLD POLITICS GENERALLY.

4. IN EASTERN EUROPE, HE ACKNOWLEDGED THE MAJOR CHANGES IN ALL SIX ALLIES. THEIR NEW RELATIONSHIP SHOULD PRESERVE THE VALUABLE ELEMENTS BUILT UP OVER THE PAST DECADES, WHILE ABANDONING ALL THAT WAS NOT COMPATIBLE WITH NEW THINKING.

5. THE GERMAN QUESTION WAS PARTICULARLY IMPORTANT. GORBACHEV RECALLED THAT ''IN THE PAST FEW DAYS I HAVE HAD TO SET OUT OUR POSITION MORE THAN ONCE. IT IS WELL KNOWN BOTH TO OUR PEOPLE AND TO ALL INTERESTED PARTIES. ITS ESSENCE IS THAT IN REALISING THE GERMANS' NATURAL RIGHT TO UNITY THE RISK OF WAR ARISING FROM GERMAN TERRITORY MUST BE EXCLUDED COMPLETELY AND FOREVER. ALL THE REST DEPENDS FROM THIS, THE FOUR POWERS' RIGHTS, THE INTANGIBILITY OF FRONTIERS, THE LINKAGE WITH THE PAN-EUROPEAN PROCESS, THE UNACCEPTABILITY OF GERMAN MEMBERSHIP OF NATO AND THE NECESSITY OF A PEACE TREATY ON THE OUTCOME OF THE SECOND WORLD WAR.

6. THE PACE OF EVENTS HAD GIVEN RENEWED IMPORTANCE TO THIS AUTUMN'S

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SUMMIT OF THE EUROPEAN STATES, THE USA AND CANADA. WE NEEDED TO SET SIGN POSTS FOR ''HELSINKI-TWO'' WHICH COULD BE A WATERSHED IN INTERNATIONAL RELATIONS.

7. NEW THINKING DID NOT IMPLY A COOLING OF SOVIET INTERESTS IN THE DEVELOPING NATIONS. SOVIET SOLIDARITY WITH THOSE STRUGGLING FOR EQUAL RIGHTS, SOCIAL PROGRESS DEMOCRACY AND HUMAN DIGNITY REMAIN UNCHANGED.

8. THE VLADIVOSTOCK AND KRASNOYARSK INITIATIVES HAD TO BE TURNED INTO REALITY. GORBACHEV PRAISED THE LONG TERM LINKS WITH ''GREAT'' INDIA, AND WELCOMED IMPROVEMENTS IN COOPERATION WITH CHINA.

9. THE SOVIET UNION NEEDED TO REENGAGE IN THE MIDDLE EAST. LATIN AMERICA WAS GROWING IN IMPORTANCE.

10. ''THE PRESIDENT HAS CONSTANTLY TO BEAR IN MIND THE QUESTION OF SOVIET INCORPORATION IN THE WORLD ECONOMIC SYSTEM, AND PARTICIPATION IN ENVIRONMENTAL EFFORTS.'' HE REITERATED SOVIET BELIEF THAT THE UN NEEDED STRENGTHENING.

BRAITHWAITE

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MR POWELL 15 March 1990

SOVIET STUDIES

We spoke. I attach a copy of the report of July last year done by Norman Wooding, Bryan Cartledge and Malcolm Jones.

As you will see, the report advocates sizeable government intervention to put Soviet studies on a footing appropriate to the new era in the Soviet Union and in Soviet/British bilateral relations. New fellowships, lectureships, more Russian in state schools etc, are proposed at an overall cost of £9 million over 14 years.

The report lies with Robert Jackson in DES and has, I understand, received a negative or temporizing response, advocating as it does a line contrary to the main thrust of government policy on higher education.

There is certainly a serious problem over funding. On the other hand, there is no doubt there is a case for a boost in Soviet studies to bring our level of teaching to something like that of our allies and competitors, to take account of the new political climate and to correct the negative intervention of the Atkinson Report of 1979, which recommended the discontinuance of Russian teaching in some 19-20 universities.

I wonder whether we could not look at this report as a quarry for more limited action in connection with forthcoming visits to the Soviet Union by the Prime Minister and by members of the Royal family. On the first, it would presumably assist the Prime Minister's visit if she were able to announce that we were prepared to give some help to Soviet studies in the UK. A relatively small sum, say £1 million, would have a strong

symbolic effect and would prime the pump. Alternatively, some gesture of this kind might be appropriate when the Prince of Wales makes his visit. I recall that when the Queen visited China in 1986 she inaugurated a number of fellowships in China-related studies.

When you have a moment to look at the report we might discuss further. The Foreign Office is wary, fearing demands on its own vote and possible similar requests to assist studies in Arabic, Chinese, etc etc. William Waldegrave, however, is enthusiastic.

PERCY CRADOCK

file DTS

(c:\foreign\gorbache)

cc FCO

10 DOWNING STREET

LONDON SW1A 2AA

PRIME MINISTER'S PERSONAL MESSAGE SERIAL NO. T53/90

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THE PRIME MINISTER

15 March 1990

Dear Mr. President,

I send you warm congratulations on your election as President of the Soviet Union and wish you every success in your important new role. You continue to have my whole-hearted support for your efforts to bring about a truly democratic and open society in the Soviet Union.

With every good wish,

Yours sincerely

Margaret Thatcher

His Excellency Mr. M.S. Gorbachev

DTS

Foreign and Commonwealth Office

London SW1A 2AH

15 March 1990

Dear Charles,

Message to Mr Gorbachev

Now that Mr Gorbachev has been elected President, the Prime Minister may wish to send a message of congratulations. I enclose a draft.

Yours ever,

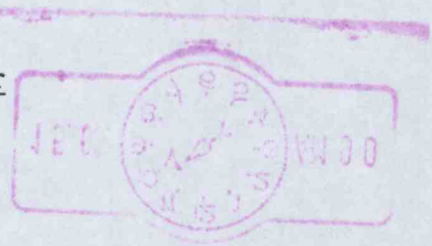
Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

Draft Message from the Prime Minister

To: Mr Gorbachev



I send you warm congratulations on your election as President of the USSR. I warmly welcome your success. I know that your aim is to give new impetus to the reform programme and to strengthen the effectiveness of the democratic process in the Soviet Union and of the Supreme Soviet. You have my continued whole-hearted support as you push forward towards a truly democratic and open society in the Soviet Union.

I send you warm congratulations on your election as President of the Soviet Union. I look forward to working with you in your important new role. You can count on my whole-hearted support for your efforts to bring about a truly democratic and open society in the Soviet Union. I look forward to working with you.

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SOVIET INTERNAL: LAW ON PROPERTY OWNERSHIP
SUMMARY
1. STATE MONOPOLY ON OWNERSHIP BROKEN BY A LAW WHICH PLACES STATE, COLLECTIVE AND CITIZENS (IE PRIVATE) OWNERSHIP ON AN EQUAL FOOTING. BUT RESTRICTIVE DEFINITION OF WHICH PROPERTY (OWN HOUSE, MEANS OF PRODUCTION, SHARES IN ENTERPRISES) CAN BE HELD BY INDIVIDUALS. COMPROMISE FORMULA AS FAR AS REPUBLIC/ALL UNION OWNERSHIP OVER LAND AND ITS RESOURCES IS CONCERNED. IMPACT OF LAW WILL DEPEND ON ATTITUDE OF LOCAL AUTHORITIES.

DETAIL
2. FOLLOWING A FIERCE DEBATE IN THE SUPREME SOVIET WHICH HAS LASTED ON AND OFF SINCE AUTUMN LAST YEAR, THE LAW ON OWNERSHIP FINALLY PASSED BY THE USSR SUPREME SOVIET WAS PUBLISHED IN THE CENTRAL PRESS ON 10 MARCH. THE LAW BREAKS UP THE STATE'S MONOPOLY ON OWNERSHIP AND DEFINES IN BROAD TERMS WHAT CAN OR CANNOT NOW BE OWNED BY COLLECTIVES, INDIVIDUALS OR REPUBLICS. WITHIN THE LIMITS OF WHO CAN OWN WHAT, THE LAW PLACES NO RESTRICTIONS ON BUYING OR SELLING. ASSUMING IT PASSES THROUGH THE CONGRESS OF PEOPLES DEPUTIES IT WILL COME INTO EFFECT FROM 1 JULY, BY WHICH TIME A GOVERNMENT BODY SET UP SPECIALLY FOR THE PURPOSE WILL HAVE UNTANGLED THE VARIOUS PROBLEMS IN TRANSFERRING STATE PROPERTY TO REPUBLICAN OR INDIVIDUAL OWNERSHIP.
3. IN DISCUSSION IN THE SUPREME SOVIET AND IN THE PRESS THE DRAFT LAW HAS BEEN ATTACKED FROM BOTH LEFT AND RIGHT. TRADITIONALISTS CLAIMED IT WOULD SPELL THE END OF SOCIALIST PROPERTY AND WOULD LEAD TO SOCIAL STRATIFICATION. RADICALS ARGUED THAT IT DID NOT GO NEARLY FAR ENOUGH. AS IT STANDS, THE LAW PLACES STATE, COLLECTIVE, AND WHAT IT CALLS CITIZENS' PROPERTY (IE PRIVATE PROPERTY) ON AN EQUAL BASIS. CITIZENS PROPERTY INCLUDES PERSONAL POSSESSIONS, STOCKS AND SHARES, HOUSING (DACHAS AND GARDEN PLOTS) FOR PERSONAL USE, AND WHATEVER MEANS OF PRODUCTION CAN REASONABLY BE REGARDED AS NECESSARY FOR THE PURSUIT OF INDIVIDUAL WORK. THIS WOULD PRESUMABLY INCLUDE A FARMER OWNING HIS TRACTOR OR A COOPERATOR A LORRY TO TRANSPORT HIS GOODS. CITIZENS PROPERTY IS ALSO DEFINED AS INCLUDING ALL PRODUCTS OF THE INDIVIDUAL'S LABOUR: NOR DOES IT RULE OUT SHARE OWNERSHIP IN A COMPANY BY THOSE WHO DO NOT WORK THERE.
4. COLLECTIVE OWNERSHIP INCLUDES PROPERTY HELD BY COOPERATIVES, ENTERPRISES AND JOINT STOCK COMPANIES AND OTHER SOCIAL OR REGIONAL ORGANISATIONS. IT OPENS UP THE POSSIBILITY OF FOREIGN OWNERSHIP OF ENTERPRISES, BOTH INDEPENDENTLY OR VIA JOINT VENTURE PARTICIPATION, SUBJECT TO FUTURE LEGISLATION. STATE OWNERSHIP IS FURTHER DIVIDED, WITH CONTROL OVER SOME PROPERTY BEING DELEGATED TO REPUBLICS AND AUTONOMOUS REGIONS. FOR EXAMPLE LAND AND ITS MINERAL RESOURCES ARE THE PROPERTY OF THOSE WHO LIVE ON THAT TERRITORY. BUT IT IS TO BE USED ''IN THE INTERESTS BOTH OF THE INHABITANTS AND OF THE WHOLE

COUNTRY'' - A COMPROMISE FORMULA UNLIKLEY TO PREVENT REPUBLICS SEEKING TO CONTROL THE DISPOSAL OF RAW MATERIALS TO THEIR AND NOT THE UNIONS BEST ADVANTAGE. THE STATE MEANWHILE RETAINS EXCLUSIVE CONTROL OVER STRATEGIC PROPERTY SUCH AS TRANSPORT, ENERGY AND COMMUNICATIONS LINKS. THE LAW CONCLUDES WITH A SECTION DESIGNED TO PROVIDE GUARANTEES OF OWNERSHIP AND ALLAY FEAR THAT PROPERTYWIL NOT BE LIABLE TO SEIZURE BY THE STATE SHOULD IT CHANGE ITS MIND IN THE FUTURE.

COMMENT
5. THIS LAW REPRESENTS A SUBSTANTIAL VICTORY FOR THE REFORMIST LOBBY. THEY MANAGED SUCCESSFULLY TO DEFEND THE BILL AGAINST CHANGES THAT IT WOULD LEAD TO THE END OF SOCIALISM AND OPEN THE FLOODGATES TO BLACK MARKETEERS. THEY WERE FORCED TO COMPROMISE ON USING THE TERM ''PRIVATE PROPERTY,'' SUBSTITUTING ''CITIZENS PROPERTY'' IN ITS PLACE, AND HAD TO ACCEPT THE INSERTION OF A PARAGRAPH RULING OUT THE ALIENATION OF WORKERS FROM THE MEANS OF PRODUCTION TO PACIGY THE BILL'S OPPONENTS. NEVERTHELESS, FOR THE FIRST TIME SOVIET CITIZENS HAVE THE RIGHT IN LAW BOTH TO PRIVATE (AS OPPOSED TO PERSONAL) PROPERTY, AND TO EARN INCOME OTHER THAN THAT PRODUCED BY THEIR OWN LABOUR. WHAT IS NOT CLEAR IS THE EXTENT OF PRIVATE OWNERSHIP. IN DEFENDING THE BILL DURING ITS SECOND READING, ABALKIN CLEARLY SAW IT PRIMARILY AS ENCOURAGING THE ESTABLISHMENT OF SMALL FAMILY-RUN BUSINESSES. BUT THE LAW ALSO SEEMS TO PERMIT THE HIRING OF LABOUR, RAISING QUESITONS AS TO HOW LARGE A BUSINESS CAN BE BEFORE IT CEASES TO BE A FAMILY CONCERN. HOWEVER, WITH WHAT APPEARS TO BE THE GREEN LIGHT TO A BROADER OWNERSHIP OF SHARES, THE LAW IS SET TO BRING BENEFITS NOT ONLY TO THE SELF-EMPLOYED BUT ALSO TO STATE EMPLOYEES. AND IF CITIZENS CAN HOLD SHARES IN OTHER ENTERPRISES, IT WILL ONLY BE A MATTER OF TIME BEFORE A MARKET THROUGH WHICH TO TRADE THEM IS ESTABLISHED.
6. WHAT IMPACT THIS LAW HAS ON THE AILING ECONOMY WILL DEPEND CRUCIALLY ON THE ATTITUDE OF THE LOCAL AND REPUBLIC AUTHORITIES. PREVIOUS LAWS - NOTABLY ON COOPERATIVES AND LEASING - HAVE BEEN HAMSTRUNG BY SUBSEQUENT ACTION FRO CENTRAL AND REGIONAL AUTHORITIES. UNDER THE TERMS OF THIS LAW, REPUBLICS HAVE THE POWER TO DEFINE WHAT PROPERTY MAY NOT BE OWNED PRIVATELY ON THEIR TERRITORY. THEY CAN ALSO SET LIMITS ON THE EXTENT OF THE OTHER FORMS OF OWNERSHIP. LITHUANIA HAS ALREADY PASSED ITS OWN PROPERTY LAW WHICH OPENS UP PRIVATE OWNERSHIP AS WIDELY AS IT CAN, GIVEN ALL-UNION LEGISLATIVE RESTRAINTS: BUT OTHER REPUBLICS ARE EQUALLY AS LIKELY TO CURB THE OPPORTUNITIES FOR PRIVATE OWNERSHIP. AND AS ONE LEADING ECONOMIST RECENTLY REMARKED, IF A COLLECTIVE CANNOT CONTROL THE INPUTS OF ITS ENTERPRISE OR DISPOSE INDEPENDENTLY OF ITS PRODUCTS, WHAT REAL MEANING DOES THE PHRASE ''COLLECTIVE OWNERSHIP'' HAVE?

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THE 'SHIELD' OFFICERS UNION

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Pl. file
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From: Chris Donnelly
Sovietologist-in-Residence

13 March 1990

Comment:

I am circulating the attached translation for your interest. The formation of the 'Shield' (Russ: Shchit) organization reflects very serious concern within the Armed Forces about the progress of events in the USSR and in the military system. It is evidence of strong Russian nationalist and a-political feelings within the officer corps.

2198/SIR398
DONNELLY/13.03.90

UKTRANS No 00447

The following is a translation of the platform programmme of the informal organisation "Shield" - the union for social protection of servicemen, those liable for military service and members of their families

The Army, like society as a whole, is going through a serious crisis. Present principles of military development (stroitel'stvo) are not producing optimum results in the SAF.

Existing public institutions in the army are almost bereft of rights. Social protection of servicemen is deficient, their legal awareness is low.

One-man command on a party-basis cannot be justified. It creates conditions ripe for the development of bureaucratism, leads to the growth of protectionism, corruption, arbitrariness, and the spread of mutual guarantees. It imitates perestroyka, slowing down the process of building an army in a socialist state based on the rule of law.

Social tension in the army is rising steadily. It has become absolutely vital to redistribute functions among commanders, political workers and army public organisations in order to broaden the latter's rights and functions connected with restructuring of the political and economic system.

Unions of servicemen which enjoy the support of society and state have shown in a number of countries that that they are in practice a proven form of social protection for servicemen and members of their families.

Based on the above, the independent, public organisation "Shield" sets itself the following aims.

- the broad distribution of its ideas, views and opinions.

- to galvanise and democratise public consciousness in the SAF. The development of glasnost', the fight against suppression of the real state of affairs in the army and navy.

- the creation of primary organisations of "Shield" along trade union lines at unit, regional and republican level, with a communications net and information concentrated at the centre.

- the social defence of servicemen, those liable for military service and members of their families.

- the passing of a USSR law preventing the use of military force

against people of the USSR and peoples of other countries. The use of military force is a crime against humanity.

- to create conditions for developing a new type of army - one in a state based on the rule of law.

"Shield" supports and in principle shares the platform of the interregional group of the USSR's people's deputies, including its proposals for reforming the SAF.

Developing the country's defence should in today's conditions be founded on three main principles.

1. The principle of reasonable sufficiency.

2. Preparations for the gradual transition to a new type of army - one of a socialist state based on the rule of law, with a significant reduction of its numbers.

3. "One man command" cannot be justified on a party basis. It should therefore be substituted by "one man command" on a legal basis.

We believe that it is essential to take a series of urgent measures to change the conditions of military service.

1. Cut radically the numbers of generals, and MOD's apparatus.

2. Limit significantly the functions of the political organs at divisional and army level, and abolish completely the institution of company political workers.

3. Reduce the size of the officer corps and other categories of servicemen, under effective public control. In the case of cuts to the officer corps, provide officers with re-training prior to their discharge to the reserve.

4. Significantly and radically increase servicemen's salaries using funds freed by reductions to the size of the SAF.

5. Free the army from unsuitable functions (helping to bring in the harvest, and work on organising public services ...) except in the case of clearing-up operations after serious accidents and natural disasters.

6. Transfer the centre of gravity of training away from senseless drill and fatigues duties to the raising of combat, physical and specialist training.

7. Reduce conscripts' term of service, and increase their pay.

8. Introduce alternative service for conscripts.

9. Achieve real concern, not in words but in practice, for servicemen, those liable for military service and members of their families. Take concrete measures to satisfy their needs and requirements.

10. Show concern for the families of conscripts.

11. The creation of a "quick reaction" fund to provide material help to the needy or those who have suffered, on the basis of profit from enterprises belonging to "Shield". The creation of such enterprises will partly solve the problem of unemployment for families of servicemen in garrisons.

12. Participation in call-up commissions.

"Shield" sees the achievement of its aims in actions performed in strict accordance with the USSR's constitution and laws. We decisively reject any form of violence in the struggle for the rights of servicemen, those liable for military service, and their families, as well as strikes, go-slows and other forms of illegal action as unacceptable for the SAF.

To realise our proclaimed goals, we are ready to co-operate with any public organisations, parties and movements which do not advocate violence, Nazism, or chauvinism, as well as with all state government organs, departments, institutions and enterprises.

"Shield" sees the following ways for developing a new type of army:

1. The study, analysis and maximum use of progressive concepts and alternative projects for reforms of military development (stroitel'stvo).

2. The change of principles of military development (stroitel'stvo), the optimisation of organisational structures in the SAF, the reduction of personnel numbers in order to raise the professional qualities of servicemen.

3. The strengthening and development of the principles of "one man command" on a legal basis in combat, in training, and in the performance of combat missions.

4. The democratisation and humanising of the SAF. The further development of glasnost', freedom of thought, improvement of the electoral system for people's deputies in units and sub-units. The granting to councils of people's deputies of every

opportunity for controlling the social and living spheres of forces' activity - for this they must be granted the right of unhindered entry into all units located on the territory of a given council. The drawing up and universal discussion of alternative draft laws on defence and all-arms regulations on the SAF.

5. We see a new type of army free of bureaucratic arbitrariness, in which shameful phenomena such as protectionism, nationalism, and barrack-room hooliganism are eradicated, as well as outrages against the honour and dignity of servicemen, those liable for military service and members of their families.

We believe that it is only through the realisation of these aims that the SAF's former prestige and universal respect can be returned.

Passed at the constituent congress of "Shield"
Moscow October 22 1989

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MR POWELL

c Sir Robin Butler

Lithuania

On 11 March Lithuania became the first Soviet republic to declare its independence. The new Lithuanian parliament, meeting in haste to pre-empt decisions by the Soviet Congress of People's Deputies (and with 8 parliamentary seats still unfilled) voted 124 in favour and none against, with 6 abstaining and 3 deputies absent. The parliament also:

Elected a new non-Communist President of the republic: Landsbergis, the head of *Sajudis*. The popular leader of the break-away Lithuanian Communist Party, Brazauskas, secured less than half as many votes: some of his own party must have voted for Landsbergis.

Accepted the resignation of the old Lithuanian government and elected a leading *Sajudis* member as Prime Minister.

Rescinded the operation of the Soviet and Lithuanian constitutions, establishing the Lithuanian constitution of 1938 as the provisional constitutional foundation for the republic.

Reconstituted itself as a "Supreme Council" (rather than Supreme Soviet), dropped the words "Soviet Socialist" from the republic's name, and reverted to its pre-1940 coat of arms.

Agreed to send a delegation to Moscow to inform the Congress of People's Deputies, but not to participate

in its work (since that would imply continued membership of the Soviet Union).

Reactions

2. Speaking to the Congress on 12 March Gorbachev described developments in Lithuania as "illegitimate and invalid". But his response has been to recommend that the Supreme Soviet in Moscow should begin "immediate studies to assess and take decisions" on Lithuania's moves, thus steering Moscow's reaction down measured parliamentary channels. In Poland, the Government deferred reaction until developments could be considered in full Cabinet. Mainline Solidarity reaction, however, has strongly supported Lithuania's move. In Washington, the White House press spokesman avoided an explicit welcome, urging Moscow to "respect the will of the citizens of Lithuania" and urging it to enter "immediate, constructive negotiations" with Lithuania's new government.

Impact

3. Lithuania's move will encourage radical nationalists in other republics. The impact will be felt most directly in Estonia and Latvia, whose first round elections to their respective republican parliaments are on 18 March. It is even possible that these elections could produce the necessary two-thirds majorities in the two parliaments to amend their constitutions and declare independence. But because of their much larger Russian minorities, the Estonian and Latvian nationalist movements are taking a somewhat different route from *Sajudis*. Instead of reconstituting the existing Soviet parliamentary structure as a national one, as the Lithuanians have done, the Estonians and Latvians are building parallel Citizens' Congresses, elected from among the ethnic population. These are designed in due course to supplant the existing Supreme Soviets as constituent assemblies for independent

republics. The Estonian Congress began its first meeting on 11 March by calling on the USSR Supreme Soviet to restore Estonia's independence. The Latvian People's Congress is due to meet in May after elections in April (although this timetable could be advanced).

4. Not only the Balts will be influenced by Lithuania's example. A strong pro-independence current is now running in Georgia, where elections to the republican parliament are on 25 March. At the weekend the Georgian Supreme Soviet passed a resolution on protecting the republics's sovereignty, and called upon Georgian deputies at the Congress of People's Deputies to oppose greater presidential powers for Gorbachev. In the Ukraine, the nationalist movement *Rukh* is inclining towards calling for outright independence, encouraged by its performance in the 4 March elections which, after the second round (probably on 18 March), should give it at least 25 per cent of the republic's parliament. And the drive for independence by the Baltic republics will also complicate the efforts of Moldavia's skilful new Party First Secretary to keep the nationalist movement there on the track of greater independence within, rather than outside, a renewed Soviet Federation.

Prospects

5. The Soviet leadership is still committed to avoiding the use of force (although the Soviet military's frustration over developments in the Baltic republics must be intense). Ligachev, for example, on 12 March said "we will not use force ... tanks will not help." But Gorbachev will be acutely conscious of the precedents that will be set in his dealings with Lithuania. Rather than begin talks about separation, which would *ipso facto* concede the principle of Lithuanian independence, he may let Lithuanian negotiators cool their heels, possibly arguing that they must wait until the USSR Supreme Soviet

passes the new legislation on the modalities of secession. (The Lithuanians will reject this since they no longer recognise the applicability of Soviet law.) He said on 13 March that there could be no question of talks: "we hold talks only with foreign states".

6. But in practice a kind of negotiation has already begun. An undeclared economic squeeze of Lithuania started last month. Speaking to Brazauskas last week, Gorbachev suggested that future trade would have to be in hard currency (of which Lithuania has little) and that a Lithuanian deficit with the rest of the Soviet Union, allegedly of more than 3 billion roubles, would have to be repaid. Politburo member Maslyukov on 9 March implied that Lithuania might owe 50 billion roubles for Soviet capital investment and 5.5 billion roubles for Soviet infrastructure in the republic, and that questions of the Soviet Union's defence, military presence in the republic and Warsaw Pact obligations would also be involved. The Lithuanians seem bound to respond with even more inflated counter-claims for human rights reparations, distortion of the republic's economy and damage to its environment. A struggle is already under way in Lithuania (as in the other two Baltic republics) over whether the local forces of law and order, including the KGB, answer to the republic or to Moscow. Preliminary reports are ambiguous on how far the Lithuanian parliament will accept a continued Soviet military presence. On 12 March they annulled the conscription law requiring service in the Soviet armed forces.

7. Although there is probably a majority in the Supreme Soviet opposed to Lithuanian independence, this is by no means clear-cut, and Gorbachev will not want to align himself with the intransigent conservative hard-core. He probably has little choice but to slip tacitly into dealings with the Lithuanians. Both sides' approaches, however, will be very tough. There is a corresponding risk

that escalatory measures by one side or the other could be miscalculated and cause events to run out of control.

PERCY CRADOCK

13 March 1990

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SIC

MIPT: LITHUANIAN INDEPENDENCE.

1. WE HAVE RECEIVED AN ADDRESS TO THE NATIONS OF THE WORLD FROM THE SUPREME COUNCIL (FORMERLY SUPREME SOVIET) OF THE REPUBLIC OF LITHUANIA. TEXT IS AS FOLLOWS:

BEGINS

THE SUPREME COUNCIL OF THE REPUBLIC OF LITHUIANIA, HAVING PROCLAIMED THE CONTINUATION OF THE INDEPENDENT LITHUANIAN STATE AND ITS RETURN TO THE WORLD COMMUNITY OF FREE NATIONS, HAS FAITH IN THE SOLIDARITY AND SUPPORT OF THESE NATIONS.

OUR DECISION IS NOT DIRECTED AGAINST ANY ONE NATION, NOR IS IT AGAINST ANY NATIONALITY IN LITHUANIA. THIS IS A PATH THAT ALLOWS US TO GUARANTEE THE RIGHTS OF INDIVIDUALS, CITIZENS, AND NATIONAL COMMUNITIES IN LITHUANIA, TO BECOME OPEN TO FREE ASSOCIATION, AND TO OFFER TO CONTRIBUTE OUR COMMITMENT AND WORK TO THE WORLD OF JUSTICE AND HARMONY THAT IS NOW BEING CREATED.

MAY GOD AND ALL PEOPLE OF GOOD WILL HELP US.

SIGNED

CHAIRMAN OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA VYTAUTAS LANDSBERGIS

SECRETARY OF THE SUPREME COUNCIL
OF THE REPUBLIC OF LITHUANIA LIUDVIKAS SABUTIES

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LITHUANIAN DECLARATION OF INDEPENDENCE
SUMMARY
1. US SUPPORTS LITHUANIA'S RIGHT TO PEACEFUL SELF-DETERMINATION AND CALLS ON MOSCOW TO NEGOTIATE WITH THE GOVERNMENT OF LITHUANIA. ADMINISTRATION BELIEVE PROSPECTS FOR INDEPENDENCE ARE GOOD, BUT BELIEVE THERE WILL BE AN AWKWARD TRANSITION PERIOD, AND THAT EVENTUAL SOVEREIGNTY WILL BE LIMITED.
DETAIL
2. THE LITHUANIAN DECLARATION OF INDEPENDENCE HAS RECEIVED WIDESPREAD AND SYMPATHETIC COVERAGE IN THE US MEDIA.
3. IN A WRITTEN STATEMENT ON 11 MARCH, THE WHITE HOUSE SPOKESMAN (FITZWATER) SAID THE US HAD NEVER RECOGNISED THE FORCIBLE INCORPORATION OF THE BALTIC STATES INTO THE SOVIET UNION, AND HAD CONSISTENTLY SUPPORTED THE BALTIC PEOPLE'S INALIENABLE RIGHT TO PEACEFUL SELF-DETERMINATION. THE STATEMENT URGED THE SOVIET GOVERNMENT TO RESPECT THE WILL OF THE LITHUANIAN PEOPLE, AND TO ADDRESS THEIR QUOTE CONCERNS AND INTERESTS THROUGH IMMEDIATE CONSTRUCTIVE NEGOTIATIONS UNQUOTE. IT EXPRESSED THE HOPE THAT ALL PARTIES WOULD AVOID VIOLENCE (FULL TEXT IN MIFT).
4. ASKED WHETHER THE US WOULD ESTABLISH FORMAL DIPLOMATIC RELATIONS WITH LITHUANIA, THE STATE DEPARTMENT SPOKESMAN SAID THE US RECOGNISED THE INDEPENDENT STATE OF LITHUANIA IN 1922. US PRACTICE WAS TO ESTABLISH FORMAL RELATIONS WITH THE LAWFUL GOVERNMENT OF ANY STATE ONCE THAT GOVERNMENT WAS IN EFFECTIVE CONTROL OF ITS TERRITORY AND CAPABLE OF ENTERING INTO AND FULFILLING INTERNATIONAL OBLIGATIONS. WHEN THE US WERE SATISFIED THAT THE LITHUANIAN GOVERNMENT COULD MEET THESE REQUIREMENTS, THEY WOULD ESTABLISH FORMAL DIPLOMATIC RELATIONS.
5. OUR CONTACTS IN THE ADMINISTRATION - INCLUDING INTELLIGENCE AGENCIES - ARE CONFIDENT THAT MOSCOW WILL NOT WANT TO USE FORCE TO BRING LITHUANIA TO HEEL, AND THAT LITHUANIA WILL THEREFORE EVENTUALLY ACHIEVE INDEPENDENCE. BUT THEY EXPECT A DIFFICULT AND PROBABLY LENGTHY TRANSITION PERIOD. BOTH STATE AND CIA HAVE TOLD US THAT THEY EXPECT MOSCOW TO TRY TO LIMIT LITHUANIAN SOVEREIGNTY BY INSISTING ON CERTAIN MILITARY REQUIREMENTS, INCLUDING

SOVIET UNION: Intfrv

RETAINING FORCES AND AIR DEFENCE ASSETS IN LITHUANIA, HOLDING A CORRIDOR FOR ACCESS TO KALININGRAD AND, POSSIBLY, RETAINING THE PORT AT KLAIPEDA. (THERE IS ALSO SOME SPECULATION - SO FAR OF A NOT TOO SERIOUS KIND - ABOUT A POSSIBLE POLISH CLAIM TO VILNIUS). ON GORBACHEV'S SUGGESTION LAST WEEK THAT CALLS FOR LITHUANIAN INDEPENDENCE WOULD RAISE QUESTIONS ABOUT THE REPAYMENT OF THE 21 BILLION ROUBLE SOVIET INVESTMENTS, STATE BELIEVE THAT NEGOTIATIONS WILL DRAG ON, WITH DEMANDS FOR REPARATIONS FROM BOTH SIDES.
6. STATE HAVE EXPRESSED SATISFACTION WITH THE LANGUAGE OF THE LITHUANIAN DECLARATION, IN PARTICULAR BECAUSE IT AVOIDED ASKING FOR MORE FROM THE INTERNATIONAL COMMUNITY, AND WITH GORBACHEV'S INITIAL LOW-KEY REACTION. THE ADMINISTRATION NOW EXPECT MOSCOW TO FOLLOW UP BY EXPRESSING A WILLINGNESS TO DISCUSS DIFFERENCES. STATE HAVE SHOWN SOME CONCERN TO US ABOUT THE POSSIBILITY THAT SAJUDIS COULD PRECIPITATE MATTERS EITHER BY TAKING EARLY ACTION TO LEGISLATE AGAINST CONSCRIPTION INTO THE SOVIET ARMY, OR BY ASSERTING CONTROL OF THE BORDERS (AIRPORTS, PASSPORTS ETC). STATE FEAR THAT THE LATTER COULD LEAD TO PRESSURE FROM THE POWERFUL LITHUANIAN LOBBY HERE FOR THE US TO OPEN A MISSION IN LITHUANIA. MUCH OF THE PRESS INTEREST IN DEVELOPMENTS SO FAR HAS FOCUSSED ON THIS POSSIBILITY, WHICH BOTH THE STATE DEPARTMENT AND WHITE HOUSE SPOKESMEN HAVE BEEN ANXIOUS TO PLAY DOWN.
7. IN SHORT, THE GENERAL VIEW HERE IS QUOTE SO FAR SO GOOD UNQUOTE.

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Foreign and Commonwealth Office

London SW1A 2AH

12 March 1990

Dear Charles,

Lithuanian Independence

I wrote on 9 March with a line to take for weekend use.

You and I spoke this morning, when you said that the Prime Minister's inclination was to be cautious in reacting to the Lithuanians' declaration of 11 March. The Foreign Secretary shares this sense of caution. He has revised our line and has included an expression of hope that there will now be discussions (between the Lithuanians and Moscow) leading to agreement. I enclose a copy of the revised line.

Yours ever

Richard

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

The National Archives

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CONFIDENTIAL

12 March 1990

Prime Minister

You will be interested to see this assessment.

CDP 12/3

Dear Charles,

Food for the Soviet Union

President Bush told the Prime Minister last month that President Havel had said that the Soviet Union needed food aid. President Havel had said the same thing to Mr Waldegrave earlier in the week, adding that the Russians would be too proud to ask for such aid. The Prime Minister undertook to President Bush to make some enquiries (your letter of 24 February).

copy attached

We have consulted the Embassy in Moscow and our own experts. Our conclusion is that while food (especially meat), and all other consumer items are in scarce supply in the shops, there is no serious hardship. People have to queue, which is nothing new, but having done so they can buy enough to eat. Empty shelves in the shops can be misleading, since much food and other consumer goods are sold in the workplace, or through the black market. Public complaints about shortages still focus on items such as soap. Demonstrations are politically oriented rather than bread riots, although lack of food supplies have helped to cause industrial unrest such as the miners' strike last summer. Rationing is widespread but there has been no sign of panic measures to control dwindling supplies. The foreign trading companies are still purchasing equipment to improve food production storage and packaging rather than switching to direct food supplies.

No doubt President Havel was as shocked as others from outside to see the state of supplies in the Soviet Union. But although things have got worse, we do not believe that they have reached or will soon reach crisis point. There are thought to be considerable strategic reserves which can be used in cases of local crisis.

The Soviet Union is still producing at least 80% of its food requirements. Last year's harvest was quite good by Soviet standards. Measures to increase production through private plots and leasehold agriculture have yet to lead to more in the shops. The main problem is distribution. About one third of total produce is wasted either in the fields or in storage, transit, or in packaging or processing. Know-how in this area is vital to reform. The Russians are well aware of what the West can offer, but have not taken up any major consultancies.

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There are signs that the fall in domestic confidence in the rouble and moves towards greater regional autonomy are making the problems of distribution worse. Centralised distribution of grain (much of which is fed to animals) seems to be in some disarray and livestock producers have warned that meat supplies will be affected if deliveries do not improve. The Food Minister, Nikitin, has said that it may not be possible to step up imports to cover the shortages. The food situation may therefore worsen. But for the moment we do not see real hunger as an immediate prospect.

The Foreign Secretary has instructed that this be discussed with the State Department in Washington. We are sending instructions, making it clear that this is a follow-up to the 24 February conversation with President Bush.

Yours ever

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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(2)

PRIME MINISTER

BORIS YELTSIN

Mr. Yeltsin has been in touch to say that unfortunately he cannot keep his appointment with you on Wednesday, because an additional meeting of the Central Committee has now been scheduled for that day. He hopes still to visit the United Kingdom sometime in the next two weeks and to meet you.

C. D. POWELL
12 March 1990

CONFIDENTIAL
FM MOSCOW
TO IMMEDIATE FCO
TELNO 392
OF 071624Z MARCH 90

FOR HEAD OF SOVIET DEAPRTMENT.
YOUR TELNOS 334-335: MESSAGE TO GORBACHEV

SUMMARY

1. GORBACHEV'S FOREIGN POLICY ADVISER WELCOMES THE PRIME MINISTER'S MESSAGE, AND IN PARTICULAR ITS REFERENCES TO A TREATY. CHERNYAYEV REITERATES THE CASE AGAINST NATO MEMBERSHIP FOR A UNITED GERMANY, IS CRITICAL OF KOHL AND SCEPTICAL OF GENSCHER'S ''DULCET TONES''. HE UNDERSCORES GORBACHEV'S 6 MARCH TV INTERVIEW (MY TELNO 389).

DETAIL

2. I CALLED ON CHERNYAYEV ON 7 MARCH TO DELIVER THE PRIME MINISTER'S MESSAGE TO GORBACHEV. I UNDERLINED THE IMPORTANCE WE ATTACHED TO CLOSE CONTACT ON THIS SUBJECT. CHERNYAYEV DESCRIBED THE MESSAGE AS VERY SATISFACTORY, AND SAID HE WOULD SUBMIT IT AT ONCE TO GORBACHEV. HE SEIZED WITH PLEASURE ON THE PRIME MINISTER'S SUPPORT FOR A TREATY TO GUARANTEE POLAND'S BORDERS.

TWO PLUS FOUR

3. CHERNYAYEV SAID THAT SOVIET ACCEPTANCE OF THE INVITATION TO BONN WAS BEING FORMULATED. HE EXPRESSED SATISFACTION THAT THE MECHANISM HAD BEEN ACTIVATED. (THE FRG AMBASSADOR HAS SINCE RECEIVED FORMAL SOVIET ACCEPTANCE OF THE INVITATION, ON THE UNDERSTANDING THAT THE NEXT MEETING WILL BE IN THE GDR, WITH SUBSEQUENT VENUES LEFT OPEN.)

