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326 MY TELNO 523 : PRIME MINISTER'S TALKS WITH GORBACHEV ON 30/31
MARCH

SUMMARY

1. NEARLY SEVEN HOURS OF TALKS ON 30 MARCH, WITH ONLY NOTE-TAKERS AND INTERPRETERS PRESENT (PLUS TWO HOURS OF DISCUSSION OVER DINNER) DOMINATED BY ARMS CONTROL BUT ALSO EXPLORING THE ROOTS OF EAST/WEST DIFFERENCES, THE NATURE OF THE CAPITALIST AND SOCIALIST SYSTEMS, GORBACHEV'S PROGRAMME OF 'RESTRUCTURING', REGIONAL PROBLEMS AND HUMAN RIGHTS. THE VIGOUR OF THE EXCHANGES LEFT THE WARMTH OF THE PERSONAL RELATIONSHIP UNIMPAIRED.

2. AS REPORTED IN MY TUR, THE PRIME MINISTER HAD NEARLY 2 HOURS (INCLUDING TALKS DURING DINNER) WITH GORBACHEV ON 30 MARCH. TODAY, 31 MARCH, ENDED WITH

MUSUA SMALL INFORMAL DINNER PARTY WHICH PROVIDED THE OCCASION FOR A FURTHER 2 HOURS OF GENERAL DISCUSSION. EXCEPT ON THE LAST OCCASION, WHICH WAS ENTIRELY RELAXED, THE TALKS WERE SPECIFIC, VIGOROUS AND OFTEN HEATED. A REMARKABLE FEATURE OF THE VISIT HAS BEEN THE COMBINATION OF AN EXCELLENT ATMOSPHERE AND PERSONAL RELATIONSHIP WITH THE HARD-HITTING EXPRESSION OF WIDELY DIVERGENT VIEWS. THE FOLLOWING IS A SUMMARY OF THE MAIN POINTS WHICH AROSE.

EAST/WEST RELATIONS

3. THE PRIME MINISTER SPELT OUT WITH TOTAL CANDOUR THE REASONS FOR WESTERN APPREHENSIONS CONCERNING SOVIET POLICIES AND INTENTIONS. THESE INCLUDED NOT ONLY SPECIFIC MOMENTS OF HISTORIC EXPERIENCE (HUNGARY, CZECHOSLOVAKIA, AFGHANISTAN) BUT ALSO THE MORE GENERAL FACTOR OF THE SOVIET GOAL OF SPREADING COMMUNISM WORLD WIDE. THE WEST RECOGNISED AND WELCOMED GORBACHEV'S COMMITMENT TO INTERNAL REFORM BUT STILL AWAITED SIGNS OF CHANGE IN SOVIET EXTERNAL POLICIES. SOVIET BEHAVIOUR IN SOUTH YEMEN, ETHIOPIA, MOZAMBIQUE, ANGOLA, NICARAGUA AND VIETNAM/CAMBODIA REINFORCED THESE APPREHENSIONS. THE WEST GAVE AID, THE SOVIET UNION ONLY ARMS.

4. GORBACHEV DENIED THAT THE IMPOSITION OF COMMUNISM THROUGHOUT THE WORLD HAD EVER BEEN A SOVIET GOAL: THE PRIME MINISTER'S

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THINKING

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THINKING HAD NOT MOVED BEYOND THE 1940'S AND 1950'S. THE MARXIST VIEW OF HISTORY WAS NO MORE THAN A SCIENTIFIC CONCEPT; THEORY, NOT POLICY. THE CHANGES, PARTICULARLY IN THE DEVELOPING WORLD, IN WHICH THE WEST ALWAYS SOUGHT TO FIND THE HAND OF THE SOVIET UNION IN FACT RESULTED FROM OBJECTIVE FACTORS INCLUDING OPPRESSION AND POVERTY. EVERY COUNTRY HAD THE RIGHT TO CHOOSE ITS PATH, WHETHER CAPITALIST, DEMOCRATIC OR SOCIALIST. THE SOVIET UNION NATURALLY SYMPATHISED WITH THOSE CLOSEST TO ITS OWN SYSTEM, JUST AS THE WEST DID.

