

PRIME MINISTER

ANGLO-SWEDISH TELEVISION

You are giving an interview to Swedish television on Wednesday morning before your meeting with the Swedish Prime Minister. The main points which you will want to get over in the interview are:

- We are very grateful for the skilful way in which Sweden has looked after our interests in Iran in a difficult and dangerous time. Their help has been invaluable and is much appreciated;

- You feel that the full scale of Britain's economic success is not recognised in Sweden. Indeed from some of the comments you have heard they seem to think we are still living in Charles Dickens' time. The fact is that we have the most successful economy in Europe and one of the most successful in the world. National output is at record levels and growing. Over one and a half million jobs have been created since 1983 (more than the rest of the EC combined). Unemployment is falling rapidly. Inflation is low. Productivity growth in the 1980s was faster than any other major industrial country. Taxes have been reduced. Yet all this has been combined with record levels of spending on the social services. While we recognise that Sweden has achieved enviable levels of prosperity and social services, we believe that our economy is now more dynamic;

- Above all we have a system which gives the widest possible scope to individual enterprise. We have reduced the power of the state and are trying to get away from the notion of dependence on government to provide. ("A state which dwarfs its men ...will find that with small men no really great thing can be accomplished".);

- You understand Sweden's concerns about the implications of completing the single market in the EC. But they are misplaced. We are determined to see that the Community does not become protectionist or erect new barriers against the outside world and will continue to champion the removal of remaining barriers between the EC and EFTA. The single market should offer major opportunities for Swedish exporters.

- We do not take kindly to suggestions that we are back-sliders on acid rain. We are spending something like £1 billion on retrofitting existing power stations with emission controls and fitting new ones. When it comes to targets, we are scrupulous about only setting realistic ones that we know we can achieve. We don't just sign up for the sake of joining a Club of Pious Hopes. We have said we shall reduce SO₂ and NOX emissions by 30% from 1980 levels by the end of the 1990s and we shall;

- We respect Sweden's commitment to maintain strong defences but do not agree with the Swedish Government's views on nuclear weapons. We believe they are vital to our security. There is no way you can disinvent the knowledge of them. They have been effective in preventing war in Europe. There is scope for reducing the numbers of nuclear weapons but not for eliminating them altogether. Equally so long as nuclear weapons exist it will be necessary to test them which means that a Comprehensive Test Ban Treaty is not a realistic goal;

- On South Africa, you fail to see the morality of sanctions. What is moral about putting hundreds of thousands of black people out of work and inflicting hardship and suffering on their families and dependents? Of course apartheid is a detestable system but punitive sanctions are not going to change it. The way forward has to be through peaceful negotiation;

- As a personal comment, you do not doubt that neutrality serves Sweden's interests well and we respect what Sweden does by way of aid to the Third World and contributions to UN forces. But when they comment on the policies of the US or the UK, they should remember that we are engaged world-wide in defending Western interests and values, often in very difficult situations. What we do enables others to enjoy their security and their neutrality in comfort. We don't grudge that: we do these things because we believe in them and because they are part of our history and tradition. But they must understand if we sometimes get a bit prickly about armchair criticism from those who enjoy the benefits of freedom without going out of their way to fight for it.

I attach in the folder some fuller briefing from the FCO, together with the written answers you gave to the Swedish press.

C.D.P

(C.D. POWELL)

16 May 1988

DCAAIR

PRIME MINISTER

INTERVIEW WITH SWEDISH TELEVISION

You are to be interviewed by Swedish Television at 9.00 tomorrow morning.

The interviewer is Mr K G Bergstrom of the daily news programme, Rapport. He plans to ask you about the European Community and Sweden, Anglo-Swedish relations, acid rain, the Thatcher revolution, and East-West relations. Charles has already submitted briefing. The interview is scheduled to last about 15 minutes.

Mr Bergstrom is accompanying Mr Carlsson on his tour of Western European capitals. The interview will be broadcast on Friday at 20.00.

There will be two cameras for the interview. COI will record. The make-up girl will be waiting for you at 9.00.



MICHAEL BATES
Press Office
17 May 1988



British Embassy
 Information Section
 Skarpögatan 6 115 27 Stockholm
 Telex 19340 Telephone 08/670140

L J Buchanan, Esq
 WED
 FCO

Your reference

Our reference

Date

10 May 1988

Dear Sirs.

