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Foreign and Commonwealth Office

London SW1A 2AH

20 November 1984

Prime Minister  
Contact Jan M.  
Lamont to speak  
as suggested?

Dear Charles,

CDP 20/xi

Soviet Assistance to the NUM

The Sunday Times "Insight" article on 18 November points up the publicity problems likely to arise from the Soviet miners' contributions to striking British miners. I refer to the connection between this and Gorbachev's visit in the final paragraph of my letter of 19 November to you.

Mr Scargill's reported remarks in the "Insight" article appear to confirm that, for the first time since reports of Soviet miners' assistance were received in September, contributions in cash as opposed to food and clothing have been received. The Morning Star on 19 November reports Mr McGahey as referring to a total of \$1,138,000 worth of support as having been received from "our Soviet comrades". He apparently drew a distinction between £500,000 worth of food and clothing from the Ukrainian miners and the remainder being made up of collections for the British miners' hardship fund (presumably cash).

The possibility of a cash transfer and the size of the sum involved makes this, in Sir Geoffrey Howe's view, a matter of some concern. He therefore considers that action should be taken on two points:

- a. to ask the Soviet Embassy for comments on the various press reports and for a clear account of the Soviet Government's role in the transfer of any aid from Soviet miners to the NUM. The object would be to clarify the extent to which the Soviet authorities themselves were involved in the transfer of the money to the UK;
- b. to speak on an "informal and personal" basis to the Soviet Embassy and while stressing that it is for the Supreme Soviet to select the members of its delegation, nevertheless to draw the Soviet Embassy's attention to the possible controversy that might attend the Gorbachev visit as a result of the likely press interest in the presence of Mr Strelchenko, the Donetsk coal-pit foreman in the delegation. Officials would make it clear that if Mr Strelchenko were to address a miners rally in the UK there would be a serious political row.

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On the technical/financial side, our belief, which we are checking with our Embassy in Moscow, is that it would be most unlikely that the Soviet miners' union could have been given access to convertible roubles without express Soviet official permission. To that extent, and because the State Bank provided facilities for Soviet miners' contributions to be channelled to central funds, the Soviet Government has, to some extent, been involved. At this end, we doubt whether the Russians would have committed any irregularities. Legally, they could have passed the money through a Soviet bank (and the Moscow Narodny have a branch in London) direct to a TUC or regional NUM account and without, so far as our lawyers can see at first glance, there being any risk of sequestration.

Sir Geoffrey thinks that Mr Lamont's lunch with the Soviet Ambassador on 20 November would be the most natural occasion on which to make the points at para 3(a) above to the Russians. In the light of the replies given to Mr Lamont we would need to decide on whether to pursue this further at official level and on the line we would wish to take both publicly and with the Russians.

I am sending copies of this letter to Michael Reidy (Department of Energy), David Peretz (Treasury), James Alty (PS/Mr Lamont), and the Attorney-General's Chambers, and to Richard Hatfield (Cabinet Office).

*Yours ever,*

*Colin Budd*

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Private Secretary

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