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March 21st, 1987

The Right Honorable Margaret Thatcher, M.P.
Prime Minister
10 Downing Street
LONDON S.W.1.

*Prime Minister
Re: re Dr. Hammer's visit
on Afghanistan. They are quite
sensible, although familiar. He suggests
that you phone Tom with
Gorbachev. Dr. Hammer
wants to
discuss Tom
with you
on the
telephone.
I advise
against
this, and
will
prepare you
a speedy
reply.
ADP
24/3*

Prime Minister:

As you plan for your important visit to Moscow later this month, I wish to bring you up to date on some of my activities which I think may have direct relevance to your discussions with Mr. Gorbachev. First, let me say that you are in a pivotal position as both Mr. Reagan and Mr. Gorbachev respect and trust you. Your relationship with these two leaders uniquely places you to focus the issues between East and West and bring those issues to solution by serving as honest broker. Your visit can help assure that a summit will occur between Mr. Reagan and Mr. Gorbachev, which will bring the world closer to peace. I commend you for your efforts and your dedication to world peace, and I fully hope you succeed in your mission to the USSR.

I write specifically about the situation in Afghanistan which remains an irritant between the US and the USSR and so impedes progress toward improved relations between East and West. I first became interested in this issue in 1980, shortly after the Soviet movement into Afghanistan. I had (and still have) very good relations with Zia of Pakistan. And at the time, I had excellent relations with Brezhnev.

I met with Zia in Islamabad and he agreed that if Brezhnev would accept it, Zia could accept a pro-Soviet government in Afghanistan, provided Soviet troops were withdrawn. I flew to Moscow to see Brezhnev and he agreed that this would be acceptable to him. He explained to me that he had sent his troops into Afghanistan because he had information that a CIA-inspired plot was about to install an anti-Soviet government there, which he could not tolerate. Thus, the idea of withdrawing his troops in favor of a pro-Soviet government was fully acceptable to him. Subsequently, I presented this idea to Jimmy Carter. Unfortunately, his National Security Advisor, Dr. Brzezinski, who was virulently anti-Soviet, convinced Carter not to accept the plan.

Seven years later, the conflict continues. You know the situation that now obtains. Today, one-third of the Afghan population, or five million people, live as refugees, three million in and around Peshawar, Pakistan, and two million in Iran. Tens of thousands of lives have been lost, both Afghan and Soviet. Countless more have been wounded and maimed for life. The economy and social fabric of Afghanistan have been completely disrupted. Neither side today is any closer to "victory". From Mr. Gorbachev's statements, it seems clear that he wants to disengage from the Afghan entanglement. But he can only do so with certain guarantees and commitments, the most important of which will be saving face and assuring that a hostile government is not established at his southern border. After all these years of fighting and the many lives lost, he cannot withdraw to defeat. Equally clear is the determination of the Afghan population not to accept communist domination and rule. They will fight on under the current set of circumstances.

With these constraints in mind, I have spent the past two months attempting to find a solution to the problem. I have met with President Zia, Anatoliy Dobrynin (former Soviet ambassador to the US and now Secretary of the Communist Party and one of Mr. Gorbachev's most senior foreign policy advisors), Yuli Vorontsov (First Deputy Foreign Minister of the USSR and again one of the triumvirate including Messrs. Dobrynin and Shevardnadze whom I understand are the key advisors to Mr. Gorbachev on relations with the West and on the Afghan situation), the former King of Afghanistan Zahir Shah who now lives in Rome, a former Prime Minister of Afghanistan Dr. Youssof who now lives in Germany. I have met in the US with Howard Baker, the new Chief of Staff to President Reagan and a long-time personal friend, Frank Carlucci, the National Security Advisor to the President, John Whitehead, the Deputy Secretary of State, as well as Senators Kennedy, Pell (Chairman of the Foreign Relations Committee) and Gore. I have also met with UN Undersecretary General for Political Affairs Diego Cordovez who is charged by the Secretary-General of the UN with conducting the "proximity talks" in Geneva between the Kabul government of Najibullah and Pakistan's Foreign Minister Yakhub Khan.