SHEVARDNADZE'S LETTER OF 2 MARCH

4. CHERNYAYEV WAS NOT CLOSELY BRIEFED. HE KNEW OF NO SPECIFIC REASON TO EXPECT TROUBLE: BUT UNFORESEEN CIRCUMSTANCES WERE, BY DEFINITION, IMPOSSIBLE TO NAME IN ADVANCE. HE SPECULATED THAT THE FOREIGN MINISTRY MIGHT HAVE BEEN CONCERNED THAT THE BUNDESTAG AND VOLKSHAMMER WOULD ON 19 MARCH ADOPT A JOINT DECLARATION ON UNITY. THE SIX MIGHT HAVE BECOME FIVE OVERNIGHT. BUT SUCH FEVERED IMAGININGS HAD CALMED DOWN. IN GENERAL HE APPEARED REASONABLY RELAXED ABOUT THE RUN-UP TO THE GDR ELECTIONS.

EAST GERMANY

5. CHERNYAYEV SAID THAT THE RUSSIANS HAD HAD GOOD MEETINGS WITH EAST

GERMAN LEADERS IN THE PAST WEEK. MODROW HAD BROUGHT REPRESENTATIVES OF THE ROUND TABLE WITH HIM, AND WAS LEADING A COLLEGIAL ADMINISTRATION. HE WOULD NOT DO ANYTHING WITHOUT THE ROUND TABLE'S SUPPORT. THE RUSSIANS HAD THEREFORE MET THE AUTHORITATIVE LEADERSHIP OF THE COUNTRY.

6. THE RUSSIANS EXPECTED THE SPD (EAST) TO WIN THE ELECTIONS ON 18 MARCH. THET WERE LESS CERTAIN WHO WOULD BECOME PRIME MINISTER. BOEHME WAS A DECENT, INTELLIGENT MAN, BUT HE LACKED EXPERIENCE OF POLITICS AT THE PARTY AND NATIONAL LEVEL. MODROW HAD MORE EXPERIENCE, BUT WOULD ABIDE BY THE RESULT OF THE VOTING. THE SITUATION IN THE GDR WAS STABILISING. THE EVENGELICAL CHURCH WAS WIELDING A BENEFICIAL INFLUENCE BEHIND THE SCENES. THE GDR WAS NOT LIKELY TO DISAPPEAR IMMEDIATELY AFTER THE ELECTIONS. THE RAPPROCHEMENT WOULD BE BETWEEN TWO STATES.

UNIFICATION

7. CHERNYAYEV REPEATED THAT WE COULD NOT OPPOSE UNITY. GERMANY HAD TO BECOME A NORMAL STATE. THE PROCESS WAS GOING IN A POSITIVE DIRECTION. BUT HE SPOKE VERY STRONGLY AGAINST ATTEMPTS TO FORCE THE PACE, ARGUING THAT IT WOULD TAKE TIME TO EMBRACE THE COMPEX AND DIFFERING INTERESTS OF LARGE NUMBERS OF PEOPLE. KOHL HAD BEEN PRESSING AHEAD FOR ELECTORAL CONSIDERATIONS IN A ''NOT VERY ELEGANT WAY''. IF WE READ BETWEEN THE LINES OF GORBACHEV'S COMMENTS TO THE MEDIA ON 6 MARCH WE WOULD SEE SOME CRITICISM OF KOHL. THERE WERE NATURAL RHYTHMS AND STIMULI TO UNITY. THESE SHOULD BE RESPECTED. THERE WERE PROFOUND HUMAN PROBLEMS. WHAT WOULD BE THE FUTURE OF ORDINARY, LAW-ABIDING STATE EMPLOYEES OF THE GDR? SUCH PROBLEMS WOULD SLOW THE PACE OF UNIFICATION.

NATO

9. CHERNYAYEV SAID THAT GORBACHEV HAD SPELLED OUT THE SOVIET ATTITUDE. HE HIMSELF HAD ADVISED GORBACHEV TO DO THIS. THE RUSSIANS RULED OUT NATO MEMBERSHIP. GORBACHEV'S VIEWS HAD CRYSTALLISED IN RESPONSE TO EVENTS OF RECENT WEEKS. IT WAS NOT A MILITARY QUESTION: IT WAS PSYCHOLOGICALLY UNACCEPTABLE. HE REFERRED (AS HE HAD IN OTHER RECENT MEETINGS) TO THE RESULTS OF THE WAR AND THE SACRIFICES AND DAMAGE BORNE BY THE SOVIET PEOPLE. IT WOULD LOOK LIKE A VICTORY FOR NATO OVER THE WARSAW PACT, TAKING ADVANTAGE OF THE LATTER'S WEAKNESS. THEY HAD HEARD GENSCHER'S ''DULCET TONES'' OFFERING SPECIAL ARRANGEMENTS. BUT IT BOILED DOWN TO AN ATTEMPT TO REVISE THE OUTCOME OF THE WAR TO THE MORAL AND PHYSICAL DISADVANTAGE OF THE SOVIET UNION.

10. I SAID THAT, WHILE OUR POSITIONS ON GERMANY WERE GENERALLY CLOSE, IN THIS AREA THERE WAS A DIFFERENCE BETWEEN US. AS THE PRIME MINISTER'S LETTER HAD INDICATED, WE WERE CONSCIOUS OF THE SOVIET UNION'S SECURITY INTEREST BUT CONFIDENT THAT SUITABLE ARRANGEMENTS COULD BE DEVISED WITHIN MEMBERSHIP OF NATO. I ALSO UNDERLINED THE PRIME MINISTER'S REMARKS ABOUT STRENGTHENING THE CSCE FRAMEWORK. CHERNAYAYEV DID NOT JIB AT THIS, AND RECALLED HIS CONVERSATION WITH SIR P CRADOCK (MOSCOW TELNO 310). BUT HE SUMMARISED THE KEY POINTS AS BEING A PEACE TREATY AND THE CREATION OF NEW SECURITY ''INSTITUTIONS''.

COMMENT

11. CHERNYAYEV WAS HIS CUSTOMARY RELAXED SELF. WHILE IMPLICITLY SCEPTICAL ABOUT THE RELIABILITY OF THE WEST GERMAN LEADERSHIP, AND OF KOHL'S ''CORRECTIVE'' ON THE FRONTIER QUESTION, HE EXHIBITED NO PARTICULAR NERVOUSNESS ABOUT THE IMMEDIATE FUTURE. THE PROPOSAL TO HOLD AN EARLY MEETING OF THE FOUR PLUS TWO WILL HELP SOVIET CONFIDENCE. AT THE SAME TIME THERE IS INEVITABLE CONCERN ABOUT GDR POLICY AFTER 18 MARCH. IN CONTACTS WITH OTHER CENTRAL COMMITTEE OFFICIALS THE WEST GERMAN EMBASSY HAVE ENCOUNTERED CONCERN AT THE POSSIBLE ABSENCE OF VIABLE AUTHORITY IN THE GDR AFTER THE ELECTION AND AT THE RISK OF A BREAKDOWN IN PUBLIC ORDER.

12. I LEAVE ANY FURTHER COPYING OF THIS TELEGRAM TO YOU.

LYNE

YYYY

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MR GOULDEN
MR TAIT

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* THE USE OF SOVIET ARMED FORCES IN THE TRANSCAUCASUS
* JANUARY 1990
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CDD 11/3.

From: Chris Donnelly
Sovietologist-in-Residence

07 March 1990

Comment:

I am circulating the attached paper, done by the Soviet Military Studies Group at SHAPE. It provides a lot of very interesting detail relevant to the utility of Soviet military forces in an internal security situation.

THE USE OF SOVIET ARMED FORCES IN THE TRANSCAUCASUS: JANUARY 1990

LTC James F. Holcomb
Mr. Stephen R. Covington
Soviet Military Studies Group SHAPE
16 February 1990

INTRODUCTION

The ethnic issues that generated the recent unrest in Armenia and Azerbaidzhan have a long and deep rooted history in the region. In more recent times these differences have focussed on the region of Nagorno-Karabakh Autonomous Oblast (NKAO), an Armenian enclave within Azerbaidzhan. The last two years have seen a succession of military and political efforts to maintain the region in the status quo established under Stalinist rule. Gorbachev's policies of glasnost' and perestroika have, however, taken the lid off of a simmering pot and the result has been racial conflict split along religious and national lines. The purpose of this paper is to discuss the application of Soviet military force under the "extraordinary situation" that occurred in the region in January of this year.

THE ISSUE

As a result of previous ethnic violence in 1988, a substantial number of Armenian and Azeri refugees sought sanctuary in their own ethnic territories. The pressure on the Armenians who remained in Azerbaidzhan, especially in the NKAO, Baku and the border rayons became intense. The spark that set off the most recent violence was the decision by the Armenian Supreme Soviet to include the NKAO in their economic development plan. Azerbaidzhan took this as an encroachment on their sovereignty. Demonstrations and localized violence in early January rapidly gave way to more organized repression against the Armenians throughout Azerbaidzhan, especially in the NKAO and Baku. Pogroms (systemized violent eviction of a minority by mobs) began in Baku on the evening of 14 January after a rally attended by 150000 people.[1]

THE OPPOSITION

Many in Azerbaidzhan have long felt that the organs of Communist and Soviet power had given up their right to rule by not pursuing the NKAO issue to a satisfactory conclusion. A power vacuum developed to be gradually filled by the People's Front, a nationalist, and indeed, Islamic fundamentalist organization with a large following. The core of the fighters appears to have come from among the 165000 disaffected Azeri refugees from Armenia.[2] On 26 January, 1990, General Yazov estimated the number of armed fighters in Azerbaidzhan (probably on both sides) at 40000.[3] It is apparent that Soviet authorities in Moscow drastically underestimated the extent of organization and support for the People's Front, and the extremes to which they were prepared to go to achieve their aims. Thefts of

military arms and ammunition have been epidemic in this area throughout the last year and the Azeri fighters were (and probably to a large extent, still are) well armed with Kalashnikov automatic rifles, machineguns, mortars, grenade launchers and "hail-control" guns (effective as anti-helicopter weapons). In some cases, the "extremists" were able to capture or steal armored vehicles as well. In addition, much of the border control between Azerbaidzhan and Iran was dismantled and it is assumed that a large amount of equipment was supplied in this manner.[4] This may account for the unexplained extremist use of orange helicopters with painted over identification numbers for air-assault and ground attack missions against Armenian settlements.[5]

The Armenians as well were well-armed though not as substantially as the Azeris. Their arsenal included primarily privately owned hunting rifles, though automatic weapons appeared as a result of the storming of various Ministry of Internal Defense (MVD) arms stores and they were able to capture or steal some armored vehicles. In fact, storming isolated garrisons became the primary means of acquiring weapons on both sides. This sometimes took on the character of tragic comedy, for example, when the Yerevan Great Patriotic War museum was looted and an unserviceable World War II tank, two 76 mm guns and an anti-aircraft gun were stolen.[6]

Command and control of the People's Front was organized around the "Provisional Defense Committees" set up throughout Azerbaidzhan. Direct command and control within Baku was located on a ship within the harbor.[7] 50 radio-equipped cars gathered intelligence on Soviet army and MVD units during the intervention in Baku itself.[8] MVD and army units also reported that their own radio nets were being jammed.[9] The high degree of organization of the People's Front was revealed following a raid on the organization headquarters in Baku where weapons, ammunition, propaganda leaflets, and 1000 uniforms were found.[10] Interestingly enough, the catch included insignia designating military ranks from private to general.

The opposition facing the Soviet army and MVD units was substantial, organized, well-armed and extremely determined. Comparisons to the fighting in Afghanistan were obvious and were so stated by some of the officers.[11] The difference was that the Soviet armed forces were now fighting a three way battle, and not against Mujahideen, but against Soviet citizens themselves.

THE INTERVENTION: PHASE I

Approximately 52000 Armenians lived in the Nasiminiskyi Rayon of Baku, a city of over a million inhabitants. This became the immediate focus of the pogroms. By the evening of 15 January, 32 people, mostly Armenians, had died, and scores of flats had been ransacked.[12] Armed attacks by large groups of Azeris on Armenian settlements, in some cases supported by helicopters, took place in rural regions. The Armenian Supreme Soviet appealed to Moscow for help; It was not long in coming as the Presidium of the Supreme Soviet declared a State of Emergency in the NKAO, adjacent rayons and the border zones. It also directed additional MVD, Army, Navy and KGB troops to reinforce

the 6000 troops already in place.[13] Possibly in fear of inflaming further nationalist violence, the state of emergency did not initially extend to Baku. Instead, the discretion was left to the Azerbaidzhan Supreme Soviet "to take all the necessary measures, including the introduction of a curfew in the towns of Baku, Gyandzha [formerly Kirovabad] and other populated settlements...".[14] The Azerbaidzhan Supreme Soviet chose not to do this and this proved to be Moscow's first serious mistake.

The brunt of the initial fighting fell on the local militia and MVD troops. With local reinforcement these troops numbered 7720 militia, 5900 MVD and 3000 volunteer militia in Baku itself.[15] Their immediate task was to protect the Armenians; this was partially successful but took the form of evacuating Armenians from high risk areas leaving their property and homes to the mercy of the extremists. The militia and MVD took casualties themselves in the course of these actions, largely because the militia were generally unarmed and the MVD was operating under very strict rules of engagement.

Reinforcing army, MVD and KGB troops began arriving in the region but found themselves blockaded within garrisons and the Gyandzha airport. Once again, there was a general reluctance to use force to break the blockades. The result was that the initial military intervention was absolutely ineffective in stopping the violence, protecting the Armenians or cowing the People's Front.

THE MOBILIZATION

The order to mobilize recently discharged reservists in Krasnodar and Stavropol Krays and the Rostov Oblast in North Caucasus Military District apparently went out on 15 January.[16] The mobilized reservists were to secure military and civil facilities in the troubled area thereby freeing up regular military units to conduct more active operations. If it was thought that calling up troops from this particularly Russian area was a safe move, the authorities were desperately wrong. The callup sparked immediate and vocal protests from those areas where the reservists were located. In a rambling interview on 17 January, Yazov defended the callup, saying, "Without the troops...it would be impossible to implement the imposed state of emergency or curfew".[17] It is interesting as well, that the callup apparently did not apply to the Georgian Republic, even though it borders both Armenia and Azerbaidzhan, this possibly reflecting a perception that such troops would not be reliable, especially after the events in Tbilisi in April last year. The public outcry forced the Commander of the North Caucasus Military District to announce on the 19th that the reserves would be demobilized since the troops "...had ensured the fulfillment of urgent tasks" and would all be home by the 24th of January.[18] That the callup was a mistake is clear, but the carrying out of the mobilization order itself was also botched: "Some of the [military commissariats] treated people callously and violated established drafting procedure. In an endeavor to fulfill their orders at any cost, they sent to the troop units reservists not liable to the draft, invalids, parents of large families, and materially responsible people given no time to transfer their

assets".[19]

By 20 January, five days after the emergency decree and the introduction of an additional 11000 troops, the situation in Armenia and Azerbaidzhan had not stabilized in the least. By that time 67 people had died in the pogroms in Baku, 1200 flats had been ransacked and 15000 Armenians were refugees.[20] Attacks on outlying villages and on militia and MVD posts for the purpose of seizing weapons continued. In addition, the flow of traffic across the border with Iran continued unabated in both directions. The one major development of this period was that the troops were finally authorized on 17 January to fire their weapons in order to protect lives, installations or if fired upon. It was apparent that the situation was more desperate than originally thought and called for dramatic steps. These came early in the morning on 20 January.

THE INTERVENTION: PHASE II

On the night of 19-20 January at least two regiments of Soviet paratroopers [probably from the division stationed in Gyandzha] moved on Baku from "west and east" determined to enter the city.[21] The Airborne Troops (VDV in Russian) were probably used for a number of reasons: They are predominantly Slavic, they are an elite and politically reliable force, they have a high number of combat veterans from Afghanistan and they have previous experience in dealing with domestic unrest. There was considerable fighting but by the end of the day the troops had established themselves and the radio station had been seized. The casualties reflected the effectiveness of the operation: 51 civilians killed and 287 wounded. Among the troops, 3 MVD and 3 soldiers were killed and 36 were wounded.[22] This action sprang from a second declaration of a State of Emergency on 19 January, this time for Baku. A curfew was immediately established from 2300-0400 daily and the new city Commandant Lt Gen V.S. Dubinyak broadcast the news that a state of emergency and curfew were now in force. Simultaneously with operations in Baku, Soviet army and MVD troops began destroying the blockades and opening roads to garrisons and the airport. Additional KGB Border Guards were flown in and the 720 km border with Iran was again taken under control. Airborne units also moved into the Azerbaidzhan enclave of Nakhichevan in Armenia which had "seceded" from the Soviet Union.[23] However, instead of recognizing the inevitable, "guerrillas" [as they were now called] continued to fight. Dubinyak's daily radio reports recounted a litany of casualties, arrests and strikes. Dubinyak admitted the difficulties of getting complete control of the city when "35-40000 people were demonstrating in front of the Central Committee headquarters every day".[24] There were no newspapers being published, extremists had blown up the television power station and there were no businesses or public transport in operation. At least one pirate radio station (Azadlyk [Freedom]) was broadcasting.[25] Evacuation of dependent families of army, MVD and Border Troops as well as of Armenians continued. These evacuations were by sea, air and rail. Accommodation was found throughout the Soviet Union in Moscow [to include in the garrisons of the Taman and Kantemir Divisions], Odessa, Kiev and in Central Asia.[26] The

grim business of tracking down the People's Front fighters also continued, but not without additional casualties. By 22 January, 75 civilians and 18 troops had been killed. By 26 January, 80 "terrorists" had been arrested and the headquarters of the People's Front as well as the command and control ship had been taken by paratroopers.[27] The blockade of Baku harbor was also broken. Newspapers finally began to publish on 27 January and the fighting began to die down. In a final burst of violence, a major firefight west of Lenkoran on 27 January resulted in 5 extremists killed and 54 captured at a cost of an army Senior Lieutenant. The Lenkoran section of the People's Front announced it was going underground. The casualties from 20-27 January were 98 civilian and 25 military dead. By the end of the month the situation was relatively calm but the deep seated animosity between Armenian and Azeri and now, the Soviet Armed Forces remains, simmering just below the surface. Ominously, on 23 January, Nakhichevan television presenters appeared in Islamic dress and for the first time broadcast verses from the Koran.[28]

THE DEBATE ON DOMESTIC USE OF SOVIET ARMED FORCES

The Soviet Armed Forces will surely examine a host of 'lessons learned' as a result of the experience in the Transcaucasus in order to find practical solutions to such difficult military circumstances. Some of those lessons are no doubt finding application in Dushanbe today. More critical however, is the question of the domestic role of the Soviet military during this turbulent, transitional period in Soviet history. Following the ruthless suppression of an unarmed nationalist demonstration in Tbilisi, Georgian SSR in April of 1989, there was a series of articles debating this very issue published in the journal Kommunist Vooruzhenikh Sil [Communist of the Armed Forces].[29] One of the contributors to the debate was Army General V. Varennikov, CinC of the Ground Forces and a 1st Deputy Minister of Defense.[30] His main point was that a legal basis should be provided for domestic use of armed force and that the troops should be trained and equipped in order to effectively perform that mission. General Varennikov was also in Baku on 20 January and details of an interview given to an "Izvestia" correspondent reaffirms his previously published views. In the interview, Varennikov describes in military terms what had transpired the night before but goes on to say that "...this is not an army operation...MVD troops are primarily involved in suppressing the armed groupings; we are only giving them assistance, trying to lift the blockade from our own military camps, and clearing the approaches to the airfields...".[31] He goes on to state that the People's Front used nationalism as a cover to actually overthrow Soviet power in the region and break with Moscow. This is key as it appears to be the code justifying use of the armed forces in domestic crises. Both declarations of states of emergency included this element: (15 Jan 90) "Matters are going so far as killings, robberies, attempts at the armed overthrow of Soviet power and forcible changes to the state and social system which is fixed by the USSR Constitution". (20 Jan 90) "The actions of extremist forces...have become...anti-state, anti-constitutional, and anti-

popular in nature....there was virtually no attempt to conceal the aim of seizing power in the republic by force".

The alleged disagreement between Shevardnadze and Yazov on the real purpose of the military in Transcaucasus was made much of in the Western media.[32] In fact, there was no disagreement. Shevardnadze said that the purpose of the intervention was not to suppress dissent but end the bloodshed. Yazov's direct statement that "...the army's actions aim...to destroy the organizational structure of the People's Front..." was not incompatible with that. In fact, the first Decree of a State of Emergency shows that Moscow recognized early that this was a direct challenge to Soviet rule and that the Party and Soviet authorities had lost any ability to control the situation. The second decree condemned the Supreme Soviets of both Armenia and Azerbaidzhan for letting things get out of control. The attacks on the Armenians were the prelude to a seizure of power by the People's Front.

Y.M. Primakov, Chairman of the Soviet of the Union of the USSR Supreme Soviet also recognized the extreme nature of the situation and hence, the necessity for force. In Baku on 16 January, Primakov stated that "Additional measures will be necessary [to restore order]...But we can tell you firmly, order will be restored".[33] This is after the declaration of a State of Emergency by the Presidium of the Supreme Soviet. Contrast that with his statements in Washington in October 1989 when he said that future domestic use of military force would only be authorized by a declaration of martial law approved by [the entire] Supreme Soviet and its larger parent body, the Congress of People's Deputies.[34]

CONCLUSION

The dividing line between dissent and the violent overthrow of Soviet authority is not so easily drawn. It can be expected that further incidents of Soviet military intervention will occur and that the military will become more proficient at suppressing domestic unrest (from practical experience if nothing else). The challenge to Soviet power is to ensure that the legal procedures and limitations on the use of force are strictly defined and understood by the nation at large. Otherwise, the perception of the armed forces as a violent tool of the center will win out and the military will be estranged from the people they are sworn to protect.

ENDNOTES

1. Moscow home service, 1630 GMT 15 Jan 90; As appeared in BBC Summary of World Broadcasts, Part I (USSR) (hereafter SWB), 16 Jan 90.

2. Tass, 1509 gmt 24 Jan 90; SWB 26 Jan 90.

3. Interview with Army General Yazov, Izvestia, 27 Jan 90; SWB 29 Jan 90.

4. Komsomolskaya Pravda, 18 Jan 90.

5. Moscow home service, 1600 gmt 15 Jan 90; SWB 17 Jan 90.

6. Yerevan in Armenian, 1700 gmt 24 Jan 90; SWB 26 Jan 90.

7. Yazov interview, Izvestia, 27 Jan 90.

8. Ibid.

9. Interview with Army General Varrenikov, Izvestia 21 Jan 90; SWB 22 Jan 90.

10. Tass in Russian, 0811 gmt 25 Jan 90; SWB 26 Jan 90 and Tass in Russian, 1749 gmt 26 Jan 90; SWB 29 Jan 90.

11. Komsomolskaya Pravda, 16 Jan 90.

12. Moscow home service, 0430 gmt 15 Jan 90; SWB 16 Jan 90.

13. See SWB 17 Jan 90 for the decree; The numbers of troops in the region and the number reinforcing do not appear in any detail in Soviet sources; I have use "The Killing Zone", Time, 29 Jan 90.

14. SWB 17 Jan 90.

15. Izvestia, 18 Jan 90.

16. Interview with Army General Lizichev, Soviet television, 1800 gmt 19 Jan 90; SWB 22 Jan 90.

17. Interview with Army Gen Yazov, Moscow home service, 2345 gmt 17 Jan 90; SWB 19 Jan 90.

18. Interview with Col Gen Shustko, Soviet television, 1530 gmt 19 Jan 90; SWB 22 Jan 90.

19. Izvestia, 23 Jan 90.

20. Tass, 1723 gmt 20 Jan 90; SWB 22 Jan 90.

21. Interview with Col Gen Omelichev, Izvestia, 21 Jan 90.

22. MVD report, Tass, 1548 gmt 20 Jan 90; SWB 22 Jan 90.

23. Izvestia, 24 Jan 90.

24. Interview with Lt Gen Dubinyak, Soviet television, 2112 gmt 22 Jan 90; SWB 24 Jan 90.

25. Tass, 1448 gmt 22 Jan 90; SWB 24 Jan 90.

26. Moscow home service, 1530 gmt 24 Jan 90; SWB 26 Jan 90.

27. Interview with Rear Admiral Lyashenko, Moscow home service, 1600 gmt 27 Jan 90; SWB 29 Jan 90.

28. Tehran Domestic Service in Persian, 1030 gmt 24 Jan 90; appearing in Foreign Broadcast Information Service- Soviet Union, 24 Jan 90.

29. For an analysis of the debate see Stephen Foye, "Domestic Role of Soviet Armed Forces Debated," Radio Liberty Report on the USSR, Vol. 2, No. 3, Jan 19 90, pp. 7-9.

30. V. Varennikov, "Prednaznacheni sovetskikh vooruzhennykh sil," Kommunist vooruzhennykh sil, No. 18, 1989, pp. 22-25.

31. Izvestia, 21 Jan 90.

32. For Shevardnadze's comment, see Tass in Russian, 1924 gmt 27 Jan 90; SWB 29 Jan 90. For Yazov's statement, see interview published in Izvestia, 27 Jan 90.

33. Moscow home service, 1300 gmt 17 Jan 90; SWB 19 Jan 90.

34. Brian Taylor, "Internal Function of Soviet Army Discussed", Soviet Defense Notes, Vol. 1, No. 6, Nov-Dec 89, published by Soviet Security Studies Working Group, MIT, pp. 4-6.

(1)

Mr. Nunnerley: office & FCO informed CDP.

PRIME MINISTER

MEETING WITH MR. YELTSIN

Mr. Yeltsin's arrangements keep changing to fit in with the meetings of the Central Committee next week in Moscow. He will be here next weekend, when you cannot see him. He will also be passing through, on his way to New York, on Wednesday evening. He would be available at around 8 pm that evening if you wished to see him. You are going to the Chief Whip's drinks at 7 pm but have nothing apart from that. It would therefore be feasible to see him: equally you have a fairly good excuse should you prefer not to do so.

As things are, it seems to me that he is bound to become a figure of increasing political importance, and may win election as the President of the Russian Republic. So there are good arguments for being able to form your own direct and personal judgment of him. I told the Soviet Ambassador this morning that you might see Yeltsin next week. He did not demur, but simply observed that we would need to handle press coverage of the meeting carefully.

Agree to see Mr. Yeltsin next Wednesday evening at 8 pm?

CDP

Yes

(C. D. POWELL)
7 March 1990
a:\foreign\Yeltsin (srw)

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

7 March 1990

SOVIET UNION

The Soviet Ambassador came in to see me this morning prior to his return to Moscow for the renewed Central Committee plenum. He read me some rather turgid notes about current Soviet views on German unification, arising from Herr Modrow's visit to Moscow. Mr. Gorbachev had made clear the Soviet Union did not object to unification, but it should be implemented steadily and step by step. There should no anschluss or attempt to incorporate one territory into another. The Soviet Union was opposed to assimilation. Mr. Gorbachev had also made crystal clear that the Soviet Union would not accept the idea that a united Germany should be a member of NATO. Rather, unification should proceed apace with progress in the Vienna negotiations and the CSCE summit, the aim of which should be to transform NATO and the Warsaw Pact from military into political organisations. The Soviet Union would be agreeable to seeing these negotiations speeded up. Mr. Gorbachev had also laid stress on the importance of recognising existing borders. Frontiers should be settled in the interests of all those concerned.

I gave the Ambassador a copy of the Prime Minister's recent message to Mr. Gorbachev. I suggested that there was not much we could do about the pace of unification. It was increasingly likely that it would come about through resort to Article 23 of the Federal German Constitution, which envisaged a rapid process. Our main concern was to ensure that the consequences were discussed and resolved in parallel. We very much welcomed the agreement to hold an early meeting of the Four plus Two group. We were also well satisfied with the Federal German Government's statement yesterday on the German/Polish frontier: this was an important step forward. As regards NATO, the Prime Minister's message made clear that we believe that a united Germany should be a member of NATO, although there should be special security arrangements for the former GDR which take account of Soviet interests. We were anxious to remain in very close touch with he Soviet Union on all these issues. We had been taken a bit by surprise by the speed with which the Soviet position had evolved at the time of Chancellor Kohl's visit to Moscow. The Ambassador merely noted that many of these issues would need to be discussed in the Four plus Two group. I said there would of course be parallel discussions within the EC and NATO on matters affecting them.

I referred to Mr. Shevardnadze's message to the Foreign Secretary and observed that it had been a bit opaque. The Ambassador said that Soviet authorities feared uncontrolled reactions in East Germany after the elections. These might include demands for Soviet forces to withdraw immediately, attacks on Soviet forces and property, attempts to change the status of East Berlin unilaterally, efforts by West Germany citizens to re-possess property in East Germany which they regarded as rightly their's. There was a whole range of possibilities which could give rise to disorder and it was necessary to have arrangements in hand to deal with them. The Soviet side would wish to discuss this in the Four plus Two group.

The Ambassador said that he would be seeing Mr. Gorbachev at the weekend and would let me know the outcome of their discussion.

I am copying this letter to Simon Webb (Ministry of Defence) and to Sonia Phippard (Cabinet Office).

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

5 March 1990

PRIME MINISTER'S REPLY TO MR GORBACHEV

I enclose the reply which the Prime Minister proposes to send to Mr Gorbachev's message, handed over by Mr Medvedev. It is somewhat recast from your draft. Subject to any comments by the Foreign Secretary, I should be grateful if it could be delivered as soon as possible.

CHARLES POWELL

J S Wall Esq
Foreign and Commonwealth Office

CONFIDENTIAL

SUBJECT ca MASTER 93

PRIME MINISTER.
PERSONAL MESSAGE
SERIAL No. T46/90

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

5 March 1990

Dear Mr. President,

Thank you for the message which Mr Medvedev brought with him. We were very pleased to have him here so soon after the Plenum. The visit was, from our point of view and I hope from his, very successful and worthwhile.

I entirely share your views about the importance of dialogue between us. At a time of great change in Europe, which owes a lot to your own far-sighted and courageous reforms in the Soviet Union, it is more important than ever that we should stay in close and regular contact.

That applies above all to the issue of German unification. Now it is clear that unification will happen, and probably soon, the most important task is to get the security arrangements right, to protect the legitimate interests of all concerned and ensure that unification does not jeopardise stability.

As you will know, I take the view that these goals can best be achieved if a United Germany is a member of the NATO Alliance, but with special arrangements covering the territory of the former GDR which take account of the Soviet Union's security interest. I should also like to see the CSCE framework strengthened and given a more substantial role in ensuring peace and stability in Europe.

The Four plus Two Group set up in Ottawa provides a good forum for dealing with these issues and I hope it can meet as soon as possible. The subjects it needs to discuss include: the security arrangements which would be appropriate following Germany's unification, Berlin, and Germany's borders - though on these the main negotiations must be between the Germans and those with whom they share borders, particularly the Poles. We fully support the Polish Government's wish to see its border with Germany confirmed by a Treaty or other legally-binding instrument.

Mr Medvedev gave me an account of the recent Plenum and I have of course been following subsequent developments closely, in particular the debate in the Supreme Soviet about the establishment of an executive Presidency. I have continued to take every opportunity to express my support for the changes which you are introducing in every aspect of Soviet life.

I am very much looking forward to my visit in June. But a great deal is likely to happen before then, and I hope that we can stay very closely in touch through these messages, or more directly if appropriate.

My husband joins me in sending our warm good wishes to you and Mrs Gorbachev.

Yours sincerely

Margaret Thatcher

His Excellency Mr. M.S. Gorbachev.

(1)

PRIME MINISTER

MESSAGE TO MR GORBACHEV

When Mr Medvedev came, he brought a message to you from Mr Gorbachev. You ought to reply to this, and I attach a draft for your consideration. If you are content, we would need to clear it with the FCO.

C.D.P

Only one amendment -
- -

CHARLES POWELL
3 March 1990

The National Archives

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10 DOWNING STREET

cc P/C

(2)

Foreign and Commonwealth Office

London SW1A 2AH

Rec Minister

I am sure you are right that we have not heard the last of this.

2 March 1990

Dear Charles

CBP 3/3 May I have a copy for my files with flat ms

Baltic Gold flap

Thank you for your letter of 1 March about the disposal of gold originally belonging to the Baltic States.

When the Baltic States were incorporated into the Soviet Union in 1940, the property of a number of British nationals was seized without compensation. In addition the Soviet authorities did not accept responsibility for the external debts of the Baltic States; these included three external loans which had been placed in London. To safeguard these two sets of British interests, the British Government froze the gold reserves of the three Baltic central banks which were deposited in London, which were claimed by the Soviet authorities.

After a long stalemate, negotiations between the British and Soviet Governments were given impetus by Mr Kosygin's visit to London in 1967. An Agremeent was signed on 5 January 1968; the British and Soviet Governments agreed not to pursue their respective claims. The British Government used most of the money realised from the sale in 1967 of the Baltic gold reserves (in addition to certain other assets of the Baltic States and ceded territories) to meet in part the claims of British creditors who had lost assets in the former Baltic States and in certain other territories incorporated into the Soviet Union.

The judicial determination of these claims was carried out by the Foreign Compensation Commission in accordance with the Foreign Compensation (Union of Soviet Socialists Republics) Order 1969; claimants eventually receiving 42.6% of the assessed value of their claims. The Baltic gold (weighing 460,220 fine ounces) realised £5.8 million when sold in 1967. Its value would be approximately £112.17 million at current prices.

/During

During the passage of the Foreign Compensation Bill in 1968 and 1969 the Government of the day was criticised by the Conservative opposition over the propriety of disposing of the Baltic assets in this way. In reply the Government argued that it had an overriding responsibility to the British creditors, and that the use of Baltic assets was justifiable in the circumstances. The Government also acknowledged that nothing contained in or done under the Bill would preclude any independent Baltic government at some time in the future from submitting a claim to the British Government of the day in respect of the property in question, if it considered that it had such a claim. But any such government in the Baltic States would also be in a position to accept obligations to creditors.

There is likely to be increasing Parliamentary interest in this issue as the former Baltic States move towards independence from the Soviet Union. One area where we may be open to pressure from the Baltic lobby is that a part of the proceeds from the gold sales were used to compensate British individuals and companies who had lost assets in territories ceded to the Soviet Union from Finland, Poland, Czechoslovakia and Romania. (In other words the proceeds of the gold sales were not used exclusively to meet debts relating to the former Baltic States - but some of the assets used to provide compensation under the 1969 Order came from the ceded territories, not from the Baltic States.) There could also be a renewal of earlier criticism that £½ million of the £5.8 million realised from the gold sales was under the terms of the 1968 UK/Soviet Claims Agreement in effect given to the Soviet Union.

Some of this material is being used in replying to a written question from Mr David Atkinson MP. With the question becoming more active we are continuing our researches into the details.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

SOV. UNION: Relations pr15

Letter to C: Braithwaite

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

2 March 1990

Thank you for your letter of 27 February letting me know the dates of your next visit to London. This is a very bad time for the Prime Minister, and I don't think it would be possible to arrange a talk with her. But Percy and I would both be very happy to see you if you could spare a few moments.

C.D. POWELL

His Excellency Sir Rodric Braithwaite, KCMG.

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

2 March 1990

Dear Charles,

Message from the Prime Minister to President Gorbachev

With your letter of 7 February, you sent us a copy of the message from Mr Gorbachev which Mr Medvedev handed over during his meeting with the Prime Minister.

The Foreign Secretary believes that a reply from the Prime Minister to Mr Gorbachev would now be useful. A draft is enclosed. It could emphasise our support for the proposal to set up a group of Six, and restate the importance of having a unified Germany in NATO.

This would also be a good moment for the Prime Minister to send a broader message of support since Mr Gorbachev has - with characteristic skill - carried through the Supreme Soviet his proposal to establish a new executive Presidency.

We have been told that Mr Gorbachev himself drafted the passage at the end of his letter in which he spoke in very positive terms about the new phase of the Soviet-British "partnership".

Yours,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

SCANNED

DRAFT LETTER FROM THE PRIME MINISTER TO PRESIDENT GORBACHEV

Thank you for the message which you sent through Mr Medvedev. I was very glad to meet him. We had a long talk about Germany and the results of the Plenary meeting of the Central Committee from which he had just come. He and his team had a full programme of contacts with our Parliamentarians, in Westminster and in constituencies in Wales, and they met business leaders in the City of London. We would like to see these contacts develop into practical cooperation, and shall be putting some ideas forward through your Ministry of Foreign Affairs.

I warmly endorse your remarks about the importance of our dialogue. At a time of great change in Europe, which owes a lot to your own far-sighted and courageous programme in the Soviet Union, it is vital that we should together address the key issues of security.

I appreciate especially the frankness of our dialogue on Germany. Now it is clear that unification is approaching, the most important thing is to get the security arrangements right, to protect the legitimate interests of all concerned and ensure that unification does not jeopardise stability. So I was glad that Mr Shevardnadze was able to agree in Ottawa to the establishment of the group of Six, to provide us with a way of doing that.

There will be a great deal to discuss: what security arrangements would be appropriate after the unification of Germany, including perhaps transitional arrangements for Soviet troops on the territory of the present GDR; Berlin; and borders - though on the last the main negotiations must be between the Germans and those with whom they share borders, particularly the Poles. We shall want to explain to you again why we think it is important for stability that a unified Germany should be in NATO.

Mr Medvedev gave me a full briefing on developments at the Plenum. I was struck by the determination which you have shown to accelerate momentum towards a more open and pluralistic democracy. You continue to have my full and enthusiastic support. I have been following closely the debate in the Supreme Soviet about the establishment of an executive Presidency,

As the last decade of the 20th century opens, I am most encouraged that we are at long last able to shed the attitudes and suspicions which have characterised Anglo-Soviet relations for so long. We share many common interests, both in Europe and wider afield. Our peoples have shown how ready they are to cooperate in many diverse areas, and how interested they are to learn about our different heritages and ways of life. The pre-conditions for fruitful partnership are present in full measure. This is the standpoint from which we shall view the future. From your message it would seem that our views are close.

Denis and I send our warm good wishes to you and Mrs Gorbachev.

W11ABX/2

Jp 0984

MR POWELL

c Sir Robin Butler

Soviet Union: the Executive Presidency

On 27 February Gorbachev forced through the Supreme Soviet agreement in principle to a new law creating an Executive Presidency, and to a special session of the Congress of People's Deputies on 12-13 March to pass the law and corresponding constitutional amendments. We do not yet have full texts of the law or of the debate. But it is clear that the Executive Presidency will have enormous repercussions on the Soviet political structure.

