

MR. BERNARD INGHAM - BRIEFING - KUALA LUMPUR - 18 OCTOBER 1989

FROM JAMES LEE FOR COI RADIO TECHNICAL SERVICES

TRANSCRIPT OF EXTRACT FROM BRIEFING

GIVEN BY MR. BERNARD INGHAM

IN KUALA LUMPUR,

ON WEDNESDAY, 18 OCTOBER 1989

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MR. INGHAM:

Hong Kong:

She mentioned the problem of China and Hong Kong, doubting whether the Chinese fully realised even now the impact on world opinion of events in Tiananmen Square. They tried to pretend that nothing untoward happened, whereas we knew from very carefully-gathered evidence that something like 2,000 to 3,000 people were killed in and around the square.

Many of us, she said, thought after the experience of the Cultural Revolution, in which many of the present Chinese leadership and their families suffered, we would not be again seeing discriminate oppression in China, but we were wrong and it also underlined the tenuous nature of opposition in China. There is nothing to compare with the history of Refuseniks and that was evident for years in the Soviet Union.

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MR. INGHAM (CONTD):

She said these developments had inevitably been a setback for cooperation between the five members of the UN Security Council which had been increasingly successful and it would take some time to overcome that. It also created serious worries over Hong Kong. The people of Hong Kong suffered a very severe shock from what happened in China and were desperately in need of of reassurance as 1997 drew near.

We in the UK remain responsible for Hong Kong right up until that date and we would do all we could to safeguard its stability and prosperity and it would be very helpful, she said, if CHOGM could state unequivocally its support for Hong Kong and call on China to rebuild the confidence there.

(END OF TRANSCRIPT OF EXTRACT) NNNN

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MR. INGHAM:

The main purpose of this Briefing is to give you a fairly full account of the Prime Minister's opening remarks on "The Global Trends and Prospects".

Could I just say, however, that I omitted to mention that this morning the Prime Minister did of course have an audience with the Queen and we have sent a letter to the President of the United States which has no doubt been communicated by cable saying that reports are reaching us at the Commonwealth Prime Ministers' Meeting in Kuala Lumpur of the earthquake in San Francisco bringing heavy damage and loss of life. The Prime Minister said:

"I am very distressed indeed to hear of what is clearly a major disaster and hasten to send my deepest sympathy to you and all those who have suffered. Please let me know if there is anything at all we can do to help."

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MR. INGHAM (CONTD):

There have been three contributors to the Global Trends and Prospects debate which, of course, is not concluded. The Prime Minister opened and was followed by Lee Kuan Yew and President Vassiliou.

In opening, the Prime Minister thanked the Malaysian Government for hosting the meeting and welcomed Pakistan's return to the Commonwealth. She hoped that adequate time and attention would be given in the course of the conference to global environment and drugs, which she also dealt with.

She dealt with the four broad themes that I mentioned this morning:

first, the crisis of communism and its implications;

secondly, the prospects for resolving international conflicts;

thirdly, the importance of the right economic and trade policies if our hopes for a better life for our people are to be realised; and

fourthly, the need for much greater international cooperation on global environment problems and drugs, bearing in mind that there are more transboundary problems in the world than ever before.

She indicated that she would deal only very briefly with Asia, China and indeed the Mediterranean and Middle East, given the contributions from Lee Kuan Yew and President Vassiliou.

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MR. INGHAM (CONTD):

Turning to the first point - the crisis of communism - the Prime Minister said that she spoke at the Vancouver meeting about the climate for change in the Soviet Union and the contrast between the stagnation of the communist countries and the dynamic development of countries which have freedom of expression and free enterprise. The change had gone much further and faster, both in the Soviet Union and in Eastern Europe, than we all expected.

She spoke of the significance of events in Poland and Hungary. They were the first countries to emerge from communism towards democracy and the free market economy and they must be supported.

She said she had two meetings with Mr. Gorbachev this year in which he was very frank about the scope and scale of the problems facing him - the economy and nationalities. The economics were far worse than either we or they realised and his difficulty was to motivate people who had never known freedom or how a market operates.

With the nationalities, his problem was to find a way to give them greater autonomy without leading to the break-up of the Soviet empire.

