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FM MOSCOW

TO DESKBY 291500Z FCO

TELNO 1121

OF 291330Z MAY

INFO PRIORITY WASHINGTON, PARIS, BONN, UKDEL NATO

MY TELNO 1112: MRS THATCHER'S VISIT TO MOSCOW

SUMMARY

1. WHILE IN MOSCOW, MRS THATCHER HAD TALKS AND DINNER WITH PRESIDENT GORBACHEV. SHE ALSO ADDRESSED THE STATE INSTITUTE FOR INTERNATIONAL RELATIONS, AND THE FOREIGN AFFAIRS COMMISSION OF THE SUPREME SOVIET.

2. IN ADDITION SHE BREAKFASTED WITH POPOV (MAYOR OF MOSCOW) AND A GROUP OF PROMINENT ECONOMISTS: MET JEWISH ACTIVISTS: AND CALLED ON PRIME MINISTER PAVLOV, AND ON MARSHAL YAZOV. SHE ALSO GAVE AN INTERVIEW TO SOVIET TELEVISION, MET BALTIC DEPUTIES, AND DINED WITH PROMINENT POLITICAL FIGURES.

3. TODAY SHE IS IN LENINGRAD AS SOBCHAK'S GUEST.

4. A GOOD VISIT TO MOSCOW, DURING WHICH SHE URGED THE SOVIET UNION TO PERSEVERE WITH REFORM. SHE PUT PARTICULAR EMPHASIS ON THE NEED FOR A LEGAL FRAMEWORK TO ENTRENCH NEW FOUND LIBERTIES, AND TO PROMOTE ECONOMIC CONFIDENCE.

DETAIL

5. MRS THATCHER HAS COMPLETED HER TWO DAY VISIT (27-28 MAY) TO MOSCOW AS THE GUEST OF PRESIDENT GORBACHEV AND HAS NOW GONE TO LENINGRAD, WHERE SHE IS SPENDING THE DAY AT THE INVITATION OF SOBCHAK (MAYOR OF LENINGRAD). THE AMBASSADOR IS ACCOMPANYING HER AND WILL REPORT WHEN HE RETURNS. MEANWHILE YOU MAY LIKE AN ACCOUNT OF THE MOSCOW LEG OF HER TRIP.

6. ON THE MORNING OF 27 MAY, MRS THATCHER SPOKE TO THE STAFF AND STUDENTS OF THE MOSCOW STATE INSTITUTE FOR INTERNATIONAL RELATIONS (MGIMO) WHERE SHE WAS WARMLY RECEIVED BY A LARGE AUDIENCE. IN HER REMARKS SHE STRESSED THAT MUCH HAD ALREADY BEEN ACHIEVED BY GORBACHEV'S REFORM PROGRAMME: PATIENCE AND RENEWED EFFORT WERE NOW NECESSARY TO MAKE FURTHER PROGRESS. SHE

ALSO EMPHASISED THE IMPORTANCE OF THE RULE OF LAW AS THE ESSENTIAL FRAMEWORK FOR DEMOCRACY. THERE WAS A LIVELY QUESTION AND ANSWER SESSION AFTER HER BRIEF ADDRESS.

7. ON THE AFTERNOON OF 27 MAY SHE HAD TWO AND A HALF HOURS OF TALKS WITH GORBACHEV TETE-A-TETE. THIS WAS FOLLOWED BY DINNER AT HIS DACHA, AT WHICH SHE WAS ACCOMPANIED BY MR MARK THATCHER. (FOR AN ACCOUNT OF HER DISCUSSION WITH GORBACHEV, SEE TUR AND TELNO 1095, NOT TO ALL.)

8. ON 28 MAY, MRS THATCHER HAD BREAKFAST WITH POPOV (MAYOR OF MOSCOW) AND A NUMBER OF LEADING SOVIET ECONOMISTS. SHE FOUND THEM PESSIMISTIC, CONVINCED THAT THE SITUATION WOULD DETERIORATE FURTHER BEFORE THERE WOULD BE ANY IMPROVEMENT. THEY WERE ALSO CRITICAL OF PAVLOV'S GOVERNMENT, AND OF THE INDECISIVENESS OF THE SUPREME SOVIET IN GRAPPLING WITH THE CRISIS. IN REPLY SHE URGED THEM TO ACT WITH ENERGY AND DETERMINATION, TO CHANGE PUBLIC ATTITUDES, AND TO ENCOURAGE PEOPLE TO TAKE FULL ADVANTAGE OF THE OPPORTUNITIES THAT HAD BEEN OPENED UP BY REFORM. AFTER BREAKFAST, SHE HAD A SHORT MEETING WITH A GROUP OF JEWISH ACTIVISTS.