2. The legislation marks a sharp step away from rule by the Party towards rule by state institutions within a constitutional framework. There is no guaranteed Communist Party representation in any of the new bodies. Gorbachev (there can be little doubt that it is he who will be elected) has at a stroke marginalised the Party at the centre and substantially freed himself of the conservatives in the Politburo and Central Committee. The President is to be "above party".

3. The main justification given for this profound upheaval is the need to stabilise the country and to take rapid and decisive action over nationalist unrest. This, and Gorbachev's rough style in ramming through the vote on 27 February, have created fears of a new autocracy. What we know of the legislation suggests that this is far from the intention. At the 5-7 February Central Committee plenum Gorbachev himself declared the need for a separation of the legislative, executive and judicial powers. When the draft law was introduced on 27 February, it was described as an attempt to create "checks and counter-balances".

4. There is no guarantee that this will work: in contrast to a Western democracy, the President's powers are likely to have to be used to the full. This will test the mettle of the Supreme Soviet. But although the Presidency's proposed powers are undoubtedly considerable, they are less than the old-style powers of the Party General Secretary (see Annex for a summary of some of their main features).

5. The new powers are perhaps roughly comparable to those of the French President. They introduce the principle of the separation of powers within a constitutional, law-based political structure. They subject the President to universal, direct, secret suffrage every five years and to a maximum of two terms. (It is proposed, exceptionally, that the first President should be elected by the Congress of People's Deputies, rather than by universal suffrage, and that the first term should run for only four years. But even if this is accepted, the new President will have to begin thinking fairly soon about his re-election.)

6. Moreover, the legislation if anything enhances, rather than diminishes, the powers and authority of the Supreme Soviet. It elects its Chairman (the post currently held by Gorbachev and described as "President"), who will sit on both the Federal and Presidential Councils and who will in effect be Vice-President. It can override Presidential vetoes by a simple majority. And it votes on the appointment of the Prime Minister and the members of the Government.

7. The draft legislation was given only a first reading on 27 February. It now goes to the Supreme Soviet's Committees and Commissions for further drafting. Gorbachev has promised that the points made in the debate on 27 February will be reflected. A revised Bill will then be put to the Congress of People's Deputies on 12 March,

where its provisions will have to secure two-thirds majorities before they can be reflected in the constitution. There is considerable public support for a strong Presidency, and the Congress has proved more pliant than the Supreme Soviet. Amendments are therefore unlikely to be major. But Supreme Soviet deputies may well introduce a good deal of fine tuning that further constrains the future President's powers. It is likely, but not yet certain, that the Congress will at the same session elect the new President.

8. Gorbachev may not relinquish his Party powers immediately: he will want to be sure that the Party can no longer pose a political threat to him. But he will no longer be dependent on the Party for his position, nor so vulnerable to its collapse, and will be able both to let multi-party democracy develop and to press ahead with more radical reform with less consideration for Party sensitivities. On the other hand, he will be relinquishing his day-to-day chairmanship of the Supreme Soviet, he will more than ever be the target for popular discontent, and his election in the first instance by the Congress of People's Deputies rather than by universal suffrage may deprive him of an important degree of legitimacy.

9. Moreover, the new Presidential powers will not bring the stabilisation and the smooth advance of reform for which they are intended. They do not, of themselves, create any new mechanism for implementing reform. In the country at large, it is still the Party that is the main executive authority and, in many cases, the main obstacle to change. Under the new legislation, responsibility for implementing Presidential decisions in the country at large will rest with the presidents of republic and local soviets. But the results are likely at best to be patchy. The republican and local authorities may emulate the shift to a stronger executive power that is now taking place at

the national level. But in the meantime, instability in the country can only grow as the Party's authority withers.

PERCY CRADOCK

2 March 1990

ANNEX

THE SOVIET EXECUTIVE PRESIDENCY: SOME OF THE MAIN PROPOSED POWERS

a. The President is Commander-in-Chief. He (the legislation uses the masculine) declares mobilisation. He also declares war, but only if the Soviet Union is attacked. The Supreme Soviet retains the authority to decide on the despatch of troops abroad.

b. The President proposes to the Supreme Soviet the appointment and removal of the Prime Minister. But it is the Supreme Soviet or Congress of People's Deputies (it is not clear which) that votes on the Prime Minister's appointment. On the advice of the Prime Minister, the President proposes the appointment and removal of members of the Government. But, again, it is for the Supreme Soviet or Congress of People's Deputies to approve.

c. The President declares martial law or states of emergency in regions of the country. Consultation with the Presidium of the relevant republican Supreme Soviet is obligatory. But it is not clear whether the President has to accept their opinion. Direct presidential rule is possible in certain, apparently still undefined, circumstances.

d. The President issues "decrees", "on matters within his competence". It is not clear whether this power goes beyond that of, for example, the French President. Decrees must be subject to the constitution and prevailing laws. The Committee for the Supervision of the Constitution rules on their constitutionality. The Congress of People's Deputies can cancel the President's decrees (whether by majority or two-thirds vote is unclear).

e. The President chairs two bodies, filled with *ex-officio* members. The first is the Council of the Federation, dealing with nationalities policies. Its members include the Presidents of the 15 republics, the Prime Minister, the Chairman of the Supreme Soviet, and the chairmen of the two chambers of the Supreme Soviet. The second is the Presidential Council, responsible for domestic and foreign policy, and national security. Its members include the Prime Minister, the Chairman of the Supreme Soviet, the Ministers of Foreign Affairs, Defence, Internal Affairs and Justice, the Chairman of the KGB, and others whom the President may appoint. These bodies are "advisory" in that they do not have the power to adopt decisions. It is their Chairman, the President, who does so, if necessary by Presidential decree. But, in practice, it is difficult to imagine the President ignoring a majority opinion within either body.

f. The President signs legislation. He can send back to the Supreme Soviet legislation of which he does not approve. But it requires only a simple majority (eg the same vote as that which passed the legislation in the first place) for the Supreme Soviet to override this "veto". The President can then either accept the legislation, or appeal to the Congress of People's Deputies, or call a referendum. In practice, he is unlikely to take either of the latter two courses unless he is fairly sure he can win. The President also has the right to initiate legislation.

g. The President can be removed by a two-thirds vote of the Congress of People's Deputies on the initiative of either the Congress or of the Supreme Soviet. The grounds for removal are only "violation of the USSR constitution". But that could prove to be quite a catch-all: an unpopular President would need to be scrupulous in being seen to be observing the constitution.

(2)

From: D J Gowan
Soviet Department
Date: 1 March 1990

PRU

BALTIC GOLD: PQ BY MR ATKINSON

1. I submit a draft reply to Mr Atkinson's PQ about the Baltic gold reserves which were used (in accordance with the Foreign Compensation Act of 1969) to meet in part the claims of British creditors who had lost assets in the former Baltic States.

2. We understand that the Prime Minister has expressed an interest in the disposal of the Baltic gold reserves, and has asked that the FCO should prepare a report on this question. This exercise does not however affect the draft answer to the PQ, which is confined to a factual statement of what happened, and does not go into the more difficult issue of whether the disposal of Baltic assets was morally justifiable.

3. Claims Department and the Legal Advisers concur.

D J Gowan
Soviet Department

DRAFT ANSWER

When the Baltic States were incorporated into the Soviet Union in 1940, the property of a number of British nationals was seized without compensation. The Soviet authorities also did not accept responsibility for the external debts of the Baltic States, including three external loans which had been placed in London. To safeguard British interests, the British Government responded by freezing the gold reserves of the three Baltic central banks which were deposited in London, and which were claimed by the Soviet authorities.

Negotiations between the British and Soviet Governments culminated in an Agremeent which was signed on 5 January 1968. This provided that the British and Soviet Governments would not pursue their respective claims. It thus enabled the British Government to use most of the money realised from the sale in 1967 of the Baltic gold reserves (in addition to certain other assets of the Baltic States and ceded territories) to meet in part the claims of British creditors who had lost assets in the former Baltic States and in certain other territories incorporated into the Soviet Union. The judicial determination of these claims was carried out by the Foreign Compensation Commission in accordance with the Foreign Compensation (Union of Soviet Socialists Republics) Order 1969; claimants eventually receiving 42.6% of the assessed value of their claims.

The Baltic gold (weighing 460,220 fine ounces) realised £5.8 million when sold in 1967. Its value would be approximately £112.17 million at current prices.

The para highlighted in the background overpage should in my view be included here

LH7ABM/1

BACKGROUND

Mr Atkinson takes a close interest in nationalities questions in the Soviet Union, in particular the issue of the former Baltic States.

The draft reply to Mr Atkinson's PQ gives a summary of the very complex issue of the gold reserves of the central banks of the Baltic States, which were frozen by the British Government under wartime powers in 1940. The Joint Statement made during Mr Kosygin's visit to London in 1967 opened the way to the 1968 Agreement between HMG and the Soviet Union under which each side waived their reciprocal claims. This enabled HMG to use the money realised from the sale of the Baltic gold reserves to pay compensation to British claimants.

During the passage of the Foreign Compensation Bill in 1968 and 1969 the Government of the day was criticised by the Conservative opposition over the propriety of disposing of the Baltic assets in this way. In reply the Government argued that it had an overriding responsibility to the British creditors, and that the use of Baltic assets was justifiable in the circumstances. The Government also acknowledged that nothing contained in or done under the Bill would preclude any independent Baltic government at some time in the future from submitting a claim to the British Government of the day in respect of the property in question, if it considered that it had such a claim. But any such government in the Baltic States would also be in a position to accept obligations to creditors.

There is likely to be increasing Parliamentary interest in this issue as the former Baltic States move towards independence from the Soviet Union. One area where we may be open to pressure from the Baltic lobby is that a part of

the proceeds from the gold sales were used to compensate British individuals and companies who had lost assets in territories ceded to the Soviet Union from Finland, Poland, Czechoslovakia and Romania. (In other words the proceeds of the gold sales were not used exclusively to meet debts relating to the former Baltic States.) There could also be a renewal of earlier criticism that £½ million of the £5.8 million realised from the gold sales was under the terms of the 1968 UK/Soviet Claims Agreement in effect given to the Soviet Union.

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MY TELNOS 339 AND 346:
THE SOVIET UNION: NEW PRESIDENCY: COMMENT

SUMMARY

1. NEW STRUCTURE TRANSFERS POWER FROM THE PARTY TO THE PRESIDENCY. GORBACHEV VIRTUALLY CERTAIN TO BE ELECTED. HIS POWERS ARE WIDE: BUT THERE ARE CHECKS AND BALANCES. THE WAY IS NOW OPEN FOR HIM TO LEAVE THE PARTY LEADERSHIP. HIS NEW PRESIDENTIAL POWERS WILL HELP IN SOME AREAS - EG CONTROLLING ETHNIC VIOLENCE: BUT, IN THEMSELVES, WILL DO LITTLE TO SIMPLIFY THE COUNTRY'S MAIN PROBLEMS OF ECONOMIC AND NATIONALITIES POLICY.

DETAIL

2. THE USSR SUPREME SOVIET DECISIONS YESTERDAY MAKE IT VIRTUALLY CERTAIN THAT GORBACHEV WILL BE ELECTED PRESIDENT OF THE USSR WITH NEW AND WIDE POWERS BY THE CONGRESS OF PEOPLES' DEPUTIES PROBABLY IN MID-MARCH (WE ARE TOLD THE CONGRESS WILL LAST FOR ONE WEEK, BEGINNING 12 MARCH). THE REPERCUSSIONS ON THE WAY POWER IS STRUCTURED IN THE SOVIET UNION WILL BE FAR REACHING.

IMPACT ON THE PARTY

3. THE MAIN JUSTIFICATION ADVANCED FOR THIS FURTHER CONSTITUTIONAL UPHEAVAL IS THE NEED TO STRENGTHEN EXECUTIVE POWER IN ORDER TO DEAL WITH THE GROWING SOCIAL, ECONOMIC AND ETHNIC TENSIONS OF PERESTORIKA. BUT, IN PRACTICE, THE PROPOSED CHANGES WILL NOT SO MUCH STRENGTHEN EXECUTIVE POWER AS TRANSFER IT FROM THE PARTY AND THE POLITBURO TO GORBAHCEV PERSONALLY AS PRESIDENT (THERE CAN BE NO SERIOUS DOUBT THAT HE WILL BE ELECTED PRESIDENT) AND TO HIS PRESIDENTIAL COUNCIL.

4. THE CONSTITUTIONAL REMIT OF THE PRESIDENT AND PRESIDENTIAL COUNCIL IS EXTREMELY BROAD. THE COUNCIL IS TASKED WITH WORKING OFF MEASURES FOR IMPLEMENTING THE MAIN DIRECTIONS OF INTERNAL AND FOREIGN POLICY AND ENSURING THE COUNTRY'S SECURITY. ONCE THE NEW LAW COMES INTO EFFECT GORBACHEV IS LIKELY TO WORK THROUGH THIS BODY RATHER THAN THE POLITBURO. THE LATTER MAY WELL BE LEFT TO WITHER ON THE VINE. (IT IS DUE IN ANY CASE TO BE RESTRUCTURED AS PART OF THE PARTY'S

REFORM PROGRAME). GORBACHEV HAS THEREFORE, VIRTUALLY AT A STROKE, ELIMINATED THE LEADING ROLE OF THE PARTY AT THE CENTRAL LEVEL, RENDERING IRRELEVANT MUCH OF THE PARTY'S INTERNAL AGONISING ON THIS ISSUE AT THE RECENT PLENUM. THERE WILL BE A KNOCK-ON EFFECT THROUGHOUT THE SYSTEM OF REGIONAL AND LOCAL GOVERNMENT. RESPONSIBILITY FOR IMPLEMENTING PRESIDENTIAL DECISIONS AT THIS LEVEL WILL LIE ACCORDING TO THE NEW LEGISLATION WITH THE PRESIDENTS OF REPUBLIC AND LOCAL SOVIETS - NOT THE PARTY. THERE IS NO EX-OFFICIO PARTY REPRESENTATION ON THE PRESIDENT'S COUNCIL. GORBACHEV WILL THEREFORE BE FREE OF THE RESTRAINTS HITHERTO IMPOSED ON HIM BY CONSERVATIVES IN THE POLITBURO AND CENTRAL COMMITTEE.

THE DEFENCE COUNCIL

5. THERE IS NO MENTION IN THIS LEGISLATION OF THE DEFENCE COUNCIL. WE ASSUME THEREFORE THAT IT WILL BE ABOLISHED AND ITS FUNCTIONS TAKEN OVER BY GORBACHEV (THE PRESIDENT IS NOW TO BE DESIGNATED ALSO ''COMMANDER IN CHIEF OF THE ARMED FORCES'') AND THE PRESIDENTIAL COUNCIL.

REFORM OF THE FEDERAL STRUCTURE

6. THE ESTABLISHMENT OF A 'COUNCIL OF THE FEDERATION' CHAIRED BY THE PRESIDENT, WILL RELEIVE GORBACHEV OF THE NEED TO TAKE SENSITIVE ISSUES AFFECTING THE CONSTITUTIONAL RELATIONSHIP BETWEEN MOSCOW AND THE REPUBLICS TO THE CPSU CENTRAL COMMITTEE - AS HE HAD TO WITH LITHUANIA. NEVERTHELESS, HE MAY NOT FIND THE 15 UNION-REPUBLIC PRESIDENTS, WHO WILL MAKE UP THE MAJORITY OF THIS BODY, THE EASIEST OF PARTNERS TO WORK WITH.

7. ONE OF THE MAIN OBJECTIVES IN FRAMING THIS LEGISLATION APPEARS TO HAVE BEEN TO ESTABLISH A MORE EFFECTIVE METHOD OF HANDLING INTER-ETHNIC RELATIONS AND ETHNIC VIOLENCE. GORBACHEV WAS PROBABLY DEEPLY WORRIED BY THE COMPLEXITIES OF THE RECENT DECISION TO SEND TROOPS TO AZERBAIJAN AND THE SUBJSEQUENT CRITICISM THAT HE DALYED TOO LONG. UNDER EXISTING ARRANGEMENTS, SUCH DECISIONS HAVE TO BE TAKEN BY THE PRESIDIUM OF THE USSR SUPREME SOVIET - AN UNWIELDY BODY CONSISTING OF ALL 15 PRESIDENTS PLUS THE HEADS OF ALL SUPREME SOVIET COMMISSIONS. THE NEW LEGISLATION WILL GIVE GORBACHEV THE POWER TO DECLARE A STATE OF EMERGENCY HIMSELF - THOUGH THE LEGISLATION REQUIRES THAT HE ''CONSULT'' THE SUPREME SOVIET PRESIDIUM OF THE APPROPRIATE REPUBLIC. A COMMENTARY IN TODAY'S PRAVDA, HOWEVER, DESCRIBES THE PRESIDENT AS HAVING TO SECURE THE ''AGREEMENT'' OF THE REPUBLIC PRESIDIUM. IT COULD BE THEREFORE THAT THIS IMPORTANT CONCESSION HAS BEEN OR IS ABOUT TO BE MADE TO THE REPUBLICS. GORBACHEV NEVERTHELESS WOULD RETAIN THE RIGHT TO INTRODUCE DIRECT PRESIDENTIAL RULE IN CASES WHERE THERE WAS A THREAT TO THE SECURITY

OF CITIZENS.

CHECKS AND BALANCES

8. GORBACHEV'S POWERS UNDER THE NEW LEGISLATION ARE WIDE BUT ILL-DEFINED. HE IS ENTRUSTED FOR EXAMPLE WITH PROTECTING THE RIGHTS AND FREEDOMS OF SOVIET CITIZENS, ENSURING THE SECURITY AND TERRITORIAL INTEGRITY OF THE COUNTRY, COORDINATING THE ACTIONS OF OTHER ORGANS OF STATE AND DECLARING WAR IN THE EVENT OF AN ATTACK ON THE USSR. HE ALSO HAS THE POWER TO ISSUE BINDING PRESIDENTIAL DECREES. AN ACCOMPANYING COMMENTARY PRESENTED TO THE SUPREME SOVIET ALONG WITH THE DRAFT LEGISLATION CLAIMS THAT NONE OF THE POWERS OF HTE CONGRESS OF DEPUTIES OR THE SUPREME SOVIET HAVE BEEN TRANSFERRED TO THE PRESIDENCY AND THAT THIS DECREES MUST NOT CONTRADICT SOVIET LAWS OR THE CONSTITUTION. BUT IT IS NOT CLEAR WHAT THIS WILL MEAN IN PRACTICE.

9. IT WAS EVIDENT FROM YESTERDAY'S DEBATE IN THE SUPREME SOVIET THAT DEPUTIES ACROSS A WIDE POLITICAL SPECTRUM HAVE BEEN IRRITATED BY GORBACHEV'S BLITZKRIEG TACTIC OF RUSHING THIS LEGISLATION THROUGH WITHOUT PROPER DISCUSSION AND CLARIFICATION. THERE ARE ALSO WORRIES THAT THE LEGISLATION DOES NOT PROVIDE THE LEGISLATURE WITH PROPER CHECKS ON EXECUTIVE POWER. THERE IS AN IMPEACHMENT PROVISION. THE CONGRESS OF DEPUTIES CAN REMOVE THE PRESIDENCY BY A TWO THIRDS VOTE - BUT ONLY IF HE INFRINGES THE CONSTITUTION. THERE IS NO PROVISION EG FOR A SIMPLE VOTE OF NO CONFIDENCE OR FOR LEGISLATIVE VETO OF PRESIDENTIAL DECISIONS. THIS IS SOMETHING ON WHICH DEPUTIES ARE LIKELY TO CONCENTRATE WHILE THE LEGISLATION UNDERGOES FURTHER DISCUSSION IN COMMITTEE THIS WEEK.

10. DESPITE HIS WIDE RANGING POWERS, IT WOULD BE WRONG TO DESCRIBE THE PRESIDENT'S POSITION UNDER THIS LEGISLATION AS A CONSTITUTIONAL DICTATOR. THE CHEKS ON EXECUTIVE POWER ARE WEAKER THAN IN WESTERN DEMOCRACIES - BUT THEY ARE GREATER THAN IN THE DAYS WHEN THE COUNTRY WAS RUN BY THE POLITBURO. FOR EXAMPLE, THE SUPREME SOVIET WILL STILL RETAIN SUBSTANTIAL POWERS - IN ADDITION TO THE IMPEACHMENT PROCEDURE. IT WILL, FOR EXAMPLE, STILL HAVE THE RIGHT TO CONFIRM OR REJECT MINISTERIAL APPOINTEES - IMPORTANT GIVEN THE NUMBER OF EX-OFFICIO MINISTERIAL POSITIONS IN THE PRESIDENTIAL COUNCIL. IN THEIR PRESENT MOOD, THEY WILL BE VERY SUSPICIOUS OF ANY FURTHER ATTEMPTS TO ERODE THEIR POWER. GORBACHEV MAY FIND THEM MUCH LESS COOPERATIVE PARTNERS IN FUTURE.

11. THE ESTABLISHMENT OF A SEPARATE POSITION OF CHAIRMAN OF THE USSR SUPREME SOVIET WILL MEAN THAT GORBACHEV, AS PRESIDENT, SPENDS LESS TIME THERE AND CONSEQUENTLY, HAS LESS OPPORTUNITY TO EXERT HIS OWN PERSONAL INFLUENCE ON THE PROCEEDINGS. HE WILL TRY AND MINIMISE THE EFFECT OF THIS BY ENSURING THAT A CLOSE ALLY, PROBABLY LUKYANOV, IS

ELECTED TO THE SUPREME SOVIET CHAIRMANSHIP. BUT THERE MAY BE RESISTANCE TO THIS.

12. THERE WILL BE OTHER PRESSURES LIMITING HIS POWER. THE GOVERNMENT MACHINE UNDER RYZHKOV REMAINS IN PLACE AND WILL RETAIN PRIMARY RESPONSIBILITY FOR ADMINISTERING THE ECONOMY. GORBACHEV STILL LACKS AN EFFECTIVE MECHANISM FOR IMPLEMENTING PRESIDENTIAL DECISIONS AT REPUBLIC AND LOCAL LEVEL. IN MANY WAYS, THE SO-CALLED ''CRISIS OF POWER'' RESIDES IN THIS, NOT IN THE LACK OF A POWERFUL EXECUTIVE AUTHORITY IN MOSCOW. UNDER THE NEW LEGISLATION THE PRESIDENTIAL POWER IS TO BE EXERCISED THROUGH PRESIDENTS OF REPUBLICS AND LOCAL SOVIETS. BUT THEY NOW HAVE THEIR OWN POWER BASES AND ELECTORATES TO CONSIDER. THE NATURE OF THE RELATIONSHIP BETWEEN THE USR PRESIDENT AND THE REPUBLIC PRESIDENTS IS ONE OF THEMAJOR UNCERTAINTIES ARISING FROM THE NEW STRUCTURE (THERE ARE SOME WHO ARE SUGGESTING - ONLY HALF JOKINGLY - THAT GORBACHEV MAY BE BACKING THE WRONG HORSE AND THAT EG YELTSIN AS PRESIDENT OF THE RUSSIAN REPUBLIC MAY END UP HAVING THE STRONGER POSITION).

13. THE NEW STRUCTURE WILL NOT INCREASE GORBACHEV'S LEGITIMACY OR PERSONAL AUTHORITY AMONG THE POPULATION AT LARGE -AS IT WOULD IF HE WAS PREPARED AT THIS STAGE TO SUBJECT HIMSELF TO DIRECT POPULAR ELECTION. ONE REASON FOR HIS RETICENCE APART FROM THE GREATER RISKS INVOLVED) MAY BE THE PROBLEM OF MAKING SUITABLE ALLOWANCE FOR THE FEDERAL STRUCTURE OF THE USSR IN SUCH AN ELECTION. THE PLAN IS THAT THERE WILL BE CANDIDATES STANDING AGAINST GORBACHEV WHEN THE CONGRESS OF DEPUTIES VOTES FOR THE NEW PRESIDENT. BUT GIVEN THE STRENGTH OF IS POSITION IN THAT BODY, IT IS DOUBTFUL THAT ANY SERIOUS OPPONENT WILL BE PREPARED TO TAKE HIM ON. THIS IS LIKELY TO ENGENDER PUBLIC CYNICISM. GORBACHEV WILL THEREFORE FIND IT LITTLE EASIER TO FORCE THROUGH UNPOPULAR REFORM MEASURES THAN HE HAS HITHERTO.

14. UNLIKE THE POLITBURO, THE PRESIDENTIAL COUNCIL IS NOT DESCRIBED AS A CONSENSUS BODY: THE IDEA OF ''COLLECTIVE LEADERSHIP'' PAS BEEN ABANDONED. THIS HAS SUBSTANTIAL ADVANTAGES FOR GORBACHEV: BUT IT ALSO CARRIES RISKS. BY TAKING SUCH A WIDE MEASURE OF PERSONAL RESPONSIBILITY, HE MAY INCREASINGLY FIND HIMSELF THE FOCUS OF POPULAR DISCONTENT, MUCH OF WHICH, AT PRESENT IS BEING VENTED ON THE PARTY APPARATUS.

CONCLUSION

15. GORBACHEV HAS ONCE AGAIN OUTMANOEUVRED EVERYBODY. HE HAS, PROBABLY DEFINITIVELY, FREED HIS HANDS FROM THE PARTY. IT MUST NOW BE VIRTUALLY CERTAIN THAT HE WILL LEAVE THE PARTY LEADERSHIP AT, OR SOON AFTER, THE CONGRESS. HEMAY CONTINUE TO PRESS FOR PARTY REFORM: BUT IT IS ALSO POSSIBLE THAT HE HAS NOW DECIDED, GIVEN THE EXISTING PARTY STRUCTURE, THAT THIS IS A LOST CAUSE. DESPITE THE ADROITNESS

OF THIS LATEST MANOEUVRE, THERE ARE STILL MAJOR UNCERTAINTIES IN STRUCTURE OF STATE POWER. IN PARTICULAR, THERE ARE QUESITON MARKS ABOUT THE RELATIONSHIP BETWEEN REPUBLIC AND FEDERAL POWER AND, WITH THE DECLINE OF THE PARTY, THE RISK OF A POWER VACUUM AT THE LOCAL LEVEL. GORBACHEV WILL HAVE TO TAKE CARE THAT HE DOES NOT REPEAT, AT THE POLITICAL LEVEL, THE MISTAKE HE MADE WITH THE ECONOMY IN DISMANTLING ONE SYSTEM WITHOUT A CLEAR IDEA OF WHAT IS TO FOLLOW. AND NOTHING IN THESE CONSTITUTIONAL CHANGES THEMSELVES WILL DO MUCH TO HELP RESCUE THE ECONOMY OR REDUCE SOCIAL TENSIONS

BRAITHWAITE

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ADDITIONAL 11

SOVIET INTERNAL/SOVIET ECONOMY

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

1 March 1990

You wrote to me on 7 and 8 February about the forthcoming visit of Mr. Yeltsin, and his wish to meet the Prime Minister. The Prime Minister would be able to see him on Tuesday 13 March at 1230. I hope this is convenient.

(C.D. POWELL)

Andrew Nurnberg, Esq.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 March 1990

Dear Richard.

BALTIC GOLD

The Prime Minister has asked to be reminded exactly what arrangements were made for transferring the gold which originally belonged to the Baltic States to the Soviet Union. I should be grateful if you could let me have a note about this, which the Prime Minister also raised in Cabinet this morning.

I am copying this letter to Sonia Phippard (Cabinet Office).

Yours ever,

Charles Powell

Richard Gozney Esq
Foreign and Commonwealth Office

Charles

1230 on Tues 13 March

AP 28/2

AMANDA PONSONBY

We need to find half an hour in the week beginning 12 March.

CP

Charles Powell

28 February 1990

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

28 February 1990

VISIT OF MR YELTSIN

We had an exchange of letters earlier this month about the request from Mr Yeltsin to call on the Prime Minister when he is here in mid-March for the publication of his book. I have subsequently had further contacts with his publishers. I have also had an exchange on the subject with Rodric Braithwaite who advises that, while the Russians would not be very happy, they will not take any position on the issue. In the light of this, the Prime Minister has decided that the best course is to see Yeltsin briefly, but make clear to the press afterwards her continuing support for Mr Gorbachev and his policies. I intend so to inform the publishers and fix an appointment, subject to any comments which the Foreign Secretary might have. I should be grateful if you could let me know his views by tomorrow.

Charles Powell

Richard Gozney Esq
Foreign and Commonwealth Office

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10 DOWNING STREET

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From the Private Secretary

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Charles Powell

Richard Gozney Esq
Foreign and Commonwealth Office

V6

AMANDA PONSONBY

We need to find half an hour in the week beginning 12 March.

Charles Powell

28 February 1990

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SUMMARY

1. THE USSR SUPREME SOVIET IS NOW DISCUSSING THE DRAFT LAW TO ESTABLISH AN EXECUTIVE PRESIDENCY. THE DRAFT PROVIDES FOR A PRESIDENT TO BE ELECTED BY UNIVERSAL SUFFRAGE EVERY 5 YEARS. BUT THE FIRST PRESIDENT WILL BE ELECTED FOR 4 YEARS BY THE CONGRESS OF DEPUTIES. IT PROPOSES ESTABLISHING TWO NEW BODIES - A PRESIDENTIAL COUNCIL TO OVERSEE FOREIGN AND DOMESTIC POLICY AND A FEDERAL COUNCIL TO RUN NATIONALITIES POLICY.

DETAIL

2. THE DRAFT LAW ESTABLISHING AN EXECUTIVE PRESIDENCY WAS PUT TO THE USSR SUPREME SOVIET THIS MORNING 27 FEBRUARY AND IS NOW BEING DEBATED. WE HAVE OBTAINED A TEXT. THE FOLLOWING ARE THE MAIN PROPOSALS.

3. A NEW POST OF ''PRESIDENT OF THE USSR'' IS ESTABLISHED. THE PRESIDENT WILL BE HEAD OF STATE.

4. THE PRESIDENT IS TO BE ELECTED BY UNIVERSAL SUFFRAGE BY DIRECT AND SECRET VOTE FOR A TERM OF 5 YEARS. THE FIRST PRESIDENT HOWEVER WILL BE ELECTED BY THE CONGRESS OF PEOPLE'S DEPUTIES FOR A PERIOD OF FOUR YEARS. THE SUCCESSFUL CANDIDATE MUST GET MORE THAN 50% OF THE VOTES, IF NECESSARY AFTER A RUN-OFF.

5. THE PROPOSED POWERS OF THE PRESIDENT INCLUDE:

A) EXERCISING GENERAL CONTROL OVER THE OBSERVANCE OF THE RIGHTS AND FREEDOMS OF SOVIET CITIZENS, OF THE CONSTITUTION AND SOVIET LAW, AND OVER THE SOVEREIGNTY, SECURITY AND INTEGRITY OF THE COUNTRY

B) TAKING DECISIONS AFFECTING THE STATE STRUCTURE OF THE USSR AND THE DEVELOPMENT OF THE SOVIET FEDERATION.

C) CO-ORDINATING THE ACTIONS OF THE SUPREME BODIES OF STATE POWER.

D) REPRESENTING THE USSR WITHIN THE COUNTRY AND IN INTERNATIONAL RELATIONS.

E) BEING COMMANDER IN CHIEF OF THE ARMED FORCES AND CO-ORDINATING

THE ACTIVITIES OF STATE BODIES RESPONSIBLE FOR THE COUNTRY'S DEFENCE.

F) PROPOSING TO THE SUPREME SOVIET, CANDIDATES FOR THE POSTS OF CHAIRMAN OF THE USSR COUNCIL OF MINISTERS, CHAIRMAN OF THE SUPREME COURT AND OTHER SENIOR LEGAL FUNCTIONAIRIES: PROPOSING THEIR REMOVAL.

G) SIGNING USSR LAWS. THE PRESIDENT WILL HAVE A RIGHT TO RETURN A LAW WITH HIS COMMENTS TO THE SUPREME SOVIET FOR A SECOND DISCUSSION AND VOTE. IF THE SUPREME SOVIET, ON A SECOND VOTE, CONFIRMS ITS EARLIER DECISION, THE PRESIDENT CAN STILL SIGN THE LAW OR APPEAL TO THE CONGRESS OF PEOPLE'S DEPUTIES OR CALL A REFERENDUM.

H) SIGNING INTERNATIONAL AGREEMENTS.

I) DECLARING WAR IN THE CASE OF AN ATTACK ON THE USSR: DECLARING GENERAL OR PARTIAL MOBILISATION.

J) DECLARING STATES OF EMERGENCY IN SPECIFIC REGIONS OF THE COUNTRY AFTER COMPULSORY DISCUSSIONS WITH THE PRESIDIUM OF THE SUPREME SOVIET OF THE APPROPRIATE REPUBLIC. IN THESE CIRCUMSTANCES DIRECT PRESIDENTIAL RULE CAN BE INTRODUCED.

6. TWO NEW STATE BODIES ARE ESTABLISHED:

- A FEDERAL COUNCIL, CHAIRED BY THE PRESIDENT AND INCLUDING THE CHAIRMAN OF THE USSR SUPREME SOVIET (NOW A SEPARATE POST), THE CHAIRMAN OF THE 2 CHAMBERS OF THE USSR SUPREME SOVIET AND THE PRESIDENTS OF THE UNION REPUBLICS. THE COUNCIL DISCUSSES AND TAKES DECISIONS ON NATIONALITIES POLICY AND THE FEDERAL STRUCTURE OF THE USSR.

- A PRESIDENTIAL COUNCIL, RESPONSIBLE FOR TAKING DECISIONS ON THE MAIN DIRECTIONS OF INTERNAL AND FOREIGN POLICY AND ENSURING THE SECURITY OF THE COUNTRY. THE FOLLOWING ARE INCLUDED IN THE COUNCIL: CHAIRMAN OF THE USSR SUPREME SOVIET, CHAIRMAN OF THE USSR COUNCIL OF MINISTERS, MINISTERS OF FOREIGN AFFAIRS, DEFENCE, INTERNAL AFFAIRS, JUSTICE, CHAIRMAN OF THE KGB. OTHER MEMBERS OF THE COUNCIL CAN BE APPOINTED BY THE PRESIDENT. THE PRESIDENT HAS THE RIGHT TO ISSUE DECREES (UKAZY) ON MATTERS WITHIN HIS COMPETENCE WHICH HAVE BINDING FORCE THROUGHOUT THE TERRITORY OF THE COUNTRY.

7. THE PRESIDENT CAN BE REMOVED FROM HIS POST IN CASES WHERE HE INFRINGES THE USSR CONSTITUTION. THIS REQUIRES A TWO THIRDS MAJORITY IN THE CONGRESS OF PEOPLE'S DEPUTIES.

8. THE PRESIDENT CAN AUTHORISE OTHER MEMBERS OF THE PRESIDENTIAL COUNCIL TO CARRY OUT SOME OF HIS RESPONSIBILITIES. IF THE PRESIDENT CAN NOT FULFIL HIS RESPONSIBILITIES FOR ANY REASON, HIS POWERS ARE TRANSFERRED TO THE CHAIRMAN OF THE USSR SUPREME SOVIET IN THE FIRST

INSTANCE AND THEN TO THE CHAIRMAN OF THE USSR COUNCIL OF MINISTERS UNTIL A NEW ELECTION WHICH MUST TAKE PLACE WITHIN THREE MONTHS.

9. FULL TEXT BY BAG TO DEPARTMENT.

BRAITHWAITE

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10 DOWNING STREET

Rt Hon Chris

Yeltsin does not seem to have played any great part on Sunday.

Agree to see him in March?

CDP

27/1.

BRITISH EMBASSY
MOSCOW

27 February 1990

U/C

Mr C D Powell,
Private Secretary,
No 10 Downing Street.

Dear Charles,

1. I said that I would let you know when I next expected to be in London to see my mother.

2. I am now planning to be in London from 23 to 27 March, and I would therefore be available if needed on Monday, 26 March.

Yours ever,

Rodric

Rodric Braithwaite

CONFIDENTIAL

MR POWELL

cc: Sir Robin Butler

26 February 1990

VISIT TO MOSCOW

I visited Moscow from 19-23 February and saw Chernyaev (Gorbachev's Foreign Policy Adviser), Akhromeev (his Security Adviser), Brutents of the International Department of the Central Committee, Adamishin and Rogachev (Deputy Foreign Ministers) and a collection of Supreme Soviet Deputies and heads of institutions and think tanks.

The principal subject was Germany. The Russians saw our positions and interests as close and particularly valued the Prime Minister's clear enunciation of worries shared by many less stout hearted. Like us they were intent on getting the external framework right and as many ropes round Germany as possible. They differed, however, on German membership of NATO. They saw logic in our case that an neutral Germany would be much more destabilizing, but asked how they could accept a situation where the principal restraint on Germany was the military grouping formed, as they saw it, to threaten them. They played strongly on the theme of adverse domestic reaction in the Soviet Union and the likely damage to Gorbachev ("this is an additional burden he does not need"). They were vague about alternatives, however, putting their main trust in a new European security system evolving from the CSCE summit at the end of this year. They suggested this should produce institutions capable of policing the new security order. They were anxious that boundaries should be formally guaranteed. They had not thought out the precise legal implications of their requirements, but hankered after as much formality and solemnity as possible. They wanted to keep in close touch.

CONFIDENTIAL

On more detailed aspects, they wanted meetings of the Six at official level in advance of the 18 March elections in the GDR. Chernyaev was not ready to accept Genscher's idea of an Eastern demilitarised half of a united Germany (it would be one country and the German government would move their forces around within it as they wished). He was more receptive to the idea of Soviet forces remaining stationed in the former GDR, but saw this as based on residual victors' rights, which would of course greatly reduce the possible period of stationing. He did not entirely rule out the idea of new contractual rights, but neither he nor colleagues in the International Department of the Central Committee had thought much about this. (For what it is worth, the German Ambassador in Moscow saw no problem in early meetings of the Six at official level or in new contractual arrangements for Soviet troops).

Despite this negative response, my feeling, shared by Rodric Braithwaite, is that the Russians are aware of the basic weakness of their position and have not said their last word. They have been careful to avoid absolutely ruling out membership of NATO and Gorbachev's latest public statement was silent on the point.

On Eastern Europe outside Germany, I found an acceptance of irreversible change and of the need for good neighbourly relations on a new footing. Soviet troops in Hungary and Czechoslovakia were written off: the political decision for withdrawal had been taken and only technicalities remained. Poland was more complex in that the Poles saw security in some Soviet military presence. The Russians wanted to keep the Warsaw Pact which they claimed was not entirely defunct, though it would become more politicised. CMEA would be radically reformed and come to resemble OECD. Prices in

CMEA would edge towards world market levels, but, as they saw it, the Soviet Union would remain the main market for Eastern Europe goods and the main supplier of raw materials.

