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10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

9 February 1987

Dear John.

Thank you so much for sending me your various papers on Mr. Gorbachev. They will be an invaluable help in preparing for my visit to Moscow and I shall go through them carefully.

Thank you for your help.

Yours ever

Raymond

John Browne, Esq., M.P.

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From: JOHN BROWNE, MSc, MBA, MP



HOUSE OF COMMONS
LONDON SW1A 0AA

3rd February 1987

Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1

Dear Prime Minister,

Prime Minister
You have seen
Mr. Browne's earlier
papers. I attach
only the most recent.
There is not a great
deal in
it.
I have
checked
CDP

Thank you for your letter of 21st January in which you asked me to let you have any further thoughts on the Soviet Union and your forthcoming visit.

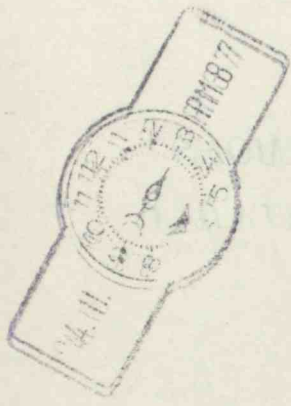
Many millions of words have already been written about Mr Gorbachev. I must admit that I have contributed to this 'word mountain'. However, I enclose copies of my papers on Mr Gorbachev in case they are still of relevance or of interest to you.

I realise that you will be bombarded with information on Mr Gorbachev from all quarters. I have therefore restricted myself to four areas: Mr Gorbachev's character; his selection; the likely effects of his selection; and some of the opportunities created by his selection.

I attach this paper at appendix A.

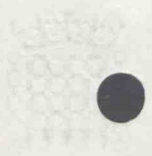
Yours ever
J.B.M.

JOHN BROWNE



From JOHN BROUWER, M.D., M.A., M.C.

HOUSE OF COMMONS
LONDON, ENGLAND



SUMMARY OF MEMORANDUM TO THE PRIME MINISTER

GORBACHEV

CHARACTER OF MR GORBACHEV

Self-Confidence

Apart from his charisma, the most important aspect of Mr Gorbachev's character is his self-confidence which stems largely from his great achievements. Mr Gorbachev is not only intelligent but very well informed. His self confidence is therefore likely to make him much more flexible and even creative. This alone represents something very new and significant in the Soviet leadership and opens great opportunities for Western leaders and negotiators.

Mr Gorbachev's Succession

Given that the Soviet elite or Nomenklatura were, and probably still are, resistant to change and to charisma, Mr Gorbachev's succession seems all the more incredible. I accept that it is incredible and therefore of great significance. If Mr Gorbachev represents both change and charisma why and how was he selected as Soviet leader?

Members of the top Soviet elite such as Suslov and Kulakof have obviously seen the threats, particularly the economic threats to the Soviet Union. They have realised that change is necessary if the Soviet Union is to sustain its role as a superpower, and remain leader of the Communist world. The Soviets simply have to do something to rejuvenate their flagging economy and meet the challenges that face them:

- In the arms race with the United States, particularly with SDI.
- In the technological revolution at home, particularly the drive for the widespread use of computers and the implicit loss of the State's monopoly control of information.
- From the internal demand for consumer products.
- In facing the potential threat from China which has embraced capitalism with great success.

Change is usually difficult to effect and nowhere more so than within the Communist system. To effect change within the Soviet Union the Russians must have a leader with the intelligence to see the problem; the ability to adapt the essential ingredients of capitalism; the charisma to

persuade the Nomenklatura of the need for change and the time to execute it. Finally such a person would not only have to be in a position of power but would have to command a power base in order to effect decisive action. Such a man is Mikhail Gorbachev. Having identified their potential leaders, top Soviet thinkers such as Kulakof and Suslov had to get their men into power. Gorbachev had the strength and patronage of Kulakof, Suslov and Andropov. As such, I believe he represents much more than just an individual politician. He represents a movement of reform, or of change, within the Soviet Union. This is an essential point upon which many commentators disagree with me entirely. However, every single thing that I predicted in December 1984 about Mr Gorbachev has either come true or his actions have vindicated every analytical forecast that I made.