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MR. INGHAM (CONT'D):

In general, *glasnost* had gone much faster than *perestroika*, with the result that all the criticisms were coming out before there were any concrete results to show for reform, but we should acknowledge fully how much Mr. Gorbachev has already done and the genuine improvements in the human rights situation, although there was still some way to go.

She said that the really difficult economic decisions in the Soviet Union on prices and subsidies have not yet been taken and the evidence was that the economy in the Soviet Union was still deteriorating, a shortage of power, cuts and the possibility of rationing, and this could, if combined with further trouble with the nationalities, bring opposition to Mr. Gorbachev out into the open. There were people who preferred the certainties of old-style communism and she reminded the Conference how far behind the Soviet Union still was: heavy concentration on space and military spending had created huge problems elsewhere and a recent speech by the Soviet Health Minister showed the Soviet Union 75th in the world in the share of GNP devoted to health and declining from 9th to 26th place in the proportion of students in higher education, but she asked whether there was really an alternative to Mr. Gorbachev's policies if the Soviet Union was to keep pace with the West rather than drop further behind and she thought his strongest card could be the lack of a convincing alternative.

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MR. INGHAM (CONTD):

What conclusions should we draw? She drew four:

First, that communism as a creed has failed and is discredited. It can no longer claim to represent a different and higher form of human society, a claim that was never very convincing anyway. What is emerging, while certainly not capitalism, is far removed from the teaching of Marx and Lenin in that sense - an era of history is over.

Second conclusion: it must be right to express support for what Mr. Gorbachev is doing in the Soviet Union to support the changes in Eastern Europe. She said we could not resolve the huge problems of the Soviet economy from outside and it is not a case of giving Marshall Aid as some suggest, but the West would provide substantial help for Poland and Hungary which were moving much more rapidly towards free market democracy. We must not let their historic mission fail.

Third: we must realise that changes on this scale bring with them new uncertainties and new dangers and this has been very well expressed by the US Librarian at Congress and she quoted him: *"There is no more insecure time in the life of an empire than when it is facing the devolution of its power"* and no more dangerous time in the life of the religion, communism being after all a secular religion and when it has lost its inner face but retains outer power. These dangers and uncertainties, the Prime Minister said, meant that we must keep our defence sure.

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MR. INGHAM (CONTD):

And the fourth conclusion: there is always a risk that the clock will be put back again. Events in Tiananmen Square were a reminder that communism would not necessarily lie down and die quietly. We saw continuing political repression in East Germany and a Stalinist regime in North Korea and the communist states will continue to control immensely powerful military forces, so we in Western Europe had to remain very watchful.

On the second theme that the Prime Minister discussed, the prospects for resolving international conflicts, she said the obverse of communism's decline had been the advance of democracy and freedom in the world and 1989 had been a truly remarkable year for that. This was excellent news for the Commonwealth. Freedom and democracy were absolutely essential for it, but she said we had to guard against euphoria. There was a tendency to assume - as in the article by Francis Fukuyama (phon) which had caused such a stir - that liberal democracy has comprehensively defeated Marxism-Leninism and that there would in future be no other ideological challenge to it. She thought that would be a very rash assumption when you consider the continuing power of nationalist, authoritarian and extreme religious fundamentalist ideas.

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MR. INGHAM (CONTD):

It is a very important part of our belief that the spread of democracy and free enterprise will reduce the risk of conflict in the world because democracy threatened no-one and did not seek to impose itself. We could look, therefore, to improved East-West relations, though we had to be hard-headed about the reasons for this. It was not coming about because of some conversion on the part of the Soviet Union on the road to Damascus; it was happening because the West remained absolutely firm in defence through NATO and that must continue, although she hoped that it would be at lower levels of armaments.

She thought that the reduction in East-West tension should manifest itself in two principal ways: first, we should achieve substantial progress on arms control over the next two years. She thought there was now reasonable prospect of achieving agreement both in the talks on strategic nuclear weapons between the USA and the Soviet Union and in the negotiations for conventional force reductions in Europe and the chemical weapons reductions in Geneva, provided that in all three cases we could devise satisfactory means of verification. She made the

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MR. INGHAM (CONTD):

point that an arms control agreement without adequate verification was not worth having and such verification was very difficult to achieve, especially for chemical weapons, but it was reasonable to expect agreements on strategic, nuclear and non-conventional forces by the end of next year.