On arms control, Akhromeev (brisk and impressive) was optimistic about a CFE agreement, though noting considerable problems still on aircraft. But he saw unresolved problems over START and maintained (pace Baker) that START could not be delinked from the ABM Treaty, which was a fact of life and had to be interpreted in the old way. On chemical weapons, he claimed the Russians had told the truth and had nothing to hide. We could inspect when the convention was signed.

On minimal deterrence for short range nuclear weapons, the Russians in the think tanks were responsive and ready to accept a continuing role for nuclear deterrence. Akhromeev said they were ready for bilateral expert discussions. I stressed we did not see minimal levels as only a transitional step towards total denuclearisation.

On China, the Russians did not expect an early East-European-style revolution. Equally in North Korea, though they doubted whether Kim Jung Il would survive his father long. Their best hope for the Koreas was a more civilised dialogue between the two states. They claimed effective diplomatic relations between the Soviet Union and South Korea were already established.

They expressed concern at the destabilising effect of Chinese arms sales and readiness to cooperate with the West on this issue.

On Japan they had little new to offer: Gorbachev would probably go to Tokyo in 1991, but the northern islands could

not be returned to Japan. At best a compromise would have to be found.

On internal policy, those closest to Gorbachev were confident he would secure the special powers he sought for an Executive Presidency. The primary purpose of this was seen as restoring law and order and in ensuring that legislation was actually implemented. I was struck that Supreme Soviet Deputies were apparently prepared to curtail their new-found democratic powers in the interest of action. Russian nostalgia for strong leadership no doubt plays its part. But at the same time there is public criticism of excessive powers and fear these could fall into the wrong hands. Chernyaev saw action first on private property, presumably in the agricultural context. On price reform he was notably more cautious.

It was acknowledged that multi-party democracy would come, though it was not clear how. The majority view was via a split in the Communist Party. The difficulties in forming parties outside the established structure were still great (eg no meeting places, no offices, no distribution facilities). The establishment was trying to learn democracy eg permitting the anti-government demonstrations of the last weekend, but this was uncharted territory and there was a tendency still to equate demonstrations with counter-revolution.

On the future shape of the Soviet Union, it was thought that, although the present session of the Supreme Soviet would see legislation for a new looser form of federation, this would be unlikely to satisfy the Balts. Moscow would probably be able to adjust to Baltic secession. On the Southern Republics, it was harder to find a consensus. Chernyaev acknowledged that the leadership had been surprised

by the extremism and savagery in the South. According to some observers, there could be a point in a year or two's time when the army was no longer prepared to fight to retain Azerbaijan. The Slav heartlands were seen as a different matter.

I had a sense of immense political ferment. The intellectuals, still feeling it all too good to be true, are engaged in an endless, eloquent, inconclusive, typically Russian discussion of the abstract possibilities, with little recognition that time is running out. The workers, so far as I could learn, are more conservative, more suspicious, give to conspiracy theories and a sense that all in authority are corrupt. There are some ugly undercurrents, Russian chauvinism and anti-semitism. People's power is growing. In many ways it is a prerevolutionary situation, though like an expert surf rider, Gorbachev still manages to keep ahead of the next wave.

At the same time the economy deteriorates further. The central question is whether Gorbachev in the limited time now available can reform not only the system but ingrown Russian attitudes to work and produce some visible economic improvement. It will be extremely difficult.

Meantime, for the foreigner there is extraordinary access, supplemented in our case by considerable warmth, for which the Prime Minister should be largely credited. The Embassy do an excellent job and we have plenty of opportunities to exploit in the coming series of high level visits.

PERCY CRADOCK

The National Archives

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MR POWELL - 3

[redacted] CONFIDENTIAL

R23/2

DEDIP
FM MOSCOW
TO IMMEDIATE CABINET OFFICE
TELNO MISC 68
OF 231300Z FEBRUARY 90

PERSONAL FOR CHARLES POWELL FROM AMBASSADOR
YOUR TELEGRAM MISC 68.

— Gorbachev's assistant.

1. I SPOKE TO CHERNYAEV THIS MORNING, 23 FEBRUARY. I TOLD HIM THAT ELTSIN WAS INTENDING TO VISIT LONDON IN MARCH TO LAUNCH HIS MEMOIRS, AND THAT HIS AGENTS HAD BEEN PRESSING FOR HIM TO CALL ON THE PRIME MINISTER. I THEN SPOKE AS YOU DID WITH KOSSOV.

2. CHERNYAEV SAID VERY QUICKLY THAT IT WAS NOT THEIR BUSINESS: IT WAS FOR THE PRIME MINISTER TO DECIDE. GORBACHEV WAS ALREADY READING THE MEMOIRS. ELTSIN WOULD NO DOUBT EXPLOIT THE FACT OF THE MEETING FOR HIS OWN POLITICAL PURPOSES. BUT GORBACHEV WOULD BE ABLE TO LIVE WITH THAT.

3. I SAID THAT I WOULD LET CHERNYAEV KNOW ONCE THE PRIME MINISTER HAD TAKEN A DECISION.

4. CHERNYAEV WAS CLEARLY NOT VERY HAPPY AT THE PROSPECT OF CALL BY ELTSIN ON THE PRIME MINISTER. BUT HE MADE NO ATTEMPT TO INFLUENCE THE OUTCOME. IT IS TRUE THAT ELTSIN HAS RECENTLY BEEN SPEAKING MORE OPENLY AGAINST GORBCAHEV, AND HE WILL DOUBTLESS DO SO AT THE RALLIES ON 25 FEBRUARY. HE MAY IN ADDITION BE CONTEMPLATING RUNNING AGAINST GORBACHEV WHEN THE PEOPLE'S CONGRESS MEETS TO ELECT A CANDIDATE TO THE POST OF EXECUTIVE PRESIDENT. IF GORBACHEV'S TIMETABLE WORKS, THIS COULD BE SOME TIME IN MARCH. IT IS VERY UNLIKELY INDEED THAT THE CONGRESS WOULD PREFER ELTSIN TO GORBACHEV. BUT ELTSIN'S VISIT TO NO 10 COULD COINCIDE WITH HIS ELECTION CAMPAIGN. THIS IS NOT A REASON FOR THE PRIME MINISTER REFUSING TO RECEIVE HIM: THERE ARE OF COURSE PLENTY OF PRECEDENTS FOR RECEIVING PRESIDENTIAL CANDIDATES FROM OTHER COUNTRIES. BUT THE PRESS HANDLING, AND ANY PRIVATE MESSAGES SHE CHOOSES TO SEND TO MR GORBACHEV, WOULD BECOME VERY IMPORTANT IN SUCH A CONTEXT.

BRAITHWAITE

YYYY

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Prime Minister

I asked Rodric Braithwaite to consult Gorbachev's office privately about your seeing Yeltsin. In the light of their reaction, I think you should see him: but we should tell the press afterwards that you reiterated your

Let us wait until after the 25 Feb rally. mt

Suggest for after Mr. Gorbachev is doing. Agree to see Yeltsin? CDBx 23/2.

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PS TO PRIME MINISTER
NO 10 DOWNING ST

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RESTRICTED
FM MOSCOW
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TELNO 313
OF 231525Z FEBRUARY 90
INFO ROUTINE PARIS, BONN, WASHINGTON, UKDEL NATO, STOCKHOLM, HELSINKI
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SOVIET UNION: POLITICAL SCENE

SUMMARY

1. GORBACHEV NOW URGENTLY ENGAGED IN ESTABLISHING AN EXECUTIVE PRESIDENCY WITH WIDE POWERS. THE SUPREME SOVIET WILL NEED CAREFUL HANDLING IF IT IS TO AGREE THE CHANGE. THE TIMETABLE FOR A MULTIPARTY SYSTEM REMAINS UNCLEAR AND WILL RAISE MORE CONTENTIOUS ISSUES. MUCH SPECULATION ABOUT WHETHER AND WHEN THE PARTY WILL SPLIT. THE CENTRAL COMMITTEE INCREASINGLY SEEN BY THE PARTY RANK AND FILE AS DRAGGING THEIR FEET OVER REFORM.

DETAIL

2. THE FOLLOWING IS A SURVEY OF THE UNSETTLED POLITICAL SCENE FOLLOWING THE CPSU PLENUM OF 5-7 FEBRUARY AND THE PUBLICATION OF THE PARTY'S NEW PLATFORM, AND ON THE EVE OF WHAT ARE EXPECTED TO BE LARGE AND PERHAPS UNRULY RALLIES ON SUNDAY.

TIMETABLE

3. FOR THE COMING WEEKS, THIS LOOKS AS FOLLOWS:

24 FEBRUARY - ELECTIONS IN LITHUANIA

25 FEBRUARY - MASS DEMONSTRATIONS IN MOSCOW, LENINGRAD AND OTHER CITIES (DETAILS REPORTED SEPARATELY)

END FEBRUARY/EARLY MARCH (MORE PROBABLY LATTER) - FURTHER CPSU PLENUM TO AGREE ON NEW PARTY RULES AND ON ARRANGEMENTS TO ELECTIONS TO THE PARTY CONGRESS.

4 MARCH - SUPREME SOVIET AND LOCAL ELECTIONS IN RUSSIA, UKRAINE AND BELORUSSIA

MID-MARCH? - EXTRAORDINARY SESSION OF THE CONGRESS OF PEOPLE'S DEPUTIES (PRECISE TIMING IS LIKELY TO DEPEND ON PROGRESS IN DRAFTING NEW LEGISLATION TO STRENGTHEN THE PRESIDENCY (SEE PARA 4 BELOW).

ESTABLISHING AN EXECUTIVE

4. THIS IS NOW THE NUMBER ONE ITEM ON THE POLITICAL AGENDA. OUR CONTACTS SEEM AGREED THAT GORBACHEV MADE A BAD ERROR OF JUDGEMENT IN ATTEMPTING TO RAILROAD THE SUPREME SOVIET LAST WEEK INTO CALLING AN IMMEDIATE MEETING OF THE CONGRESS OF PEOPLE'S DEPUTIES TO APPROVE THE CREATION OF AN EXECUTIVE PRESIDENCY. THIS SUGGESTED HE WAS OUT OF

TOUCH WITH THE GROWING INDEPENDENCE OF THE SUPREME SOVIET. NEVERTHELESS, GORBACHEV CONTINUES TO PURSUE THE IDEA AS A TOP PRIORITY. THE PRESIDIUM OF THE USSR SUPREME SOVIET MET ON 21 FEBRUARY TO DISCUSS A DRAFT OF THE NECESSARY LEGISLATION. A DOCUMENT WAS AGREED. ONE OF OUR CONTACTS IN THE SUPREME SOVIET SECRETARIAT TELLS US THAT IT WILL BE TABLED ON 27 FEBRUARY AND IS VERY CONTROVERSIAL. ACADEMICIAN RYZHOV, WHO IS A MEMBER OF THE PRESIDIUM, TOLD US THAT DEPENDING ON THE SUPREME SOVIET REACTION, AN EMERGENCY SESSION OF THE CONGRESS OF DEPUTIES COULD BE CALLED AS EARLY AS THE SECOND WEEK OF MARCH SPECIALLY TO GIVE FINAL APPROVAL.

5. THE IDEA OF ESTABLISHING AN EXECUTIVE PRESIDENCY - IE THE POST OF PRESIDENT OF THE USSR IN PLACE OF GORBACHEV'S CURRENT POSITION AS CHAIRMAN OF THE USSR SUPREME SOVIET - HAS BEEN UNDER DISCUSSION FOR SOME MONTHS. IT WAS ENDORSED IN THE DRAFT PARTY PLATFORM. THE UNDERLYING LOGIC OF THE IDEA IS CLEAR. WITH THE ADVENT OF A MULTI-PARTY SYSTEM AND THE CONSEQUENT CHANGE IN THE FUNCTIONS OF THE POLITBURO, A NEW SOURCE OF EXECUTIVE POWER IS REQUIRED - TO BE PROVIDED BY A PRESIDENT WITH, ACCORDING TO YAKOVLEV, HIS OWN CABINET. THIS WOULD THEN BE A CLEAR SEPARATION OF POWERS. IT IS ASSUMED THAT GORBACHEV WANTS THIS POST ESTABLISHED IN TIME FOR HIM TO OCCUPY AND RETIRE AS PARTY LEADER AT THE PARTY CONGRESS.

6. THERE IS ALSO A SECOND STRAND TO THE ARGUMENT FOR AN EXECUTIVE PRESIDENCY. THE COUNTRY IS NOW IN CRISIS: A PRESIDENT IS THEREFOREE NEEDED WITH INCREASED POWERS TO MAINTAIN CIVIL AND ECONOMIC ORDER AND FORCE THROUGH THE UNPOPULAR REFORM MEASURES NEEDED TO TAKE THE COUNTRY OUT OF CRISIS. THE PRECEDENT OF DE GAULLE IN FRANCE IS CITED. IT IS THIS CONSIDERATION WHICH PRESUMABLY EXPLAINS THE URGENCY WITH WHICH GORBACHEV IS NOW PURSUING THE ISSUE.

7. BOTH THESE ARGUMENTS COMMAND A WIDE DEGREE OF SUPPORT. IN PRACTICE, IT MAY PROVE RATHER DIFFICULT TO DESIGN A PRESIDENCY CAPABLE OF FULFILLING BOTH THESE RATHER DIFFERENT FUNCTIONS. ACCORDING TO ACADEMICIAN RYZHOV, THE DRAFT LEGISLATION PUT TO THE SUPREME SOVIET PRESIDIUM THIS WEEK WAS CONFUSED. IF ONE WAS GOING TO DESIGN AN AIRCRAFT (RYZHOV IS DIRECTOR OF AN AVIATION INSTITUTE) ONE NEEDED TO KNOW WHETHER THE REQUIREMENT WAS FOR A FIGHTER OR A PASSENGER LINER. THIS SUGGESTS THE LEGISLATION MAY HAVE RATHER A DIFFICULT RIDE IN THE SUPREME SOVIET AND PEOPLE'S CONGRESS. IT WILL NEED A TWO-THIRDS MAJORITY BEFORE BECOMING LAW. BURLATSKY, IN HIS TELEVISION COMMENTS, SAID THAT RECENT SOUNDINGS SUGGESTED THAT THERE WAS A 70/30% MAJORITY IN FAVOUR OF AN EXECUTIVE PRESIDENCY BOTH IN THE SUPREME SOVIET AND AMONG THE POPULATION AT LARGE. BUT HE

CONCEDED THAT THERE WERE DIFFERING VIEWS ABOUT PROCEDURES FOR ELECTING THE PRESIDENT AND OVER HIS PERIOD OF OFFICE. IT WAS CLEAR FROM WHAT BURLATSKY AND OTHERS HAVE SAID THAT GORBACHEV IS THINKING IN THE FIRST INSTANCE IN TERMS OF THE POST AS BEING ELECTED BY THE CONGRESS OF DEPUTIES AND NOT IN A NATIONAL VOTE. LATER ON (ONE CONTACT THOUGHT THIS COULD BE IN TWO TO THREE YEARS) THE PRESIDENT MIGHT BE ELECTED ON A POPULAR VOTE ON THE BASIS OF PROPERLY WORKED OUT CONSTITUTIONAL POWERS AND RESTRAINTS. GORBACHEV SHOULD NOT HAVE TOO MUCH DIFFICULTY IN SECURING HIS OWN ELECTION BY THE PRESENT CONGRESS. BURLATSKY ALSO ARGUED THAT THE INSTITUTION OF A STRENGTHENED PRESIDENCY SHOULD BE ACCOMPANIED BY A PARALLEL STRENGTHENING OF THE LEGISLATURE. HE SUGGESTED THAT, AS A SAFEGUARD, AN IMPEACHMENT MECHANISM SHOULD BE INTRODUCED AND THE SUPREME SOVIET GIVEN INCREASED BUDGETARY CONTROL. NEVERTHELESS, A NUMBER OF IMPORTANT QUESTIONS REMAIN - EG THE RELATIONSHIP BETWEEN THE NEW PRESIDENT AND THE HEAD OF GOVERNMENT, RYZHKOV (WHO WAS REPORTED TO BE COOL ABOUT THE IDEA), AND THE ATTITUDE OF REPUBLICS TO WHAT WILL AMOUNT TO A SUBSTANTIAL STRENGTHENING OF CENTRAL POWER. IT IS DIFFICULT FOR EXAMPLE TO IMAGINE THAT THE BALTIC STATES AND A NUMBER OF OTHER REPUBLICS WILL BE PREPARED TO AGREE TO THE PRESIDENT BEING GIVEN POWER TO DESPATCH TROOPS TO MAINTAIN ORDER WITHOUT COINSENT OF REPUBLICAN AUTHORITIES.

MOVES TO A MULTI-PARTY SYSTEM

8. IT IS NOT YET CLEAR WHETHER ARTICLE 6 WILL BE ABOLISHED OR SIMPLY AMENDED. BOCHAROV, A DEPUTY AND CLOSE ADVISER OF ELTSIN, TOLD US THAT CENTRAL COMMITTEE'S PLAN WAS TO DELAY INTRODUCING THIS ISSUE UNTIL THE AUTUMN SESSION OF THE CONGRESS OF PEOPLE'S DEPUTIES - IE AFTER THE PARTY CONGRESS. IT WAS UNLIKELY, HOWEVER, THAT THE SUPREME SOVIET WOULD ACCEPT THIS. OTHERS, EG BURLATSKY ON TV ON 22 FEBRUARY, ARGUE THAT THE ESTABLISHMENT OF A MULTI PARTY SYSTEM MUST GO HAND IN HAND WITH THE CREATION OF AN EXECUTIVE PRESIDENCY. A NEW LAW ON PARTIES WILL ALSO BE NEEDED. THIS TOO IS LIKELY TO PROVE HIGHLY CONTENTIOUS. IT WILL HAVE TO MAKE CLEAR THAT, IN LAW, THE COMMUNIST PARTY HAS THE SAME STATUS AS OTHER PARTIES, AND DEFINE THE RELATIONSHIP BETWEEN THEIR PARTIES, THE STATE AND GOVERNMENT STRUCTURE. IT WILL ALSO HAVE TO SET OUT THE CONDITIONS ON WHICH POLITICAL GROUPS CAN BE REGISTERED AS PARTIES. THE PARTY PLATFORM SUGGESTS THAT PARTIES SHOULD ONLY BE ALLOWED IF THEIR AIMS ACCORD WITH THE (SOCIALIST) CONSTITUTION. THIS WOULD RULE OUT A NUMBER OF THE GROUPS LIKELY TO APPLY FOR REGISTRATION.

THE FUTURE OF THE COMMUNIST PARTY

9. THERE IS STILL MUCH TALK OF A SPLIT. IT SEEMS WIDELY ACCEPTED

THAT A DIVISION OF THE COMMUNIST PARTY WILL BE THE ONLY MEANS, IN THE SHORT TERM, OF CREATING A VIABLE ALTERNATIVE PARTY AT THE FEDERAL LEVEL. BUT THERE WILL BE OBVIOUS PROBLEMS, AS WITH EASTERN EUROPE, OVER THE DIVISION OF PARTY PROPERTY AND OTHER ASSETS. AND RYZHOV REMARKED THAT ANY RUMP PARTY WHICH CONTINUED TO USE THE WORD ''COMMUNIST'' IN ITS TITLE WOULD GO DOWN TO ELECTORAL DEFEAT. THE ''DEMOCRATIC PLATFORM'', A REFORMIST GROUP WITHIN THE PARTY WHICH IS RAPIDLY GAINING STRENGTH, COULD FORM THE NUCLEUS OF A NEW PARTY WITH A SOCIAL-DEMOCRATIC ORIENTATION. AS YET ITS LEADERS HAVE NOT DECIDED ON THEIR TACTICS. THE GENERAL ASSESSMENT IS THAT THEY WILL NOT WANT TO PROVOKE A SPLIT BEFORE THE PARTY CONGRESS. ELTSIN WHO IS CLOSELY ASSOCIATED WITH THE GROUP, SAID AS MUCH IN A RECENT SPEECH AT THE HIGHER PARTY SCHOOL. BOCHAROV, HOWEVER, TOLD US THAT HE THOUGHT THE SPLIT WOULD OCCUR BEFORE THE CONGRESS.

REACTIONS TO THE NEW PARTY PLATFORM

10. IN A SPEECH EARLIER THIS WEEK, YAKOVLEV (POLITBURO) SAID THAT THE PLATFORM SHOULD SERVE AS A BASIS FOR MAINTAINING PARTY UNITY WHILE CONTINUING TO PURSUE REFORM. THIS HAS ALSO BEEN THE THEME OF COMMENT IN THE PARTY PRESS. BUT THERE HAS BEEN A LOT OF HEAVY CRITICISM OF THE PLATFORM FROM THE RANK AND FILE. ONE PARTY ACTIVIST TOLD US THAT, AS FAR THE CENTRAL COMMITTEE WAS CONCERNED, THE PLATFORM REPRESENTED A MAJOR STEP FORWARD: BUT THE PARTY AND THE PEOPLE HAD EXPECTED A LOT MORE. IN HIS VIEW, THE CENTRAL COMMITTE STILL DID NOT UNDERSTAND THE PACE AT WHICH PUBLIC OPINION WAS MOVING. SHOSTAKOVSKY, A LEADING FIGURE IN THE DEMOCRATIC PLATFORM ECHOED THIS VIEW IN A RECENT SPEECH AND SAID THAT UNLESS THE TEMPO OF REFORM PICKED UP, THE CRISIS OF THE PARTY WOULD DEEPEN. THE VAST MAJORITY OF SPEAKERS AT THIS WEEKS MEETING OF THE INFLUENTIAL MOSCOW PARTY ORGANISATION STRONGLY CRITICISED THE PLATFORM FOR ITS TIMIDITY AND VAGUENESS. SPEAKERS ALSO CALLED FOR MEMBERS OF THE TOP LEADERSHIP TO BE MORE ACCOUNTABLE INDIVIDUALLY FOR THEIR AREAS OF RESPONSIBILITY AND FOR CHANGES IN THE TOP LEADERSHIP AS A GESTURE TO REFORMIST SENTIMENT IN THE COUNTRY. THERE ARE ALSO NOW PROPOSALS FROM THE DEMOCRATIC PLATFORM AND OTHERS FOR A ROUND TABLE OF PARTY AND OPPOSITION GROUPS ON THE EAST EUROPEAN MODEL TO AGREE ON A PROGRAMME OF POLITICAL STABILISATION AND MORE RADICAL ECONOMIC REFORM. THIS COULD BECOME A MAJOR DEMAND AFTER THE ELECTIONS.

PEOPLE POWER

11. PUBLICATION OF THE PLATFORM HAS DONE NOTHING TO STEM THE TIDE OF POPULAR PROTEST AGAINST THE REGIONAL PARTY APPARATUS. NINE OF THE 25 UKRAINIAN REGIONAL PARTY LEADERS HAVE NOW BEEN REMOVED SINCE THE BEGINNING OF THE YEAR, AS HAVE A SIMILAR PROPORTION OF LEADERS FROM

THE URALS/VOLGA REGION OF THE RUSSIAN REPUBLIC. THIS IS THE REGION WHICH SEEMS TO BE MOST AFFECTED BY GROWING CONSUMER SHORTAGES.

12. IN ITS INTIAL STAGES GORBACHEV WILL HAVE WELCOMED THIS DEMONSTRATION OF POPULAR INITIATIVE. THE FACT THAT THE RANK AND FILE WERE TAKING THE PROCESS OF DEMOCRATISING THE PARTY INTO THEIR OWN HANDS PROVIDED HIM WITH A MEANS OF FORCING THE CENTRAL COMMITTEE TO ACCEPT THE NEED FOR CHANGE IN THE RUN UP TO THE LAST PLENUM. BUT IN THE PAST TWO WEEKS THERE HAVE BEEN SIGNS OF INCREASING NERVOUSNESS THAT THE PROCESS IS BUILDING UP TOO BIG A HEAD OF STEAM. IT WILL HOWEVER PROVE DIFFICULT TO DAMP DOWN.

13. MEANWHILE, TENSION IS STILL RISING OVER THE PROSPECT OF THE DEMONSTRATIONS PLANNED FOR 25 FEBRUARY (OUR TELNO 298). AT PRESENT, RIGHT WING GROUPS (INCLUDING PAMYAT AND THE O F I) ARE INTENDING TO MEET AT 1100 HRS, WITH THE RADICAL GROUPS MEETING TWO HOURS LATER. RUMOURS ABOUND AND DEPUTIES AND OTHERS HAVE BEEN EXPRESSING TO US FEARS THAT THERE WILL BE VIOLENCE.

BRAITHWAITE

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ADDITIONAL 11

SOVIET INTERNAL/SOVIET ECONOMY

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Foreign and Commonwealth Office

RESTRICTED London SW1A 2AH

23 February 1990

Dear Charles,

Elections in Lithuania

You should know how we propose to react to the outcome of the republican elections in Lithuania on 24 February.

The elections are almost certain to result in a victory for the local Popular Front (Sajudis) and will be an important step on the road towards genuine political independence. We doubt whether the immediate outcome of the elections will be a unilateral declaration of independence. The present leadership are on the whole realists. Our understanding is that they want either the elections themselves or a subsequent referendum to serve as a mandate for negotiations with Moscow, not on the basis of the new legislation now before the Supreme Soviet, but about what they allege to have been the Republic's illegal incorporation into the USSR.

We may well see, however, post-election statements of determination to secede, and considerable nationalist fervour. We propose to take the following line:

(a) Reiterate our long-standing policy of non-recognition de jure of the Baltic States' forcible incorporation into the USSR.

(b) Welcome the increasing freedom of the peoples of the Soviet Union to express their political views as demonstrated by the Lithuanian elections.

(c) Restate our belief that in practical terms the question of the future of the Baltic States must be for their peoples to resolve together with the Soviet authorities. Welcome the fact that both appear to accept this. State our hope that a solution will be found to satisfy all concerned and (as necessary) express the hope that stability will not be endangered.

(d) Underline our firm belief in the importance of not putting wider Soviet reforms at risk. This would serve no-one's interests. As necessary add that the West is determined not to take advantage of the situation in ways which could be seen as prejudicial to Soviet security.

/If

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If asked about our attitude towards a new Lithuanian government once the Lithuanian Supreme Soviet has a nationalist majority, we can reserve our position until a new government is actually formed. But the independence movements have (at least until now) let it be known that it is their wish that we should not have government-to-government dealings with the Baltic authorities. Even if the Lithuanian people have freely elected the new republican Supreme Soviet, the structure of that government would still in Baltic eyes be illegal. From our own point of view we would not want to signal that we believed that the process of self-determination had gone far enough, if the people themselves were still making it quite clear that it had not.

Our caution would not imply reluctance to contemplate Baltic independence. But for the anomaly of the last 50 years to be removed, we need to see that whatever is finally agreed represents the will of the Baltic peoples freely expressed, and that it is sustainable in practical terms, ie that Moscow is prepared to live with it.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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22183 F 189

CONFIDENTIAL
TO MOSCOW
DESKBY 230600Z
PERSONAL FOR AMBASSADOR
FROM CHARLES POWELL

Thank you for tel. no. MISC 085 (67) about Boris Eltsin. I am not going to have a chance to discuss this with the Prime Minister before your deadline. But I think it would nonetheless be worth warning Chernyaev that the Prime Minister is considering a short meeting with him.

I mentioned it to Kossov this morning, making clear that we had not yet decided whether to see him or not. I suggested that not seeing him might cause more of a stir than seeing him. If the Prime Minister were to see him, I was sure she would make clear her support for Mr. Gorbachev and his policies, and would no doubt let the press know this afterwards.

Kossov expressed no strong view beyond saying that Eltsin's speeches had become markedly more anti-Gorbachev recently. He suggested that we wait until after the pro-democracy rallies on 25 February and see how Eltsin behaved then before reaching a decision. I just let this hang.

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PERSONAL FOR AMBASSADOR
FROM CHARLES POWELL

THANK YOU FOR TELNO MISC 67 ABOUT BORIS ELTSIN. I AM NOT GOING TO HAVE A CHANCE TO DISCUSS THIS WITH THE PRIME MINISTER BEFORE YOUR DEADLINE. BUT I THINK IT WOULD NONETHELESS BE WORTH WARNING CHERNYAEV THAT THE PRIME MINISTER IS CONSIDERING A SHORT MEETING WITH HIM.

I MENTIONED IT TO KOSSOV THIS MORNING, MAKING CLEAR THAT WE HAD NOT YET DECIDED WHETHER TO SEE HIM OR NOT. I SUGGESTED THAT NOT SEEING HIM MIGHT CAUSE MORE OF A STIR THAN SEEING HIM. IF THE PRIME MINISTER WERE TO SEE HIM, I WAS SURE SHE WOULD MAKE CLEAR HER SUPPORT FOR MR. GORBACHEV AND HIS POLICIES, AND WOULD NO DOUBT LET THE PRESS KNOW THIS AFTERWARDS.

KOSSOV EXPRESSED NO STRONG VIEW BEYOND SAYING THAT ELTSIN'S SPEECHES HAD BECOME MARKEDLY MORE ANTI-GORBACHEV RECENTLY. HE SUGGESTED THAT WE WAIT UNTIL AFTER THE PRO-DEMOCRACY RALLIES ON 25 FEBRUARY AND SEE HOW ELTSIN BEHAVED THEN BEFORE REACHING A DECISION. I JUST LET THIS HANG.

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PERSONAL FOR CHARLES POWELL, NO 10
YOUR TELNO MISC 085: BORIS ELTSIN

1. AS YOU SAY, ELTSIN REMAINS A LEADING FIGURE IN SOVIET POLITICS. THE PRIME MINISTER HAS A LEGITIMATE INTEREST IN SEEING HIM.

2. GORBACHEV WILL THEREFORE UNDERSTAND, EVEN IF HE DOES NOT LIKE THE IDEA. I AM TAKING SIR PERCY CRADOCK TO SEE CHERNYAEV ON 23 FEBRUARY AND CAN TIP HIM OFF ON THE LINES YOU PROPOSE IF THE PRIME MINISTER DECIDES TO SEE ELTSIN.

3. ON THAT BASIS, I WOULD SEE NO OVERRIDING OBEJCTION TO THE CALL. IT WOULD BE HELPFUL TO KNOW THE PRIME MINISTER'S DECISION DESKBY 230600Z. THE CALL ON CHERNYAEV IS AT 10.00AM LOCAL TIME.

BRAITHWAITE

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PERSONAL FOR AMBASSADOR
FROM CHARLES POWELL, 10 DOWNING STREET.

I AM UNDER SOME PRESSURE FROM THE PUBLISHERS OF BORIS YELTSIN'S BOOK IN THIS COUNTRY TO SAY WHETHER THE PRIME MINISTER WILL SEE HIM WHILE HE IS HERE IN THE WEEK BEGINNING 12 MARCH.

ON THE ONE HAND, HE IS OBVIOUSLY OF INTEREST AND MIGHT HAVE SOME FUTURE ROLE. REFUSAL TO SEE HIM WILL BE ATTACKED AS STUFFY AND UNIMAGINATIVE.

ON THE OTHER, THE PRIME MINISTER DOES NOT WANT TO MAKE GORBACHEV'S LIFE MORE DIFFICULT AT WHAT IS ANYWAY AN AWKWARD ENOUGH TIME.

THE BUSH SOLUTION OF A 'CHANCE' MEETING WAS TRANSPARENT AND UNCONVINCING. WE NEED TO SAY EITHER YES OR NO.

I THINK THE PRIME MINISTER WOULD BE GRATEFUL FOR YOUR ADVICE. WOULD IT HELP, FOR INSTANCE, IF WE EXPLAINED FRANKLY TO GORBACHEV'S OFFICE THAT ((NEXT WORD UNDERLINED)) NOT SEEING YELTSIN WOULD CAUSE MORE TROUBLE AND PUBLIC COMMENT THAN AGREEING TO MEET HIM BRIEFLY?

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PERSONAL FOR AMBASSADOR
FROM CHARLES POWELL, 10 DOWNING STREET.

I AM UNDER SOME PRESSURE FROM THE PUBLISHERS OF BORIS YELTSIN'S BOOK IN THIS COUNTRY TO SAY WHETHER THE PRIME MINISTER WILL SEE HIM WHILE HE IS HERE IN THE WEEK BEGINNING 12 MARCH.

ON THE ONE HAND, HE IS OBVIOUSLY OF INTEREST AND MIGHT HAVE SOME FUTURE ROLE. REFUSAL TO SEE HIM WILL BE ATTACKED AS STUFFY AND UNIMAGINATIVE.

ON THE OTHER, THE PRIME MINISTER DOES NOT WANT TO MAKE GORBACHEV'S LIFE MORE DIFFICULT AT WHAT IS ANYWAY AN AWKWARD ENOUGH TIME.

THE BUSH SOLUTION OF A 'CHANCE' MEETING WAS TRANSPARENT AND UNCONVINCING. WE NEED TO SAY EITHER YES OR NO.

I THINK THE PRIME MINISTER WOULD BE GRATEFUL FOR YOUR ADVICE. WOULD IT HELP, FOR INSTANCE, IF WE EXPLAINED FRANKLY TO GORBACHEV'S OFFICE THAT ((NEXT WORD UNDERLINED)) NOT SEEING YELTSIN WOULD CAUSE MORE TROUBLE AND PUBLIC COMMENT THAN AGREEING TO MEET HIM BRIEFLY?

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MIPT: SHEVARDNADZE'S INTERVIEW: INTERNAL ASPECTS.

1. DISCUSSION OF SOVIET RELATIONS WITH THE UNITED STATES AND EASTERN EUROPE, LED SHEVARDNADZE TO A DEFENCE OF THE GOVERNMENT'S POLICY.

2. HE AGAIN AGREED THAT THE ONLY COMPROMISES THAT HAD BEEN MADE WERE TO COMMON SENSES. OPEN SKIES HAD BECOME A REAL PROSPECT AFTER 30 YEARS DELAY. DIPLOMACY WAS FOUNDED ON THE ART OF THE COMPROMISE.

3. A JOURNALIST COMMENTED THAT THE IMPRESSION HAD BEEN CREATED THAT IT HAD BEEN A PAINLESS DECISION TO WITHDRAW TROOPS FROM HUNGARY AND CZECHOSLOVAKIA. YET A FEW MONTHS AGO, THE IDEAS WOULD HAVE BEEN TREATED WITH CAUTION, EVEN UNEASE, IN MOSCOW. WHAT HAD CHANGED? SHEVARDNADZE SAID THAT THE GOVERNMENT'S ATTITUDE HAD. THEY NOW REGARDED SUCH DEVELOPMENTS CALMLY 'SOME PEOPLE CRITICISE US...BUT THEY FORGET WE INTRODUCED OUR FORCES INTO CZECHOSLOVAKIA AFTER THE WARSAW TREATY WAS SIGNED. WE HAVE NOW CONDEMNED THIS ACTION. WHAT GROUNDS DO WE HAVE FOR KEEPING OUR TROOPS THERE....THE SAME APPLIES TO HUNGARY.''

4. AFTER A JOURNALIST QUESTIONED WHETHER A NEUTRAL GERMANY WOULD ENHANCE EUROPEAN SECURITY, SHEVARDNADZE BROKE OFF FROM HIS ANSWER (THAT HE DID NOT ACCEPT THIS LINE) TO SAY ''THE WORLD IS CHANGING AT A BEWILDERING PACE. BUT WHAT IF SOMETIME, SAY IN FRANCE, SAY IN ENGLAND, YOU HAD A DICTATOR? OR IN THE SOVIET UNION? AT THE PLENUM, I SAID THAT IF PERESTROIKA COLLAPSES, THERE IS A RISK THAT WE COULD HAVE A DICTATORSHIP. YOU CAN'T RULE THIS OUT IN POLAND, EITHER. THAT'S WHY I PUT SUCH STRESS ON THE EUROPEAN ARCHITECTURE''.

5. THE NEXT QUESTION WAS WHY WERE SOVIET ''CONSERVATIVES'' PLAYING THE GERMAN CARD AND PAINTING THE FUTURE OF EUROPE IN GORY COLOURS? WHY DID THEY ACCUSE GORBACHEV OF HAVING WROUGHT ALL THIS? SHEVARDNADZE WAS CLEAR: ''WHY? TO HALT PERESTROIKA, TO DEFAME THE LEADERSHIP. THEY QUESTION EVERYTHING - OUR INTERNAL POLICIES, AND OUR FOREIGN ONES. DEMOCRACY TOO, AND THE PLURALISM WE HAVE CONCEDED.

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EVEN THOUGH THEY KNOW VERY WELL THAT WE COULD NOT, DID NOT HAVE THE RIGHT TO ACT ANY DIFFERENTLY''.

6. HE WENT ON. ''OUR COMRADE AT THE PLENUM SAID 'NOT LONG AGO THE USSR WAS A GREAT POWER, WITH AUTHORITY WHICH THE WHOLE WORLD ADMIRED. EASTERN EUROPE WAS THE GUARANTEE OF OUR SECURITY...IT SEEMS WE'VE DESTROYED IT ALL: OUR GREATNESS AND OUR GUARANTEE'. WHAT'S BEHIND ALL THIS? WE KNOW HOW WE WERE ADMIRED. WE SENT OUR TROOPS INTO CZECHOSLOVAKIA AND DESTROYED ALL THE PROGRESSIVE TENDENCIES. DO THEY THINK THE WORLD RESPECTED THIS? WE 'RESTORED ORDER' IN HUNGARY IN '56. WAS EUROPE DELIGHTED? WE WENT INTO AFGHANISTAN. WHAT WAS IT CALLED - INTERNATIONALIST DUTY. REALLY IT SHOULD HAVE BEEN CALLED AN INVASION. WAS THE WORLD AWE-STRUCK? 128 COUNTRIES CONDEMNED OUR AFGHAN POLICY. AND OCCASIONALLY SOMEONE AT HOME STILL ASKS HOW OUR 5 MILLION STRONG ARMY COULDN'T DEAL WITH THE AFGHANS EXCLAMATION MARK''.

7. ASKED WHETHER HE WOULD RELAY HIS VIEW OF THE CANADIAN PARLIAMENT, THAT PLURALISM AND OPPOSITION WERE NOT NECESSARILY A BAD THING, SHEVARDNADZE SAID ''I HAVE BEEN THINKING THIS OVER FOR A LONG TIME. I REMEMBER HOW, 2 YEARS AGO, THIS WAS DEBATED IN A RESTRICTED GROUP. WE HAD TO PUT ON THE RECORD, IN A VERY SERIOUS DOCUMENT, THAT WE WERE IN FAVOUR OF PLURALISM. THE MAJORITY OF OUR COMRADES AT THE MEETING WERE IN UPROAR. WHAT IS THIS PLURALISM? AND SO WE REMOVED THE WORD. BUT I AM CONVINCED THAT IF WE HAD ADMITTED THE LEGITIMACY OF A MULTI-PARTY SYSTEM THEN, MANY PROCESSES IN OUR SOCIETY WOULD NOT BE SO PAINFUL TODAY.''

