

PRIME MINISTER

PRESIDENT GORBACHEV

President Gorbachev will telephone you tomorrow morning at 1200 our time. The Russians will initiate the call and he will have an interpreter on the line. You will want to bear in mind that it is an insecure line.

The Foreign Office will let us have some thoughts in the morning. But the subjects you will want to cover are:

- Soviet internal developments

Lithuania

You have been following recent developments with the greatest interest and attention, in particular the constitutional changes. You congratulate him once more on his appointment as President. We have been particularly interested by some of the reforms in the economic and social area, such as the introduction of the law on private property. You recognise the great economic difficulties which he faces. You hope he will let you know if he feels there is more that the United Kingdom could be doing to help. You want to assure him of your continued support for what he is trying to achieve, and you will continue to make this clear in public.

- Your meeting with Chancellor Kohl

President Gorbachev is particularly keen to talk to you about this, and will no doubt want to put his views on German membership of NATO. The Soviet position on this seems strangely fluid. You may have seen from the telegram that Shevardnadze has said that the Russians do not want Germany in NATO but they do not want it to be neutral either. Our assessment is that, with sufficient safeguards, they will eventually come to accept Germany in NATO.

- Lithuania

You will want to tell him of the careful and balanced line that you have taken in public about this. You recognise it

is a difficult and sensitive problem. At the same time, you very much hope that any use of force can be avoided, as it would certainly create great uproar with public opinion in the West. You hope that he will confirm to you - for public quotation - that everything possible will be done to reach a solution through discussion.

- Your forthcoming meeting with President Bush

You will be seeing President Bush in Bermuda on 13/14 April to review with him all the current international issues, in particular those affecting European security. If President Gorbachev has any particular thoughts he would wish you to convey to the President, he might like to set them out in a message.

- Your visit to Kiev

You are greatly looking forward to your visit and to renewing direct talks. You hope the dates of 7-10 June remain convenient and will not clash with the proposed US/Soviet Summit.

It would be helpful at the end to get him to agree that we can tell the press that the two of you have talked on the telephone, and that he assured you personally that everything possible would be done to settle Lithuania's problems through discussion.

C.D.P.

CHARLES POWELL

27 March 1990

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