INTERVIEWS WITH MRS THATCHER

1. You will by now have received Hans Zetterberg's questions for his written interview. I have told him that it has not yet been decided whether there will be a photocall and that if there is, it is likely to be a general one, on the actual day of the visit. In the circumstances, although he naturally remains interested in a news photograph for his paper and will take steps to ensure that the name of the photographer is submitted, he will probably use archive photographs to illustrate the interview (assuming that it is possible to publish on the actual day of Mr Carlsson's visit ie 18 May). We have provided him with official photographs from our stock.

2. I have also spoken today to K G Bergström, the TV interviewer, and told him that only one interviewer will be allowed. He has asked us, however, to make the case again for a second camera-team on the grounds that a single team will restrict the picture to head and shoulders straight ahead of the Prime Minister, with no opportunity for variety, and will be visually too monotonous over a 15-minute interview, all of which he proposes to transmit. I am inclined to agree. The only way to vary would be to film Bergström's questions separately, but in situ, which would take extra time and might not be acceptable either. I hope that No 10 will be able to agree therefore to the second team. Bergström now proposes to transmit the interview in a special programme to be screened at 2000 on Friday 20 May.

3. Bergström has provided the names and addresses of two teams, which are as follows:

Team I Camera: Hans G Eriksson
 Sound: Janet Sparling

Team II Camera: Tom Murphy
 Sound: Edson Nachim-Beri

Make-up: Sylvia James

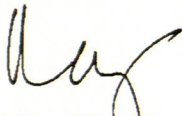
If only one team is acceptable, Bergström will use Team I. Could we have an answer on this as soon as possible, please? The second team is free-lance and, if accepted, must be booked. Names, addresses and nationalities are appended in case these are required.

anwe 8.30

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4. Bergström has also provided the following list of topics which he would hope to raise with Mrs Thatcher:
- a. The European Community: prospects for enlargement, acceptability of Sweden, compatibility of membership with neutrality.
 - b. Swedish-British relations: including acid rain.
 - c. The Thatcher Revolution: taxation, welfare, privatisation, labour relations etc.
 - d. International affairs: East-West, Moscow summit etc.
5. Bergström has also told me that he will try to re-arrange his programme in order to give himself more of a safety margin as regards time. Both he and Zetterberg now have Mike Bates' direct number to No 10 Press Office and will be in touch direct within the next few days.

Yours ever-



M Bradfield
Information Officer

FCO BRIEF



Foreign and Commonwealth Office

London SW1A 2AH

16 May 1988

Dear Charles,

Prime Minister's Interview with Swedish Television

/ As requested in Michael Bates' letter of 11 May, I enclose briefing for the Prime Minister's interview on 18 May with Swedish Television.

The Swedes believe that completion of the internal market could harm them if they take no compensatory action. Government policy is not to seek membership but to harmonise domestic policies in step with changes being undertaken by the EC, apart from political and security cooperation, which the Swedes regard as incompatible with their neutrality. But there is a strong feeling in the business community that Sweden could lose significantly if it remains outside the EC.

Bilaterally, the only significant problem is acid rain. The Swedes have been helpful in looking after our interests in Tehran. But the image of Britain in Sweden is distorted. The Swedish media tend to emphasize the plight of the unemployed in Britain, reporting less on the restructuring and growth of the economy, the creation of new jobs and the decline in unemployment which has occurred. These would all be good points to get across.

Yours ever,

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

PRIME MINISTER'S INTERVIEW WITH SWEDISH TELEVISION

EUROPEAN COMMUNITY - BULL POINTS

- Single market our top priority. European Council agreement cleared the decks for major effort. More than a hundred measures already agreed. Completion will provide major opportunities for all EC producers. Know that Sweden and other EFTAs recognise implications for your trade with Community. Look forward to discussing with Mr Carlsson.
- Single Market will also offer increased opportunities to your producers. Not intended to make Community inward looking or protectionist. Need to ensure that barriers between EFTA and Community are removed as far as possible in step with removal of intra-Community barriers.
- No doubt Swedish firms will compete vigorously in single market. We welcome this. We will also compete in your markets.
- UK remains fully committed to improved EC/EFTA cooperation. Welcome regular Ministerial contacts between EC and EFTA countries. Brussels meeting of Trade and Industry Ministers in February this year valuable in identifying further specific areas for progress in cooperation. Look forward to successful outcome of next Ministerial meeting in Finland in June.
- Hope we can extend cooperation to wider international issues. Valued EC/EFTA contacts at start of GATT Uruguay Round. Important to build on these as substantive negotiations proceed.
- Community is on the move. We want Sweden and EFTA to move with us.



- (if raised) Not aware Swedish application for EC Membership is in prospect. Pointless to speculate on what our attitude would be. Must concentrate on real issues, such as closer cooperation.