BRAITHWAITE

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RIGHT-WING BACKLASH IN THE USSR

'THE TRAGEDY OF CENTRALISM'
BY ALEKSANDR PROKHANOV
(Translated by Robin Hammond - NATO IS Translation Service)

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From: Chris Donnelly
Sovietologist-in-Residence

19 February 1990

Comment:

This recent article in the serious Moscow press is an eloquent testimony to the powerful nationalist Russian sentiments which Gorbachev's policies have evoked. This thinking is quite widespread, though rarely so well expressed. The right-wing Russian nationalist backlash that is taking place probably presents Gorbachev with the most dangerous challenge to his leadership. The article - the main part of which is attached - is well worth reading in full.

We are experiencing the tragedy of centralism for the second time in a century. The monarchy was destroyed in a moment by the efforts of the Party, and the empire disintegrated in fragments around us. In the Civil War, in the crucible of a social utopia, and in attempts to recreate the basic structures of government over enormous areas, we lost the elite (the nobility), a frail emerging civil society and a refined culture and created centralism anew in the totalitarian Stalinist mould. In destroying the centralist idea and recreating it we lost 60 million of our fellow-countrymen. Now, by the will of providence and her earthly followers, we are again exposing our shaven unprotected necks to the blade.

The destruction of centralism, and with it the state, is taking place in accordance with a controlled algorithm, as if the entire programme had been entered on a punched card and the sequence, rate and time of the operations were the result of rational forces based on enormous potential. These are the paragraphs in this programme.

Socialist ideology with its integrating effect has been swept away, the Communist ideal will make no further progress, and the strategic aims which shaped our present from the future, which joined us together in a common social structure and which reconciled the contradictions inherited from the past have been discarded. This ideal of the future, a "dream-aim" extending almost to infinity, was apparent in ordinary life in a vast number of arrangements and forms of collective behaviour, binding us together into a single state and society.

Destruction of the ideology deprived the people of a common future and caused the instantaneous growth of nationalist ideas and faiths, which are tearing us apart by irreversible centrifugal forces. Today we are an exploded galaxy, rushing apart with a black hole at the centre.

An attack has been mounted on centralist structures, and is being successfully pressed home. The strong, unbending beams in these structures held together the vast bulk of the state, supported the excessive weight of the outlying districts, and made it possible to concentrate a colossal potential in a time of crisis. Today these structures are shattered, and we are becoming a pile of fragments where the mountain ranges rub shoulders with the deserts and abysses dissect the plains.

In practice the breakdown of the command and administrative system has led to the destruction of the economy, making it absolutely uncontrollable and generating administrative chaos: it has led to the deterioration of whole sectors of the economy. Today our economic system is a huge rumbling machine, with the shafts torn out of the bearings and the gears and pinions stripped. All this machinery still continues to clank and revolve in the gearbox of the state, but is producing nothing except grinding noises and no-one can find the resolve to look into its tormented interior.

The army is supranational, a single melting-pot of interests, concerns and tasks, a unified technosphere, a unified service which permeates the entire state. The army, which links present and past, young and old, by its traditions, is the guarantee of stability and sovereignty. It is a school of invaluable centralist experience, which has made it possible not merely to win a terrible war and to resist pressure from the great American empire, but also to put through an enormous scientific and technical programme which is thrusting us into the civilisation of the 21st century. Today the army is being destroyed, as our convoys were destroyed in the ravines of Afghanistan. The leading and trailing vehicles are set on fire and the systematic destruction of the unwieldy machine, bogged down and without impetus, has begun. The paralysed generals and the rank and file and the young officers, reduced to temporary insanity, are transforming the army into a demoralised immovable mass, depriving it of its basic defensive functions.

The Party seemed to be a unified nervous system controlling the vast muscular bulk of the nation and reconciling within itself a variety of contradictions - of ethics, class, profession and world-outlook. But the Party cannot be a consolidating force today, because it has itself been deconsolidated, broken down into factions and filled with internecine strife. The "social democrats" are striving for the ideal of liberal European parties. "The neo-Stalinists" see a way to stabilisation and development through totalitarian centralism. The "healthy forces" profess a faith in a state socialist idea based upon humanistic conceptual centralism. Some Communists of the Baltic states

are inclined towards demochristianity. In Central Asia, clan organizations similar to feudal-medieval satrapies operate behind a thin veil of Party forms. The Party, cut off from power, with no world view and reduced to chaos in terms of world outlook, is being held responsible for the failures of the past and for the crisis of the present, is presiding over excessive public hysteria and is obviously being excluded from the political arena.

This is the fate of the three most important centralist structures, which are now burning like fuses and forming long threads of ash extending from ocean to ocean.

The "Russian factor", Russia and things Russian are under attack. The state-based nature of Russian individual and collective consciousness, the psychology of Russian man open to international links, and the sacrificial nature of the Russian economic and cultural system which has contributed to the creation of the state, all this is in decline, and is being rejected and insulted. Russians are being given an inferiority complex. They are being blockaded, Russian history and the Russian character are being put on trial, and they are being made scapegoats for universal catastrophe. Russophobia is a political tool - it is being used to break up the multinational state, which has been nourished to a large extent by the Russian capacity for uniting.

The emergence into the open in economic life of enormous wealth concentrated in private hands; the legalisation of criminal wheeler-dealers who have found an opportunity to rob their unprotected fellow-citizens, to buy up assets, power and culture, to formulate policy, to create a social ideal and to eliminate and repress what they find objectionable; the rapidly increasing social inequality, the legitimised ideal of this inequality, purchased uncontrolled power and a purchased stultifying culture; all these factors are making us a nation of millionaires and beggars, sowing hatred, taking away civil unity and tormenting the people with suspicion and enmity.

We are attaching ourselves to the world economic system, to world money and to world financial energy, which is to flow into our necrotic tissues by way of concessions and joint ventures, sprinkling us with living water. This money is flowing in tiny incandescent streams into our simple basic economy, and is destroying it. It cuts channels for itself, as if in wax. And our socialist giant, our planned monster, is transformed into a stump devoured by termites, filled with a rotten dust of roubles and foreign exchange operations which nobody needs. World finances have their own masters, their own researchers, their own innovators. This is an area of enormous knowledge, carefully concealed from the uninitiated. By involving ourselves with world money we deliver ourselves into the hands of the real masters of the world. Centralism becomes a fiction, a means of serving foreign merchants and speculators in Russian furs, ikons and molybdenum.

The impoverishment of the economic system, poverty, a half starved life, the lack of prospects, moral and mental decline and powerlessness are inciting the population to strike. These are still sector strikes, extending sometimes to the mines, sometimes to the railroads sometimes to vehicle depots. However, they are poised to become inter-sector strikes, shutting down the engines in entire regions and bringing the country as a whole to a standstill. Cunning politicians who know the laws of mass hysteria are squeezing the trigger of civil disturbance with their calls for an all-union strike and turning off the tap of all economic and political life.

Strikes are terrible per se, involving confrontation with the forces of law and order and the army, and dreadful in that they conceal within themselves the risks of major technological catastrophes. In the past, strikes by workers at the Putilov Works and in the Lena goldfields posed no threat of explosions in cities and the pollution of rivers, given the technological situation which existed at the time. Today strikes at nuclear power stations and chemical plants, on oil pipelines and in munitions plants pose threats of Chernobyls of unprecedented violence. Cities burning on the horizon, refugees fleeing from exploding nuclear reactors, uncontrolled launching of ballistic missiles and the biosphere dead over enormous areas: these are what lie behind an all-union strike.

The finale of this apocalyptic symphony is civil war in the USSR, with all the ruthlessness of the last war and with the addition of new nightmarish factors introduced by a military-technical civilisation. The world will gaze in horror on our bleeding country, vomiting nuclear and chemical pollutants into the atmosphere and the oceans. The possibility of a collective attempt by the nations of the world to stabilize the process in the USSR, in the interests of the safety of mankind and of saving the planet and the human race, cannot be excluded. A new entente will attempt to occupy the helpless and unarmed country, establishing control by way of military commandants in the cities and in space.

These are the items in the breakdown of centralism, and much of the worst is yet to come.

The shock waves from these terrible blows are spreading beyond the USSR into the world beyond. At a stroke the East-West accord has torn down the whole geopolitical architecture of Eastern Europe which our country had paid a huge price to establish. The internal European balance of power has been destroyed, with unpredictable results. The sentimental theory of 'our common European home' has led to the ruin of the East European Communist parties, changes in sovereignty, and the inevitable reunification of Germany. By the end of the 20th Century Central Europe will see the rise of a German industrial giant, filled with energy, inspired with pan-germanic ideals, its gravitational influence pulling in former German lands. The political map of Europe will change its colours and configurations, and the bones of Russian infantrymen will rattle in their forgotten graves.

The "philosophy of new thinking" the "pre-eminence of common human values over class values" have been perverted in practice by disregarding the interests of the socialist state and satisfying the ambitions of imperialist oligarchies. The American invasion of Panama marks a new stage in international relations, in which a weakened Soviet Union remote from the regions of the world, can no longer act as a deterrent to expansion by bourgeois empires. Many small countries and peoples, taking advantage of the recent confrontation, will dance obediently to Washington's tune.

Today the Soviet Union is weak as never before. The crisis of 1917 took place against a background of world crisis and disintegration. Our crisis today takes place against a background of world prosperity.

It is impossible to incorporate the huge Eurasian land-mass of the USSR into the world community. There is no cosmodrome where our space shuttle "Buran", blackened and exhausted by its flight, could land. And the West is ready to receive us only in parts, piecemeal, the smaller the better. The doctrine of incorporation means the dismemberment of the USSR into republics, regions, individual areas, cities, towns, farms, separate individuals. They will receive us fragmented, transplanting us bit by bit into the living organisms of the West.

Incorporation presupposes force. The people, who once passed through the eye of the needle of socialist construction, were stripped of their culture and faith in the process and tens of millions of our countrymen perished. This people must follow this path once again, but in the opposite direction: they will do this only if force is applied. We will be driven into the kingdom of freedom with an iron rod. We will be plunged into paradise, having first been cut into quarters on the executioner's block. The iron leaders of liberalism are coming to maturity before our eyes, and liberal writers and historians are making themselves ready for the ministries of internal affairs.

Another model showing signs of revival is a neo-Stalinist breakthrough, through backwardness, degradation and chaos. Stalin, on receiving a ruined and impoverished state to govern, mercilessly fleeced the people, concentrated what had been procured or stolen in local centres and broke out from the centres into an industrial society, catching up the developed countries of the world in some strategic areas. Today's neo-Stalinist policy presupposes extortion for a second time, robbing the people for a second time in order to fill our empty coffers, to gather together resources in those areas of development where there is still intellectual and technological life, to complete a breakthrough into a post-industrial society and to come close to Japan and America in the main areas of effort, converting in the process the rest of the country into an impoverished, organized camp subordinated to futurological aims. This course, this programme of development, like the first, presupposes force, a totalitarian system, and the rigid, simplified organization of all areas of existence.

This is how our hurrying intellectual leaders intend to act, putting forward their prescriptions and methods for escaping from catastrophe.

What are we to do? Have we a choice?

Shall we reject an irrational, useless love for the state for the sake of individual salvation and wellbeing, for the sake of the "small man" who is the centre and summit of the universe? Or once again shall we hold ourselves and our insignificant lives in contempt for the sake of a powerful state lasting for centuries?

Alas, the people will not endure any more force, from the one side or the other. Suppressed, driven from streets and meetings into their huts and hostels, harnessed to an iron yoke and subject to the will of a formidable driver pointing the way to San Francisco or to Magadan, the people will not budge. They will simply decline, die and waste away, because the people's fatigue is great: their backbones were broken in previous experiments, and they would prefer to die under the blows from the iron rod. No longer will they try to move this unwieldy iron vehicle, bogged down between arctic ice and burning desert.

What will become of us? What are we to believe in? Whose speeches should we listen to?

There is a third, utopia-like picture, which antagonises practical natures by its transparency and its lack of a mathematical or concrete structure. There is a third model for development, which excludes dictatorship and death. You will not hear about it at meetings, you will not read about it in a fashionable journal, you will not find it at philosophy symposiums. But it is possible, its presence is felt. It is somewhere nearby, but not in halls, not at exhibitions and not in the bright beam of the spotlight. It is found in the cellar, in the attic, in the damp, sooty bath-house, unassuming, hiding itself, a lame creature with blistered lips. It must be sought, called forth carefully, not with a megaphone but with the gentle note of a child's pipe.

Our social consciousness is like an area of cleared forest with the damp, blackened stumps of former schools and opinions, philosophical and religious trends, economic and social cultures, and esthetic and scientific teachings. Everything has been chopped off at the roots, and instead of the forest, instead of a splendid culture revered throughout the world and the late flowering of the Russian spiritual renaissance, instead of all this we have wet, slimy stumps and the oily slime of the bog.

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FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH SOVIET FOREIGN MINISTER

SUMMARY

1. ONE HOUR MEETING. SHEVARDNADZE IN MELANCHOLY AND FATALISTIC MOOD. ACCEPTS INEVITABILITY OF GERMAN UNIFICATION. HANKERS AFTER FOUR POWER MEETING BUT RECOGNISES THAT MEETING OF FOUR PLUS TWO IS NOW THE ONLY REALISTIC PROSPECT. QUESTIONS NEED FOR, OR FEASIBILITY OF, MEMBERSHIP OF NATO BY A UNITED GERMANY. WORRIED ABOUT GERMAN POLITICS AND ATTITUDES A FEW YEARS DOWN THE TRACK.

DETAIL

2. THE SECRETARY OF STATE HAD AN HOUR MEETING WITH SHEVARDNADZE THIS AFTERNOON. GERMANY AND EUROPEAN SECURITY WERE THE ONLY ISSUES DISCUSSED.

3. THE SECRETARY OF STATE CONGRATULATED SHEVARDNADZE ON HIS SPEECH: HE HAD DEVELOPED A WITTY AND RELAXED STYLE WHICH WENT DOWN WELL. SHEVARDNADZE SAID THAT BEHIND THE JOKE HE HAD MADE ABOUT CHICKENS IN SPACE LAY A SERIOUS POINT AND AN IMPORTANT PROBLEM.

4. THE SECRETARY OF STATE REFERRED TO THE MEDVADEV VISIT AND HIS OWN FORTHCOMING VISIT TO MOSCOW. SO MUCH WAS HAPPENING SO FAST THAT HE WELCOMED THE CHANCE TO EXCHANGE VIEWS, PARTICULARLY FOLLOWING THE KOHL/GENSCHER AND BAKER VISITS TO MOSCOW. WE WOULD BE VERY INTERESTED TO KNOW HOW THE SOVIET VIEWS STOOD ON THE CENTRAL QUESTIONS OF EUROPEAN SECURITY AND THE GERMAN ISSUE.

5. SHEVARDNADZE SAID THAT ON EUROPEAN SECURITY WE SEEMED TO BE MOVING TOWARDS RATHER GOOD RESULTS IN THE FORM OF SPECIFIC AGREEMENTS. THE VIENNA CFE TALKS WERE GOING WELL AND EVERYBODY NOW SEEMED TO AGREE THAT THERE SHOULD BE A EUROPEAN SUMMIT. VIEWS ON THE AGENDA APPEARED TO COINCIDE. THE SOVIET UNION SHARED THE VIEW WHICH THE PRIME MINISTER HAD PUT TO HIM, THAT WE SHOULD ADOPT A DOCUMENT AT

THE SUMMIT. HE BELIEVED THE CFE AGREEMENT WOULD HAVE TO BE SIGNED AT THE CSCE SUMMIT. HE ALSO THOUGHT ANOTHER MEETING OF FOREIGN MINISTERS WOULD PROBABLY BE NECESSARY FIRST. WE SHOULD PERHAPS LOOK AT THE POSSIBILITY OF A MEETING IN BUDAPEST, WHERE THE NEXT STAGE OF OPEN SKIES WAS TO BE HELD. FOREIGN MINISTERS SHOULD WORK OUT A PLAN FOR THE SUMMIT IN TERMS OF DOCUMENTS TO BE ADOPTED ETC.

6. SHEVARDNADZE SAID IT WAS QUITE UNCLEAR HOW THIS RANGE OF ISSUES WOULD BE AFFECTED BY THE GERMAN QUESTION. EVENTS WERE MOVING EXTREMELY RAPIDLY AND THERE WAS NO SYNCHRONISATION BETWEEN THE CSCE PROCESS AND THE GERMAN QUESTION. CSCE WAS LAGGING BEHIND EVENTS AND HE DOUBTED IF THE TWO PROCESSES COULD NOW BE SYNCHRONISED. THERE WERE NO ANSWERS YET TO MANY QUESTIONS. PEOPLE TALKED ABOUT A UNITED GERMANY BEING A MEMBER OF NATO. WHAT DID THAT MEAN ? HE WAS NOT SURE THAT WOULD BE GOOD FOR NATO, TO SAY NOTHING OF THE WARSAW PACT. KOHL AND GENSCHER HAD SAID THAT A UNITED GERMANY SHOULD BE A MEMBER OF NATO BUT THAT NO NATO TROOPS WOULD BE DEPLOYED ON THE FORMER TERRITORY OF THE GDR. HE COULD NOT IMAGINE HOW THAT WOULD WORK OUT.

THE BORDER QUESTION WAS STILL OPEN. KOHL HAD TRIED TO CALM HIM DOWN BY SAYING THAT, WHILE IT WAS NOT CONVENIENT FOR THE FRG TO TALK ABOUT THE ISSUE NOW, EVERYTHING WOULD BE FINE IN THE END. THE SOVIET GOVERNMENT BELIEVED KOHL AND GENSCHER AND RESPECTED THEM, JUST AS THEY RESPECTED MODROW. BUT WHO COULD SAY WHO WOULD BE ELECTED BY A UNITED GERMANY ?

7. THE SECRETARY OF STATE AGREED THAT OUR VIEWS ON THE CSCE SUMMIT WERE VERY SIMILAR. IT HAD EMERGED CLEARLY AT THE NATO CAUCUS THE PREVIOUS EVENING THAT CSCE AND CFE NEEDED TO BE VERY CLOSELY LINKED AND THE CSCE SUMMIT WOULD HAVE TO GO ALONGSIDE THE AGREEMENT AND SIGNATURE OF CFE. REALISTICALLY, THE CSCE SUMMIT IN 1990 WOULD SET WORK IN HAND ON SOME OF THE MAIN ISSUES OF EUROPEAN STRUCTURE AND SECURITY RATHER THAN CROWN WORK ALREADY DONE. HE AGREED THAT THE CSCE AND GERMAN UNITY WERE OUT OF SYNC. IN ANY CASE, A MEETING OF 35 GOVERNMENTS WAS NOT THE RIGHT FORUM FOR TAKING DECISIONS ABOUT THE GERMAN QUESTION, DECISIONS WHICH FELL TO THE FOUR POWERS AND THE GERMANS. WE TRIED TO MAKE A DISTINCTION BETWEEN THE ACT OF SELF-DETERMINATION, WHICH WAS FOR THE TWO GERMANIES, AND THOSE RELATED MATTERS WHICH WERE FOR JOINT DETERMINATION: SOME BY THE FOUR POWERS, SOME BY NATO, SOME BY THE EC, DEPENDING ON WHAT SECTOR OF POLICY WAS BEING DISCUSSED. WE BELIEVED THERE WAS GREAT ADVANTAGE IN HAVING A UNITED GERMANY IN NATO BECAUSE IT WOULD PRESERVE THE INTEGRATED COMMAND AND THE PRESENCE OF US, CANADIAN AND BRITISH

TROOPS IN GERMANY. THAT WOULD BE BETTER FOR THE SECURITY OF EUROPE.

8. SHEVARDNADZE SAID THAT A UNITED GERMANY WOULD NOT BE EASY TO MANAGE. HE WONDERED WHETHER A UNITED GERMANY WOULD WANT TO HAVE FOREIGN TROOPS ON ITS SOIL. WHAT WOULD THE PLACE OF A UNITED GERMANY BE IN THE INTEGRATION OF EUROPE ? IN THE FIRST TWO OF THREE YEARS THINGS WOULD GO MORE OR LESS PAINLESSLY. THE SECRETARY OF STATE HAD MADE AM IMPORTANT POINT IN HIS SPEECH THAT MORNING ABOUT NATIONALISM. HE WAS SURE HE WAS NOT REFERING TO LITHUANIAN NATIONALISM, WHICH WAS NOT SUCH A TERRIBLE BEAST, BUT HAD BEEN SPEAKING ABOUT MAJOR ISSUES. IF WE COULD BE SURE OF A DEMOCRATIC, UNITED GERMANY, THEN UNIFICATION WOULD BE NO TRAGEDY. BUT RUSSIA'S FRIENDS IN EAST GERMANY - AND SHE STILL HAD SOME - SAW THE NEO-NAZIS BECOMING STRONGER DESPITE BEING OUTLAWED. THIS WAS A PROBLEM IN THE FRG AS WELL. SO FAR, THE RUNNING HAD BEEN MADE BY THE CHRISTIAN DEMOCRATS AND THE SOCIAL DEMOCRATS, BUT AFTER UNIFICATION THINGS MIGHT BE DIFFERENT. A UNITED GERMANY WOULD NOT WANT TO LIMIT ITSELF TO BEING JUST A PARTNER.

9. THE SECRETARY OF STATE AGREED THAT THESE CONCERNS WERE REAL AND WIDELY SHARED. THAT WAS ONE REASON WHY WE THOUGHT IT A GOOD IDEA TO HAVE GERMANY IN NATO AND THE EUROPEAN COMMUNITY. SHEVARDNADZE HAD REFERRED TO THE IDEA, WHICH WAS OF SOME INTEREST, THAT A UNITED GERMANY MIGHT HAVE NO STATIONED NATO TROOPS IN THE FORMER GDR, ONLY GERMAN TROOPS. IF THAT COULD BE COMBINED WITH ARRANGEMENTS ABOUT SOVIET TROOPS WHICH WERE SATISFACTORY TO THE SOVIET GOVERNMENT, THAT MIGHT BE AN IDEA WORTH PURSUING.

10. SHEVARDNADZE SAID HE WAS GIVING ALL THIS A GREAT DEAL OF THOUGHT BUT HE COULD NOT IMAGINE IN PRACTICE HOW IT WOULD WORK. HUMAN NATURE LOVED TO IMAGINE PERFECT VARIANTS. WHAT THE SECRETARY OF STATE HAD PROPOSED WAS PRECISELY SUCH A VARIANT, WITH A GERMANY LED BY GOOD, DEMOCRATICALLY MINDED PEOPLEWHO WERE NOT AGGRESSIVE AND HAD NO OBJECTION TO THE PRESENCE OF US AND SOVIER TROOPS. BUT HOW DID THE GERMAN REPUBLICANS FIT INTO THAT ? THEY WERE NEO-NAZIS. THEY WERE ALREADY IN THE EUROPEAN PARLIAMENT AND WOULD BE IN THE BUNDESTAG. IF THEY CONSOLIDATED THEIR POWER, THEY WOULD WANT THE AMERICANS OUT. A UNITED GERMANY WOULD NOT TOLERATE THE PRESENCE OF FOREIGN TROOPS. THE SECRETARY OF STATE COMMENTED THAT THE REPUBLICANS WERE NOT DOING VERY WELL AT THE MOMENT. WE SHOULD NOT TAKE A NEGATIVE LINE, WHICH WOULD MERELY INCREASE THEIR SUPPORT. WE UNDERSTOOD SOVIET WORRIES. ON PROCEDURE, WE HAD BEEN THINKING OF A MEETING OF THE FOUR PLUS THE TWO GERMANIES TO DISCUSS THESE MATTERS AND TO TRY TO FIND THE ANSWER. THAT WAS A BETTER FORUM THAN THE 35 AND MORE REALISTIC THAN JUST THE FOUR.

11. SHEVARDNADZE SAID GENSCHER HAD A DIFFERENT CONCEPT, IE TWO PLUS FOUR, MEANING THAT THE TWO GERMANIES WOULD MEET AND REACH AGREEMENT AND THEN INVITE THE FOUR TO JOIN THEM. THEREAFTER THE WHOLE ISSUE WOULD BE GIVEN TO THE CSCE. THE MAIN FEATURE WOULD BE AGREEMENT BETWEEN THE TWO GOVERNMENTS, NOT THE ROLE OF THE FOUR. WE HAD TO FACE NEW FACTS EVERY DAY. ONLY YESTERDAY THE IDEA OF A TREATY COMMUNITY HAD SEEMED THE MOST ATTRACTIVE IDEA AND CONFEDERATION HAD SEEMED REVOLUTIONARY. NOW NO-ONE WANTED TO HEAR ABOUT EITHER OR FEDERATION. MERGER WOULD SIMPLY HAPPEN AND THE FOUR WOULD BE A REGISTER TO RECORD THE FACT. BUT HE SAW NO OTHER MECHANISM BUT THE FOUR PLUS TWO AND WE WOULD HAVE TO USE IT. IN LONDON HE HAD SUGGESTED THAT THE FOUR MIGHT MEET BUT THE PRIME MINISTER SAID THAT WOULD AFFEND HELMUT. THAT WAS A REASONABLE POINT. HOWEVER, THE FOUR HAD A RIGHT TO MEET, THOUGH NOT IT WAS TOO LATE. TWO OR THREE MONTHS AGO IT WOULS HAVE BEEN REASONABLE FOR THE FOUR TO MEET AT FOREIGN MINISTER OR EVEN SUMMIT LEVEL. A MEETING OF THE SIX COULD MANAGE THE PROCESS SOMEHOW. THEY COULD NOT REGULATE THE PROCESS, BUT COOULD TRY TO MAKE SURE THAT A FULL MERGER WAS NOT FORCED. THAT SEEMED TO BE THE ONLY WAY OUT. CERTAINLY THE CSCE STRUCTURES WERE NOT YET WORKING IN A WAY THAT COULD HELP.

12. SHEVARDNADZE CONTINUED THAT, AS FAR AS THE IDEA OF A UNITED GERMANY IN NATO WAS CONCERNED, IT SHOULD BE THOUGHT ABOUT AND CHECKED AND CHECKED A THOUSAND TIMES. WHY WAS THE FOREIGN SECRETARY WORRIED ABOUT A UNITED GERMANY ? THAT IT WAS UNACCEPTABLE TO THE GERMANS HE COULD UNDERSTAND, BUT WHY TO US ? THE SECRETARY OF STATE SAID THAT A UNITED GERMANY WOULD HAVE TWO CONSEQUENCES. THE FIRST WAS THAT US AND CANADIAN TROOPS WOULD HAVE TO GO HOME. THOSE TROOPS WOULD NOT COME TO BRITAIN OR FRANCE AND WE WOULD THUS REPEAT THE MISTAKE OF 1919 WHEN THE US HAD DETACHED ITSELF FROM THE FUTURE OF EUROPE WITH VERY SERIOUS CONSEQUENCES (SHEVARDNADZE APPEARED TO NOD IN AGREEMENT). THE INTEGRATED COMMAND OF NATO WOULD COLLAPSE, SO YOU WOULD HAVE IN THE CENTRE OF EUROPE THE MOST POWERFUL COUNTRY TO THE WEST OF THE SOVIET UNION, IN THEORY NEUTRAL BUT IN PRACTICE WHO COULD TELL ? SOVIER FEARS WOULD HAVE MORE BASIS IN THOSE CIRCUMSTANCES. THERE WERE NOW GENERATIONS OF RESPONSIBLE AND DEMOCRATIC GERMANS AND IT WAS IMPORTANT THAT THE INSTITUTIONS WHICH HAD HELPED CEMENT DEMOCRACY IN GERMANY SHOULD REMAIN. OF COURSE, NATO ITSELG WOULD DEVELOP. IT WOULD BECOME MORE POLITICAL, THERE WOULD BE LOWER TROOP LEVELS AND NATO WOULD NOT CONFRONT THE SOVIET UNION BUT RATHER PRESERVE SECURITY IN OUR PART OF EUROPE.

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FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH SOVIET FOREIGN MINISTER

13. SHEVARDNADZE SAID THE KEY LINK IN THE WARSAW TREATY WAS THE GDR. THE GDR MIGHT CEASE TO EXIST. SOVIET TROOPS WOULD LEAVE CZECHOSLOVAKIA, HUNGARY AND POLAND AS THE SOVIET UNION HAD STATED. A UNITED GERMANY WOULD NOT WANT SOVIET TROOPS TO REMAIN. SO WHY WOULD THEY NEED THE WARSAW TREATY ? IF THERE WAS NO WARSAW TREATY ORGANISATION, WHY WAS NATO NECESSARY: EVERYTHING WOULD COLLAPSE ? WE MIGHT ARGUE THAT NATO WAS NEEDED BECAUSE THE ONLY SOURCE OF DANGER WAS THE SOVIET UNION. BUT HE DOUBTED IF MANY IN EUROPE WOULD BE PERSUADED OF THAT BECAUSE THE SOVIET UNION HAD TAKEN A FIRM DECISION TO BUILD ITS FORCES ON THE BASIS OF A DEFENSIVE DOCTRINE. IN THIS THEY WERE REALLY SERIOUS. WE FACED A COMPLETELY DIFFERENT SITUATION IN WHICH THERE COULD BE DOZENS OF VARIANTS.

14. LOOKING AT EUROPE, HE HAD PUT FORWARD ONE IDEA WHICH WAS PROBABLY NAIVE AND WOULD NOT BE IMPLEMENTED, NAMELY A REFERENDUM THROUGHOUT EUROPE, NOT TO DECIDE THE ISSUE OF UNIFICATION BUT JUST TO FIND OUT WHAT ORDINARY PEOPLE THOUGHT. HE DOUBTED WHETHER 100 PER CENT OF THE BRITISH ELECTORATE WOULD VOTE IN FAVOUR OF UNIFICATION. HE WAS PRETTY SURE THAT 90 PER CENT OF TTHE FRENCH ELECTORATE WOULD VOTE AGAINST, TO SAY NOTHING OF THE SOVIET UNION. HE DOUBTED IF ALL THE PEOPLE OF THE NETHERLANDS WOULD VOTE FOR UNIFICATION. WE SHOULD NOT HAVE A SITUATION WHERE THE POILTICIANS THOUGHT ONE THING AND THE PEOPLE ANOTHER. THE POLES WERE WORRIED. THE CZECHS WERE VERYCONCERNED. EVERYONE WAS WORRIED. HE REALISED THAT THE PROCESS COULD NOT BE STOPPED AND TO HAVE ANY HOPE OF REGULATING IT WE WOULD NOW HAVE TO USE NOT THE FOUR BUT THE SIX. WE SHOULD NOT POSTPONE THAT MEETING TOO LONG. WE COULD MISS THE TRAIN.

15. THE SECRETARY OF STATE AGREED BUT ADVISED SHEVARDNADZE NOT TO BE TOO GLOOMY ABOUT THE SIX. THE MEETING WOULD NEED TO BE WELL PREPARED AND WOULD NEED TO BE IN A POSITION TO DECIDE ON THE VARIOUS QUESTIONS

HE AND SHEVARDNADZE HAD DISCUSSED, SUCH AS THE SOVIET PRESENCE IN THE GDR. HE THOUGHT THAT SOVIET TROOPS MIGHT STAY FOR A LONG TIME. WE HAD CONSISTENTLY MADE THE POINT THAT, WHILE SELF-DETERMINATION WAS A MATTER FOR THE TWO GERMANIES, RELATED MATTERS WENT WIDER. WE HAD MADE THAT POINT DEPITE THE BAD PRESS IT GOT US IN THE FRG. THE SOVIER UNION MUST HAVE A REAL VOICE AND GENSCHER AND KOHL RECOGNISED THAT. SHEVARDNADZE AGREED, THOUGH AGAIN, HE SAID, HE COULD NOT HELP RAISING DOUBTS. KOHL WAS PROPOSING AN INTEGRATED MONETARY SYSTEM WITH THE GDR. THAT MEANT IN PRACTICE THE ABSORPTION OF THE GDR. OF COURSE, THE SIX COULD STILL DISCUSS THE STATUS OF SOVIET AND OTHER TROOPS IN GERMANY, BUT THOSE WERE RATHER SECONDARY QUESTIONS. BUT HE AGREED WE SHOULD TRY TO BE CLEAR ABOUT DATES FOR SUCH A MEETING. HE COULD NOT RULE OUT THE POSSIBILITY THAT, IF SUCH A MEETING DID NOT HAPPEN, THE KEY ISSUES WOULD BE DECIDED IN THE STREETS RATHER THAN IN THE CONFERENCE ROOM. AND IN THIS DAY AND AGE YOU COULD NOT SHOOT PEOPLE ON THE STREETS IF THEY TOOK AN OPPOSSING VIEW. SO IT WAS IMPORTANT TO DISCUSS WHEN SUCH A MEETING WOULD TAKE PLACE. CLEARLY THE GERMANS HAD TO BE CONSULTED AND WE SHOULD SEE WHAT THE KOHL/MODROW PROCUDED. SHEVARDNADZE ADDED THAT, BUT FOR THE FRG ELECTION CAMPAIGN, EVENTS WOULD HAVE TAKEN A DIFFERENT TURN. BUT THE GDR WAS THE CAMPAIGN SUBJECT AND HAD ACCELERATED THE WHOLE PROCESS. THE SECRETARY OF STATE AGREED. NO GDR POLITICIAN WAS AS WELL KNOWN IN THE GDR AS KOHL, BRANDT OR GENSCHER. THEY WOULD ALL BE CAMPAIGNING. MOST PEOPLE IN THE GDR WATCHED WEST GERMAN TELEVISION. SHEVARDNADZE SAID THAT THAT HARKED BACK TO HONECKER'S TIME. WHEN HE HAD URGED HONECKER TO START A PROCESS OF PERESTROIKA, HONECKER HAD ARGUED THAT THE SITUATION IN THE GDR WAS DIFFERENT. HE HAD THAN SWITCHED ON THE TELEVISION AND SHOWED 4 FRG TELEVISION PROGRAMMES BEAMED IN FROM THE WEST. THE WHOLE POLICY OF HONECKER'S GOVERNMENT - EXEMPLIFIED BY THE BERLIN WALL - WAS USELESS. IT WAS A POLICY OF SELF-PRESERVATION. SHEVARDNADZE WELL UNDERSTOOD THAT IT WAS DIFFICULT TO OPPOSE THIS URGE OF AN ENTIRE NATION TO UNITE. WHAT WAS BAD WAS THAT IT WAS HAPPENING TOO FAST.

16. THE SECRETARY OF STATE SAID WE SYMPATHISED. THE OPENING OF THE BORDER HAD PRECIPITATED EVENTS AND IT WOULD HAVE BEEN BETTER IF THEY HAD TAKEN PLACE MORE RATIONALLY OVER A LONGER PERIOD. IN THE CIRCUMSTANCES WE OUGHT TO LOOK AT WHAT FOOTHOLDS WE COULD FIND. SHEVARDNADZE AGREED. WE HAD MISSED A NUMBER OF POSSIBILITIES. IT WOULD HAVE BEEN MUCH BETTER IF HONECKER HAD BEGUN TO REFORM TWO OR THREE YEARS AGO. THE SOVIET GOVERNMENT HAD URGED HIM TO DO SO BUT COULD NOT IMPOSE THEIR ADVICE. HONECKER HAD ARGUED THAT NOTHING SHOULD BE CHANGED: THE PEOPLE OF THE GDR WERE WELL BROUGHT UP. BUT THEN THERE HAD BEEN AN EXPLOSION. IT WAS VERY IMPORTANT TO KNOW THE

MOOD OF THE PEOPLE, HENCE IN PART HIS OWN, UNREALISTIC, SUGGESTION FOR A REFERENDUM. WE SHOULD CONSULT AND KEEP IN TOUCH MORE SYSTEMATICALLY. WE SHOULD WORK FASTER TO ENGAGE THE MECHANISM OF THE SIX. WE SHOULD DO OUR BEST TO ACCELERATE PROGRESS WITHIN THE FRAMEWORK OF THE EUROPEAN PROCESS. IT WAS GOOD THAT WE HAD DECIDED UPON A SUMMIT. THAT WOULD EXERCISE A STABILISING INFLUENCE. DISARMAMENT TOO WAS A VERY IMPORTANT FACTOR FOR STABILITY.

17. THE SECRETARY OF STATE PROPOSED THAT, IN ADVANCE OF HIS OWN VISIT TO MOSCOW, HE SHOULD SEND A TEAM OF OFFICIALS TO PREPARE THE GROUND IN A RATHER CONCRETE WAY. SHEVARDNADZE THOUGHT THIS A VERY SENSIBLE IDEA. IT WAS A PRACTICE WHICH THEY HAD FOLLOWED FOR YEARS WITH THE AMERICANS. IT MADE IT POSSIBLE TO COVER A LOT OF GROUND.

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Sov union relations.

PERSONAL

PRIME MINISTER

MEETING WITH HM AMBASSADOR TO MOSCOW

Rodric Braithwaite is coming to see you this afternoon. The main points you will want to cover are:

- German unification. Gorbachev's resolve on this seems to be crumbling fast. He has told Kohl that it is up to the German people to decide whether and when. So far as we know, he has not imposed any particular price, other than that unification should take account of the security interests of others, and within the CSCE process. Rodric needs to get straight into see Chernayer in Gorbachev's office as soon as he gets back to Moscow, to obtain an authoritative account of Gorbachev's views.

- Central Committee plenum. You will want to hear Rodric's assessment of the meeting and its outcome. There is a growing feeling that it was not actually quite as much a substantive victory for Gorbachev as first reports suggested.

- your visit to Kiev. You might ask him how see sees the programme for this.

- Sir Percy Cradock's visit. I have passed on your view that Percy should see 'behind the scenes' people and not Shevardnadze. This must be right - the Foreign Secretary would be very unhappy if you decided otherwise.

C.D.P.

Charles Powell
12 February 1990

c: Moscow (MJ)

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SOVIET UNION: CENTRAL COMMITTEE PLENUM: DISCUSSION ON LITHUANIA

SUMMARY

1. THE CENTRAL COMMITTEE TOOK A FAIRLY TOUGH LINE TOWARDS THE LITHUANIANS. THE FINAL RESOLUTION WAS TOUGHER THAN THAT ORIGINALLY PROPOSED BY GORBACHEV. BUT IT IS LIKELY TO MAKE LITTLE DIFFERENCE IN PRACTICE.