She emphasised, however, that we were not talking about a nuclear-free world. What had prevented large-scale conflict in the world had been the existence of nuclear weapons. The needs of our defence and stability in time of uncertainty and danger would require each side to continue to maintain sufficient nuclear weapons to act as an effective deterrent.

The second conclusion: we can look forward to a settlement of those conflicts which have stemmed from the aggressive nature of communism.

We could also look for progress in conflicts elsewhere in the world whose basic cause has been communist aggression or expansion. We had had the Soviet withdrawal from Afghanistan, Vietnam's withdrawal from Cambodia, although that was by no means the end of the matter. Cuba was withdrawing its forces from Angola, but we should not assume an invariable pattern of pulling back by the Soviet Union. There were still, for example, substantial arms supplies going from communist governments to sustain conflict in Central America.

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MR. INGHAM (CONTD):

And finally, she thought that another encouraging feature was a greater willingness to make use of the UN, not as a forum for propaganda but as a source of positive action to resolve disputes.

Turning to other areas of conflict, she first dealt with southern Africa, although she said that she would be speaking at length on it later in the debate when the subject was specifically raised, but she hoped that no-one would contest the fact that there is a much more hopeful atmosphere and that we should build on this, whether in South Africa itself, in Namibia, Angola or in Mozambique. In all four countries, we were entering on a phase of negotiation and in the case of Namibia, elections. She said it was vital that we gave our full support to the UN in Namibia and did not try to substitute our own judgement for that of the UN Secretary-General. Everyone should accept the results of the elections, provided that the Secretary General pronounced them to be fair.

In South Africa, President de Klerk's willingness to listen to all shades of opinion, to allow peaceful demonstrations and to release virtually all the long-term security prisoners, was a major step forward and should be recognised as such.

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MR. INGHAM (CONTD):

We remain committed to the EPG concept and want to see Nelson Mandela released, the state of emergency lifted and political organisations unbanned, so that the way is open to negotiations against the background of a suspension of violence. She said we should recognise that is the way events are moving and we are much more likely to achieve our aims by giving encouragement than by trying to pretend that nothing significant has happened. It was important that this Commonwealth meeting should support and encourage peaceful change and negotiations in South Africa rather than give the impression of rebuffing the most hopeful signs for many years that progress was possible. She thought, frankly, that consideration of sanctions at this stage would be utterly irresponsible and she hoped that South Africa would inherit a strong economy and she made the point that she thought that she had done something to contribute to that.

Hong Kong:

She mentioned the problem of China and Hong Kong, doubting whether the Chinese fully realised even now the impact on world opinion of events in Tiananmen Square. They tried to pretend that nothing untoward happened, whereas we knew from very carefully-gathered evidence that something like 2,000 to 3,000 people were killed in and around the square.

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Many of us, she said, thought after the experience of the Cultural Revolution, in which many of the present Chinese leadership and their families suffered, we would not again see indiscriminate oppression in China, but we were wrong and it also underlined the tenuous nature of opposition in China. There is nothing to compare with the history of Refuseniks and that was evident for years in the Soviet Union.

She said these developments had inevitably been a setback for cooperation between the five members of the UN Security Council which had been increasingly successful and it would take some time to overcome that. It also created serious worries over Hong Kong. The people of Hong Kong suffered a very severe shock from what happened in China and were desperately in need of reassurance as 1997 drew near.

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MR. INGHAM (CONTD):

On this section - Resolution of Conflicts - her overall conclusion about the prospects for resolving international conflicts was a hopeful one. We really are moving forward, she said, but we should not think we are out of the wood. She warned, in particular, about two dangers for the future: first, the spread of the capability to manufacture nuclear and chemical weapons and the ballistic missile technology to deliver them; second, the growing tendency to resort to violence and terrorism to achieve political ends. Much of it came from those who might be described as the unsatisfied aspirants to nationhood, whether they are...Kurds or the IRA or many others who waged holy wars for self-determination. This new nationalism, combined with terrorism, was a very potent mixture and posed great dangers to all established governments.

On the importance of the right economic and trade policies, the Prime Minister - because there is an economic debate to follow - limited herself to fairly brief remarks.

