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LONDON SWIA 2AA

From the Private Secretary

24 January 1989

SOVIET EXPULSIONS

The Prime Minister had a meeting this evening with the Foreign and Home Secretaries to discuss the proposal that we should expel a number of Soviet intelligence officers from the United Kingdom in the near future.

It was argued, on the one hand, that the steady restoration of the Soviet intelligence presence in the United Kingdom and its increasingly aggressive operations constituted a threat to our national security. We should therefore take early action to decapitate the Soviet Union's intelligence effort here. The professional advice was that we should remove eleven intelligence officers and retrospectively exclude two others and should act promptly. Expulsion of a lesser number would be an inadequate response to the threat. We had traditionally taken a firm line against such activity by the Soviet Union and there was no reason to depart from our normal practice on this occasion. Indeed to do so would give the wrong signal. While there was inevitably some risk that such action would affect Mr. Gorbachev's planned visit, it was more likely that the Russians would choose to separate the two issues. The rather special relationship built up between the Prime Minister and Mr. Gorbachev rested in part on his respect for our firmness.

We should therefore go ahead with the expulsions shortly after Mr. Gorbachev's forthcoming visit was announced on 30 January. Equally, it was recognised that the two issues—whether to expel and when to expel—could be treated separately. We could decide now to take action but carry it out after Mr. Gorbachev's visit. The risk of this course was that new reasons of Anglo/Soviet relations might then be adduced to delay action further.

Against this, it was argued that our national security depended also on our ability to play an important role in East/West relations. We had been very successful in building up a part for Britain which went well beyond our intrinsic importance for the Soviet Union, and which brought us very considerable political and diplomatic benefits.

Mr. Gorbachev's forthcoming visit was very significant in this context and we should not put it in jeopardy. At the same time, the dossier compiled by the Security Service did not

provide very convincing evidence of immediate and substantial danger to our national security from Soviet intelligence activities. Much of it was very circumstantial, and the main operation identified involved a double agent and did not therefore constitute a serious risk. Indeed it gave us a useful insight into Soviet operations. The Security Service note also demonstrated that, when Gorbachev's visit had been planned last year, the Soviet intelligence agencies had immediately suspended active operations in the United Kingdom. They would presumably do the same this time, in which case it could hardly be argued that our national security would suffer as a result of delaying the expulsions until after the visit. We had to weigh in the balance, too, the implications for the effectiveness of our Embassy in Moscow of the retaliation which would inevitably follow expulsions from the United Kingdom. Last time we had got involved in a cycle of expulsions and retaliation, we had emerged as the losers, at least in the public's perception. All this meant that it was not right to contemplate putting the Gorbachev visit at risk. We would not lose anything by delaying the expulsions until after the visit had taken place. Whenever the expulsions were made, we should make every effort to minimise publicity.

The Prime Minister concluded that there was not yet agreement on the nature or timing of the action to be taken. She would discuss the matter further with the Director-General of the Security Service, in particular the quality of the evidence against the Soviet personnel concerned and the extent to which the risk to our security from their activities would be increased by delaying expulsions until after Mr. Gorbachev's visit. There would then need to be further consideration by Ministers.

I am copying this letter to Philip Mawer (Home Office).

(CHARLES POWELL)

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