5. IN A SUBSEQUENT EXCHANGE ON THE CHARACTERISTICS WHICH DIFFERENTIATED SOVIET SOCIALISM FROM WESTERN DEMOCRACY, GORBACHEV CLAIMED THAT BOURGEOIS DEMOCRACY HAD DEVELOPED A MECHANISM WHICH OPERATED 'AS EXQUISITELY AS A BALLET' FOR FOOLING PEOPLE ABOUT WHO REALLY CONTROLLED THE LEVERS OF POWER IN DEMOCRATIC SOCIETIES. DISPARITIES OF INCOME WHICH WERE COMMON IN THE UK WOULD BE INTOLERABLE IN SOVIET SOCIETY WHICH, EQUALLY, COULD NEVER TOLERATE 3 1/2 MILLION UNEMPLOYED. FREEDOM SHOULD INCLUDE THE RIGHT TO WORK, THE RIGHT TO QUALITY IN HOUSING AND EDUCATION, THE RIGHT TO BE PROPERLY REPRESENTED AND THE RIGHT NOT TO BE DISCRIMINATED AGAINST ON GROUNDS OF RACE. THE PRIME MINISTER RETORTED THAT ONCE TOTAL STATE CONTROL OVER A SOCIETY HAD BEEN ESTABLISHED, THERE WAS NO POSSIBILITY OF ESCAPE THROUGH CHANGE. EXPERIENCE SHOWED THAT COUNTRIES WITH FREE ENTERPRISE SYSTEMS WERE MORE LIKELY TO BE FREE AND OPEN. THE CAPITALIST SYSTEM HAD SHOWN THAT IT COULD DISTRIBUTE FAR GREATER BENEFITS TO ORDINARY PEOPLE THAN COULD SOCIALISM. BUT THE WEST HAD NO DESIRE TO UNDERMINE THE SOVIET SYSTEM ALTHOUGH AN EXTENSION OF PERSONAL LIBERTIES WAS DESIRABLE. SHE AND GORBACHEV AGREED THAT DISCUSSIONS AT THIS LEVEL OF FRANKNESS WERE VALUABLE AND A STARTING POINT FOR CONSTRUCTIVE RELATIONS.

ARMS CONTROL
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6. THE PRIME MINISTER WELCOMED GORBACHEV'S ABANDONMENT OF THE UNNECESSARY LINK BETWEEN AN INF AGREEMENT AND PROGRESS ON OTHER ARMS CONTROL ISSUES, WHILE POINTING OUT THAT THE INF PROBLEM NEED NEVER HAVE ARISEN IF THE SOVIET UNION HAD WITHDRAWN ITS SS20S, MANY YEARS AGO, AS THE WEST HAD ASKED. ALTHOUGH THE UK'S STRONG PREFERENCE WAS FOR A GLOBAL ZERO-OPTION, A ZERO-OPTION IN EUROPE WAS ACCEPTABLE PROVIDED THAT AN AGREEMENT INCLUDED CONSTRAINTS ON SRINF, WHICH COULD REACH LARGE AREAS OF WESTERN EUROPE, AND PROVISION FOR EQUAL CEILINGS ON SRINF WITH A WESTERN RIGHT TO MATCH SOVIET LEVELS. GORBACHEV SAID THAT THE SOVIET UNION WAS READY TO ELIMINATE INF IN EUROPE, TO FREEZE SHORTER-RANGE SYSTEMS AND TO WORK OUT A FOLLOW-ON AGREEMENT ON SHORT-RANGE MISSILES. THIS WAS THE PROPOSITION WHICH HAD BEEN PUT TO THE US AT REYKJAVIK, ALTHOUGH THE AMERICANS WERE NOW DENYING IT. THE SHORTER-RANGE SYSTEMS WHICH, AS HE HAD SAID PUBLICLY, THE SOVIET UNION WAS PREPARED TO WITHDRAW FROM THE GDR AND CZECHOSLOVAKIA, SHOULD BE DESTROYED

