

C/F
For you, I think.
JD
2/15



BM2 BFK

10 DOWNING STREET
LONDON SW1A 2AA

20 May 1987

From the Private Secretary

Thank you for letting me see your note about follow-up to the Prime Minister's visit to Moscow. I thought it was generally very helpful and inventive.

I would be very cautious about the Soviet proposal to hold a Conference on human rights in Moscow. There are some who argue that we in the West could turn this proposal to our advantage by demanding that the Russians release political prisoners, allow them to attend the Conference etc. I am much more sceptical. The Russians have a way of sliding out of their obligations or fulfilling them fleetingly before slipping back to old standards and practice. Moreover, it seems to me that it would debase the whole concept of human rights for Western representatives to attend a Conference on the subject in the Soviet Union, when their record is so abysmal. It just feels wrong, like holding a convention of Rabbis in Mecca. The Prime Minister did not actually discuss this particular proposal with Mr. Gorbachev. Had she done so, I believe that she would have followed more or less the line of thought above.

I agree that it is very important to pursue the opportunities in Anglo-Soviet trade and an excellent idea to get George Jellicoe along for a discussion. He is deeply involved.

You mention cultural exchanges. This is another important area. The mandarins i/c reside in Cultural Relations Department of the FCO. I imagine they will need all the help they can get in expanding such exchanges and making them into something worthwhile.

One final area, which you do not directly mention but which seems to me very important, is the establishment of links with the International Department of the Central Committee of the CPSU. This is not strictly a job for us bureaucrats, since we deal with the Ministries. The Labour Party have their contacts on a party net. I would have thought there was a strong case for the CPS to establish some sort of line to the International Department. It currently has a very important role in Soviet foreign and security

57

policy making. If you decide to pursue this idea, please do not attribute it to me.

I should be grateful if you could treat this letter as personal.

(CHARLES POWELL)

Laurence Kelly, Esq.

7 follow up

From: Laurence Kelly

FOLLOW-UP ACTION BY CPS TO HELP THE PRIME MINISTER FOLLOWING HER SOVIET VISIT.

1 More than a month has elapsed since Mrs Thatcher's spectacular success during her visit to the USSR. ✓

2 It is notoriously difficult to keep up the goodwill and euphoria engendered during the visit, especially by those not actually present and reading between the lines after the event. ✓

3 CPS should concern itself with the themes which contributions by experts might help to develop. The obvious place from which to identify such themes are from the transcripts of her speeches and those of Mr Gorbachev. ✓

4 There are important areas of policy which the CPS are unable to 'second guess' which are best left to professionals with the power and responsibility to deal with them: eg the Americans on arms control.

Mr Gorbachev's speech at the Kremlin on March 30 1987

There are a few useful suggestions made during his speech which could be worked upon as possibly acceptable themes for further Anglo Soviet collaboration.

1 The Anglo Soviet wartime alliance. An enormous weight of Soviet propaganda films are put out every year about their glorious role in defeating the Germans. It might be suggested that in choosing themes about the last war for films and TV, more emphasis might be given to the Anglo-Soviet wartime alliance, and a whole new generation of Soviet young be taught about the wartime conferences between Churchill and Stalin and the quantity of material aid given to the Soviet military machine during the war. ✓
US aid ✓

Mr Gorbachev also came up with the offer to host in Moscow:

"A representative humanitarian forum, which could

/effectively

effectively contribute to the European process. What strikes us, however, is that as soon as we proposed that we discuss human rights in a serious and business like manner, and compare in an atmosphere of reciprocal openness the actual conditions of life in our country and in the capitalist countries, the West has seemingly begun to get nervous and is once again seeking to confine the examination of the whole problem to discussing just two or three personal cases, while shying away from looking into all the remaining issues."

It would be of great interest to know what the views of Sir Brian Cartledge are on this and whether or not the Prime Minister discussed the matter further with Mr Gorbachev (we ought to check this with Mr Charles Powell) and whether or not she views this whole idea as another major public relations exercise by Mr. Gorbachev where they would call all the tunes, and set the agenda, and there would be no mileage in it for British interests. We could drum up some very severe conditions under which this could be pursued.