UK/SWEDISH RELATIONS

General

- Good relations as evidenced by the Secretary of State's visit to Sweden (9/10 May) and of Mr Carlsson's to London today. Many other contacts and exchanges - ministerial, official and cultural. Shared concern for human rights and democratic values.

- The Swedish Government have been acting as our protecting power in Tehran; have been extremely helpful and effective. I very much value their assistance.

Trade/Investment

- Sweden is an important market for British exports. Our 8th largest worldwide, and third largest outside the EC and USA. Exports to Sweden were £2322 m in 1987.

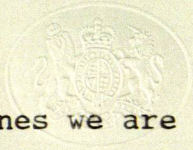
- Swedish exports to Britain even higher - £2952 m in 1987. Sweden is a major investor in British industry. UK has substantial investments in Sweden.

Acid Rain/Environment (only if raised)

- Britain serious about tackling acid rain problem. Once we recognise validity of scientific evidence, we act.


- Will spend £800 million (SKR 8,800m) on fitting some existing power stations with sulphur and nitrogen oxide emission controls. Committed to equip all new power stations with these.

- [If asked about timescale] Bound to take time for these measures to bite. We set target dates we know we can



achieve, not arbitrary ones we are uncertain about.

- Excellent cooperation with Sweden on scientific research into acid rain and on other environment problems. UK hosted successful North Sea Conference last November: with Sweden and others we agreed an action plan to curb North Sea pollution.



ACID RAIN

BACKGROUND

UK Measures

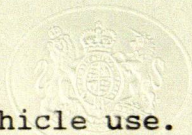
1. On 11 September 1986 Government announced that all new coal-fired power stations would be fitted with flue gas desulphurisation (FGD) equipment to control sulphur dioxide (SO₂) emissions, and three existing 2,000 mw stations retrofitted with FGD equipment, starting with the recently completed Drax B. CEBG estimate cost of retrofit at £600 million. On 8 May 1987 Government authorised CEBG to begin a 10 year programme to install low-nitrogen oxide (NO_x) burners at the Board's 12 largest power stations at an estimated capital cost of £170 million.

The '30% Club'

2. In Helsinki in July 1985, 21 countries signed a Protocol under the 1983 UN/ECE Convention on Long Range Transboundary Air Pollution undertaking to reduce SO₂ emissions by 30% of their 1980 level by 1993 (the Helsinki Protocol). The UK (with eg Spain, Greece and Ireland) did not sign. With the FGD retrofit only due to come into operation in 1993, it would be unrealistic to expect the UK to be able to meet the Helsinki target. UK Ministers have however announced a target of 30% reducing on 1980 levels for both SO₂ and NO_x by the end of the 1990s.

1986 UK Figures

3. Provisional figures for 1986 issued show UK emissions of SO₂ and NO_x of 3.74 m tonnes and 1.94 m tonnes, respectively, compared with 1985 figures of 3.56 m tonnes and 1.84 m tonnes, respectively, a rise attributable to increasing demand for energy associated with higher economic



growth and increased vehicle use. The upward trend is exaggerated because the 1985 figures were affected by the miners' strike. But figures may continue to rise or at least stay level pending the coming into operation of first FGD refit (1993).

Maritime, Aviation and Environment Dept
13 May 1988



PRIME MINISTER'S INTERVIEW WITH SWEDISH TELEVISION

East/West (including Moscow Summit)

1. For 70 years the Russian people have suffered from the massive failures of the socialist system. Mr Gorbachev is pressing for reforms that are long overdue. He faces ideological and bureaucratic opposition and inertia; a host of entrenched interests. But he is determined to push ahead. I admire and welcome this.

2. Mr Gorbachev's reforms recognise that central control stifles initiative. He is trying, as we have done, to release people's productive energies and enterprise. Without glasnost and greater freedom it cannot be done. He is not trying to create a liberal democracy. But more openness creates more confidence. This is why I welcome what he is doing.

3. In foreign affairs the Russians have shown greater interest in stability. US/Soviet relations are on a more even keel than for many years. The Moscow Summit is a part of this. We are not looking for quick fixes on arms control, but for gradual progress to reduce tension and the risk of war. The purpose of Summits should be to prevent crises, not to manage them. Progress at the three Summits so far derives from strong and determined Western unity. The Russians know that in Moscow President Reagan speaks for a united NATO.