I believe that when Mr Gorbachev came to London in December 1985, he was already effectively the Managing Director of the Soviet Union under the Chairmanship of the ailing Chernenko.

The Effects of Mr Gorbachev

In my opinion the strength of Mr Gorbachev's patronage, charisma and self confidence add up to change in the Soviet Union. His leadership is of enough quality to:

- Motivate both management and work force.
- Talk over the heads of negotiators and statesmen, direct to any group which suits the purposes of the Soviet Union throughout the world.
- Lull the West into a false sense of security and talk billions of dollars off western defence budgets.
- Use his personal charm to exploit any difference between western leaders.

Under Mr Gorbachev, Soviet goals will remain unchanged but their style and methods will change significantly. Out will go the brutal Russian bear and in will come reasonable, responsible and even reassuring Russia. Mr Gorbachev is a superstar and will present the West with great challenges including new opportunities and a much more subtle approach. One should never forget that whilst he is a superstar, Mr Gorbachev is a tough, sensitive and dedicated Communist.

Opportunities

As the Soviet Union tries desperately to rejuvenate its economy and enter the technological revolution, great opportunities will occur for the West to trade with the Soviets. Key areas are likely to include:

- High technology; particularly in computer power.
- Agriculture; modern methods of production and transportation.
- Consumer products; some of them very basic such as refrigerators etc.
- Film production; particularly low cost facilities and casts of thousands.
- Oil and gas; especially enhanced production and transportation.
- Finance; the Soviet Union will need finance if it is to achieve its goals. Relations will have to be re-established with the financial markets, including the bond markets.

In order for the Soviet Union to achieve its economic goals, it will need to 'hold' the West at bay in terms of defence and to halt the arms race, particularly SDI. There will be great opportunities to achieve real results in arms negotiations which could, in some cases, be tied to human rights.

Whilst Western statesmen and negotiators should be wary of the increased subtlety of the Soviet 'charm offensive' and of the potential disasters if splits are shown within the Western Alliance, they should not allow their political ideologies to prevent them from negotiating legitimate trade deals to their mutual interest.

23rd January 1987

From: John Browne M.P.

GORBACHEV

Following the many millions of words that have been written about Mr Gorbachev, to which I must admit contributing, I now concentrate this paper on those most important facets of Mr Gorbachev, namely: his character; his selection; and the effects that he is likely to have both on the Soviet Union and upon East West relations.

CHARACTER OF MR GORBACHEV - Self Confidence

Some aspects of Mr Gorbachev's character are obvious and widely reported. In this paper I have selected three which I believe have not all been so well covered and which are, in my opinion, of importance.

Mr Gorbachev is a strong man, both physically and mentally. In my opinion, part of his strength arises from his sense of conviction. Another most important part devolves from his 'track record'. By any measure, Mr Gorbachev's promotion is quite outstanding within the Soviet Union. He is obviously highly intelligent and well briefed. His alertness and inquisitive mind mean that he is extremely well informed. This combination of intelligence, knowledge and self confidence, gives him the ability to be more flexible in his approach to problem solving. Indeed, I believe that Mr Gorbachev can be expected to be positively creative in his approach to negotiations.

Flexibility and creativity on the part of the Soviet leadership represents a major change from the traditional pattern of 'stone wall' Soviet positions. It means that there now looms the possibility of achieving positive negotiations to the point of mutual advantage.

SELECTION OF MR GORBACHEV

It is well known that the Nomenklatura or Soviet elite (numbering some 3 million) have, for decades, been given enormous privileges relative to the rest of the population of the Soviet empire. One can readily understand why they are resistant to change. Furthermore, the Nomenklatura remember well that it was Stalin's personal 'charisma' that gave him the authority, even above his constitutional position, necessary to instigate the 'terror' under which all their families were threatened. In December of 1984 and January 1985, Western observers including Professor Pipes of

Harvard and the defector, Shevshenko, against whom I debated in the United States in February 1985, felt aggrieved that Mr Gorbachev had charisma. They also believe that he may be a reformer and, as such, would never be selected for he would be resisted strongly by the Soviet elite who feared both change and charisma. I took the position that it was precisely because Mr Gorbachev possessed charisma and did represent change that he would be selected.