I enclose herewith a letter which I sent to Mr. Gorbachev last week in advance of the visit to Moscow of Michael Armacost the US Undersecretary of State, which visit I understand was not, unfortunately, very productive. This letter states clearly my proposed solution to the Afghan problem which I believe is workable and could be implemented in the near term, provided there is the political will in Moscow to find this settlement. I believe that good will exists.

I bring this to your attention now in the hope that you can break the logjam and raise this with Mr. Gorbachev. I hope that you can emphasize to him the importance for good relations with Europe to finding a solution in Afghanistan. Mr. Gorbachev must understand clearly that no solution to Afghanistan is possible with Najibullah retained as head of government. He must be removed in favour of a popular government headed by former King Zahir Shah, who would not retain his title of King. And this government must be neutral with guarantees of no intervention by any outside powers.

As I stated in my letter to Mr. Gorbachev, the psychological significance to Europe of a Soviet withdrawal from Afghanistan cannot be overstated. And I believe this is crucial now as negotiations move forward on Intermediate Nuclear Forces and short range nuclear weapons in Europe.

Prime Minister, I am aware of the pressures of your intensely busy schedule. However, as with our discussion in June, 1986 when I told you of the confusion in Washington over the SALT II policy, I feel this is a vital time which calls for your intervention. To that end, I would like to arrange a time convenient to you when we may discuss this situation over the telephone prior to your visit to Moscow. Sir Gordon Reece has graciously agreed to help arrange such a telephone conversation which I hope can take place this week.

I stand ready to assist you in any way and look forward with pleasure to speaking with you soon. With warmest regards.

Respectfully,

Arnold Hammer

AH:rdj
OCJ0850
Enclosure

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ARMAND HAMMER
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

March 12, 1987

His Excellency Mikhail S. Gorbachev
General Secretary of the Central Committee
Communist Party of the Soviet Union
Moscow, USSR

Dear Mr. General Secretary:

I recall well seeing you at the Forum on February 16, at which time I was pleased to have a few words with you following your very impressive address. You set a positive tone in that speech for relations with the United States and the world, upon which you have effectively followed up in recent days with your arms reduction initiative to break the impasse.

As I mentioned to you at the Forum, I have been heavily involved in trying to develop a universally acceptable solution to the Afghanistan situation. While in Moscow prior to the Forum, I had discussions on this issue with Messrs. Dobrynin and Vorontsov, briefing them fully on my meetings with Zia, U.S. government officials, and Mohammad Yousof, a former prime minister of Afghanistan with whom I worked out a possible plan for government, all just prior to my arrival in Moscow. Immediately after seeing you at the Forum, I flew to Rome where I met Mohammad Zahir Shah, who was King of Afghanistan from 1933 to 1973, a period of relative peace, prosperity and good relations with the Soviet Union. I sent a confidential letter about that meeting to Mr. Dobrynin, with copies to Mr. Shevardnadze and Mr. Vorontsov. In that letter, I promised an update based upon recent meetings held in Washington and the outcome of the Geneva-United Nations talks.

Today, I met at length in the White House with my old friend, Howard H. Baker, Jr., the new Chief of Staff to the President, as well as the President's National Security Advisor, Frank Carlucci, and Deputy Secretary of State, John Whitehead. Earlier today, I met with Chief U.S. Arms Negotiator, Max Kampelman, who apprised me of the status of the Geneva arms control discussions. Previously, I met with Vice-President George Bush and other members of the foreign policy apparatus. I also was received by Senators Kennedy, Pell, and Gore, all personal friends of long standing, and all of whom play leading roles in the Senate in foreign policy and as members of the Geneva Observer Group.

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All of the above agree that a solution to the Afghan problem would greatly enhance U.S.-Soviet relations. Further, there is a strong belief that an early acceptable Afghan settlement would prove of tremendous psychological significance at this crucial time in Europe to demonstrate that the Soviet Union bears no hostile intentions, as would be evident from an agreement for a full withdrawal of Soviet troops from Afghanistan. Washington and Europe would greet such a withdrawal very warmly, and this psychological advantage would help speed an arms reduction package.