4. More widely, Mr Gorbachev is conscious of the failures and mistakes of his predecessors - Afghanistan, Cambodia, Ethiopia, Angola. I welcome the Soviet commitment finally to leave Afghanistan. They must now play their full part in ensuring the peaceful return of refugees and must allow the Afghans to choose their own future government. We hope to see genuine evidence of "new thinking" elsewhere.



Mr Gorbachev believes that the socialist system is best: he should therefore rely on ideas, not subversion and armed intervention, in the Third World.

5. As Europeans, our assessment of Mr Gorbachev's foreign policy will inevitably depend on his actions in our own continent. Much remains to be done. The USSR's massive conventional superiority is unchanged; as is their huge CW capability. And their nuclear and conventional weapons are constantly being modernised and improved: a new Soviet submarine is launched every 37 days (of particular interest in the Swedish context). The threat to Western Europe is undiminished: our defences must remain strong and united. We must prevent war happening by ensuring that no potential aggressor underestimates either our capability or our determination to defend ourselves.

6. Mr Gorbachev speaks of a "common European home". But much of Central and Eastern Europe is denied its cultural and political heritage, and its freedoms. Mr Gorbachev must recognise that essential economic reform is impossible without political change. By all means evolution not revolution - but change must come.

7. There are some signs of progress on human rights. A few particularly tragic cases have been resolved. But still no Soviet admission of what happened to Wallenberg. Jewish emigration is slightly up. But we have to press for changes in the system and the way it is implemented. We are doing so at the Vienna CSCE meeting and bilaterally. Human rights are fundamental and inalienable: the state did not grant them and it cannot take them away.

12 May 1988
Soviet Department

SO9AAN/2



PRIME MINISTERS INTERVIEW WITH SWEDISH TELEVISION: 18 MAY

ARMS CONTROL

Bull Points

1. NUCLEAR

Stockholm Declaration (Six Nations Peace Initiative)

- Disagree with anti-nuclear thrust of Stockholm Declaration. Nuclear deterrent has played vital part in maintaining peace in Europe for over 40 years.
- Demand for complete abolition of all nuclear weapons is incompatible with Western European and NATO security. Nor do I believe it would be feasible: nuclear weapons cannot be disinvented.
- What we should concentrate on is eliminating massive Warsaw Pact conventional superiority and chemical weapons.

SNF/Modernisation

- Must tackle conventional imbalance and verifiable global CW ban before any further nuclear negotiations in Europe.
- NATO Summit rejected denuclearisation of Europe.
- For foreseeable future NATO strategy will include a nuclear component in deterrence. This means that nuclear forces will have to be updated as necessary. Obsolete weapons do not deter.
- Soviet nuclear modernisation in full swing (ICBMs (SS24, SS25), SS21, ALCMs, SLCMs).



Nuclear Testing (if raised)

- Stockholm Declaration demand for immediate CTB is unrealistic, CTB is an ultimate goal but we do not believe it can be verified yet.
- We support US/USSR step-by-step approach which we see as practical way to make progress. Disappointing to read Stockholm Declaration condemnation of any agreement which leaves room for future testing: not realistic.

Nordic Nuclear Weapons Free Zone (NNWFZ)

- Don't see how a NNWFZ could enhance European security. Zone could still be targetted by weapons based outside and mobile systems could easily be moved back at a time of tension.

2. CONVENTIONAL

Aims

- Must eliminate disparities and capability for surprise attack and large scale offensive action.
- Outnumbered at present in Atlantic to Urals area by 3 to 1 in tanks and artillery, 2 to 1 in tactical aircraft.
- Alliance will concentrate in particular on tanks and artillery. Looking for removal from Europe of tens of thousands of Warsaw Pact weapons.

Include Tactical Nuclear Weapons in Conventional Negotiations?

- No. Establishment of conventional balance and global elimination of chemical weapons pre-requisites for considering negotiations on further nuclear reductions.



Dual-capable weapons

- No need to make provision for dual-capable weapons in mandate for negotiations about conventional force.

Maritime Constraints (Gorbachev's Murmansk and Belgrade Speeches; Rzyhkov's Oslo Speech)

- NATO is naval alliance. Freedom of High Seas essential to Alliance security and capability to reinforce Europe in times of need.

3. CHEMICAL WEAPONS

- UK committed to an effectively verifiable global CW ban.
- Some encouraging progress at Geneva negotiations (helped by Sweden's active role there) but much detailed work remains to be done and this will take time.
- Proliferation of CW in third world is matter of growing concern.

4. UNSSD III

- We will look for constructive discussion of all aspects of arms control, underlining the importance that arms control measures should preserve and if possible enhance national security.