I felt that for decades, certain top Soviet leaders including Kulakof and Suslov had recognised fundamental faults in the Communist system which required adaptation or change if the Soviet Union were to remain as a superpower. These observations included the following threats:

- Economic Stagnation Post 1945. Free democracies of the West have found it most difficult to undertake 'hot' warlike operations without any threat to their mother country. However, they have very considerable ability to generate wealth. The main strengths and weaknesses of a police state are the reverse. Over the long term, a superpower can only be based upon the economy of a superpower. The Soviet economy is chronically inefficient and is still basically in the heavy industrial age whilst its main competitors have moved through the light industrial revolution and are entering the technological era. The key challenge facing the Soviets is that of rejuvenating their economies.
- The United States - SDI. The burden of the arms race has been relatively more crippling to the Soviet Union than to the United States. President Reagan's SDI was enough to 'break the camels back'. Having their own rudimentary strategic defence system, the Soviets knew well the awesome possibilities and costs inherent in the SDI programme. They also knew that the key element of strategic space defence is computer power, where they lay woefully behind not only the United States but many other Western free nations. During the Soviet IPU delegation to London in December 1984, I sensed a desperation to delay, if not to halt, the American SDI programme. SDI is therefore a key bargaining counter in the hands of the West.
- Internal Threat. In any state, knowledge or information is power. The Roman Catholic Church held a monopoly on religion in Western Europe through the control of writing. It was not until the printing press evolved that the monopoly was broken. In the Soviet Union, real power is exercised by the control of

information. The Soviet dilemma is how to move into the technological revolution without yielding a critical amount of its power over information. How can a police state such as the Soviet Union exist when personal computers are available to the mass?

Although years behind the free world, consumer power is growing within the Soviet Union. There is now a demand for blue jeans rather than an everlasting preparedness to pay for tanks.

- China. Following the successful Anglo Chinese negotiations over Hong Kong, it has been quite obvious that Deng-Xiaoping has not threatened Hong Kong with Communism but has blessed China with capitalism. Unlike Mr Gorbachev, Deng-Xiaoping does not have a cohesive Nomenklatura to resist him. The Communist Nomenklatura of Mao Tse-tung was itself done away with by the Cultural Revolution. Although starting from a low base, capitalism is proving remarkably successful in China which will soon challenge the Soviet Union for leadership of the Communists world.

For reasons such as those mentioned above, I believe the top Soviet thinkers have seen, for decades, the need for economic and therefore political change within the Soviet Union. The big question was how to execute such change in a society where even the merest whisper of change could mean instant liquidation, or worse. To effect change in any organisation is difficult. To achieve it in the Soviet Union is indeed a Herculean task. Firstly, the Soviets would have to find a leader of proven loyalty and ability. A person who had: intelligence to see the need for change; the ability to adapt certain aspects of capitalism; the charisma to 'sell' the need for change to the Soviet Nomenklatura; and time in which to execute change. Finally, such a person would not only have to be in a position of power but would have to command a power base in order to effect decisive action.

Many western observers have at last accepted that Gorbachev is different and part of a new mould within the Soviet Union. Not only did I maintain this view in December 1984 but, more importantly, I have always seen Mr Gorbachev as the public face of change within the Soviet Union. In my opinion, he represents a change that has been taking place in secret for some time, possibly for over two decades. The instigators of change have, of necessity, been by people of impeccable credentials. To me, this change in the Soviet power elite can be likened to a golf swing. The down part

of a golf swing starts in the shoulder. Here I see Kulakof and Suslov (in charge of purity of Communist thought), the elbow was Andropov (ex head of the KGB), the wrist is Mr Gorbachev.

It is generally recognised that the three main organs of power in the Soviet Union are the Communist party, the Soviet Army and the KGB. It appears that for several decades the Communist system and the army were in control of the Soviet Union. Indeed the Soviet Army had its own secret service or Chief Directorate of Intelligence of the General Staff (GRU). The result of this alliance between the party and the army was a massive build up of military force which resulted in an opposing build up of military force in the alliances of the free world. In more recent decades it appears that the Communist party has aligned itself more with the KGB than the army. The result has been a change of emphasis from military might to a more subtle approach including the use of international terrorism as an instrument of strategic power.