DETAIL

2. THOUGHTS THAT GORBACHEV MIGHT BE ABLE TO SLIP QUICKLY THROUGH THE AGENDA ITEM ON LITHUANIA AT THE END OF THE PLENUM PROVED UNFOUNDED. ALTHOUGH DISCUSSION ONLY BEGAN MID-WAY THROUGH THE ADDITIONAL THIRD DAY, IT CONTINUED WELL INTO THE EVENING AND, AS THE RECORD PUBLISHED IN PRAVDA OF 9 FEBRUARY SHOWS, THERE WAS A FAIRLY HEATED DISCUSSION WITH AN HOURS BREAK NEEDED BEFORE THE FINAL VERSION OF THE RESOLUTION COULD BE AGREED.

3. GORBACHEV OPENED THE PROCEEDINGS WITH A FAIRLY CONCILIATORY SPEECH. HE WAS CRITICAL OF SAJUDIS AND BRAZAUSKAS BUT ACKNOWLEDGED THAT THERE WAS ALSO WIDESPREAD SUPPORT FOR PERESTORIKA IN LITHUANIA AND THAT MANY OF THE PROBLEMS STEMMED FROM PAST POLICY IN MOSCOW. HE WARNED THAT A SEPARATIST POLICY WOULD BE FRAUGHT WITH UNFORSEEABLE CONSEQUENCES, BUT ALSO STRESSED THE IMPORTANCE OF AVOIDING CONFRONTATION. FOR THAT REASON HE WAS AGAINST ANY ATTEMPT BY THE CPSU TO DECLARE TTHE LITHUANIAN DECLARATION OF INDEPENDENCE INVALID. HE ALSO WELCOMED THE LITHUANIAN SUGGESTION THAT THE FORTHCOMING CPSU CONGRESS SHOULD TAKE THE LITHUANIAN PLATFORM AS A DISCUSSION DOCUMENT- NOT BECAUSE HE REGARDED IT AS A MODEL FOR THE CPSU BYT BECUASE IT SHOWED THELITHUANIANS WERE NOT INTENDING TO ISOLATE THEMSELVES FROM THE CONGRESS. THE CONGRESS HE SAID WAS PREPARED TO DISCUSS ALL DOCUMENTS.

4. GORBACHEV THEN PROPOSED A DRAFT RESOLUTION TO THE PLENUM WHICH DID NOT CONDEMN THE LITHUANIAN ACTION BUT ASKED THEM TO SET ASIDE THEIR OWN RESOLUTIONS UNTIL THE 28TH CASU CONGRESS AND PARTICIPATE IN THIS CONGRESS.

5. BRAZAUSKAS THEN SPOKE AND, AS ON PREVOIUS OCCASIONS, WAS ENTIRELY UNREPENTANT. HE RECOGNISED THAT THE DRAFT PLATFORM AGREED AT THE

PLENUM MARKED AN IMPORTANT STEP FORWARD. BUT HE SAID THAT THE LITHUANIAN PARTY COULD NOT AGREE TO SET ASIDE ITS DECISION AND PROPOSED THAT THE CPSU TAKE NO ACTION OVER THE DECLARATION OF INDEPENDENCE UNTIL THE 28TH CONGRESS.

6. IN A SUBSEQUENT EXCHANGE WITH AN APPARENTLY IRRITATED GORBACHEV, BRAZAUSKAS SAID THAT HE COULD NOT SAY AT THIS STAGE WHETHER WHETHER THE LITHUANIANS WOULD TAKE PART IN THE 28TH CONGRESS. GORBACHEV WARNED THAT IF THEY DID NOT DO SO, THEN THIS WOULD MEAN THAT THEY HAD, IN PRACTICE, LEFT THE CPSU. KRYUCHKOV (KGB HEAD) AND PROKOFEV (MOSCOW PARTY LEADER) THEN INTERVENED IN THE DISCUSSION AND MADE CLEAR THEIR CONCERN THAT THE POLICY OF THE LITHUANIAN COMMUNIST PARTY WOULD RESULT IN THE ABANDONMENT OF COMMUNISM IN LITHUANIA. BRAZAUSKAS RETORTED THAT IF THE LITHUANIAN PARTY HAD NOT TAKEN ITS INDEPENDENT STANCE, THIS WOULD CERTAINLY HAVE BEEN THE RESULT. BUT NOW THEY WERE IN A STRONG POSITION IN THE FORTHCOMINNG ELECTIONS. HE DENIED THAT HE WAS PLANNING TO CHANGE THE NAME OF HIS PARTY.

7. BRAZAUSKAS GOT LITTLE SUPPORT IN THE SUBSEQUENT DISCUSSION. V KUPTSOV (FIRST SECRETARY VOLOGDA OBKOM) WHO HAD BEEN PARTY OF THE GORBACHEV TEAM TO VISIT LITHUANIA, CONCEDED THAT THE LITHUANIAN'S PARTY DECLARATION OF INDEPENDENCE HAD IMPROVED THEIR POPULARITY RATING (HE QUOTED LITHUANIAN ESTIMATES THAT IT HAD GONE UP FROM 16%-75%). HE SAID THAT THE PARTY HAD NO RIGHT TO SEEK POPULARITY IN THIS WAY. HE DEMANDED THAT THE PLENUM RESOLUTION SHOULD BE STRENGTHENED TO CONDEMN THE ACTIONS OF THE LITHUANIANS. LIGACHEV STRONGLY SUPPORTED THIS. HE SAID THAT THE CPSU TOO WERE AIMING TO IMPROVE THEIR POPULAR STANDING, BUT WOULD NOT DO SO AT THE EXPENSE OF DESTROYING PARTY AND STATE UNITY. HE SAID THAT HE WAS CONVINCED THAT WITHOUT A STRONG AND UNIFIED PARTY, IT WOULD BE IMPOSSIBLE TO GET THE COUNTRY OUT OF ITS PRESENT SITUAITON. HE WAS FOR COMPROMISE, BUT NOT ON ISSUES OF PRINCIPLE. HE PROPOSED THAT THE RESOLUTION SHOUD NOT ONLY CONDEMN THE LITHUANIANS BUT ALSO OFFER MAXIMUM SUPPORT TO THE RUMP PARTY LOYAL TO MOSCOW.

8. THE DEBATE WOUND UP WITH A FUTHER DISCUSSION ABOUT THE TEXT OF THE DRAFT RESOLUTION, AND AFTER AN HOUR'S BREAK FOR REDRAFTING, THE FINAL VERSION WAS AGREED). IT DIFFERS FROM THE ORIGINAL GORBAHCEV PROPOSAL BYINCLUDING A ''CONDEMNATION'' OF THE LITHUANIAN ACTION AS UNDERMINING PERESTORIKA, BY STRESSING THE IMPORTANCE OF OFFERING HELP, AND SPECIFICALLY FINANCIAL HELP TO THE RUMP LOYAL TO THE MOSCOW PARTY. IT ALSO APPARENTLY MAKES THE INVITATION TO THE LITHUANIANS PARTICIPATE IN THE 28TH CONGRESS DEPENDENT ON THE PRIOR AGREEMENT OF THE LITHUANIANS TO SUSPEND THEIR INDEPNDENT PROGRAMME AND CHARTER.

COMMENT

9. AGAIN, NO-ONE IN THIS DISCUSSION THREATENED OR HINTED AT THE USE

OF FORCE AGAINST LITHUANIANS. GORBACHEV WAS OBVIOUSLY CONTENT OT LET HTE TWO SEPARATE LITHUANIAN PARTIES EXIST AT LEAST UNTIL THE CPSU CONGRESS WITH LITTLE MORE THAN A MILD RAP OVER THE KNUCKLES (OR THE INDEPENDENT KPL. THE MOOD OF THIS MEETING HOWEVER, WAS OBVIOUSLY AGAINST THIS)

10. THE FINAL RESOLUTION IS SIGNIFICANTLY TOUGHTER THAN THE ORIGINAL PROPOSED BY GORBAHCEV BUT IT STILL SEEMS TO LEAVE THE DOOR OPEN FOR FURTHER DISCUSSIONS. HOWEVER, THE LITHUANIANS ARE OBVIOUSLY NOT GOING TO SET ASIDE THEIR DECISIONS ON INDEPENDENCE, EVEN TEMPORARILY. THE QUESTION NOW REMAINING IS WHETHER THEY WILL BE PREPARED TO SEND DELEGATES TO THE CPSU CONGRESS, AND WHETHER MOSCOW WILL BE PREPARED TO HAVE THEM. GORBACHEV WOULD OBVIOUSLY WELCOME THEIR PRESENCE AS IT WOULD HELP HIM IN HIS TASK OF SECURING A LOOSER PARTY STRUCTURE. IT ALSO REMAINS TO BE SWEEN WHETHER THE RUMP PARTY, NOW IT HAS A FORM COMMITMENT OF SUPPORT FROM MOSCOW, AND THE INDEPENDENT KPL CAN MANAGE THEIR AFFAIRS WITHOUT OPEN CONFLICT WHICH WOULD FURTHER COMPLICATE RELATIONS BETWEEN LITHUANIA AND MOSDCOW.

11. IN PRACTISE, AS MOST OF THE SPEAKERS AT THE PLENUM PROBABLY REALISED, NOTHING THEY DECIDED WAS GOING TO MAKE MUCH DIFFERENCE. THE ONE LITHUANIANS WITH WHOM WE HAVE SPOKEN WAS ENTIRELY RELAXED ABOUT THE OUTCOME. HE THOUGHT IT WOULD MEELY CONFIRM TO LITHUANIANS IN THEIR BELIEF THAT THEY COULD CONTINUE ON THEIR OWN WAY.

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From the Private Secretary

12 February 1990

Dear Richard,

UK/SOVIET RELATIONS

The Prime Minister had a short talk this afternoon with Sir Rodric Braithwaite, before his return to Moscow. She urged Sir Rodric to take an early opportunity to find out from Mr Gorbachev's principal advisers exactly what his current thinking on German unification is and to urge them to step up efforts to secure an early meeting of the Berlin Four plus the two Germanies. He should also express our sympathy for the Polish Prime Minister's request for help in securing a formal guarantee of the Polish/German border.

The Prime Minister also had some discussion with Sir Rodric about arrangements for her visit to Kiev in June. She thought we would need to use the occasion to announce some significant package of assistance to the Russians, possibly on the lines of the Know-How Funds we have established for East European countries. To some extent this might simply draw together existing activities. But there would no doubt be a need for some additional money.

Yours ever,

CHARLES POWELL

R H T Gozney Esq
Foreign and Commonwealth Office

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MR POWELL

c Sir Robin Butler

9/2.

Soviet Union: The Central Committee Plenum, 5-7 February

The plenum's draft Party platform will be published only tomorrow. And to complete the agenda of Party reform a second plenum, at the end of this month, will be necessary. (It is to agree new draft Party rules. This will involve sharp debate on internal Party issues such as the rules for internal Party elections, the acceptability of factions within the Party, relations between the centre and the republican parties, and restructuring of the Party's top bodies.)

2. We therefore cannot yet be sure what exactly Gorbachev has got the Party to agree. Nonetheless, it is already clear that the plenum has been a signal victory for him and his approach. The draft of the Party's platform was very much his and its general thrust appears to have emerged intact, despite the bitter debate at the plenum. None in the Central Committee, except Yeltsin, in the end voted against.

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3. The plenum was not the decisive break with the conservatives that we had half expected (my minute of 31 January). Gorbachev is clearly increasingly concerned about the preservation of Party unity - not just of the centre with its republican branches of the Party, but of the centre itself. The Party for the present remains his main power base and a split within it would be very damaging, presenting him with some difficult choices. He has therefore tried hard to keep the conservatives on

b

board, while doing enough to avoid the Party's radical wing going ahead with its threatened formation of a new, social democratic style party.

4. For this reason, Gorbachev's draft programme seems to have been a skilful tactical compromise. His proposal for a sharp cut in the size of the Central Committee and a dramatic change in its role appears to have been dropped. Nor has there been the wholesale clear-out of Party conservatives demanded by the radicals and some Party grass roots opinion. Change is not to happen all at once: multi-party democracy will happen "at some stage"; the Party reforms have to be ratified at the Party's Congress this summer.

5. But the strategic victory is nonetheless Gorbachev's. Even if implementation is gradual, he has won on the key issues. The Party has renounced its constitutional monopoly on power. It has accepted that it should withdraw from day-to-day government. Multi-party democracy is to be allowed. These developments are now a matter for legislation in the Supreme Soviet (whose third session begins next week) and ratification by the Congress of People's Deputies (whose next session will probably begin in May). Moreover, on internal Party matters, even in advance of the plenum at the end of this month, the Party has accepted a radical degree of autonomy for its republican branches; a complete revamping of the Politburo and Central Committee Secretariat; and the prospect of sweeping personnel changes at the Party Congress, if not sooner.

6. Gorbachev has also secured agreement to the creation of an executive presidency, to boost his at present limited powers as Chairman of the Supreme Soviet. This will help to ensure effective decision making now that the Politburo is to be doubled in size and filled with *ex-officio* members. But it should also give Gorbachev the power to

push through reform (particularly economic) with somewhat less need for compromise. And, above all, it will create for him by the summer a new, separate power base, helping to insulate his personal position should the Party collapse.

7. Now that they have conceded these principles, the Party conservatives are on a slippery slope. The Party platform is still only a draft. Internal party debate before and at the Congress will amend it further, and pressure from the Party's grass roots is currently all in a radical direction. On those changes for which legislation is required (eg amendment of article 6, multi-party democracy, and an executive presidency) the country's parliamentary bodies can push matters further than the Party has so far agreed.

8. The plenum decisions are therefore a momentous breach in the Party dyke. Gorbachev hopes that his controlled reform will preserve a major political role for the Party. But, as in Bulgaria, the Party's concessions may only whet the public's appetite for more. We would expect to see the Party's entrenched cells in workplaces and in the armed forces coming increasingly into question. Radical political groups such as the Democratic Union are likely quickly to test the genuineness of the CPSU's new commitment to democracy by declaring themselves to be formal parties. And both grass roots Party members and the population at large, having smelt the blood of the Party *apparat*, are likely to press hard for more rapid change. In the last two weeks we have already seen "people's power" remove local party leaderships in important towns and regions scattered right across the Soviet Union and the trend currently appears to be growing.

PERCY CRADOCK

9 February 1990

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SOVIET UNION: THE CENTRAL COMMITTEE PLENUM: A PRELIMINARY ASSESSMENT

SUMMARY

1. THE PLENUM WAS AN IMPORTANT SUCCESS FOR GORBACHEV AND PERESTROIKA. BUT THIS SHOULD NOT BE OVERRATED. DESPITE THE DECISION TO DO AWAY WITH ARTICLE 6, THERE IS STILL A LONG WAY TO GO BEFORE THE STAGE IS SET FOR MULTI PARTY DEMOCRACY. ON THIS OCCASION HE HAS MANAGED TO MOVE THE REFORM PROCESS FORWARD WITHOUT PROVOKING CONFRONTATION WITH THE PARTY CONSERVATIVES. BUT GROWING POPULAR PRESSURE FOR MORE RAPID CHANGE MAY FORCE HIM SOON TO ABANDON HIS POLICY OF LEADING FROM THE CENTRE.

DETAIL

2. ON THE FACE OF IT, THE PLENUM HAS BEEN A SUBSTANTIAL SUCCESS FOR GORBACHEV. DESPITE THE GROWING POLARISATION OF SOCIETY AND THE PRESSURE HE HAS BEEN UNDER FROM THE PARTY OVER AZERBAIDZHAN AND LITHUANIA, HE HAS MANAGED TO PUT TOGETHER A NEW DRAFT PLATFORM FOR THE PARTY WHICH TAKES THE REFORM PROCESS FORWARD ON SEVERAL FRONTS AND WHICH HAS RECEIVED THE VIRTUALLY UNANIMOUS APPROVAL OF THE CENTRAL COMMITTEE.

3. WE STILL DO NOT HAVE THE TEXT OF THE DRAFT PLATFORM: THIS IS WHY THIS IS ONLY A PRELIMINARY ASSESSMENT. MUCH OF THE FINE PRINT, IN ANY CASE, WILL PROBABLY ONLY BE AGREED AT THE NEXT PLENUM IN 3 WEEKS ON THE NEW PARTY RULES. BUT AS FAR AS WE CAN GATHER FROM GORBACHEV'S SPEECH AND OTHER EVIDENCE, IT PROVIDES FOR:

- A NEW STRUCTURE AT THE TOP WITH A CHAIRMAN AND 2 DEPUTY CHAIRMEN
- A SUBSTANTIAL SLIMMING DOWN OF THE APPARATUS FROM THE CENTRAL COMMITTEE DOWNWARDS
- MORE INDEPENDENCE FOR REPUBLICAN PARTIES - THEY AND POSSIBLY OTHER POLITICAL GROUPS ARE TO BE ALLOWED THEIR OWN POLITICAL ''PLATFORMS'': AND
- MORE SAY IN THE APPOINTMENT OF PARTY OFFICIALS FOR THE PARTY RANK AND FILE.

THE 28TH CONGRESS IS TO BE BROUGHT FORWARD TO LATE JUNE (YAKOVLEV CONFIRMED THIS TIMING IN HIS PRESS CONFERENCE AFTER THE PLENUM) AND IT SEEMS TO BE NOW WIDELY ACCEPTED THAT DELEGATES WILL BE, IN SOME FORM, DIRECTLY ELECTED BY THE LOCAL PARTIES WHICH SHOULD HELP PRODUCE A CONGRESS READY TO EMBARK ON THE RADICAL REFORMS. FINALLY, THE PARTY HAS CONCEDED THE NEED FOR A STRENGTHENED STATE PRESIDENCY, WHICH SHOULD FURTHER UNDERMINE THEIR INFLUENCE ON POLICY AT THE CENTRE. THE TIMING OF THIS, HOWEVER, IS UNCLEAR.

4. ALL THESE CHANGES ARE IMPORTANT: THEIR LIKELY EFFECT WILL BE TO FURTHER REDUCE THE ROLE OF THE PARTY APPARATUS AT ALL LEVELS BOTH WITHIN THE PARTY AND WITHIN THE COUNTRY. INEVITABLY, HOWEVER, MOST ATTENTION SO FAR HAS FOCUSSED ON THE PARTY'S DECISION AT THE PLENUM TO PROPOSE THE AMENDMENT OR REJECTION OF ARTICLE 6 OF THE CONSTITUTION, WHICH ENDORSES THE PARTY'S LEADING ROLE.

5. THE PROPOSAL FOR CHANGE TO ARTICLE 6 WILL BE MADE TO THE SUPREME SOVIET AND CONGRESS OF PEOPLE'S DEPUTIES WHO HAVE THE FINAL DECISION ON AMENDMENTS TO THE CONSTITUTION. IT HAS BEEN WIDELY ACCEPTED IN THE PARTY FOR SOME TIME THAT ARTICLE 6 NEEDED TO BE CHANGED. BUT GORBACHEV AND OTHERS HAVE HITHERTO AGREED THAT THIS SHOULD BE DONE IN SLOW TIME - AS PART OF THE PROCESS OF REWRITING THE WHOLE CONSTITUTION. NOW, AS A RESULT OF THE PLENUM'S DECISION, IT IS LIKELY TO HAPPEN QUITE QUICKLY. THE PARTY COULD WELL INTRODUCE THEIR PROPOSAL BEFORE THE ELECTIONS (DUE IN MOST REGIONS ON 4 MARCH) IN ORDER TO REAP ANY ELECTORAL BENEFITS THERE WILL BE. IN THE POST-PLENUM PRESS CONFERENCE, VICE PRESIDENT LUKYANOV, REFERRING TO THE SUPREME SOVIET DISCUSSION, SAID THERE ARE MANY WHO STILL WANTED TO KEEP ARTICLE 6. BUT NOW THE PLENUM HAS SPOKEN, IT IS VIRTUALLY INCONCEIVABLE THAT THE SUPREME SOVIET OR THE CONGRESS OF DEPUTIES WILL VOTE FOR RETENTION.

6. THE LIKELIHOOD IS THEREFORE THAT, WITHIN THE NEXT FEW MONTHS, THE PARTY WILL LOSE ITS CONSTITUTIONAL STATUS AS THE LEADING FORCE IN SOCIETY, WITH THE RIGHT TO DETERMINE AND DIRECT POLICY. SUGGESTIONS, HOWEVER, THAT THIS IN ITSELF WILL BRING THE END OF THE ONE PARTY SYSTEM AND THE ADVENT OF PLURALIST DEMOCRACY ARE PREMATURE. THE CONSTITUTIONAL CHANGE COULD WELL PROVE IN PRACTICE TO BE MORE SYMBOLIC THAN REAL. THE PARTY'S MONOPOLY OF POWER EXISTED WELL BEFORE ARTICLE 6 WAS INTRODUCED INTO THE CONSTITUTION UNDER BREZHNEV. IN THEORY, IT COULD CONTINUE TO EXIST AFTER ITS DISAPPEARANCE. A SIMPLE DECISION TO DELETE THE ARTICLE WOULD NOT IN ITSELF PROVIDE ANY LEGAL BASIS FOR THE FORMATION OF OTHER PARTIES, AND NO SUCH LEGAL BASIS AT PRESENT EXISTS. THE LANGUAGE OF THE DRAFT PLATFORM ON THE

PARTY: ROLE AND RELATIONSHIP WITH OTHER POLITICAL ORGANISATIONS IS VAGUE: ALMOST CERTAINLY DELIBERATELY SO. THE REFERENCE TO THE PARTY NEEDING TO ''STRUGGLE'' TO REMAIN THE LEADING PARTY, LEAVES PLENTY OF SCOPE FOR ARGUING THAT THERE SHOULD BE NO IMMEDIATE CHANGE. SIMILARLY WITH THE REFERENCE TO THE POSSIBLE ESTABLISHMENT OF OTHER PARTIES ''AT A CERTAIN STAGE''.

7. THIS RAISES THE QUESTION: TO WHAT EXTENT DO THE SUPPOSED CONSERVATIVE MAJORITY IN THE CENTRAL COMMITTEE SEE THEMSELVES AS HAVING MADE REAL CONCESSIONS AT THIS PLENUM. THERE MAY NOW BE A NUMBER WHO HAVE ACCEPTED SOME FORM OF REAL PLURALIST DEMOCRACY AS INEVITABLE AND WHO ARE PREPARING TO DO BATTLE AS BEST THEY CAN. BUT THERE ARE ALSO LIKELY TO BE A LARGE NUMBER WHO SEE THEMSELVES ONLY MAKING TACTICAL ADJUSTMENTS TO REDUCE THE PRESSURE FROM REFORMISTS WHILE REMAINING COMMITTED TO KEEPING ALL THE ESSENTIALS OF THE PARTY'S POWER INTACT. IN THE SPEECHES OF THEIR LEADING REPRESENTATIVES SUCH AS LIGACHEV (REPORTEDLY VERY WELL RECEIVED) AND GIDASPOV THERE WAS LITTLE SIGN THAT THEY SAW ANY NEED FOR MAJOR CHANGE. IT IS STRIKING THAT THE ONLY VOTE AGAINST THE PLATFORM CAME FROM ELTSIN - THE MAIN RADICAL IN THE CENTRAL COMMITTEE.

8. GORBACHEV PROBABLY NOW ACCEPTS THAT SOME FORM OF MULTI PARTY STRUCTURE IS INEVITABLE, BUT HE WILL BE QUITE HAPPY TO DELAY CRUCIAL DECISIONS ON THIS UNTIL THE CONGRESS AT THE EARLIEST. THERE IS NO EVIDENCE HE IS THINKING OF ABANDONING THE COMMUNIST PARTY. HIS AIM STILL APPEARS TO BE TO REFORM ITS PERSONNEL AND STRUCTURE SUFFICIENTLY FOR IT TO REGAIN POPULAR RESPECT AND BECOME A VIABLE FORCE WHEN THE TIME COMES FOR IT TO COMPETE AGAINST OTHER PARTIES. HE MUST CALCULATE THAT THIS WILL TAKE SOME TIME - EVEN SUPPOSING IT IS POSSIBLE. THE PARTY MACHINE IS BECOMING DAILY MORE DISCREDITED BOTH IN THE REPUBLICS AND IN CENTRAL RUSSIA WHERE MANY PARTY LEADERS ARE BEING FORCED OUT OF OFFICE BY POPULAR PRESSURE. FOR THE TIME BEING, THESE DEMONSTRATIONS OF PEOPLE POWER - PROVIDED THEY DO NOT GET TOTALLY OUT OF CONTROL - WILL BE WELCOME TO GORBACHEV AND WILL GIVE THE REFORM PROCESS IMPORTANT MOMENTUM. BUT IT ALSO SERVES AS A WARNING THAT ANY PARTY WHICH IS TO REMAIN A VIABLE FORCE WILL HAVE TO BE VERY DIFFERENT FROM THAT WHICH EXISTS TODAY. ALMOST CERTAINLY, THE CHANGES PRODUCED IN THIS PLATFORM WILL NOT IN THEMSELVES BE SUFFICIENT. MANY BELIEVE THAT, GIVEN THE PRESSURES, GORBACHEV WILL BE UNABLE TO CONTINUE TO PURSUE THE REFORM PROCESS FOR MUCH LONGER BY CONSENSUS: THAT HE WILL BE FORCED TO COME OFF THE FENCE AND JOIN THE RADICALS.

9. THE LESSON FROM THIS PLENUM, HOWEVER, IS THAT HE IS STILL TRYING

TO ACHIEVE THE NECESSARY REFORMS IN THE PARTY BY CONSENSUS WITHOUT PROVOKING SPLITS OR CONFRONTATION IN THE PARTY. JUDGED BY THIS CRITERIA: THE PLENUM WAS A CONSIDERABLE PERSONAL SUCCESS. BUT THE BATTLE IS FAR FROM WON YET.

LOGAN

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PRIME MINISTER

of 6/2/90

MR. GORBACHEV'S MESSAGE

Mr. Medvedev made a particular point of telling us today that the last paragraph of Mr. Gorbachev's message about closer dialogue had been added personally by Mr. Gorbachev himself. He thought you would want to know this when it came to a reply. I attach a copy of the message.

Liz Lambert

pp CHARLES POWELL

8 February 1990

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OUT TELNO 201: CENTRAL COMMITTEE PLENUM: FOREIGN POLICY
1. TUR REPORTED LIGACHEV'S RAISING OF THE GERMAN BOGEY. SHEVARDNADZE'S SPEECH, REPORTED IN THE SUMMARY THEN, IS NOW AVAILABLE. HE DEFENDED SOVIET FOREIGN POLICY AGAINST OTHER ATTACKS.

DETAIL
2. SOVIET FOREIGN POLICY WAS ATTACKED EARLY ON 5 FEBRUARY BY BROVIKOV, THE AMBASSADOR TO POLAND, WHO IN THE COURSE OF A WIDE RANGING ATTACK ON GORBACHEV PUT IN SEVERAL DIGS. HE SAID THAT IN RECENT TIMES THE RUSSIANS HAD PAID MORE ATTENTION WHEN EVALUATING THEIR OWN WORK TO HOW IT WAS RECEIVED BY THE ''GOOD PEOPLE'' OF THE WEST. HE SAID THAT THE WESTERN LEADERS WHO PRAISED THE SOVIET UNION, ACTED FIRMLY AND DECISIVELY WHENEVER THERE WAS THE SLIGHTEST THREAT TO THEIR NATION OR THEIR CLASS INTEREST. ''NEITHER BUSH NOR THATCHER PAYS ANY ATTENTION TO WHAT PEOPLE THINK OF THEM. IF YOU WANT EXAMPLES LOOK AT PANAMA OR THE CRUSHING OF THE STRIKING (SIC) MOVEMENT IN BRITAIN. WHY IS THE PARTY BEING GOVERNED IN SIMILAR CIRCUMSTANCES BY THE IDEA THAT 'WE CANNOT RETURN TO STALINIST METHODS?'' BROVIKOV ALSO SNEERED THAT THE PRESENT LEADERSHIP FOUND IT MORE AND MORE PLEASANT TO MEET SMILING CROWDS ON WESTERN STREETS.
3. ON 7 FEBRUARY ANUFRIEV, THE SECOND SECRETARY FROM KAZAKHSTAN, COMPLAINED ABOUT THE AFFECTS OF THE CURRENT POLICY IN EUROPE. ''SOMEBODY OUGHT TO ANSWER FOR THE DESTRUCTION OF THE UNITY OF THE PARTY... SOMEBODY ALSO OUGHT TO ANSWER TOO FOR THE EVENTS IN EASTERN EUROPE, ABOUT WHICH NO ONE HERE WANTS TO SPEAK. THEY HAVE DESTROYED OUR BUFFER ZONE, WELL GOOD RIDDANCE, LET THEM LIVE HOW THEY WANT. BUT TODAY THEY ARE ALREADY MAKING TERRITORIAL AND MATERIAL CLAIMS ON US. THEY ARE SMASHING OUR CONSULATES, PAINTING SLOGANS ON THE GRAVES OF OUR SOLDIERS AND OUR SAINTS, THEY ARE HUMILIATING A GREAT COUNTRY. AND ONCE AGAIN WE ARE POURING HUNDREDS OF MILLIONS INTO THEIR COUNTRIES WHICH WE HAVE STOLEN FROM OUR OWN PEOPLE. WE ARE PLAYING HOSTS TO THE MAZOWIECKIS AND OTHER ''SWEDES.'' WE NEED TO STOP FEEDING FOREIGN COUNTRIES TO THEIR BENEFIT. WE SHOULD DO WHAT IS NECESSARY SO THAT IT IS BETTER HERE THAN THERE. THEN THEY WILL COME TO US OFFERING FRIENDSHIP. WHO IS ABLE TO SAY WHAT WE GET FROM

ANGOLA, ETHIOPIA, NICARAGUA, VIETNAM AND CUBA? ANUTRIEV WENT ON TO ASK ABOUT THE SIZE OF THE DEBT OWED BY THIRD COUNTRIES TO THE SOVIET UNION. HE HAD BEEN TOLD THAT THE FIGURE WAS A STATE SECRET, ALTHOUGH WESTERN ASSESSMENTS SAID IT WAS MUCH GREATER THAN THE SOVIET UNION'S OWN EXTERNAL DEBTS. HE CALLED ON YUAKOVLEV ''THE GREAT MUTE'' TO EXPLAIN ALL THESE PROCESSES.

4. LIGACHEV AND ANUFRIEV PROVOKED SHEVARDNADZE TO ANSWER WITH AN IMPASSIONED DEFENCE OF SOVIET FOREIGN POLICY. HE SAID HE KNEW THAT FOREIGN SUPPORT FOR PERESTROIKA IRRITATED SOME PEOPLE IN THE SOVIET UNION. IT WAS TIME TO REBUT ALL THE DEMANDS TO SCALE DOWN FOREIGN POLICY ACTIVITIES. IT WOULDN'T WORK. ADOPTING A POLICY OF ISOLATION, THE RUSSIANS COULD NOT ISOLATE THEMSELVES FROM THE THREAT OF NUCLEAR OR ECOLOGICAL CATASTROPHE, FROM DEMOGRAPHICAL EXPLOSIONS AND THE ECONOMIC PROBLEMS THAT WENT WITH THEM. THEY WOULD SIMPLY DEPRIVE THEMSELVES OF THE BENEFIT OF INTERNATIONAL EXCHANGES AND LIMIT THEIR OPPORTUNITIES TO MODERNISE THE ECONOMY.

5. SHEVARDNADZE ANGRILY DENIED THE LEADERSHIP HAD MADE ANY UNILATERAL CONCESSIONS, OTHER THAN TO COMMON SENSE. IF THE SOVIET UNION HAD GIVEN GROUND, THEN THAT HAD HAPPENED MANY YEARS AGO, AND IT WAS NOW RECOVERING IT.

6. HE SAID THAT NOBODY SHOULD ACCUSE PERESTROIKA OF DESTROYING THE POLITICAL STURCTURE OF EUROPE. THAT HAD BEEN DESTROYED BY THE WILL OF THE PEOPLE WHO HAD NOT WISHED TO PUT UP WITH COERCION ANY LONGER. THE COERCION ALTHOUGH MANY LIKED TO FORGET ABOUT IT, WAS APPLIED AT THE END OF THE 1940S, WHEN THE STRUCTURE OFPOPULAR-DEMOCRATIC REGIMES, WHICH HAD BEEN SET UP AFTER THE SECOND WORLD WAR HAD BEEN BROKEN. THAT WAS WHEN THE DEMOCRATIC FORCES WHICH HAD COOPERATED WITH COMMUNISTS IN ORDER TO ACHIEVE THE VICTORY OVER FASCISM, AS WELL AS TO GAIN FREEDOM AND DEMOCRACY WERE FORCED OUT AND REGIMES OF PERSONAL POWER SET UP. HE ASKED WHETHER THE SYSTEM HAD THROWN UP THE DICTATORS OR THE DICTATORS HAD CREATED THE SYSTEM OR A BIT OF BOTH? FAITH IN A SOCIALISM BASED ON REPRESSION AND COERCION HAD BEEN UNDERMINED AT THAT TIME, NOT IN 1985.

7. SHEVARDNADZE CONTINUE THAT PEOPLE ASKED WHY NOBODY HAD FORESEEN THE RECENT EVENTS IN THESE COUNTRIES. HIS REPLY WAS ''WE DID FORESEE THEM, AND PRECISELY FOR THIS REASON WE RESTRUCTURED THE CHARACTER OF OUR INTER-STATE RELATIONS AFTER APRIL 1985: WE REFUSED TO INTERFERE IN THEIR INTERNAL AFFAIRS AND STOPPED IMPOSING OUR DECISIONS ON THEM. BUT AS OUR OWN EXPERIENCE HAS SHOW, IT IS EASIER TO CHANGE POLICY THAN PEOPLE. MANY LEADERS OF THESE COUNTRIES WERE OF THE SAME CLOTH LAND IT IS WELL KNOWN WHO PROTECTED THEM. SOME OF THEM CAME TO POWER NOT WITHOUT THE ASSISTANCE OF THE FORMER SOVIET LEADERSHIP, BUT AFTER APRIL 1985 KLTHEY COULD NOT BE REMOVED FROM POWER BY THE PRESENT

SOVIET LEADERSHIP FOR WE, I REPEAT, HAD DECIDED NOT TO INTERFERE IN INTERNAL AFFAIRS OF OTHER COUNTRIES. THAT WAS THE ONLY RIGHT DECISION. HOW MANY TIMES HAD THE IMAGE OF OUR COUNTRY, WHICH MANKIND HOLDS BEING DESTROYED BY SUCH INTERFERENCE? REMEMBER THE PRAGUE SPRING. WAS THE PRAGUE SPRING REALLY THE CASE OF IMPERIALIST PLOTTING?'' IN THE NEW CONDITIONS EASTERN EUROPEAN COUNTRIES WERE MAINTAINING NEIGHBOURLY RELATIONS WITH THE SOVIET UNION. TO HIS REMARKS ABOUT THE SPECTRE OF REVANCHISM, SHEVARDNADZE SAID THAT THE CALLS TO REVIEW BORDERS IN EUROPE AFFECTED NOT JUST THE WESTERN BORDERS OF THE SOVIET UNION'S NEIGHBOURS, BUT EVEN THOSE OF THE UKRAINE, BELORUSSIA AND LITHUANIA.

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ANDREW NURNBERG ASSOCIATES

Our Ref: AN/JE

C D Powell Esq
10 Downing Street
London SW1A 2AA

8 February 1990

Dear Mr Powell

I refer to my letter of yesterday's date regarding Mr Yeltsin's visit to London.

We have today accepted on Mr Yeltsin's behalf an invitation from Chatham House to give a lecture on Tuesday 13 March at 5.00 pm followed by a reception.

With kind regards

Yours sincerely

ANDREW NURNBERG

45-47 Clerkenwell Green, London EC1R 0HT Telephone 01-251 0321 Telex 23353 Fax 01-251 0584

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ANDREW NURNBERG ASSOCIATES

Our Ref: AN/JE

C D Powell Esq
10 Downing Street
London SW1A 2AA

7 February 1990

Dear Mr Powell

I refer to my letter of 11 January 1990 and your note of 12 January 1990 with regard to the forthcoming visit of Mr Yeltsin to London.

I endeavoured calling you this afternoon because Mr Yeltsin yesterday met the Soviet Ambassador to London at the Plenum in Moscow whom he reports as saying: "The Prime Minister has not decided whether she wishes to meet you as you are visiting only for insignificant reasons" (ie at the time of publication of his book).

This comment as reported to me has upset Mr Yeltsin considerably, not least because Mr Zagladin had caught wind of our approach to you. Furthermore, I cannot imagine that it would make any difference to the Prime Minister whether Mr Yeltsin's visit to London is in a private or official capacity.

I shall be grateful if you could clarify the position. Mr Yeltsin has advised me that he would very much like to meet the Prime Minister, time permitting, for a short exchange of views and I hope that you will be able to confirm that her schedule will allow for a meeting in the early part of the week commencing 12 March.

I look forward to hearing from you.

Yours sincerely

ANDREW NURNBERG

45-47 Clerkenwell Green, London EC1R 0HT Telephone 01-251 0321 Telex 23353 Fax 01-251 0584

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SOVIET UNION: THE CENTRAL COMMITTEE PLENUM: UPDATE

1. TASS HAS REPORTED THAT THE PLENUM APPROVED THE DRAFT PARTY PLATFORM IN MID AFTERNOON AND MOVED ON TO LITHUANIA. A PARTICIPANT TOLD REUTERS THAT THERE HAD BEEN NO MAJOR CHANGES FROM THE DRAFT ORIGINALLY SUBMITTED BY GORBACHEV. IN A SHOW OF HANDS, ELTSIN HAD BEEN THE ONLY PERSON TO VOTE AGAINST.

2. GAVRILL POPOV, A LEADER OF THE INTER REGIONAL GROUP OF DEPUTIES WHOM COUNSELLOR INTERNAL SAW AT LUNCHTIME, SAID THAT YELTSIN HAD UNDERTAKEN TO PROPOSE THE REMOVAL OF 3 PEOPLE FROM THE POLITBURO: LIGACHEV, VOROTNIKOV AND ZAIKOV. BUT HE THOUGHT IT MOST UNLIKELY THAT THIS WOULD HAPPEN AND THAT THERE COULD WELL BE A CONSENSUS TO DELAY ANY MAJOR PERSONNEL CHANGES UNTIL THE CONGRESS.