*copy from
R. ...*

2. Another major point that arose during the Kremlin speeches, was the Prime Minister's hope to expand Anglo-Soviet trade:

"Today, we had turned to bilateral matters and in particular trade. I have agreed with Prime Minister Ryzhkov this morning that we should work together to achieve by 1990 a volume of 2.5 billion roubles in our bilateral trade. This will entail each side achieving an increase of £350-400 million over their present export level. To this end, Mr Ryzhkov handed me a list of export and import opportunities. As you know, British companies have signed some important contracts and letters of intent in recent days."

*Copy from
Commerce
Dept.*

The Anglo-Soviet Chamber of Commerce have no doubt followed this up actively since the Prime Minister's visit and we ought to get up-to-date and discover what the shopping list boils down to and what important contracts have been signed by British companies and what Letters of Intent exist. I suggest very strongly that we ask Lord Jellicoe to attend our meeting and brief us as he was in Moscow with the PM and would therefore have his finger on the subject.

Other topics were raised by Mr Gorbachev. He rejected the proposition that the Socialist economy did not work. The CPS could contact Soviet economists working in the UK to update the present view about this. He also welcomed the theme of 'peaceful' competition 'between our two economic systems.'

Mrs Thatcher's speech at the Kremlin, March 30, 1987

Of serious themes developed by our Prime Minister, there are three:

1 The Prime Minister strongly believes in expanding Soviet-British dialogue by the exchange of people. The mandarin guardians of UK-Soviet exchanges are:

- a) The FCO (Cultural Relations department).
- b) The GB-USSR Society - and doubtless they have been working overtime on this theme and we should get an update of the state of play and their views on the matter.
- c) One of the major problems in expanding the exchange of Soviet and British students is that on the Soviet side they always want to send scientists and do not take advantage of the British University places ie in the Humanities. There must be a mandarin in the DoE in charge of cultural exchanges, and I suggest we get the facts from him.

Another major theme from the PM is that we have a general input to offer into Mr Gorbachev's 'perestroika'. Mr Gorbachev wishes to improve the Soviet living standards and the PM thinks that provided he produces a system of incentives, we have plenty to offer to developing this society.

Again there is excellent scope for UK students of Soviet economy to work up further suggestions on how to broaden freedom of choice in the Soviet economic system. See Mr Smiley's article in a recent Daily Telegraph.

Another major plea by the PM is to broaden Mr Gorbachev's 'glasnost' as interpreted to mean 'open society'. There could be no harm in our continuing to request greater freedom of speech, worship, movement and exchange of ideas. Specific suggestions?

In this context the sale of Western magazines and publications in Moscow, Leningrad and other major Russian cities should remain a top priority. It is relevant to remember that the Union of Soviet Writers is in grave disarray as to how to follow the policy of openness, and signs are that Mr Gorbachev's policies are by no means winning over Soviet establishment at all ranks. There is also a rather interesting dialogue to be pursued with Mr Arbatov. Please see the attached press cutting, which shows that the Prime Minister's arguments on nuclear deterrent for the last 40 years are not accepted, and some future work on this can be usefully done to shoot down the arguments.

1) Keep the tea one to
nikes for 40 years

2) regional peace

At one stage,



SPARKLING: Raisa Gorbachev shares the smiles and the spotlight with her husband Mikhail and their guest

Bewitched, bothered and bewildered . . .

NOBODY in Moscow doubts that the visit of the British prime minister was a useful and important political event — both for bilateral relations and in the larger international context.

It has helped to broaden the East-West political dialogue and to further the exchange of views on major issues of East-West relations, regional conflicts and disarmament. It has contributed to a clearer understanding on both sides. The agreements signed are of considerable value.

It was also good that Mrs Thatcher saw with her own eyes today's Soviet Union and heard directly about both our plans and our problems. And, last but not least, I would hope that she has picked up at least a few things from the discussions on the main subject of our time — the problem of nuclear weapons — even though the exchanges were rather heated at times.