In the above mentioned paragraphs I have tried to explain why I think a man such as Gorbachev has been chosen as leader of the Soviet Union. A further question should also be addressed and that is how was he selected?

Firstly, as I have said above, Mr Gorbachev represents not just the ambitions and achievements of a single man but of a movement; a movement towards change in the highest echelon of the Soviet elite. There is little doubt that Mr Gorbachev possesses the qualities of an outstanding man. He has also had luck in that people ahead of him on the promotion ladder have died early, giving him accelerated promotion. Furthermore, he has obviously had excellent patronage from such people as Suslov and Andropov.

In an interview on ABC 'Nightline' during Mr Gorbachev's visit to London in December 1984, I was asked whether I thought he would be selected as the Soviet leader. I replied that I thought he had already been selected and that he was then effectively 'Managing Director' of the Soviet Union under the Chairmanship of the ailing Chernenko. This was considered an outlandish remark and I was criticised greatly by such eminent people as Professor Pipes of Harvard. I was convinced by such things as: the way in which he conducted himself and particularly his willingness to answer not just questions, but supplementary questions from the floor during his interview with the Foreign Affairs Select Committee; his general air of authority and the way in which the rest of his delegation reacted to him,

particularly General Chervov; his sheer nerve in leaving his delegation to visit Marx's tomb whilst he and Mrs Gorbachev visited St Paul's, a Christian tomb; his reactions when he sat at Lenin's desk in Clerkenwell; and finally, the fact that Marshal Ustinof's death was announced not by Pravda or Tass in Moscow, but by Gorbachev in Glasgow. Power travels with the general, even in the fog of war. After his selection in March 1985, there was no change in the new style that had been adopted at the Geneva arms talks where Russian negotiators not only talked to the press but laughed and joked with them. His speech at the funeral of his fallen comrade Chernenko was more a 'State of the Union Message' than a funeral oration. Finally, the speed and importance of the moves he took following his selection, such as the promotion of Gromyko, were not, in my opinion, the actions of a man new to office. They were actions of a man who had already held the reins of power and was seeking merely to consolidate a power base.

I believe that Mr Gorbachev was a natural successor, within the reforming movement, to Mr Andropov. However, Andropov died early, or ahead of schedule! I believe that at the time of Andropov's death, the reforming movement did not have sufficient power within whatever committee makes the papal style leadership selection to ensure Gorbachev's selection. However, they apparently did have power to 'buy time'. Following his attendance at Andropov's funeral when he met Chernenko, Dr David Owen M.P. declared to the world that Chernenko was already dying of an incurable disease. I believe that the reforming group within the top power elite had selected him as a 'care taker' and that whilst he was still alive Mr Gorbachev was given the reins of power.

I say all the above merely to illustrate my strong feelings of December 1984. Everything I have seen or read since has reinforced my belief that Mr Gorbachev represents the tip of a very powerful, albeit small, movement within the top power elite of the Soviet Union. This movement is one that sees clearly the threats facing the Soviet Union and wishes to adapt certain features of the capitalist economy to its own use. Such a movement can be expected to shed the difficult foreign adventures such as Afghanistan and concentrate upon the rejuvenation of the internal Soviet economy. To achieve this they must: halt the arms race; solicit technological help from the West; and appear to be reasonable and even 'clean' in the eyes of the world.

THE EFFECTS OF MR GORBACHEV'S SELECTION

Most of the traditional leaders of the Soviet Union were

thrown up by revolution from among the ranks of the soldiery or peasantry. They may have been excellent and natural leaders of men en masse, but they did not necessarily possess the administrative ability required in the Kremlin. They therefore hid behind a wall of secrecy; made few visits to their people; and very rarely exposed any supposed ignorance by asking questions. Mr Gorbachev is certainly a change from all of that. He is a groomed leader of great administrative ability. He is a very professional and accomplished speaker. He is physically impressive, tough, intelligent, alert and well educated. He has charisma; western style charisma which he has not only the ability but the willingness to exploit using the West's own media. Despite his attraction, even to western tastes, one should remember that he is extremely sensitive and is a product of the Communist party system. To achieve such rank so quickly a Soviet leader can be assumed to have ambition, patronage and luck. They must also have shown a capacity for hard work, obedience and proven loyalty.