9. LATER IN THE MORNING, SHE CALLED ON PRIME MINISTER PAVLOV, WITH WHOM SHE HAD AN HOUR'S CONVERSATION. SHE REPEATED TO HIM WHAT THE ECONOMISTS HAD TOLD HER OVER BREAKFAST, AND SAID THAT SHE HAD ADVISED THEM TO COMMIT THEMSELVES ENERGETICALLY TO PROMOTING REFORM. SHE URGED PAVLOV TO CREATE A CLEAR LEGAL FRAMEWORK WITH AN INDEPENDENT JUDICIARY: NEW STRUCTURES WERE NEEDED. PAVLOV, IN BETTER AND MORE COHERENT FORM THAN USUAL, SAID CRITICS BLAMED HIM FOR NOT REFORMING THE ADMINISTRATIVE STRUCTURES OF CENTRAL GOVERNMENT. HOWEVER HE WAS QUITE PREPARED TO DO THIS IF NECESSARY, BUT IT WAS IMPORTANT TO DO IT INTELLIGENTLY, SO THAT ABLE AND CREATIVE PEOPLE WORKING IN THE MINISTRIES (PARTICULARLY THOSE WITH SCIENTIFIC AND TECHNICAL SKILLS) WERE NOT LOST TO THE SYSTEM. THE REAL TASK WAS TO CHANGE PEOPLE'S ATTITUDES. THERE WAS THEN AN EXCHANGE ABOUT THE PROBLEMS OF SOVIET AGRICULTURE, NOTABLY THE LAMENTABLE WASTAGE OF GRAIN PRODUCTION AND INADEQUATE STORAGE FACILITIES. PAVLOV SAID HE WAS COMMITTED TO IMPROVING THE SITUATION BUT IT WOULD TAKE TIME.

10. MRS THATCHER SUBSEQUENTLY BROKE NEW GROUND BY ADDRESSING THE FOREIGN AFFAIRS COMMISSION OF THE SUPREME SOVIET (AN AUDIENCE OF 60-70 DEPUTIES). THE TEXT OF HER SPEECH HAS BEEN

FAXED TO THE DEPARTMENT: IT INCLUDED HER SUPPORT FOR AN INVITATION FOR GORBACHEV TO ATTEND THE LONDON ECONOMIC SUMMIT - SEE MOSCOW TELNO 1107. (IN ANSWER TO A QUESTION, SHE MADE IT CLEAR THAT HE SHOULD COME AS A GUEST, NOT AS A PARTICIPANT.) THERE WAS A QUESTION AND ANSWER SESSION AFTERWARDS IN WHICH MRS THATCHER WAS ASKED ABOUT MANAGEMENT TRAINING/THE KNOW HOW FUND: THE ROLE OF WOMEN: THE NEED TO CHANGE POPULAR ATTITUDES IN THE SOVIET UNION TO PROMOTE REFORM: AFGHAN REFUGEES: AND THE BALTIC STATES - WHEN ONE DEPUTY TRIED TO DRAW AN ANALOGY WITH NORTHERN IRELAND.

11. HER SPEECH WAS FOLLOWED BY LUNCH WITH LUKYANOV, PRESIDENT OF THE SUPREME SOVIET, AFTER WHICH SHE CALLED ON YAZOV (MINISTER OF DEFENCE) AND MOISEEV (CHIEF OF STAFF). CFE WAS A MAJOR TOPIC OF DISCUSSION (SEE MOSCOW TELNO 1108, NOT TO ALL).

12. IN THE AFTERNOON SHE GAVE AN INTERVIEW TO SOVIET TELEVISION (TO BE SCREENED ON 14 JUNE) BEFORE ATTENDING A RECEPTION AT THE RESIDENCE FOR DEPUTIES FROM THE BALTIC STATES. SHE URGED THE BALTS TO COOPERATE CLOSELY WITH EACH OTHER AND TO BE PERSISTENT IN THEIR PURSUIT OF INDEPENDENCE. THERE WAS GENERAL AGREEMENT THAT THERE COULD BE NO SIGNIFICANT MOVE ON BALTIC INDEPENDENCE UNTIL THE SOVIET AUTHORITIES DETERMINED THEIR OWN POSITION, BUT THAT THE RECENT 9 + 1 AGREEMENT OFFERED NEW HOPE. THIS WAS FOLLOWED BY DINNER TO WHICH A NUMBER OF PROMINENT POLITICAL FIGURES CAME, INCLUDING KHASBULATOV (YELTSIN'S DEPUTY). MRS THATCHER SAID AFTERWARDS THAT SHE WAS STRUCK BY THE FACT THAT YELTSIN CLEARLY FACED A REAL CONTEST FOR THE PRESIDENCY OF THE RSFSR.

13. THE MOSCOW VISIT WENT WELL. MRS THATCHER WAS WARMLY RECEIVED, AND WAS ABLE USEFULLY TO EMPHASISE THE NEED FOR THE SOVIET UNION TO PERSEVERE WITH ITS REFORMS, AND TO PRESS AHEAD WITH ESTABLISHING A LEGAL FRAMEWORK BOTH TO ENTRENCH AND EXPAND NEW FOUND CIVIL AND POLITICAL LIBERTIES, AND TO PROVIDE A STABLE BASIS FOR DOMESTIC ECONOMIC REFORM AND INTERNATIONAL COOPERATION.

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