4. THE SPEECHES BY LIGACHEV AND GIDHSPOL (REPORTED BY SEPARATE TELEGRAM) ARE A FID RESTATEMENT OF THE CONSERVATIVE POSITION - AGAINST ANY REDUCTION IN THE PARTY'S ROLE - THOUGH THEY AND OTHERS FAVOURED SOME MORE DEMOCRATIC MEANS OF ELECTING DELEGATES TO THE 28TH CONGRESS AND CHANGES IN PARTY PROCEDURES TO GIVE MORE INFLUENCE TO RANK AND FILE PARTY MEMBERS, PARTICULARLY OVER THE SELECTION OF PARTY OFFICIALS. WE STILL HAVE THE TEXTS OF ONLY A FEW OF THE SPEECHES MADE YESTERDAY. WESTERN JOURNALISTS HAVE BEEN PICKING UP SUGGESTIONS THAT THERE WAS A STRONG CONSERVATIVE TONE TO MANY OF THEM. THIS WAS ALSO WHAT POPOV HAD HEARD. A PARTICIPANT INTERVIEWED ON YESTERDAY'S TV NEWS SAID THAT LIGACHEV'S SPEECH HAD BEEN ONE OF THE BEST RECEIVED. THE SPEECH ON THE FIRST DAY BY THE SOVIET AMBASSADOR IN POLAND, BROVIKOV, CONTAINED A REMARKABLE ATTACK ON PERESTROIKA. HE SAID THAT ALL THE PROBLEMS THE COUNTRY WAS FACING WERE NOT THE RESULT OF YESTERDAY'S STAGNATION, BUT OF PERESTROIKA AND HINTED THAT GORBACHEV HIMSELF WAS TO BLAME FOR THIS. INTERESTINGLY, HOWEVER, RYZHKOV - WHO HAS NORMALLY BEEN THOUGHT AS A CENTRIST IN POLITICAL TERMS -CAME OUT MUCH MORE STRONGTLY THAN GORBACHEV IN FAVOUR OF WORKING TOWARDS A MULTI PARTY SYSTEM. BIKKENIN TOLD ME BEFORE HIS DEPARTURE TO THE UK THAT THERE HAD BEEN A REPEAT OF THE CRITICISM OF GORBACHEV AT THE DECEMBER 9 PLENUM THAT HIS POLICIES WERE PRAISED BY THE SOVIET UNIONS ENEMIES.

5. THE FACT THAT GORBACHEV GOT VIRTUALLY UNANIMOUS APPROVAL FOR

SOMETHING VERY CLOSE TO HIS ORIGINAL DRAFT, SUGGESTS HE PITCHED HIS REFORM PROPOSALS AT ABOUT THE RIGHT LEVEL. BUT IT IS IMPOSSIBLE TO MAKE AN EXACT JUDGEMENT ABOUT THE EXTENT TO WHICH THIS PLENUM MARKS A CONCRETE STEP FORWARD UNTIL WE SEE DETAILS OF THE PROPOSALS CONTAINED IN THE PLATFORM. EVEN THEN, MANY OF THE KEY ISSUES IN RESTRUCTURING THE PARTY ARE LIKELY TO HAVE BEEN LEFT OVER TO THE NEXT PLENUM WHICH WILL DISCUSS THE NEW PARTY RULES. POPOV, WHO AS A LEADING RADICAL CAN BE EXPECTED TO TAKE THIS VIEW, SAID THE PLATFORM WAS A COMPROMISE DOCUMENT WHICH WOULD SATISFY NEITHER THE RADICALS NOR CONSERVATIVES. BUT HE DID NOT THINK THAT THE RADICALS WITHIN THE PARTY - IE THOSE BASING THEMSELVES ON THE SO-CALLED ''DEMOCRATIC PLATFORM'' - WOULD FEEL THE NEED YET TO LEAVE THE PARTY. RATHER, HE THOUGHT THAT THEY WOULD TRY TO PUSH HARD FOR THE LEGALISATION OF FRACTIONS WHICH HE SAW AS SOMETHING VIRTUALLY APPROACHING INDEPENDENT PARTIES WITH THEIR OWN PRESS AND ORGANISATIONAL STRUCTURE BUT REMAINING WITHIN THE FRAMEWORK OF THE CPSU. HE THOUGHT SUCH AN APPROACH MIGHT PERSUADE REPUBLICAN PARTIES TO STAY WITHIN THE CPSU. HE BELIEVED YELTSIN WOULD BE TAKING THIS LINE

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MY TELNO 194 SOVIET CENTRAL COMMITTEE: 5 FEBRUARY
DETAIL
1. THE FOLLOWING ARE A FEW OF THE KEY POINTS FROM THE EARLIER SPEECHES IN YESTERDAY'S DEBATE AT THE PLENUM ON THE PARTY PLATFORM

A I KORNIENKO (FIRST SECRETARY, KIEV STATE PARTY)
- WORKERS ARE ADDRESSING SERIOUS ACCUSATIONS TO THE CENTRAL COMMITTEE AND POLITBURO FOR THEIR MISTAKES DURING PERESTROIKA, FOR THEIR INDECISIVENESS AND FAILURE TO TAKE CLEAR POSITIONS ON FUNDAMENTAL ISSUES
- THE DRAFT PLATFORM NEEDS A LOT OF IMPROVEMENT. THE PARTY SHOULD BE EQUAL IN THE JURIDICAL SENSE WITH OTHER POLITICAL FORCES. BUT LOGIC AND HISTORY REQUIRE OUR PARTY TO HAVE A SPECIAL PLACE, SPECIAL NOT IN A SENSE OF A MONOPOLY ON POWER, BUT IN THE SENSE OF ITS HISTORICAL RESPONSIBILITY FOR THE FATE OF SOCIALISM.

V K MESYATS (FIRST SECRETARY, MOSCOW REGIONAL PARTY)
- OUR MOSCOW PARTY STANDS FIRMLY ON THE POSITION OF MARXISM/LENINISM AND SPEAKS OUT FOR THE LEADING ROLE OF THE PARTY. THERE IS NO OTHER SOCIALIST MOVEMENT APART FROM THE CPSU CAPABLE OF UNITING THE PEOPLE AND OVERCOMING CURRENT PROBLEMS. UNFORTUNATELY, THIS BASIC PROPOSITION IS NOT INCLUDED IN THE ERAFT PLATFORM.
- LEADING STATE AND PARTY BODIES HAVE OFTEN MADE SERIOUS MISTAKES IN IMPLEMENTING PERESTROIKA - ALTHOUGH THE STRATEGY IS RIGHT.
- MUCH OF WHAT IS HAPPENING TODAY - THE UNPRECEDENTED OUTPOURING OF UNHEALTHY FEARS AND ANARCHY IS STIRRED UP BY LEADERS OF ALL TYPES OF ANTI-SOCIALIST GROUPS. PERHAPS I AM WRONG, BUT THIS IS NOT THAT DMEOCRACY OR THAT GLASNOST WHICH WAS ANNOUNCED IN APRIL 1985.
- THE CPSU BEGAN AND LEADS PERESTROIKA. THIS SHOULD BE THE SUBECT OF A SPECIAL RESOLUTION OF THE PLENUM.

I A KARIMOV (FIRST SECRETARY, UZBEKISTAN)
- THERE SHOULD BE COMPULSORY REPRESENTATION OF ALL REPUBLICAN COMMUNIST PARTIES IN CENTRAL BODIES OF THE CPSU. THERE IS NO ALTERNATIVE POLITICAL FORCE TO THE PARTY. IT SHOULD BE UNDERSTOOD

THAT THE PARTY CANNOT FULFIL ITS ROLE IF IT LOSES CONTROL OVER CADRE POLICY.

G A YAGODIN (CHAIRMAN OF THE STATE COMMITTEE FOR EDUCATION
- I SUPPORT THE PROPOSALS OF THE PLATFORM ABOUT THE POST OF PRESIDENT. COLLECTIVE LEADERSHIP IS FINE UNTIL IT BECOMES COLLECTIVE IRRESPONSIBILITY. WE NEED SOMEWONE WHO WILL TAKE UPON HIMSELF FULL RESPONSIBILITY FOR THE FUTURE OF THE COUNTRY. OF COURSE, HE SHOULD BE ELECTED BY THE PEOPLE IN DIRECT AND SECRET VOTING. BUT THIS WILL PROBABLY HAVE TO AWAIT THE ADOPTION OF A NEW CONSTITUTION.

YU P ARKHIPOV (SECRETARY OF THE PARTY COMMITTEE OF A LENINGRAD FACTORY
- THE APOGEE OF MISTRUST IN THE PARTY LEADERSHIP HAS NOT YET ARRIVED. BUT WE ARE NOT FAR OFF. PARTY MEMBERS ARE DESERTING IN INCREASING NUMBERS BECAUSE THEY DO NOT TRUST THE CPSU AND ITS LEADERSHIP. THIS PLENUM MUST CLEARLY ACCEPT A MULTI-PARTY SYSTEM AND THE ABOLITION OF ARTICLE 6.
- THE PLENUM SHOULD ADOPT 2 DOCUMENTS - ONE SETTING OUT POLICY BETWEEN NOW AND THE CONGRESS: THE SECOND SETTING OUT THE RULES FOR PREPARING AND HOLDING THE CONGRESS.
- THERE IS NO REASON WHY THE DEMOCRATIC PLATFORM AGREED BY PARTY CLUBS IN MOSCOW ON 21 JANUARY SHOULD NOT BECOME THE PARTY PROGRAMME
- A SPECIAL ORGANISATING COMMITTEE TO PREPARE FOR THE CONGRESS CONSISTING OF 50-60 PEOPLE SHOULD BE ELECTED

YU A PROKOFEV (FIRST SECRETARY, MOSCOW CITY PARTY)
- THE DRAFT PLATFORM IS, AT THE VERY LEAST, DISAPPOINTING. THE PARTY IS LAGGING CATASTROPHICALLY IN THE PROCESS OF DEMOCRATISATION. THE PLATFORM TAKES US BACK 2 YEARS TO THE 19TH PARTY CONFERENCE. IT IS ESSENTIAL FOR THE PARTY TO STATE CLEARLY ITS ATTITUDE TOWARDS ARTICLE 6 AND A MULTI PARTY SYSTEM. IN PRACTICE, SUCH A SYSTEM ALREADY EXISTS. WE SHOULD RECONGNISE REALITIES.
- EACH PARTY COMMITTEE SHOULD HAVE THE RIGHT TO DECIDE INDEPENDENTLY ON THE STRUCTURE AND SIZE OF ITS APPARATUS AND SALARIES.
- IT IS GOOD THAT WE HAVE AGREED TO PUBLISH THE PROCEEDINGS OF THE PLENUM, BUT PERHAPS MIKHAIL SERGEEVICH, IF YOU HAD CONSULTED MEMBERS OF THE PLENUM EARLIER, WE COULD HAVE REACHED AGREEMENT TO BROADCAST PROCEEDINGS ON TELEVISION. THE PEOPLE EXPECT THIS.

E E SOKOLOV (FIRST SECRETARY BELORUSSIA)
- REPUBLIC COMMUNIST PARTIES SHOULD HAVE THE RIGHT TO THEIR OWN PROGRAMMES AND POLITICAL DOCUMENTS. BUT THE PARTY RULES SHOULD BE THE SAME FOR ALL COMMUNISTS.

-WHY DOES THE PARTY STAND PASSIVELY TO ONE SIDE IN THE FACE OF EXTREMISM AND SEPARATISM?
- DISCIPLINE IS COLLAPSING. IF THIS IS NOT STOPED HOW WILL WE REALISE THE PROGRAMME SET OUT IN THE DRAFT PLATFORM
- THE IDEA OF ABOLISHING THE PARTY APPARATUS AND WORKING INSTEAD THROUGH PERMANENTLY ELECTED PARTY BODIES WILL WEAKEN PARTY'S CONTACTS WITH THE PEOPLE.
- WE URGENTLY NEED STRONGER CENTRAL POWER. THE CHAIRMAN OF THE SUPREME SOVIET AND THE CPSU GENERAL SECRETARY HAS ENORMOUS RESPONSIBILITIES BUT DOES NOT HAVE THE POWERS TO GO WITH THEM.

LOGAN

FCO PSE PASS SAVING ADDRESSEES
YYYY

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

7 February 1990

Dear Stephen.

PRIME MINISTER'S MEETING WITH MR MEDVEDEV

The Prime Minister had an hour's talk this evening with Mr Medvedev, leader of the delegation from the Supreme Soviet of the USSR which is visiting the United Kingdom at the invitation of the IPU. Mr Medvedev was accompanied by the Soviet Ambassador and Mr Uspensky. Sir Rodric Braithwaite was also present. Mr Medvedev came over as a rather unremarkable man, and not at ease on international issues, on which he was occasionally prompted by the Soviet Ambassador.

The early part of the meeting was conducted in front of the television cameras and I enclose a transcript of the remarks made by the Prime Minister and Mr Medvedev. When the meeting proper started, the Prime Minister said that we were very excited about the outcome of the Central Committee Plenum and she was looking forward to a first hand account. She also wanted to discuss President Gorbachev's recent message to her about Germany. She would like Mr Medvedev to take back with him a message of continuing warm support and admiration for Mr Gorbachev. She was confident that he would surmount every difficulty in the way of his reforms, as he had done so far.

Mr Medvedev said that his first task was to hand over a message from Mr Gorbachev (copy enclosed). The Prime Minister read this immediately and commented that it corresponded very closely with her own views. Perhaps she and Mr Medvedev should start by discussing the subject of German unification.

German Unification

The Prime Minister continued that it was not surprising that she and Mr Gorbachev thought in much the same way. They had discussed these problems at their meeting in September. Her main concern was that developments over German unification were taking place piecemeal. There were those in West Germany who wanted to make very rapid progress towards unification. We had to devise a framework within which the other countries concerned could discuss the implications for European's security and stability. It was not right for leading politicians just to sit and watch things happen, they must exercise their leadership. She had no

fixed idea as to the right forum in which to discuss these matters. One suggestion was it should be the Four Powers together with the two Germanies. She could agree to that. Indeed she was less averse than some others to discussion in the Four Power framework alone. Whatever it was, we had to find a way to sort out the issues raised by unification rapidly. She could agree that the Foreign Secretary should discuss the problem with Mr Shevardnaze during his visit to Moscow in April, as proposed in Mr. Gorbachev's mesage. But we needed to make progress before then. She had said openly that the process of unification needed to be slowed down, with a substantial transitional period between a decision in principle and its implementation, so that the concerns of others could be properly considered. She was much criticised for this in Germany, but she was sure it was right from the point of view of the wider interests of Europe as a whole. In short, her views and those of Mr Gorbachev as expressed in his message were very close: he was knocking at an open door.

Mr Medvedev said that the German question was a source of concern to all of us. We should not let some governments just push ahead, in ways which might have unpredictable results. To an extent unification was a spontaneous process. But he agreed with the Prime Minister that the key was to find a way to shape and control it. One way would be to widen the scope of the discussions between ambassadors of the Four Powers. This could be supplemented by bilateral discussions. The proposals put forward by Mr Modrow deserved consideration. The Prime Minister interjected that we were constantly told that the GDR was on the point of collapse and might not even get through to the elections in March. The West German Government was now proposing early steps to monetary union. Her own view was that the GDR probably would get through to elections. She assumed that whatever government was elected would prefer to negotiate about its future rather than just be submerged into the FRG. Certainly we could not stop unification and it would be fruitless to try. Our task was to create a framework for it which maintained the peace and stability of Europe. We considered it vital that American forces should remain in Germany: that would contribute to stability. She kept coming back to the point that we needed to sit down together, work out options in relation to existing Alliances, the Helsinki process and Four Power rights and reach agreement. She wanted to see us get some proposals down on paper.

Mr Medvedev agreed that this was the central task: to create a framework to keep things under control and exert influence on the FRG to prevent any rash steps. The Prime Minister said that we had seen reports that some people wanted a united Germany to be neutral, but she did not believe that this would be in the Soviet Union's own interest. It would be much better for Germany to be bound into an alliance, with American troops remaining in the existing FRG. The Prime Minister continued that we would support a CSCE summit later this year. But the communique must be agreed in advance and should, among other things, confirm the Oder-Neisse line as Germany's eastern frontier. Mr Medvedev said he would convey what the Prime Minister had said on these points to Mr Gorbachev, who would want to discuss all these problems with her in June. Mr Gorbachev

attached great importance to her visit.

Central Committee Plenum

The Prime Minister said that she was anxious to hear more about the Central Committee Plenum, which had been top of the news in the United Kingdom for several days. Personally she had never had no doubt that Mr Gorbachev would prevail.

Mr Medvedev said that the adoption of the draft programme for the Party Congress was of immense importance. The Soviet Union was making a radical turn in the right direction. Clear guidelines for action in all the main areas of crisis had been established. In the economy, the priority would be to restructure the consumer market and soak up excess money in private hands. Politically, the main task was to strengthen central authority by moving to a presidential form of government. The Prime Minister commented that abolition of Article 6 of the Constitution was a fundamental step. She appreciated that economic reform would continue to be very difficult. She understood that production had increased, but much of it was finding its way on to the black market. Mr Medvedev said that an attempt was being made to introduce the market into the Soviet economy, but the mechanisms were not yet working. There was a good deal of social turmoil and demonstrations were becoming a fact of life. He would not conceal that opposition was gaining momentum. Tangible improvements in the economy were needed to calm people down a bit. Fundamental measures were being prepared, including a new tax system and a new system of pricing.

Mr Medvedev continued that ethnic problems were very painful, but the Central Committee Plenum had taken a step forward here too. The fact was there was vast differences between the republics, for instance between the Baltic Republics and Khirgizia. This should be reflected in their status. The Union would continue as a framework, embracing sovereign republics which would be part of the Union by agreement. Any problems would be resolved by political means only, although there had been pressure at the Plenum for the leadership to be firmer in restoring law and order. It was regrettable that it had been necessary to use the army in Azerbaijan. Mr Gorbachev was grateful for the understanding shown by the Prime Minister over this. The Prime Minister said that there had to be law and order or the innocent would suffer.

The Prime Minister thanked Mr Medvedev for his account. She repeated her various messages for Mr Gorbachev. We needed to intensify our discussions on how to manage Germany's unification: at present we were constantly being overtaken by developments and being fobbed off by the Germans. We needed to get a grip on the situation. Meanwhile we hoped that Mr Ryzhkov would visit Britain later in the year.

Finally, the Prime Minister added that we were very anxious to retain our embassy residence in Moscow and understood that the Soviet Union wished to do the same in London. She hoped that discussions would soon take place on this.

I am copying this letter to Simon Webb (Ministry of Defence) and to Sonia Phippard (Cabinet Office).

Yours sincerely,

Charles Powell

Stephen Wall Esq
Foreign and Commonwealth Office

Unofficial translation

HER EXCELLENCY
MRS. MARGARET THATCHER,
PRIME MINISTER OF GREAT BRITAIN

Dear Mrs. Thatcher,

I would like to continue our exchange of opinions with you on topical issues. The Soviet leadership highly values our political dialogue. Let me note with gratitude that I feel your understanding and support in difficult situations which sometimes emerge in our country in the process of perestroika, including the events in Azerbaijan and Armenia. Mr. Medvedev will tell you about developments here, as well as about the plenary session of the CPSU Central Committee which has just concluded its work; he will also answer the questions that you might have.

I would like to stress on my part that mutual understanding and interaction between the Soviet Union and Great Britain are at present becoming even more important and without exaggeration central for resolving major international issues. We both agree that now it is especially crucial not to rush events, to prevent the rise or spread of crisis situations, to promote the process of renewal in Europe in the conditions of stability. I believe both of us realize that this should be the objective that all responsible politicians must pursue.

One could probably say that the German-German affairs are gaining center stage. The developments in this area prompted me to send letters devoted to this subject to you, as well as to President Bush and President Mitterrand. So, you are aware of our latest opinions and assessments.

I will repeat just one point which in my view is of principal importance. It is possible to overcome the division of Germany only having first overcome the division of Europe. These two processes should be synchronised, and, of course, it is necessary during all phases to meticulously take into account the already existing military-political realities, the balance of forces in Europe, the security interests of all countries in the region. In practical terms all these issues have to be discussed and agreed on among the European countries. I believe that the proposed summit meeting of the 35 CSCE participants should become a good forum for such discussions. Let me express here my satisfaction over your support in principle of the idea of convening such a meeting, provided it is carefully prepared.

It is extremely useful to confer on all these issues on a bilateral basis. You and I could come to an agreement that during Foreign Secretary Hurd's visit to Moscow next April our Ministers devote a considerable part of their discussions to the European and German-German affairs.

On the whole one cannot help admitting that challenges and dangers to stability in Europe are real. But the forces in Europe whose actions are based on reason, responsibility and a sense of perspective also possess considerable political weight. Time has shown just how foresighted we were when five years ago we embarked on the road of rethinking both our fundamental philosophical approaches and practical policies. As a result of our joint intensive work for all these years we have been able to transform the Soviet-British dialogue into an influential and stabilizing component of international relations.

The level and scope of political interaction between our two countries testify, as I see it, to the possibility of moving the Soviet-British relations into a phase of partnership as regards a number of key international problems. I would like to build our dialogue upon this focal thought.

Let me take the opportunity to convey to you and Mr. Thatcher Mrs. Gorbachev's and my best wishes.

Sincerely,

M.GORBACHEV

Kremlin, Moscow
February 6, 1990

PM: WELCOME TO SOVIET DEPUTY P.M. - LONDON - 7 FEB 90

FROM JAMES LEE FOR COI RADIO TECHNICAL SERVICES

TRANSCRIPT OF WELCOME

BY THE PRIME MINISTER, MRS. THATCHER,

TO SOVIET DEPUTY PRIME MINISTER, MR. MEDVEDEV

IN LONDON, ON WEDNESDAY, 7 FEBRUARY 1990

==========

PRIME MINISTER:

We welcome His Excellency, Mr. Medvedev, who as you know, has come hotfoot from the Soviet Plenum, where he made a speech and which we were fully behind. He is greatly in support of everything President Gorbachev is trying to do and we were waiting this morning the results of the vote of the Plenum and are very pleased indeed that it went well and that the Soviet Union will now have more than one party and that Communism will no longer be in fact in the constitution but it will be amongst other parties a political party.

I think that fairly well sums it up. It certainly leaves a lot of work to do.

MR. MEDVEDEV:

There is a tremendous amount to be done to that end, particularly the developing of democracy and ..... This does not mean to say the Party is giving up....but it is going to be in a democratic context.

PRIME MINISTER:

Further than we could ever have thought five years ago! A lot still to be done but a brave decision, a great decision.

PM: WELCOME TO SOVIET DEPUTY P.M. - LONDON - 7 FEB 90

MR. MEDVEDEV::

I have brought a very special message for you from Mikhail Gorbachev.

PRIME MINISTER:

I am very much looking forward to hearing it.

MR. MEDVEDEV:

He is very very glad about the development of our relationship and he looks forward to the further development of these between the UK and the USSR and I think that is going to be very meaningful and beneficial in view of what is going on at the moment both within our country and in the overall international context. I am very touched that the Prime Minister, Mrs. Thatcher, should find time on our first day to receive us. This gives a sense of obligation and I think also sets the tone for what we shall be talking about.

PRIME MINISTER:

Yes, you are quite right! I think we have set the tone. We set it well.

I receive the message with all the warmth in which it was sent and fully reciprocate it and send our warm congratulations...

RUSSIAN DEPUTY PM: ARRIVAL AT HEATHROW - 7 FEB 90

FROM JAMES LEE FOR COI RADIO TECHNICAL SERVICES

TRANSCRIPT OF SPEECHES

ON THE ARRIVAL OF SOVIET DEPUTY PRIME MINISTER, MR. MEDVEDEV,

AT HEATHROW,

ON WEDNESDAY, 7 FEBRUARY 1990

==========

SIR RODRICK BRAITHWAITE:

Your Excellency, Minister:

May I, on behalf of the British Group of the Inter-Parliamentary Union, welcome you here today. I welcome you, of course, not only on behalf of you and your delegation but on behalf, if I may associate Her Majesty's Government with the fact that Lord Brabazon is here today. It represents the significance which we all attach to the continuing series of exchanges between our Parliaments over recent years following the process set in train by the visit by Mr. Gorbachev, as he was before he became President, in 1984.

We are all very conscious that you have come after crucial events in your country, in your Plenum. We look forward to our exchanges over these next few days and we would be very pleased indeed if you could say a few words here on your arrival.

RUSSIAN DEPUTY PM: ARRIVAL AT HEATHROW - 7 FEB 90

MR. MEDVEDEV:

I thank you for the attention that you have accorded our delegation here and for the preparatory work that has been done by the British side and we do hope that our trip here will serve as another contribution and to the cause of developing Soviet-British parliamentary contacts. They have been rich with tradition and they have a plentiful history but I think that a new page in our parliamentary contacts and also in the history of Soviet-British relationships was opened in 1984 when the Parliamentary Delegation headed by Mr. Gorbachev visited Britain. I can remind you that during that mission for the first time the words "new political thinking" were pronounced and I also believe that our mission here today will also follow the concepts of new political thinking and we will have a fruitful exchange on different problems and problems of today's international relations. We think that European affairs will also be the subject of our discussions.

That also goes for the joint work we have to do to build a common European house, all the more so that of late we have seen great and serious developments in this oldest region in the world and it is quite natural that we are very much interested in discussing this.

I believe we will certainly touch upon in our discussions the problems related to our bilateral ties, including the issue of making the inter-parliamentary contacts between our two parliaments more concrete, more spefific.

MR. MEDVEDEV (CONTD):

We highly value the fact that Prime Minister Thatcher is going to receive us on the first day of our visit here; this is a sign of great interest towards our delegation, great attention, and to a certain extent I believe that this meeting we are going to have will set the note for the trip itself. I hope we will have a fruitful exchange of opinions.

I also hope that we will be able to satisfy the great interest that the British public has towards everything that is happening in the Soviet Union right now and primarily the interest of the British public towards the event that is probably ongoing or maybe it has already ended, because I did not have any new information during my flight. I mean, of course, the Plenary Session of the Central Committee of CPSU.

Let me again thank you for your attention and having set foot in the British Isles, let me wish prosperity and peace to all the British people.

QUESTION:

Mr. Gorbachev won the vote. Could you give us a comment, please!

MR. MEDVEDEV:

This vote, which was successful as you have said, was preceded by a very intensive discussion and participating in that discussion were more than 60 speakers. A lot of work had been done in the Commission which had been formed by the Plenary Session at the start.

The result of the vote - the fact that it has been almost unanimous - testifies, I think, to the fact that the Party and its leading body, the Central Committee, are full of vigour and want to promote *perestroika* and deepen it.

It is a little premature to say anything concrete or specific at this point but I am quite sure that having analysed and looked at the document adopted by the Plenary Session, you will see for yourselves that it really opens up a new page in *perestroika*.

SIR RODRICK BRAITHWAITE:

Your Excellency, Minister, I think we must thank you for your presence here today together with our two ambassadors. We do have a time problem, as you know. Because of the importance of your Plenum, our discussions this afternoon are having to begin somewhat late. I am sure that our colleagues here from the media will

SIR RODRICK BRAITHWAITE:

understand that we have to move away very quickly. There will be a press conference after our meeting at Chatham House tomorrow afternoon and I am sure you will be glad to respond to questions at that time.

Once again, thank you for your presence here. Let us get away to our work!

(END OF TRANSCRIPT) ####

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SOVIET UNION: CENTRAL COMMITTEE PLENUM: SPEECH BY MEDVEDEV

1. MEDVEDEV SPOKE AT THE PLENUM MIDWAY THROUGH THE SECOND DAY. WE DO NOT YET HAVE THE TEXT OF HIS SPEECH: THE FOLLOWING IS THE TEXT (WITH A FEW GRAMMATICAL IMPROVEMENTS) OF A SHORT SUMMARY WHICH HAS APPEARED IN TASS IN ENGLISH

BEGINS

- MEDVEDEV DECLARED FOR THE REVISION OF ARTICLE 6 OF THE CONSTITUTION WHICH REGISTERED THE PARTY'S LEADING ROLE IN SOCIETY. HE HOLDS THAT IN ORDER TO ENSURE THE RADICALNESS AND AT THE SAME TIME CONSISTENCY AND CONTROLLABILITY OF REFORMS THERE IS A NEED FOR A FIRM AUTHORITATIVE POWER WHICH IS AT THE SAME TIME DEMOCRATIC AND RESPONSIBLE TO THE PEOPLE. IN THIS CONNECTION HE ATTCHES FUNDAMENTAL IMPORTANCE TO THE PROVISION OF THE DRAFT PLATFORM FOR THE WIDENING POWERS OF THE POWERS OF THE STATE AND INTRODUCTION OF A PRESIDENTIAL FORM OF RULE.

2. MEDVEDEV ALSO GAVE AN INTERVIEW TO REUTERS LATE LAST NIGHT. IN CASE YOU DO NOT HAVE A REPORT OF THIS, THE FOLLOWING ARE THE MAIN POINTS THAT HE MADE.

- THE PLENUM MUST MARK A SHARP TURN IN THE WAY THE PARTY WORKS
- HE HAD HEARD ''ALARMIST AS WELL AS SOOTHING'' VIEWS AT THE PLENUM
- I BELIEVE A FAR REACHING DOCUMENT WILL BE WORKED OUT THAT WILL PROVIDE FOR RADICAL AND CONSISTENT MEASURES FURTHERING PERESTROIKA
- HE DISAGREED WITH THE VIEW EXPRESSED BY SOME SPEAKERS THAT MANY OF THE SOVIET UNION'S POLITICAL AND ECONOMIC PROBLEMS WERE THE FAULT OF PERESTROIKA. THIS, HE SAID, WAS A BACKWARD LOOKING VIEW. PERESTROIKA WAS JUST UNCOVERING DIFFICULTIES INHERITED FROM THE PAST
- THIS DOES NOT MEAN THAT WHAT WE HAVE DONE IN THE PAST FEW YEARS WAS ALWAYS ABSOLUTLEY RIGHT, OR THAT THERE HAS NOT BEEN MISTAKES. BUT THE MAIN THING WAS TO SOLVE THE UNDERLYING PROBLEMS. ''OUR FUTURE DEPENDS ON THAT.''

LOGAN

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SIR PERCY CRADOCK

YOUR VISIT TO MOSCOW

The Prime Minister has seen your minute of 6 February about your visit to Moscow. She has agreed that I should tell the Soviet Ambassador about the visit and encourage him to ensure that a successful programme is arranged. She does not think it the occasion to send any specific message to the Soviet leadership.

As regards themes, the Prime Minister thinks they more or less suggest themselves. She hopes you will put the emphasis on the future shape of Europe and the implications of German reunification. She hopes you will also discuss the prospects for arms control and relations between the Soviet Union and China and the Soviet Union and Japan.

CHARLES POWELL
7 February 1990

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PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. 23B/90

HER EXCELLENCY
MRS. MARGARET THATCHER,
PRIME MINISTER OF GREAT BRITAIN

Dear Mrs. Thatcher,

I would like to continue our exchange of opinions with you on topical issues. The Soviet leadership highly values our political dialogue. Let me note with gratitude that I feel your understanding and support in difficult situations which sometimes emerge in our country in the process of perestroika, including the events in Azerbaijan and Armenia. Mr. Medvedev will tell you about developments here, as well as about the plenary session of the CPSU Central Committee which has just concluded its work; he will also answer the questions that you might have.

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I will repeat just one point which in my view is of principal importance. It is possible to overcome the division of Germany only having first overcome the division of Europe. These two processes should be synchronised, and, of course, it is necessary during all phases to meticulously take into account the already existing military-political realities, the balance of forces in Europe, the security interests of all countries in the region. In practical terms all these issues have to be discussed and agreed on among the European countries. I believe that the proposed summit meeting of the 35 CSCE participants should become a good forum for such discussions. Let me express here my satisfaction over your support in principle of the idea of convening such a meeting, provided it is carefully prepared.

It is extremely useful to confer on all these issues on a bilateral basis. You and I could come to an agreement that during Foreign Secretary Hurd's visit to Moscow next April our Ministers devote a considerable part of their discussions to the European and German-German affairs.

On the whole one cannot help admitting that challenges and dangers to stability in Europe are real. But the forces in Europe whose actions are based on reason, responsibility and a sense of perspective also possess considerable political weight. Time has shown just how foresighted we were when five years ago we embarked on the road of rethinking both our fundamental philosophical approaches and practical policies. As a result of our joint intensive work for all these years we have been able to transform the Soviet-British dialogue into an influential and stabilizing component of international relations.

The level and scope of political interaction between our two countries testify, as I see it, to the possibility of moving the Soviet-British relations into a phase of partnership as regards a number of key international problems. I would like to build our dialogue upon this focal thought.

Let me take the opportunity to convey to you and Mr. Thatcher Mrs. Gorbachev's and my best wishes.

Sincerely,

M.GORBACHEV

Kremlin, Moscow
February 6, 1990

See CDL's note and attachment 6/2/90.

M. Gorbachev's message to the Prime Minister handed over to the Prime Minister by A. Medvedev on 7 Feb. CDL. 7/2.

ЕЕ ПРЕВОСХОДИТЕЛЬСТВУ
ГОСПОЖЕ МАРГАРЕТ ТЭТЧЕР,
ПРЕМЬЕР-МИНИСТРУ ВЕЛИКОБРИТАНИИ

Уважаемая госпожа Маргарет Тэтчер,

Хотел бы продолжить обмен мнениями по актуальным проблемам. Советское руководство высоко ценит политический диалог с Вами. С признательностью хотел бы отметить, что ощущаю Ваше понимание и поддержку в той непростой обстановке, которая подчас складывается у нас в процессе перестройки, в частности и в связи с событиями в Азербайджане и Армении. О наших делах и о только что закончившемся Пленуме ЦК КПСС Вам расскажет В.А.Медведев, ответит на Ваши возможные вопросы.

Со своей стороны хотел бы выделить мысль о том, что взаимопонимание и взаимодействие между СССР и Великобританией сейчас приобретают еще большую актуальность, без натяжки центральное значение для решения крупных международных вопросов. У нас общий подход в том, что сейчас особенно важно не торопить события, не допустить возникновения или разрастания кризисных ситуаций, обеспечить развитие процессов обновления в Европе в условиях стабильности. Полагаю, у нас с Вами общее понимание того, что именно на это должны быть нацелены устремления всех ответственных политиков.

На первый план выдвигаются, пожалуй, германо-германские дела. Ход событий в них побудил меня на днях обратиться к Вам, как и к президенту Бушу и президенту Миттерану, со специальным посланием. Так что Вы в курсе наших последних суждений и оценок.

Повторю только один момент, который представляется мне принципиально важным. Преодоление раскола Германии возможно только через преодоление раскола Европы. Эти два процесса должны быть синхронизированы. И, конечно, на всех этапах необходимо тщательно учитывать сложившиеся ныне военно-политические реалии, равновесие сил в Европе, интересы безопасности всех стран региона. На практике все эти вопросы требуют общеевропейского обсуждения и согласия. Хорошим форумом для этого могла бы стать встреча на высшем уровне 35-ти участников СБСЕ. С удовлетворением отмечаю, что в принципе Вы поддерживаете идею ее проведения при условии тщательной подготовки.

Большую ценность имеет проработка всех этих вопросов на двусторонней основе. Мы могли бы условиться с Вами, чтобы в ходе визита г-на Д.Хэрда в Москву в апреле с.г. наши министры посвятили значительную часть дискуссии европейским и германским делам.

В целом нельзя не признать, что вызовы и угрозы европейской стабильности реальны. Но немалый политический вес имеют и те силы в Европе, которые действуют с позиции разума, ответственности и перспективы. Время показывает, насколько дальновидно пять лет назад был взят курс на переосмысление как фундаментальных философских подходов, так и практической политики. За эти годы мы уже много сделали, чтобы советско-британский диалог стал влиятельным и стабилизирующим фактором международных отношений.

Уровень и масштаб политического взаимодействия наших двух стран свидетельствуют, на мой взгляд, о возможности перехода советско-британских отношений в фазу партнерства в том, что касается ряда узловых международных проблем. Вокруг этой центральной мысли мне и хотелось бы выстраивать наш диалог с Вами.

Пользуюсь случаем, чтобы передать Вам и г-ну Дэнису Тэтчер наилучшие пожелания от Раисы Максимовны и меня.

С уважением,

М.ГОРБАЧЕВ

Москва, Кремль
" 6 " февраля 1990 года

PRIME MINISTER

MEETING WITH MR. MEDVEDEV

You are to see Mr. Medvedev tomorrow afternoon. He is a member of the Politburo of the Soviet Communist Party and will have been intimately involved in the events of the past few days, and also with the problems of the Baltic States. He is leading a delegation from the Supreme Soviet, which is here for a week. They have a good programme, including three days in Wales and an overnight stay with Peter Walker.

Medvedev is in charge of ideology, a pretty thankless task at present. He is no great progressive (and the Soviet Ambassador, who has known him for some time, is rather disparaging about him). But he seems to be a close and loyal ally of Gorbachev.

You have a maximum of 75 minutes for the meeting, with the Amir of Qatar hard on Medvedev's heels. Given the time factor, you will want to concentrate on two points:

- his account of this week's Central Committee meeting and how the reform process will now be taken forward in the Soviet Union: both political and economic reform and the problems of the nationalities;

- the Soviet attitude to developments in Germany. You will want to refer to Gorbachev's recent message to you (in the folder) and give your views, about how we are to manage German reunification. You will want to mention the relationship of a united Germany to NATO (we do not think a neutral Germany would be in the Soviet Union's interests), the future of Four Power rights and the prospects for a CSCE Conference. You will want to enquire what Mr. Gorbachev expects to emerge from his meeting with Chancellor Kohl next weekend.

If there is any time left, you will want to touch briefly on bilateral relations, referring to your forthcoming visit to Kiev

bilateral relations, referring to your forthcoming visit to Kiev and our hope that Mr. Ryzhkov will come here later this year.

There is a (not very good) note by the FCO in the folder, together with a copy of Medvedev's programme, Mr. Gorbachev's recent message and the FCO's comments on it.

CDP

C.D. POWELL

6 February 1990
a:\medvedev.dca

Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

6 February 1990

Dear Charles,

Soviet Union: Central Committee Plenum

The Plenum in Moscow is still under way; it will continue tomorrow morning. You may like some account of the proceedings so far before the Prime Minister's meetings tomorrow with Mr Medvedev (who should still arrive in time for his call at No 10) and with M Felber.

The purpose of the Plenum was to prepare the draft platform for the forthcoming Party Congress and to continue discussion of Lithuania following Gorbachev's visit there in early January. In practice, Gorbachev's opening address and the subsequent debate have focussed on the future of the Party. The main points from Gorbachev's speech and the draft platform were as follows:-

- a proposal that the Party Congress should be brought forward from October to June/July;

- a proposal that the post of General Secretary should be replaced by that of Party Chairman. (Gorbachev's intention appears to be to take on this post.)

- a clear indication that the Party should lose its political monopoly, and should undertake a radical review of its role and ideological base. Although Gorbachev did not refer explicitly to the abolition of Article 6 of the Constitution (which guarantees the Party's leading role), he said that the process of democratisation "could lead to the creation of parties at some stage." He argued for the rejection of ideological dogmatism and obsolete stereotypes both in internal and external policy, and said that the Party needed rejuvenation and a severance of links with the old authoritarian and bureaucratic system.