I believe that Mr Gorbachev will be able to motivate both management and the work force within the Soviet Union. This will be difficult and take time to achieve. But, allowing for the low base, the results could be impressive.

Mr Gorbachev's charisma and media ability will enable him to talk direct, throughout the world to any movement that suits Soviet policy at the time e.g. CND etc. Furthermore, he will be able to use his charisma and his ready smile and lawyer's presentation to lull the West into a false sense of security. He could talk billions of dollars off the defence budgets of the free world. The replacement of Trident and MX missiles will indeed be difficult if Mr Gorbachev is still leader of the Soviet Union.

Mr Gorbachev has considerable personal charm which he can use to great effect to exploit any potential rifts between Western leaders.

Mr Gorbachev's self confidence is likely to lead to a more flexible and creative approach to international relations on behalf of the Soviets. I believe that this ability was exemplified at Reykjavik. Mr Gorbachev surprised President Reagan and the world with the audacity with which he suddenly put major 'royal cards' on the table; cards which included zero option and 50% strategic reduction for which the West had been negotiating for years.

Under Mr Gorbachev, Soviet goals are most unlikely to change but Soviet style and methods already have done. Out will go the brutal Russian bear and in will come reasonable,

responsible, reassuring Russia. Whilst all its dirty work is done 'under the table' by North Koreans, North Yemenis, Cubans and East Germans etc., Russian hands will appear to be clean. Gromyko is an elder statesmen. Mr Gorbachev smiles and jokes. The Russian bear now smiles rather than growls when it shows its teeth. The west should beware.

Under his facade, Mr Gorbachev is a rough, tough, dedicated Communist. Nevertheless, I believe that he represents change which presents a great challenge for the West with more subtle negotiations both on the private and public fronts and new opportunities. The public relations ability of Western leaders will be tested severely.

OPPORTUNITIES

The Soviet Union wishes to rejuvenate its economy by completing the light industrial revolution and entering the technological revolution. They are thirsty for high technology. They are also thirsty for modern management techniques even to the basic motivation of workers. Populations within the Soviet Empire are beginning to exert the pressure of consumer demand. The Soviet Union therefore has demand for many of Western consumer products, some of them very basic.

The Russians have grossly over-depleted their oil and gas reserves. They need Western 'know how' and technology.

Russia was once a vast grain exporter. Given proper management and motivation she could return to the export markets of the world and thus avoid gold sales and indeed generate much needed hard currency.

In order to achieve even the most basic goals of the technological revolution, the Soviet Union will require finance. The Soviet Union will have to re-establish relationships with international financial markets who may even honour at least part of the Tzarist bond issues.

Even in the film industry, the Soviets have shown a desire to earn hard currency by offering amazingly efficient and very low cost production facilities, including casts of thousands.

As Hong Kong was used as the shop window of mainland China, Finland is obviously the shop window for much of the Soviet Union.

The Chinese adaptation of capitalism must have impressed the Soviets. Furthermore, the Soviet Vassel states have shown a yen for capitalism. I believe that great opportunities lie ahead for nations of the West to trade with the Soviet Union in many areas such as consumer products, films, oil, agriculture and finance. I believe that under Mr Gorbachev administrative delays and obstacles will be relatively quickly demolished or certainly eased.

Mr Gorbachev and the Soviets need technological and business management help from the West and they need it fast. They also need access to Western capital markets and an easing of their own military expenditure. The West needs markets for its goods and services. The West would also like to achieve a verifiable arms control and even reduction. Furthermore, the West would like to achieve concessions on human rights from the Soviet Union. Throughout all these negotiations SDI is likely to prove a key card. Under its umbrella, individual nations of the West will be able to strike bilateral deals with the Russians and even the Soviet Union.

While Mr Gorbachev will be anxious to exploit any potential splits in the Western alliance, he will be anxious to conclude trade deals with the West. Many Western politicians and businessmen will be slow to grasp these opportunities because of their ingrained ideological background, this is particularly so of the United States and presents even greater opportunities for the British.