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"IN FRONT OF TELEVISION CAMERAS". ANOTHER PROBLEM WAS THE APPARENT WESTERN INTENTION OF INCREASING THE NUMBER OF MISSILES UNDER THE GUISE OF MAKING REDUCTIONS E.G. BY CONVERTING PERSHING IIS INTO PERSHING I'S. IF THE WEST BEHAVED IN THIS WAY, HE WOULD DEMAND THAT NATO'S DUAL-CAPABLE AIRCRAFT SHOULD BE INCLUDED IN THE NEGOTIATION. THE PRIME MINISTER ARGUED THAT THE FOLLOW-ON NEGOTIATIONS ON SHORT-RANGE MISSILES WOULD ALSO HAVE TO TAKE ACCOUNT OF THE CONVENTIONAL IMBALANCE: UNLIKE EITHER THE SOVIET UNION OR THE US, WESTERN EUROPE LIVED UNDER THE THREAT OF CONVENTIONAL WAR AND NEEDED THE DETERRENCE OF NUCLEAR WEAPONS TO ENSURE ITS SECURITY. IN A LONG EXCHANGE ON THE VALIDITY OF THE CONCEPT OF NUCLEAR DETERRENCE, THE PRIME MINISTER AND GORBACHEV ENERGETICALLY DEPLOYED THE ARGUMENTS CONTAINED IN THEIR RESPECTIVE SPEECHES AT THE OFFICIAL DINNER ON THE EVENING OF 30 MARCH.

STRATEGIC REDUCTIONS

7. THE PRIME MINISTER EXPRESSED SUPPORT FOR REDUCTION OF 50% IN THE STRATEGIC NUCLEAR WEAPONS OF THE TWO SUPER-POWERS. THIS COULD BE ACHIEVED WITHOUT UNDERMINING DETERRENCE. GORBACHEV SAID THAT, ALTHOUGH AT REYKJAVIK THE SOVIET UNION HAD BEEN PREPARED TO AGREE TO THE ELIMINATION OF ALL NUCLEAR WEAPONS, THEY HAD SUBSEQUENTLY ACCEPTED THAT A START COULD BE MADE BY 50% REDUCTIONS AND THAT, RATHER THAN LOSING THE WAY IN ENDLESS SUB-LIMITS, THESE REDUCTIONS SHOULD BE MADE IN EACH LEG OF THE STRATEGIC TRIAD. HE CLAIMED THAT SHULTZ HAD ALSO ACCEPTED THIS.

SDI

8. GORBACHEV ADMITTED THAT IN MAKING, AT REYKJAVIK, AN INF AGREEMENT PART OF A PACKAGE APPROACH, THE SOVIET GOVERNMENT HAD INTENDED TO INCREASE THE PRESSURE ON SDI. GORBACHEV SAID THAT HE WAS WORRIED BY SDI, WHILE CLAIMING THAT THE SOVIET UNION WOULD HAVE A RESPONSE (UNSPECIFIED) TO IT. THE SOVIET UNION WOULD NEVER BREAK THE LINK BETWEEN SDI CONSTRAINTS AND STRATEGIC REDUCTIONS. THE PRIME MINISTER POINTED OUT THAT THE SDI DID NOT EXIST AND NOBODY KNEW IF IT WOULD BE FEASIBLE: BUT IT WAS PERFECTLY SENSIBLE TO CONDUCT RESEARCH IN ORDER TO FIND OUT. SHE UNDERSTOOD THE SOVIET DESIRE FOR SOME PREDICTABILITY IN THIS AREA. IT SHOULD BE POSSIBLE TO DEVISE A MEANS OF SETTING OUT THE PROPOSED ACTIVITIES OF BOTH SIDES, LINKING THIS WITH AN UNDERTAKING NOT TO DEPLOY SDI FOR A FIXED PERIOD. THIS SHOULD MAKE IT POSSIBLE FOR THE SOVIET UNION TO DE-COUPLE THE START NEGOTIATIONS FROM THE QUESTION OF SDI CONSTRAINTS. GORBACHEV COMMENTED THAT THIS WAS AN INTERESTING, PRACTICAL, PROPOSAL: BUT THERE COULD ONLY BE REDUCTIONS IN STRATEGIC WEAPONS IF THERE WERE GUARANTEES AGAINST AN ARMS RACE IN SPACE. PERHAPS COUNTRIES SHOULD BEGIN TO DEFEND OUTER SPACE ABOVE THEIR TERRITORIES AS THEY DEFENDED THEIR AIR SPACE.