As for Soviet citizens' impressions of the prime minister, they seemed rather ambiguous. Some people who mostly just watched her appearances (and Soviet television did give her a lot of publicity), without caring much about the sense of what she was saying, must have formed a very favourable opinion.

A Soviet lady told me admiringly: "I love her. She does look good, as if looking good has become her profession."

Other people not only

● The view from Moscow by central committee member GEORGIY ARBATOV

admired her manners and looks but also tried to understand the message of her speeches published in Soviet newspapers and broadcast on television. My impression is that they were baffled by some of the thoughts of our distinguished British guest — and, where nuclear weapons are concerned, even appalled.

According to Mrs Thatcher, nuclear weapons have kept the peace for four decades. Well, well.

First, it remains to be proven that it is due to nuclear weapons that there has not been a war in Europe since 1945. Why then was there no war in Europe for 40 years prior to 1914? Because of machine guns? And, after all, what magic do nuclear weapons possess that have turned them into peace-keepers? Are chemical and biological arms less horrible?

Even a conventional war in Europe would be Europe's "final solution" because the continent is saturated with nuclear power stations and storage depots with oil and toxic chemicals. If there is need for fear to ensure peace, that can be provided without nuclear arms. More and more people understand that peace built on fear is not only very expensive but will sooner or later fall apart.

Second, if the prime minister professes such a sacred

belief in nuclear weapons, why does she speak of peace in Europe only? According to her logic, in order to achieve a lasting peace in less stable regions — Latin America, Asia, the Middle East, South and North Africa, Iran, Syria, Libya — everybody out there should be in even greater need of nuclear weapons than Europeans.

Would Mrs Thatcher feel more secure in a world where everybody had a bomb, even if it was meant for peace? Her discourses on other military matters were similarly naive. For instance, on SDI and on the military balance: in trying to prove that there is a Soviet superiority she was more than selective, choosing not to notice nuclear warheads, strategic bombers, cruise missiles and other such things where advantages are clearly on the West's side.

Older people with good memories took Mrs Thatcher's military ideas with a sense of déjà vu. It all sounded remarkably like the 1940s and 1950s. But what could be accepted at that time as an innocent delusion, has by now turned into super-dangerous ignorance or negligence.

I don't want to suggest bad intentions here. But, knowing how intensively the issues of security and nuclear weapons have been discussed in Brit-

ain and the rest of the world for the past 10 to 15 years, one is simply amazed: how did the head of a major nuclear power manage to hear nothing and ignore everything? I caught myself wondering: does it follow that there was no real dialogue on problems of security and disarmament during Mrs Thatcher's visit to Moscow? I don't think it does.

We have to wait and see. Perhaps some British Conservatives' views may be modified. And the public discussion on nuclear weapons and security, undoubtedly stimulated by her visit, may turn out to be quite useful — all the more so since there is a lot of new and important business to attend to in foreign policy.

The American Secretary of State, George Shultz, is coming to Moscow in the near future, followed by a delegation of US Congressmen headed by the speaker, Jim Wright. It is seriously hoped that these meetings will help remove the obstacles to an agreement on intermediate-range nuclear forces (INF). And if we manage to conclude an INF treaty that may touch off a chain of other events as a result of which the world would be a safer and more attractive place to live in.

I assure Britain that the Soviet leadership is doing and will continue to do its best so that history will move in such a direction.

<u>Company</u>	<u>Project</u>	<u>Place</u>	<u>UK content</u>
Courtaulds	Acrylic Plant refurbishment project.	Saratov	£20m.
Rieter Scragg	Textile Plant Refurbishment	Klin	£10.5m
GEC	Paint spraying robots	Gorki	£2.5m (initial order)
Taylor Woodrow	Refurbishment of 3 textile plants	Talinn, Riga and Minsk	£20m
John Brown	Polypropylene Plant	Budyennovsk	£100m.
GEC/Simon Carves	Letter of intent 'Gem 80' Programmable logic controller plant.	Yerevan	£250m.
Total of signed		business	£53m.
Initialled contract			£100m
Letter of intent			£250m
Grand total			<u>£403m</u>

F on Rosead
rent file