MR POWELL cc: Sir Robin Butler 26 February 1990 2012.

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.

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). 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 <u>Chinese arms sales</u> 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 <u>multi-party democracy</u> 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 <u>future shape of the Soviet Union</u>, 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