CONVENTIONAL FORCES

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9. RESPONDING TO THE PRIME MINISTER'S ASSERTION THAT NEGOTIATIONS WERE NEEDED TO REDUCE THE SOVIET PREPONDERANCE IN CONVENTIONAL WEAPONS, GORBACHEV CLAIMED THAT IISS FIGURES SHOWED THAT THERE WAS PARITY, OR NEAR PARITY, IN THE CONVENTIONAL WEAPONS OF THE TWO ALLIANCES. NATO HAD NOT RESPONDED TO THE WARSAW PACT PROPOSALS FOR NEGOTIATIONS ON CONVENTIONAL REDUCTIONS. THE PRIME MINISTER SAID THAT THE IISS FIGURES WERE SERIOUSLY FLAWED AND TOOK NO ACCOUNT OF GEOGRAPHY. PAST SOVIET BEHAVIOUR JUSTIFIED WESTERN EUROPEAN FEARS OF SOVIET CONVENTIONAL MIGHT.

CW

10. THE PRIME MINISTER POINTED OUT THAT THE UK HAD DESTROYED ALL ITS CHEMICAL WEAPONS IN THE LATE 1950S, WHEREAS THE SOVIET UNION HAD DEVELOPED A HUGE STOCKPILE AND WAS NOW ENGAGED IN FURTHER MODERNISATION. CHEMICAL WEAPONS SHOULD BE BANNED TOTALLY, ALTHOUGH VERIFICATION WOULD BE DIFFICULT. THE UK HAD PUT FORWARD PROPOSALS TO FACILITATE A BAN. GORBACHEV SAID THAT THE SOVIET UNION WAS READY TO COOPERATE. THE SOVIET UNION HAD TAKEN A FIRM DECISION TO ELIMINATE CW AND HAD EVEN BUILT A PLANT TO HANDLE THEIR DESTRUCTION.

AFGHANISTAN

11. GORBACHEV SAID THAT HE HAD BEEN ASTONISHED TO SEE A RECENT STATEMENT BY THE LEADER OF AN AFGHAN "TERRORIST GROUP" TO THE EFFECT THAT AS SOON AS ALL SOVIET TROOPS HAD BEEN WITHDRAWN, ALL COLLABORATORS WITH THE PRESENT REGIME WOULD BE DESTROYED: THIS HAD BEEN SAID IN THE PRESENCE OF A BRITISH MINISTER, WHO HAD ENDORSED IT. THE US CLEARLY DID NOT WISH TO SEE SETTLEMENT IN AFGHANISTAN WHICH WOULD ALLOW IT TO BECOME A NEUTRAL AND NON-ALIGNED STATE. THE SOVIET UNION NEVERTHELESS WISHED TO WITHDRAW. THE PRIME MINISTER REPLIED THAT IT WAS A GREAT PITY THAT THE SOVIET UNION HAD INVADDED AFGHANISTAN IN THE FIRST PLACE. THE UK SUPPORTED THE CREATION OF A NEUTRAL, NON-ALIGNED AFGHANISTAN AND HAD PRESENTED PROPOSALS FOR THIS AS LONG AGO AS 1980. BUT THIS COULD NOT BE ACHIEVED UNTIL THE SOVIET OCCUPATION WAS ENDED AND ELECTIONS HELD (AS THE UK HAD DONE IN RHODESIA). SHE RECOGNISED ALL THE DIFFICULTIES BUT URGED THE SOVIET UNION TO TAKE THE PLUNGE.

ENDS PART 1

GRS: 500 PART II

"PERESTROIKA"

12. GORBACHEV SAID THAT THERE WAS BROAD SUPPORT FOR HIS DOMESTIC POLICIES AMONG THE INTELLIGENTSIA AND WORKING CLASS, ALTHOUGH THOSE WHO WERE PERFECTLY COMFORTABLE WITHOUT "RESTRUCTURING" WERE A PROBLEM. A WIDE DEBATE WAS UNDER WAY WITHIN SOVIET