She said the priorities for the world economy were clear: controlling inflation, sustaining growth, liberalising trade, promoting structural reform and helping debtors to help themselves. The basic outlook was good, with world trade up by 9 percent last year and probably 7 percent this.

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MR. INGHAM (CONTD):

The overriding need was to control inflation. She recognised that high interest rates are unwelcome to debtor countries but the consequences of failure to control inflation would be worse.

She said we must also keep markets open. That was the purpose of the current GATT Round and we in the UK would do what we could to ensure that 1992 was not used as an excuse to erect new barriers to trade with Europe. The whole purpose was to get down the barriers. She would also want to preserve the Lome Convention advantages to Commonwealth countries. What we must avoid, she said, was the emergence of regional trade groupings which attempted to exclude others and limit trade. That would be a serious step in the wrong direction.

She thought great progress had been made in dealing with the problem of debt, both for the very poorest and schemes for debt reduction and debt interest reduction for middle-income debts. The Paris Club had in addition rescheduled some 20 billion dollarsworth of debt over the past year, but those measures would only be effective if developing countries pursue sound economic policies which will avoid similar problems in the future and that is why it was important to negotiate structural adjustment programmes with the IMF, even if they involved difficult and unpopular decisions and to create also conditions which encourage inward investment.

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MR. INGHAM (CONTD):

She did not see a need to reinstate an institutionalised North-South dialogue. These were practical issues which needed to be dealt with on their merits and not turned into a political confrontation.

She thought that if we followed these prescriptions, the prospects for the world economy were good but she underlined one important point: often, it was the politics which had gone wrong rather than the economics, sometimes, some external factor such as Korea or the Vietnam War driving up inflation or the Yom Kippur War which put up oil prices which had caused difficulties; in other cases, it had been rash or cynical political promises which could never be delivered which have left massive problems for future generations.

Turning to Environment and Drugs, she wanted to strengthen cooperation on both these "new issues".

On environment, she said we used to think that whatever progress mankind made, our planet would stay much the same. That might no longer be true. The way we use land, the way industry uses natural resources and disposes of waste and the way our population has multiplied, all taken together, were new in the Earth's experience. They threatened to change the atmosphere, the and the sea around us - that was the scale of the global challenge.

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MR. INGHAM (CONTD):

What we needed was the best scientific assessment and a recognition that the problems are global and that we should all be affected. It was not a time, she said, for quibbling over whose fault it may have been or for seeking compensation.

If we want economic growth to continue and to provide the benefits that people want, then we need a massive international cooperative effort to deal with the problem. Our goal was to protect the global environment - atmosphere, oceans, tropical forests - without inhibiting growth. Indeed, continual growth is essential because without it you will not have the resources which are necessary to finance action needed to protect the environment. It was prosperity which created technology to keep the Earth healthy.

She thought that by and large we had the necessary international institutions already but we need to strengthen them and make them more effective as well as move as rapidly as possible to agree on a framework convention on global climate change - a sort of good conduct guide on the environment to all the world's nations.

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MR. INGHAM (CONTD):

She hoped that we could agree at the Conference on a short and clear declaration which focused on the points of major importance and send a political message which would be noticed not just within the Commonwealth, but worldwide.

On drugs, she said we should reaffirm our intention to take steps to deal with the problem at every level. We need to help countries where drugs are grown to eradicate production. We need to reduce demand and the UK would hold a major conference on that in London next year and we need to deal with trafficking in drugs - that means signing and ratifying the UN conventions against illicit drug trafficking and reaching bilateral agreements to confiscate drug dealers' assets, and support for law enforcement against drug traffickers by providing training and equipment. She said we must make sure that the UN has the resources to take on a full role of this work. Once again, she would like to see the Commonwealth issue a strong declaration on this problem, concentrating on action.

All in all, the Prime Minister described her message as one of hope and of optimism. The world has moved forward, she said, since our last meeting, and there is the prospect of far greater and more hopeful changes between now and the end of the Millenium.

That contribution took about half an hour.

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MR. INGHAM (CONTD):

You have heard about the Secretary-General decision.

They are now all off to dinner on the royal yacht.

Therefore, we do not propose to do any further briefings
this evening. I do not think there will be anything more
to communicate to you.

(END OF TRANSCRIPT) NNNN