- a proposal that the Central Committee should be slimmed down from its present size of 250 to around 200 and that a new political executive committee should be established at the head of the Party. This would allow a more liberal and looser relationship between the centre and republican parties. The implication is that the role of the Politburo will decline.

Gorbachev also indicated that he hoped for increased powers for a redefined presidency, and there has been one report that there may have been discussion of direct elections to this post.

CONFIDENTIAL

The Plenum has been meeting in closed session, and we do not yet have a complete account of the proceedings on 5 and 6 February. The indications are that there has been a heated debate. Many hard-liners have criticised Gorbachev personally, and Ligachev appears to have received considerable applause. The balance of debate nevertheless appears to lie with Gorbachev and the reformist leadership.

There has so far been little discussion of Lithuania, and it is not clear whether this Plenum will adopt any specific decisions about the relationship between the CPSU and the Lithuanian Party - although the subject is on the agenda. It will be difficult for the Party leadership not to address this issue, and the subject may need to be addressed at a future meeting.

The crucial issue before the Plenum winds up will be the vote on the platform for the Congress. If Gorbachev gets the backing for which he is looking, there is likely to be a further Plenum in 3-4 weeks time to examine "draft statutes" which will put flesh on the ideas advanced by the leadership. If, contrary to expectation, Gorbachev does not gain support for his programme, he could find himself in an isolated and difficult position. The probability is that the majority of his ideas will be accepted.

Gorbachev may be planning to make some personnel changes at the end of the Plenum (a subject which traditionally comes up at the end of the session). This may be the occasion on which he tries to force the resignation of Ligachev. Vorotnikov (the President of the RSFSR) could also be vulnerable. If Sunday's demonstrators have their way, so could Yazov.

The Prime Minister's meeting with Mr Medvedev tomorrow will provide a good opportunity to learn about the debate of the past two days. As Ideology Secretary, Medvedev has a central interest in Gorbachev's effort to make the Party more pragmatic and to erode its privileged position. Medvedev is loyal to Gorbachev, but his own instincts are cautious and he will be responsive to the doubts of hard-line elements at middle levels in the Party who may feel that this is the last opportunity to protect their own position and the orthodox role of the Party.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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USSR: CPSU PLENUM: GORBACHEV'S OPENING SPEECH

SUMMARY

1. THE 28TH CONGRESS TO BE ADVANCED TO LATE JUNE/EARLY JULY. THIS PLENUM WILL DISCUSS THE NEW PARTY PLATFORM (IE PROGRAMME). A FURTHER PLENUM IN 3 WEEKS WILL DISCUSS THE NEW PARTY RULES. THE PARTY'S POSITION SHOULD NOT BE ENDORSED IN THE CONSTITUTION. A MULTI PARTY SYSTEM COULD DEVELOP ''AT A CERTAIN STAGE.'' ECONOMIC REFORM HAD TO BE SPEEDED UP. THE PROBLEM OF PRICES HAD TO BE RESOLVED MORE RAPIDLY. IF TROOPS HAD NOT BEEN USED IN AZERBAIDZHAN THOUSANDS NOT DOZENS WOULD HAVE DIED. THE PLENUM SHOULD DISCUSS PROPOSALS FOR A STRONGER PRESIDENCY. THE TOP STRUCTURE OF THE PARTY TO BE CHANGED.

DETAIL

2. GORBACHEV OPENED THE PLENUM WITH AN HOUR LONG SPEECH INTRODUCING THE NEW DRAFT PARTY PROGRAMME. THIS ''EXTENDED'' PLENUM IS BEING ATTENDED BY ALL THE TOP REPUBLIC LEADERS, A NUMBER OF JUNIOR PARTY AND GOVERNMENT OFFICIALS AND REPRESENTATIVES OF THE INTELLIGENTSIA, THE ARMED FORCES AND THE MEDIA. THE PROCEEDINGS HAVE NOT BEEN TELEVISED, BUT A FULL TRANSCRIPT IS TO BE PUBLISHED IN THE PRESS. THERE WERE 27 SPEECHES FROM THE FLOOR ON THE FIRST DAY, APPROXIMATELY HALF OF WHICH ARE REPRINTED IN TODAY'S PRAVDA.

3. THE FOLLOWING IS A FAIRLY FULL SUMMARY OF THE MAIN POINTS FROM GORBACHEV'S OPENING SPEECH.

4. GORBACHEV BEGAN BY REFERRING TO THE IMMENSE PUBLIC INTEREST IN THE PLENUM AND IN THE ISSUE OF PARTY REFORM. HIS AUDIENCE WOULD HAVE SEEN THE RALLIES AND MEETINGS TAKING PLACE RECENTLY. WHAT WORRIED PEOPLE NOW WAS THE FATE OF PERESTROIKA AND THE ROLE OF THE SOVIET COMMUNIST PARTY AT WHAT WAS PROBABLY THE MOST CRUCIAL STAGE OF THE REVOLUTIONARY PROCESS.

THE 28TH PARTY CONGRESS

5. THE 28TH PARTY CONGRESS HAD ALREADY BEEN BROUGHT FORWARD BY 6 MONTHS TO OCTOBER 1990. HOWEVER, THE COURSE OF DEVELOPMENTS WAS NOW SO FAST THAT THE TIMING HAD TO BE LOOKED AT AGAIN. THE POLITBURO,

SAID GORBAHCEV, WAS THEREFORE PROPOSING THAT THE CONGRESS NOW BE HELD IN LATE JUNE/EARLY JULY THIS YEAR. THEY WERE CONFIDENT THAT THIS PROPOSAL WOULD BE AGREED. BEFORE THE CONGRESS THERE WOULD BE A FULL ''REPORT AND ELECT'' CAMPAIGN (IE A POLICY REVIEW AND RE-ELECTION OF ALL LOCAL AND REGIONAL PARTY OFFICIALS) AND A WIDE DEBATE ON THE NEW DRAFT PLATFORM AND DRAFT RULES FOR THE PARTY. ALL THIS WOULD MEAN THAT THE CONGRESS WOULD BE HELD IN TOTALLY NEW CIRCUMSTANCES.

6. GORBACHEV THEN ANNOUNCED THAT THE CURRENT PLENUM WOULD ONLY DISCUSS THE DRAFT PLATFORM OR PROGRAMME FOR THE CONGRESS. THERE WOULD BE ANOTHER PLENUM IN ''A MONTH, OR BETTER, 3 WEEKS'' TO CONSIDER THE DRAFT OF THE NEW RULES FOR THE PARTY.

7. GORBACHEV CAUTIONED THAT BY BRINGING THE CONGRESS FORWARD, THE POLITBURO WAS NOT INTENDING TO DRAMATISE THE SITUATION. BUT THE PARTY COULD ONLY FULFIL ITS ROLE IF IT DRASTICALLY REFORMED ITSELF. ANY DELAY AND IT WOULD LOSE THE INITIATIVE.

REFORM OF THE PARTY

8. GORBACHEV SAID THAT THE PARTY NOW HAD TO ABANDON IDEOLOGICAL DOGMATISM AND EVERYTHING THAT HAD LED TO THE ISOLATION OF SOCIALIST COUNTRIES FROM THE MAINSTREAM WORLD CIVILISATION. THE PARTY'S AIM WAS A HUMANE, DEMOCRATIC SOCIALISM. THIS WOULD BE REFLECTED IN THE NEW PLATFORM. THE PARTY COULD ONLY FULFIL ITS LEADING ROLE IF IT WAS A DEMOCRATICALLY RECOGNISED INSTITUTION. THIS MEANT THAT ITS STATUS SHOULD NOT BE IMPOSED THROUGH THE CONSTITUTION. THE PARTY WOULD CONTINUE TO STRUGGLE TO MAINTAIN ITS STATUS AS THE RULING PARTY. BUT IT WOULD DO SO STRICTLY WITHIN THE DEMOCRATIC PROCESS, GIVING UP LEGAL AND POLITICAL ADVANTAGES. AS POLITICAL PLURALISM DEVELOPED VARIOUS POLITICAL AND SOCIAL MOVEMENTS WERE EMERGING. THIS PROCESS MIGHT LEAD ''AT A CERTAIN STAGE'' TO THE ESTABLISHMENT OF OTHER PARTIES. THE PARTY WAS READY TO CONDUCT A DIALOGUE WITH ALL ORGANISATIONS COMMITTED TO THE SOVIET CONSTITUTION. RENEWAL OF THE PARTY PRESUPPOSED A THOROUGH RETHINKING OF THE PRINCIPLES OF DEMOCRATIC CENTRALISM.

9. THE MOST IMPORTANT ACHIEVEMENT OF PERESTROIKA SO FAR HAD BEEN THE EMANCIPATION OF SOCIETY. PEOPLE WERE TAKING AN ACTIVE PART IN RUNNING THEIR OWN LIVES. THIS SHOULD NOT BE A CAUSE FOR PANIC. NEVERTHELESS, IT HAD NOW BECOME CLEAR THAT THE COUNTRY'S CRISIS WAS MANY TIMES MORE SERIOUS THAN WAS ORGINALLY THOUGHT. GORBACHEV CONCEDED THAT THERE HAD ALSO BEEN MISTAKES AND MISCALCULATIONS. IT WAS IMPORTANT TO BE AWARE OF THE DANGER THAT SOME PEOPLE WOULD TRY AND EXPLOIT THESE DIFFICULTIES. THERE WERE SOME WHO THOUGHT CHANGE WAS TAKING PLACE TOO QUICKLY THREATENING THE FOUNDATION OF THE SOCIALIST SYSTEM. OTHERS THOUGHT THAT THE SOCIALIST SYSTEM WAS DOOMED TO FAILURE AND THAT THE COUNTRY COULD ONLY BE RESCUED BY

EMBRACING CAPITALISM. THE PROCESS OF POLARISATION BETWEEN CONSERVATIVES AND RADICALS HAD SPEEDED UP RECENTLY.

10. GORBACHEV SAID THAT THE LEADERSHIP WAS STILL COMMITTED TO SOCIALISM AND THE CHOICE MADE IN OCTOBER 1917. BUT THIS SHOULD NOT BE INTERPRETED DOGMATICALLY: PEOPLES' INTERESTS COULD NOT BE SACRIFICED TO THEORETICAL NOTIONS. THERE HAD TO BE SOCIAL JUSTICE. IDEOLOGICAL TABOOS HAD TO BE REJECTED. EVERYTHING VALUABLE WHICH OTHER SOCIETIES HAD CREATED HAD TO BE USED. ALL THIS COULD NOT BE DONE QUICKLY.

THE ECONOMY

11. GORBACHEV REFERRED TO THE CONTINUING PROBLEMS OF THE CONSUMER SECTOR: THE SHORTAGES AND QUEUES AND THE FALL IN THE PURCHASING POWER OF THE ROUBLE. PEOPLE, HE SAID, WERE ESPECIALLY DISSATISFIED WITH THE FOOD SITUATION. AGREEMENT HAD BEEN REACHED ON VAROUS NEW FORMS OF LAND TENURE. BUT REGIONAL OFFICIALS WERE STILL GRIPPED BY OLD ATTITUDES AND SO NO FUNDAMENTAL IMPROVEMENTS HAD TAKEN PLACE. IT WAS TRUE THAT THERE WERE SHORTAGES OF RESOURCES AND TECHNOLOGY. BUT THE MAIN POINT WAS TO REFORM THE STRUCTURE OF AGRICULTURE. THE FARMER HAD TO BE GIVEN A FREE HAND.

12. GORBACHEV SAID THAT UNTIL NOW THE LEADERSHIP HAD LACKED RESOLVE ON THE ISSUE OF ECONOMIC REFORM. THIS WAS PARTICULARLY TRUE OVER THE ISSUE OF PRICING WHICH HAD BROUGHT THE WHOLE REFORM PROCESS TO A STANDSTILL. THIS HAD TO BE RESOLVED MORE QUICKLY. BUT THE PARTY CONTINUED TO HOLD THE POSITION THAT PRICE REFORM SHOULD NOT AFFECT STANDARDS OF LIVING - ESPECIALLY OF THOSE ON LOW INCOMES. GORBACHEV THEN LISTED A FURTHER SERIES OF WHAT HE CALLED GLARING EXAMPLES OF MISMANAGEMENT: CREDIT OFFERED AT LUDICROUSLY LOW INTEREST RATES, THE CONTINUING INCREASE IN THE LEVEL OF UNCOMPLETED CONSTRUCTION PROJECTS. HE RECALLED THE STUBBORNESS OF GOSPLAN WHEN THE 1990 PLAN WAS BEING AGREED IN ARGUING THAT NO FURTHER CUTS IN CAPITAL INVESTMENT SHOULD BE MADE. NOW THERE WAS A SITUATION WHERE IN 1989 UNCOMPLETED INVESTMENT PROJECTS OVER AND ABOVE THE NORM HAD INCREASED BY THE EQUIVALENT OF 4/5THS OF THE INCREMENT IN NATIONAL INCOME. THIS, GORBACHEV SAID, WAS OCCURING AT A TIME WHEN THERE WAS A HUGE SHORTAGE OF BUILDING MATERIALS. THIS AND OTHER FAILINGS COULD NOT BE ALLOWED TO CONTINUE. THE PROBLEM COULD ONLY BE RESOLVED BY PUSHING AHEAD WITH THE REFORM AND NOT BY A RETURN TO CENTRAL CONTROL.

ARMENIA/AZERBAIDZHAN

13. GORBACHEV STRESSED THE URGENCY OF THE NEED TO DEVELOP A NEW LEGAL BASIS FOR THE SOVIET FEDERATION. HE ARGUED THAT MANY OF THE RECENT PROBLEMS IN THE CAUCASUS HAD BEEN CAUSED BY THOSE INVOLVED IN THE SHADOW ECONOMY AND THE MAFIA. THEY WERE DELIBERATELY STIRRING UP

ETHNIC HATRED. MOSCOW, HE SAID, HAD PROBABLY GIVEN MORE ATTENTION TO THIS ISSUE THAN ANY OTHER OVER THE PAST 2 YEARS, BUT HAD FAILED TO RESOLVE IT. IF THE STATE OF EMERGENCY HAD NOT BEEN INTRODUCED IN AZERBAIDZHAN AND NAGORNO-KARABAKH, THOUSANDS AND THOUSANDS OF PEOPLE, NOT JUST DOZENS WOULD HAVE DIED. HE THOUGHT THAT, POSSIBLY, MOSCOW HAD FAILED TO USE ALL ITS RESOURCES AND AUTHORITY TO BRING EVENTS UNDER CONTROL. BUT THE KEY FACT WAS THAT NATIONALIST AND ANTI SOVIET GROUPS HAD TRIED TO TAKE POWER AND ESTABLISH A DICTATORSHIP BY FORCE. THERE HAD, IN FACT, BEEN AN ATTEMPT AT A COUP. AND THE FACT THAT SOME POLITICAL GROUPS WERE FLIRTING WITH THIS WING OF THE AZERBAIDZHAN POPULAR FRONT MERELY REVEALED THEIR OWN AIMS.

14. GORBACHEV THEN EXPRESSED CONDOLENCES TO ALL WHO HAD LOST RELATIVES DURING THE VIOLENCE AND UNDERTOOK THAT THE PARTY AND GOVERNMENT WOULD DO EVERYTHING POSSIBLETO EASE THE PROBLEMS OF REFUGEES. THE ARMY, HE SAID, HAD DISPLAYED COURAGE AND RESTRAINT AND SAVED THOUSANDS OF LIVES. IT WAS NOW UP TO THE PEOPLE IN ARMENIA AND AZERBIADZHAN TO DETERMINE HOW SOON NORMAL LIFE COULD BE RESTORED.

POLITICAL REFORM

15. GORBACHEV SAID THAT PEOPLE WELCOMED THE INCREASED ROLE GIVEN TO THE SUPREME SOVIET. BUT HE NOTED THAT THERE WAS ALSO CONCERN AT THE LACK OF DECISIVENESS AT THE CENTRE. AS A RESULT IDEAS WERE APPEARING AOBUT THE NEED TO STRENGTHEN THE ROLE OF THE PRESIDENT. THESE SHOULD BE DISCUSSED AT THE PLENUM. THE DEVELOPMENT OF PERESTROIKA COULD NOT BE PUT IN PERIL.

16. GORBACHEV THEN TURNED TO PROPOSALS FOR THE INTERNAL REFORM OF THE PARTY. THE DETAILS WOULD BE SET OUT IN THE NEW DRAFT RULES. BUT CERTAIN ISSUES WERE ALSO COVERED IN THE PLATFORM. THE RIGHTS OF LOCAL PARTY ORGANISATIONS SHOULD BE INCREASED AND THE SYSTEM OF FORMING SUCH BODIES CHANGED. THE PARTY APPARATUS HAD TO BE ACOCUNTABLE TO ITS MEMBERSHIP. THE INFLUENCE OF THE CENTRAL COMMITTEE DEPENDED ON HOW MUCH IT WAS TRUSTED BY PARTY MEMBERS. WORKERS AND FARMERS SHOULD BE BETTER REPRESENTED AND THERE SHOULD BE MORE GLASNOST. PARTY BODIES SHOULD BE ALLOWED TO DEVELOP THEIR OWN PLATFORMS ON PARTICULAR ISSUES.

17. GORBACHEV ALSO REFERRED TO PROPOSALS CONTAINED IN THE DRAFT PLATFORM FOR REFORMING THE STRUCTURE OF HIGHER PARTY BODIES. HE SAID THERE INVOLVED MORE THAN JUST CHANGES OF NAME. BUT HE DID NOT GO INTO DETAILS OTHER THAN TO NOTE THAT THE CENTRAL COMMITTEE WOULD BE REDUCED IN SIZE AND WOULD BE TURNED INTO A ''BODY WORKING ON A PERMANENT BASIS.''

INTERNATIONAL AFFAIRS

18. GORBACHEV SAID THAT THE FUNDAMENTAL PRINCIPLES OF THE SOVIET

UNION'S NEW FOREIGN POLICY UNDER PERESTROIKA HAD BEEN SET OUT AT THE UN AT THE END OF 1988. THE KEY THING NOW WAS TO PUSH FORWARD WITH NEGOTIATED DISARMEMENT, DEEPEN DIALOGUE AND UNDERSTANDING ON THE MAIN ISSUES OF INTERNATIONAL DEVELOPMENT AND PROMOTE THE FUNDAMENTALS OF THE COMMON EUROPEAN HOME. IN PARTICULAR THERE WAS AN URGENT NEED TO REFINE ALLIANCE RELATIONS WITH EAST EUROPEAN COUNTRIES. THEIR NEW LEADERS UNDERSTOOD THIS.

19. GORBACHEV SAID THAT THE WORLD SITUATION HAD IMPROVED RECENTLY BUT THAT THERE WAS STILL A DANGER OF WAR. THE SOVIET LEADERSHIP WOULD EXPOLOIT POSITIVE CHANGES BUT BE ALERT TO THE DANGERS. THE DOCTRINES AND CONCEPTS OF THE USA AND NATO WHICH WERE FAR FROM BEING DEFENSIVE REMAINED UNCHANGED AS DID THEIR ARMS AND MILITARY BUDGETS. THIS WAS WHY THE SOVIET UNION NEEDED WELL TRAINED AND WELL EQUIPPED ARMED FORCES. RESTRUCTURING OF THE ARMED FORCES WAS NEEDED - BUT THERE SHOULD BE A MORE RESPONSIBLE APPROACH. HE ACKNOWLEDGED THAT CONCERN WAS BEING EXPRESSED THAT THE COUNTRY'S DEFENCE CAPABILITY WAS BEING REDUCED. MORE ATTENTION WAS NEEDED TO DEMONSTRATE THT THE PROCESS OF REDUCTION AND REORGANISATION OF THE ARMED FORCES WAS IN CONFORMITY WITH THE DOCTRINE OF REASONABLE SUFFICIENCY FOR DEFENCE. MUCH STILL HAD TO BE DONE TO CONVINCE OFFICERS AND THEIR FAMILIES THAT THE GOVERNMENT WAS CONCERNED TO RESOLVE PROBLEMS OF HOUSING AND SOCIAL SUPPORT. A SPECIAL PROGRAMME OF SOCIAL SECURITY FOR OFFICERS AND THEIR FAMILIES SHOULD BE ADOPTED. MEDIA COVERAGE SHOULD BE MORE JUST AND RESPECTFUL TO THE SOVIET ARMY, BUT THIS DID NOT MEAN THAT THE FUNCTIONING OF THE FORCES CXOULD NOT BE THE SUBJECT OF DEMOCRATIC DEBATE

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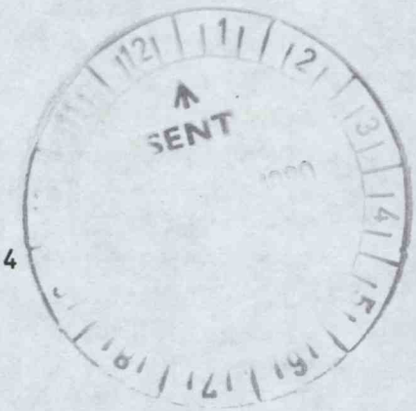

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PRIME MINISTER

6 February 1990

VISIT TO MOSCOW

As I mentioned to you at your Chequers meeting on 27 January, I shall be visiting Moscow from 19-23 February at our Ambassador's invitation. The visit will be in my capacity as your Foreign Affairs Adviser, though we must expect the Russians to be well aware of my intelligence function.

The object is to inform myself on the situation and on Soviet policies internal and external, also to assist the Ambassador's access to the Soviet machine at senior level. I hope to see Chernayev, Gorbachev's adviser, and other senior Soviet officials.

It would help the visit and access enormously if we could tell the Russians that you were interested in the visit and hoped that a successful programme could be arranged. This would only need a word on the telephone from Charles to the Soviet Embassy.

If in addition there was any message you wished me to convey, I should of course be happy to do so. You felt at Chequers we needed to be in close touch with the Russians on Germany. Since then we have had a message from Gorbachev on the subject, to which you will want to reply. One channel would be Medvedev, who is calling on Wednesday, though Rodric Braithwaite doubts that that would be the right channel. But however that is decided Germany will remain an immensely important issue, on which we shall want to maintain close contact. Depending on the result, you may also wish to consider a message to Gorbachev on the outcome of the Plenum.

Finally, you will no doubt tell me if there are any particular themes you wish me to emphasise in my contacts, or any particular lines of enquiry that you would like to pursue.

PERCY CRADOCK

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

RESTRICTED

5 February 1990

Dear Charles,

Call on the Prime Minister by Mr Medvedev

Mr Medvedev will be calling on the Prime Minister at 1630 on Wednesday 7 February. He will be heading the delegation from the Supreme Soviet of the USSR visiting the UK from 7 to 13 February. Vadim Medvedev is a member of the Politburo, Party Secretary for Ideology and a close ally of Gorbachev's.

I enclose a copy of the programme for the visit and a personality note on Medvedev. The delegation have a full programme of parliamentary business, as well as calls on the Prime Minister and the Lord President, lunch with the Foreign Secretary and three days in Wales. Mr Medvedev will also be speaking at Chatham House on 8 February.

The call will provide an opportunity to hear his assessment of the internal situation in the Soviet Union - in particular the immediate problems in the Baltic States (where Medvedev has been playing a crucial role) and in the Transcaucasus; and also the longer term prospects for the Party and the structure of the Soviet Union.

Medvedev will come direct from the 5-6 February Party Plenum, where significant announcements are being made as I write. I will send an update tomorrow.

The Prime Minister will also be able to review bilateral relations, including her own visit to the Soviet Union in June, and that of the Foreign Secretary in April.

It will be worth drawing out Medvedev on the Soviet leadership's present view of the key European issues: Germany, the future of the CSCE process, and "European Architecture" more widely.

The Prime Minister may like to draw on the following points.

/- Much

- Much sympathy in Britain over nationalities issues. We have impression that Lithuanians set on independence come what may. Your views? Britain not taking position except that we do not want perestroika damaged or force used. How will your general policy towards relations between centre and periphery evolve?

- Understand use of troops in Transcaucasus to prevent inter-ethnic violence and bloodshed. But now need to establish dialogue - difficult though this inevitably will be.

- Economic prospects? Western (and Soviet) economists almost universally gloomy. At present USSR suffering from worst of both worlds: central planning no longer effective, but market mechanisms still embryonic. Political risks in giving market/enterprises freer rein. But supply situation deteriorating. Drastic measures needed?

Bilateral Relations

- Much looking forward to own visit in June. Going to British Month in Kiev and to open British school in Armenia. Part of increasingly substantial high-level dialogue. (Visits by Mr Ridley, Mr Hurd and Mr King, plus Princess Royal in next 4 months.)

- Welcome Supreme Soviet visit and expanding parliamentary contacts. Look forward to increasingly worthwhile exchanges: understand visit planned by second Supreme Soviet group later this month. Mutual interest in developing close links in this field.

- Hope Prime Minister Ryzhkov will be able to take up invitation to visit Britain this year. Very keen to give impetus to economic cooperation.

- UK keen to help reform process wherever possible by offering practical assistance to perestroika. Already arranging programme of management training at London Business School and outward visits by UK Management Consultants. Officials in touch about possible visit to UK to discuss defence factory conversion.

- Happy to consider any other ideas for cooperation. Medvedev's views on how we can help?

/The

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The Germanies

- Interested in Mr Gorbachev's recognition (during Mr Modrow's visit to Moscow) that the question of German unity must now be addressed.

- Soviet thinking on the conditions you would wish to see met? Unified neutral Germany surely not in Soviet interests?

Europe

- Welcome Soviet approach towards developments in Eastern Europe. Essential that East European countries should have governments which they support and trust: Polish experience a good example. Elections must be genuinely free and fair.

- Ready to offer help to other countries, as to Poland and Hungary, once they are fully committed to reform. No desire to prop up out-moded political and economic structures.

- Equally, have made clear no wish to take advantage of developments in Eastern Europe to undermine Soviet security interests.

- EC Foreign Ministers agreed in Dublin on support in principle for CSCE Summit in 1990. Important not only sign CFE and if possible CSBMs, but prepare thoroughly future cooperation in evolving new European structure.

Yours,
Stephen

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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MEDVEDEV, Vadim Andreevich

Member of CPSU Politburo
Secretary of CPSU Central Committee
Chairman of Central Committee Ideological Commission

Born 1929 near Yaroslavl (RSFSR). Graduated in economics (Leningrad State University). Academic and subsequently party career. Member of Central Committee since March 1986. Politburo member since September 1988, when he also became Chairman of the newly established Central Committee Ideological Commission, dealing with ideological, press and cultural matters. Has been prominent in discussion of the "deideologisation" of foreign policy, but has hitherto rejected any questioning of Leninism or airing of "unhealthy" opinions which might threaten one-party rule. Has been prominent in relations between CPSU and Baltic parties, visiting Lithuania and Estonia in 1989, and Lithuania in January 1990 (at the time of Gorbachev's visit).

Not in the vanguard of progressive thinking, but conformist by nature and very loyal to Gorbachev's policies.

Not a member of the Supreme Soviet.

Married.

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Foreign and Commonwealth Office

London SW1A 2AH

2 February 1990

Dear Charles,

Mr. Hogan
You will will to be aware of this.
CDP 2/2.

Soviet Ceilings

You will be aware from telegrams that agreement has been reached with the Russians. The ceilings are to remain at 205 both in Moscow and in London. Local staff are excluded. Journalists are excluded from the ceiling on the explicit understanding that the Russians will not increase their numbers of journalists in London by more than 30% (four journalists) in the next 18 months and will move slowly to fill the places under the ceiling, not reaching the full 205 in less than two years.

The agreement includes a commitment on both sides to announce that agreement has been reached to work towards a state of Anglo-Soviet relations in which restrictions on numbers will no longer be necessary. To help forestall an upsurge of renewed "spy story" interest, we suggested to the Russians that these announcements should be made on some wider bilateral occasion, such as Mr Waldegrave's visit last week or the Foreign Secretary's bilateral meeting with Mr Shevardnadze in Ottawa on 12/13 February. The Russians have, however, insisted on making their statement today.
/ I enclose the text. It is somewhat tendentious but we thought it preferable to concentrate on being quite clear in our own
/ press briefing. I enclose a copy of the line which is being taken by the Foreign Office News Department. News Department are briefing editors in the hope that they will welcome the practical implications for their operations.

Yours

Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

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TELNO 146
OF 301632Z JANUARY 90

PERSONAL FOR HEMANS, SOVIET DEPT
FROM ACTING HEAD OF POLITICAL SECTION
MIPT: CEILINGS
1. FOLLOWING IS DRAFT TEXT OF SOVIET STATEMENT, TO BE MADE AT THE MFA PRESS CONFERENCE
BEGINS
''THE CONSTRUCTIVE APPROACH ADOPTED BY THE SOVIET UNION AND GREAT BRITAIN TO THE DEVELOPMENT OF THEIR BILATERAL RELATIONS HAS MADE IT POSSIBLE TO RESOLVE MANY PROBLEMS, SOME LONG TERM, WHICH WERE THE INHERITANCE OF THE PERIOD OF CONFRONTATION AND THE COLD WAR. NEW POLITICAL THINKING, BROADENING TRUST AND COOPERATION HAVE CREATED THE PRE-CONDITIONS FOR THE NORMALISATION EVEN OF THE BILATERAL ISSUE OF PLACING LIMITATIONS ON THE NUMBERS OF STAFF EMPLOYED IN ORGANISATIONS AND REPRESENTATIVE OFFICES OF ONE SIDE ON THE TERRITORY OF THE OTHER.
''ONE CAN RECALL THAT THE PRACTICE OF IMPOSING A QUOTA WAS INTRODUCED UNILATERALLY BY THE BRITISH SIDE IN 1968 (SIC) AS A POLITICAL GESTURE. UP TILL NOW THE NUMBER OF SOVIET WORKERS IN BRITAIN HAS BEEN LIMITED BY THE QUOTA TO 205. IN MAY 1989 THE SOVIET SIDE, ACTING ON THE PRINCIPLE OF MUTUAL TREATMENT, IMPOSED ANALOGOUS LIMITS AS REGARDS BRITISH STAFF. AS A RESULT OF THE EFFORTS UNDERTAKEN BY THE TWO SIDES, INCLUDING AT THE POLITICAL LEVEL, AGREEMENT WAS REACHED THAT THE MAINTENANCE OF QUOTAS, IMPOSED BY ONE SIDE ON THE OTHER, IS CONTRADICTORY TO THE ESSENCE OF THE POSITIVE PROCESSES UNDER WAY IN SOVIET/BRITISH RELATIONS.
''NEGOTIATIONS HAVE ALLOWED THE TWO SIDES TO WORK OUT A NEW APPROACH TO THE ISSUE OF THE NUMBER OF WORKERS IN SOVIET ORGANISATIONS AND REPRESENTATIVE OFFICES IN LONDON AND OF BRITONS IN MOSCOW. IN ACCORDANCE WITH THIS, THE SIDES HAVE REJECTED THE IMPOSITION OF QUOTA LIMITS ON EACH OTHER AND AGREED TO PRACTICE VOLUNTARY SELF-LIMITATION, WHICH WILL BE AT THE PRESENT LEVEL. TAKING ACCOUNT OF THIS, THE SOVIET SIDE HAS EXPRESSED ITS READINESS TO PROCEED ON A STEP BY STEP BASIS TOWARD THE COMPLETE REMOVAL OF SELF-LIMITATION ON THE NUMBERS OF STAFF OF REPRESENTATIVE OFFICES AND ORGANISATIONS OF EACH SIDE ON THE OTHER'S TERRITORY. IT IS THEREFORE EXPECTED THAT THE BRITISH SIDE WILL WORK IN THE SAME DIRECTION.
''THE AGREEMENT WHICH HAS BEEN REACHED IS REGARDED IN THE SOVIET FOREIGN MINISTRY AS HAVING GREAT POLITICAL IMPORTANCE, AND OPENING UP POSITIVE PROSPECTS FOR THE FURTHER DEVELOPMENT OF SOVIET/BRITISH RELATIONS.'' ENDS

BRAITHWAITE

YYYY

CEILINGS: LINE TO TAKE FOR NEWS DEPARTMENT

- Have been asked a number of times if progress made at official level talks on ceilings. Can tell you that we have now agreed to work towards a state of relations where limitations will no longer be necessary. For the moment each side will keep its own numbers within agreed overall limits. A review of progress will be held at the right time.

In response to questions:

- Journalists?
We know of no difficulties being placed in the way of British media seeking accreditation. Nor do we expect any. We have been particularly concerned to ensure that no such difficulties would be encountered.

- Embassy/businessmen cutting numbers?
We do not foresee problems.

- Business expansion?
We do not expect any administrative obstacles.

- Local staff included?
The arrangement is strictly reciprocal. Local staff are not included either in London or in Moscow.

Off the record briefing for selected correspondents

- Have the ceilings been changed?
Confirm that journalists, subject to the usual security considerations, would no longer be constrained by limitations.

L18AAR/1

- Why the review?

The review, after an extended trial period, would allow either side to end the agreement, continue it, or negotiate further changes depending on experience.

L18AAR/2

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 February 1990

VISIT OF MR YELTSIN

Thank you for your letter about Mr Yeltsin. I think the Prime Minister's preference would be to find a way of not seeing him at what is clearly a very difficult time for Mr Gorbachev, but this would not extend to a direct rebuff. For the time being, I propose to pursue a policy of masterly inactivity and simply not reply to Mr Nurnberg's letter asking whether the Prime Minister would wish to see him.

C. D. POWELL

Richard Gozney, Esq.
Foreign and Commonwealth Office

KK

PRIME MINISTER

VISIT OF MR YELTSIN

Mr Yeltsin may visit London in mid-March to coincide with the publication of his book. We have been asked whether you would see him. He does not have any official position and a meeting with him would probably irritate Mr Gorbachev. He has some curiosity value: when he went to Washington last year, President Bush saw him very briefly in a rather clumsily engineered "accidental" meeting. My own view is it would not be right for you to see him, given your particular close personal relationship with Mr Gorbachev. I would therefore propose to fend off requests.

Agree ~~to~~ not to see him?

If we can find him

CDP

off nicely

Charles Powell
1 February 1990

c: Yeltsin (MJ)

GR pos. NURNBERG CC(C)

Foreign and Commonwealth Office

London SW1A 2AH

1 February 1990

PPS attached

Dear Charles,

Request for Call on the Prime Minister by Mr Yeltsin

Thank you for your letter of 12 January about the suggestion that the Prime Minister might like to see Boris Yeltsin in March.

Yeltsin remains a controversial figure in Soviet politics. A former member of the Politburo and Moscow City Party boss, he was demoted in 1987, reportedly after complaining about Party privilege and the slow pace of reform. He did not leave the political scene. In the election last spring he stood in the main Moscow constituency and overwhelmingly defeated the official Party candidate. Since then he has continued to attack the failure of perestroika to get to grips with the country's underlying problems. He has toured both the US and Japan, gaining widespread international publicity for his colourful remarks.

Yelstin has been received by other foreign leaders including President Bush (at a highly staged "chance" meeting at the White House). He has a certain curiosity value, and he could in future rebuild his position with support from a populist/nationalist faction with roots in the Russian working class. He does not however have any official position which would justify a call on the Prime Minister and the Foreign Secretary does not recommend that the Prime Minister should offer a meeting unless she is particularly curious to meet him. There might at this precarious stage in Soviet affairs be a good deal of speculation about the purpose of the call.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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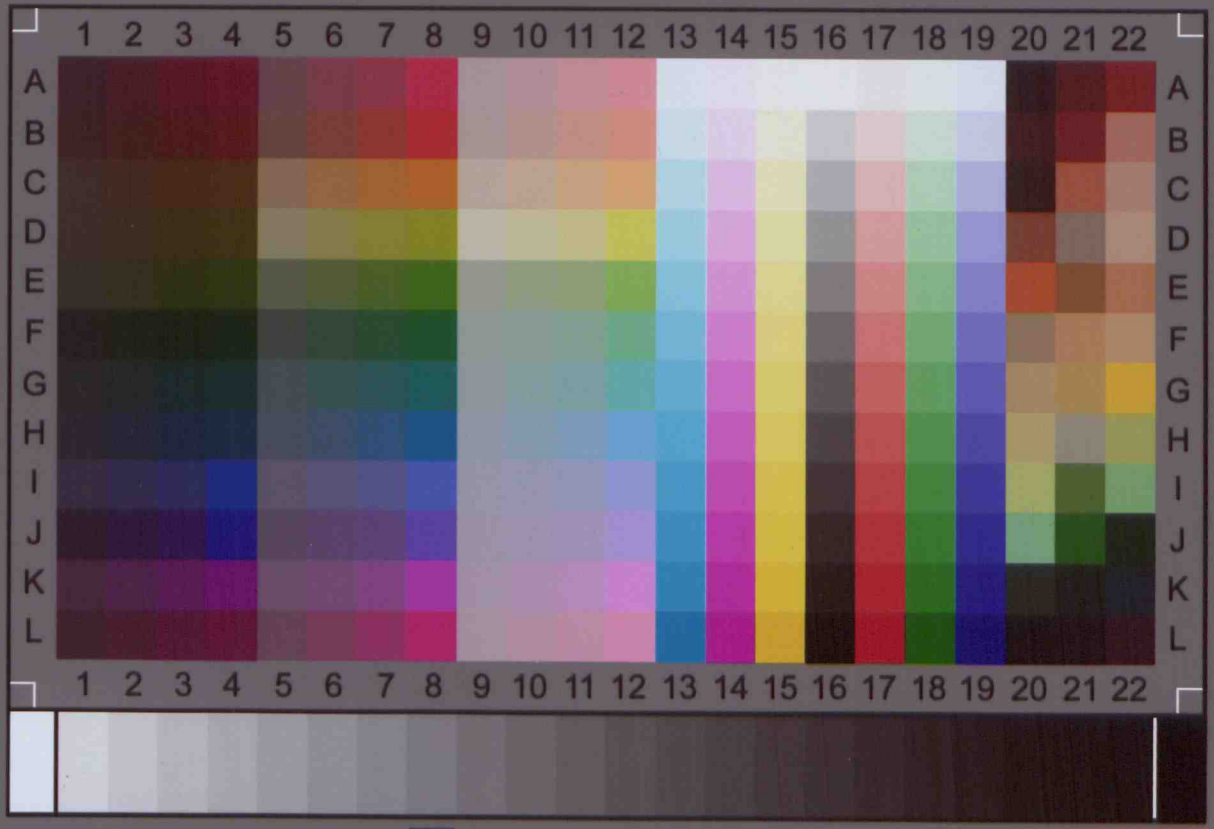

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