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/SOCIETY

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SOCIETY: THE WORKERS WERE KEEN TO END A SITUATION IN WHICH THEY RECEIVED WAGES FOR MAKING INFERIOR PRODUCTS AND THEY SUPPORTED THE DRIVE FOR IMPROVED QUALITY. THE WHOLE SYSTEM OF ECONOMIC MANAGEMENT WOULD BE COMPLETELY REFORMED, SWITCHING FROM ADMINISTRATIVE TO ECONOMIC METHODS. MEANWHILE, HE FOUND THAT HE WAS CRITICISED FROM THE LEFT FOR BEING TOO SLOW, FROM THE RIGHT FOR BEING TOO QUICK AND FROM OUTSIDE THE SOVIET UNION FOR NOT GOING FAR ENOUGH, I.E. CHANGING THE SYSTEM. AFTER OUTLINING THE MAIN FEATURES OF HIS ECONOMIC REFORM, GORBACHEV SAID THAT A PARTICULAR PRIORITY WAS TO COMBAT "THE IMPORT DISEASE": THIS MEANT THAT MOST INVESTMENT WAS BEING CHANNELLED TO THE MACHINE-BUILDING AND CHEMICAL INDUSTRIES. ACHIEVEMENTS TO DATE HAD COME FROM BETTER DISCIPLINE AND ORGANISATION: BUT THE ROOTS OF THE PROBLEM HAD SCARCELY BEEN TOUCHED. PEOPLE HAD TO BE GIVEN TIME TO ADAPT. THE TASK NOW WAS TO CONCENTRATE ON IMPLEMENTING WHAT HAD ALREADY BEEN MAPPED OUT, RATHER THAN COMING UP WITH MORE NEW IDEAS. THE PRIME MINISTER SHOULD COME BACK IN TWO OR THREE YEARS TIME AND LOOK AT PROGRESS.

HUMAN RIGHTS

13. DENYING GORBACHEV'S ACCUSATION THAT SHE SEEMED TO SEE EVERYTHING CONNECTED WITH THE SOVIET UNION AS BLACK, THE PRIME MINISTER SAID THAT SHE WAS IN FACT MORE OPTIMISTIC ABOUT THE SOVIET UNION THAN SHE HAD EVER BEEN. THE DEVELOPMENTS WHICH GORBACHEV HAD SET IN TRAIN WOULD BENEFIT NOT ONLY HIS OWN COUNTRY BUT WOULD ALSO ENGENDER GREATER TRUST AND CONFIDENCE ON THE PART OF OTHERS. SHE UNDERSTOOD THE DIFFICULTIES BUT HOPED THAT GORBACHEV WOULD PERSIST AND, IN PARTICULAR, THAT MORE PRISONERS OF CONSCIENCE AND DISSIDENTS WOULD BE RELEASED. THERE WERE MANY MORE WHO WOULD LIKE PERMISSION TO LEAVE THE SOVIET UNION. THE JEWISH COMMUNITY SHOULD BE BETTER TREATED AND JEWS ALLOWED TO LEAVE THE COUNTRY IF THEY WISHED TO DO SO. GORBACHEV SAID THAT THE SOVIET GOVERNMENT CONSIDERED ALL HUMANITARIAN PROBLEMS VERY ATTENTIVELY AND WOULD CONTINUE TO DEAL WITH THEM WITH EVEN MORE CARE. THE PRIME MINISTER SAID THAT THE SOVIET UNION HAD ENTERED INTO SPECIFIC AGREEMENTS AT HELSINKI: SHE WAS ONLY ASKING THAT THEY SHOULD BE OBSERVED. GORBACHEV REPEATED THAT THE SOVIET UNION WAS ALREADY CONSIDERING WITH THE UTMOST CARE QUESTIONS OF EXIT VISAS AND REUNIFICATION OF FAMILIES: IN THE MAJORITY OF CASES A POSITIVE DECISION WAS REACHED, WITH ONLY A

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FEW EXCEPTIONS FOR WHICH THERE WERE GOOD REASONS. THE PRIME MINISTER POINTED OUT THAT THE WAY IN WHICH THE SOVIET UNION TREATED ITS OWN PEOPLE WAS A CRUCIAL FACTOR IN HOW RELATIONS WITH IT WERE REGARDED BY THE WEST AND IN THE PROSPECTS FOR REACHING AGREEMENTS.

14. SEE TIFT

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