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From the Private Secretary

31 March 1987

Dear Tony,

PRIME MINISTER'S VISIT TO THE SOVIET UNION:
SUPPER WITH MR AND MRS GORBACHEV ON 31 MARCH

The Prime Minister was invited to a small family supper party by Mr and Mrs Gorbachev in the Soviet Foreign Ministry Guest House this evening. The only other guests were Mr and Mrs Ryzhkov, Mr Zamyatin, Sir Bryan Cartledge and myself. The evening was very informal and an effort had clearly been made to recreate the atmosphere of Chequers. After dinner we all sat round a large open fire for coffee and liqueurs. Mr and Mrs Gorbachev were both in very lively form. It was noticeable that the Ryzhkovs deferred to them. Mr Ryzhkov only spoke when addressed. Mrs Ryzhkov scarcely spoke at all.

As soon as we came in, we were informed that John Brown had been awarded the Budyonovsk contract.

As we sat down to dinner Mr Gorbachev pointed to a landscape on the wall depicting a farming scene with a clear sky in the background and observed that it reminded him of his talks with the Prime Minister, tempestuous but with great clarity. The Prime Minister pointed out that the light in the picture was coming from the west.

Conversation over dinner ranged very widely and I will only record one or two highlights.

There was some discussion of the service sector in the Soviet economy. Mr Ryzhkov observed that only half the demand for services in the Soviet economy was met.

Mr Gorbachev observed that, now people were being offered the opportunity to indulge in private enterprise, quite a number were frightened of the responsibility and failed to take the chance offered to them.

The Prime Minister commented at one stage that Mr Gorbachev was always referring to the working class. How were they defined in the Soviet Union. This led to a lively exchange, in which it became clear that no-one had really thought about this before. Mrs Gorbachev maintained stoutly that the working class were everybody who worked. Mr Gorbachev said that this was not the case. There was a clear distinction between blue and white collar workers. No-one seemed to know whether professional people or airline pilots were working class or not.

Mr Gorbachev concluded that it was largely an historical or scientific term which did not do justice to the diversity of today's society.

Mr Gorbachev spoke of the growing strength of the environmental lobby in the Soviet Union. People were standing in the way of bulldozers when local authorities tried to destroy well-known or historic buildings. This permitted a bold Sir Bryan Cartledge to ask whether, if he stood in the way of the bulldozer, the refurbishment of the Bolshoi Theatre could be delayed for a week so that the Royal Ballet could perform there. Mr Gorbachev said that unfortunately this was not possible on grounds of public safety.

Mr Gorbachev volunteered, at one point, that plans were being discussed for paying people more and then making them pay for public services like health and education. He also referred to the need for more incentives in the Soviet economy.

There was a complicated discussion about the reasons for food shortages. One reason identified was the fact that food prices had been held far too low for too long. It was regarded by Mr Gorbachev as indicative of the imbalances in the Soviet economy.

Mr Gorbachev referred to the Soviet Government's strategic plans for developing the Soviet Far East and Pacific. He urged the Prime Minister to visit the Soviet Far East next time she was in the neighbourhood. It was a real growth area.

He also referred to the drift out of town centres into the suburbs.

There was an exchange about Soviet boundaries in which the Prime Minister mentioned the success of Glazunov's recent exhibition at the Barbican. Both Gorbachevs clearly approved of Glazunov and referred to the very successful exhibitions which he had held in Moscow.

your march.
Charles Powell

(C.D. POWELL)

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