My plan is as follows. Zahir Shah would return to Afghanistan as head of state, but not as King, leading a transition government composed of all essential elements of Afghan society, as you stated in India, allowing the Afghan people, themselves, to determine the form of government and system under which they wish to live. Zahir Shah's security would be guaranteed by the Soviet Union, the United States and Pakistan, and possibly China. Further, an absolute guarantee of no outside interference of any form, including, as you said in your speech at the Forum, a guarantee of no foreign bases of operation in Afghanistan, would be entered into by the USSR, the U.S., Pakistan, China and India. The transition government would include communist representatives, but not Najibullah, who is simply too disliked by the refugee population to allow him to remain. Also included in the government would be representatives of the refugee groups in Pakistan and Iran, as well as some rebel military commanders and perhaps some of the tribal leaders. This group would form a State Council which would oversee the transition, including the repatriation of refugees, and put into place the infrastructure necessary to allow for free elections within a given period of time. The U.S. government has made clear its willingness to provide funds to assist in that repatriation.

For its part, the Soviet Union would agree to withdraw all of its troops from Afghanistan, beginning with a major withdrawal of, say, 30,000 troops, with 10,000 or more a month to follow for a period of some nine months, until all troops are withdrawn. The United Nations would provide an observer group similar to the present groups operational in the Sinai and Southern Lebanon to serve as a buffer for the withdrawal and also to assist in maintaining the security of Zahir Shah and the new government. (I discussed this a few days ago in Los Angeles with Swedish Deputy Foreign Minister Pierre Schori, where he came after his visit to Moscow. He said he would report this to his prime minister and recommend that his government participate in such a UN force, just as they are doing in Sinai and Lebanon.) Afghanistan would pledge its neutrality, which could be guaranteed in a form similar to that of Austria under its State Treaty, which is the basis of successful neutral government in Austria which followed the withdrawal of Soviet troops from Austria.

Such a plan, if implemented by you, would, I am sure, be acceptable to all sides. It breaks the deadlock, stops the killing, and assures a neutral neighbor on your southern border, which was explained to me as the real purpose of the Soviet troop movement into Afghanistan. Therefore, your success and initiative in bringing the Soviet troops to their homeland after they have succeeded in fulfilling their mission will be warmly welcomed by the Soviet people and the Eastern Bloc countries, just as will your success in removing nuclear weapons from Europe.

Mr. General Secretary, you would be very warmly received by the American people should the above plan be put into place. If it could occur to coincide with a summit in the United States this summer, your efforts for peace and international understanding would be propelled to the front of the world stage as you receive the gratitude of the people of the world. Then, too, the atmosphere would improve vastly, allowing for increased prospects of achieving a complete arms reduction package and for increased trade between our nations. I realize this would require a bold step by you and the Soviet government, but it would confirm your courage and leadership in the effort toward peaceful coexistence of socialist and capitalist states.

For my part, I intend to meet again with Zahir Shah's son-in-law, Abdul Wali, former prime minister Youssof, and members of the refugee leadership in the immediate future to put together a complete plan of government which could be the basis for the settlement.

I hasten to send this to you because Mr. Michael Armacost, the U.S. Under Secretary of State, is to hold discussions in Moscow on Monday and Tuesday with Messrs. Shevardnadze and Vorontsov. Perhaps the above will be useful in discussions with him.

I emphasize that I am not acting on behalf of, or as a representative of, the U.S. government in any way. I am acting as a private citizen who has the cause of peace at heart. I hope we can move quickly to an elimination of nuclear weapons and an eventual reduction on a parity basis of conventional forces to strengths necessary only for the defense of the nations of the world. This is the peace I seek.

I hope, too, that I can be of assistance in helping you to accomplish these goals. I remain committed, as I know you are, to a world of peace and prosperity. To that end, I dedicate my energies, resources, and the time remaining to me. There are many difficulties to be overcome, and many skeptics and opponents will try to prevent consummation of this plan; but the good will on the part of yourself and President Reagan, and the good beginnings made at Geneva and Reykjavik, should serve to overcome such obstacles, resulting in summits in Washington this year and in Moscow the following year.

His Excellency Mikhail S. Gorbachev

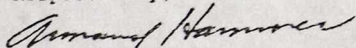
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I look forward to hearing from you soon. I will keep you fully up to date.

With warmest regards.

Respectfully,

A handwritten signature in cursive script that reads "Armand Hammer". The signature is written in dark ink and is positioned to the right of the typed name.

Armand Hammer