

PRIME MINISTER

---

INTERVIEW WITH IZVESTIA

You are to give an interview tomorrow to the Chief Editor of Izvestia, Mr Leptev. It will have to be done through an interpreter.

Mr Leptev has given us an indication of the seven main areas which he wants to cover. The FCO have provided some briefing (in the folder). I think the main slant you want to give is as follows.

What are the main changes in the international situation over the last three or four years?

You might identify three:

- first, the new levels of prosperity for people achieved by the free enterprise system, and the growing number of countries throughout the world who are adopting free enterprise policies. They have not only provided higher standards of living but also wider and better social services. Many western Socialist parties are recognising that State control simply does not work and that Government cannot run business. We are watching with interest the economic reforms being applied in some Eastern European countries and the Soviet Union;
- second, the improvements which have taken place in East/West relations. The results are impressive: the INF agreement, the Vienna Concluding Document and the opening of talks on conventional force reductions, Soviet withdrawal from Afghanistan, agreement on Cuban troop withdrawal from Angola and a settlement in Namibia. One needs to ask the reasons for this improvement. The basic fact is that both East and West are certain of their ability to defend themselves and therefore have the

confidence to move towards practical agreements. They have also been prepared for much more genuine consultation, particularly among the Five Permanent Members of the UN Security Council. There is no doubt that the new thinking introduced by Mr Gorbachev has made an important contribution to this, as did the firm adherence by President Reagan to the basic principles of Western democracy;

- and third, the remarkable number of new issues which are on the international agenda and are of global concern. One thinks in particular of environmental questions such as the depletion of the ozone layer and the greenhouse effect: one thinks of drugs: one thinks of terrorism: one thinks of AIDS. These are problems which are only going to be overcome by the broadest international co-operation. They create new reasons why we have to work together.

Areas of convergence and divergence between British and Soviet attitudes to international relations.

I recall that when Mr Gorbachev and I first met in 1984, we both made clear that we stood firm on certain basic principles: the right of each country to ensure its security: the recognition that we could and would not be divided from the United States: the right to choose the system of government under which we live: the objective of achieving security at lower levels of armaments.

These principles have been a good starting point for the approach of both our countries. Since that first meeting we have noticed a number of important changes in Soviet thinking on international relations, the 'new thinking' for which Mr Gorbachev is rightly praised. The main areas are:

- the emphasis on removing ideology from relations between states and governments;

CONFIDENTIAL

- 3 -

- the assertion of the principles of freedom of choice as something which applies universally;
- the concept of reasonable sufficiency in defence;
- the greater willingness to work together for solutions, in particular among the Five Permanent Members of the UN Security Council.

We have welcomed these changes, many of which were set out in Mr Gorbachev's book on Perestroika and in his remarkable speech to the UN last year.

There is plenty of evidence of good intentions towards the Soviet Union and its people in the West, in particular the response to Armenia.

But philosophical approaches are only part of the story. We also have to deal in facts. And the facts are that the Soviet Union still has far greater nuclear and conventional forces than required for its own defence and continues to modernise them: that freedom of choice is not yet universally applied, in particular within certain societies: that there is continued support for disruption and subversion in other countries, for instance in Central America.

So there is still a long way to go before we can really talk of convergence. I remember saying in my speech in Moscow in 1987 that we must work to establish trust and confidence. Decades of suspicion and hostility cannot be erased in a year or two. Of course there is a place for boldness and vision and you will not find the West afraid of new ideas. But it will also take lots of careful and methodical work. We must not base our policies on wishful thinking.

How do you see the future of Europe?

First, I have never seen Europe as being limited to the members of a single organisation, whether it be NATO, the

CONFIDENTIAL

European Community or any other. Warsaw, Prague and Budapest are just as much a part of Europe as Paris, Bonn and London. The most important task is to break down the barriers which have divided Europe by allowing people to travel freely, by building up economic co-operation and trade, by agreements between the EC and individual countries in the East, by trying to establish a balance of conventional forces so that neither side feels threatened. I am quite encouraged by the progress which we are making on this, and in particular by the new thinking evident in countries such as Hungary and Poland, both of which I have visited. The CSCE process has played a useful part in this. But what really matters is that people on both sides of the East/West divide should have the freedom to choose the sort of political system under which they want to live and be able to exercise their basic human rights. That is the best and the only lasting basis for overcoming the division of Europe - and essential if we are going to achieve the Common European Home of which Mr Gorbachev talks.

Second, in thinking of the future of Europe, I also think of the future of the European Community of which Britain is a member. For me, the best way to build a successful European Community is willing and active co-operation between independent sovereign states. I want to see the European countries work more closely together on the things which we can do better than alone, because Europe is stronger when we do. But this does not mean that we want to see power centralised in Brussels, or a federal Europe in which national identities and characteristics are lost. A point of particular interest to the Soviet Union is of course the implications of completing the Single European Market in 1992. I can assure you that Britain does not see this as an obstacle to trade with others. We want Europe to be open to the rest of the world and that includes the Soviet Union.

Thirdly, I see the future of Europe as continuing to lie in close alliance with North America. Indeed, I sometimes speak of it as Europe on both sides of the Atlantic. I believe that this will continue to be the hub of initiative, enterprise and

inventiveness, as well as the core of freedom and democracy in the world.

What decided you to make such an abrupt change for the better in US/Soviet relations? What are the prospects for these relations?

e | I think the abrupt change came with the new thinking which Mr Gorbachev introduced in the Soviet Union. It was already apparent at the time of our first meeting in December 1984. I said then that he was someone we could do business with, and that has certainly been the case. We have a tremendous admiration for what he is doing in the Soviet Union and he has our full support in that.

Relations continued to improve with my very interesting visit to the Soviet Union in 1987 and our subsequent short meeting later that year. Of course, we were disappointed when Mr Gorbachev could not come last December because of the terrible earthquake in the Soviet Union, but fully understood the reasons.

Relations are now in better shape than since the Second World War. In particular:

- we have increasingly wide contacts of every sort;
- our trade has increased and we are making progress towards the target which Mr Gorbachev and I set in 1987 (40 per cent increase to 2.5 billion roubles);
- we shall have a British-Soviet Trade Month in Moscow in April and a British week in Kiev in 1990;
- we have seen the British response to the tragedy in Armenia, and when Mr Gorbachev visits London we shall be signing an agreement for the provision of a new school.

All this signifies greater contact, getting to know each other better and a willingness to work together more.

What needs to be done to develop international co-operation to defend common human values?

The CSCE process is probably the best mechanism we have for defending common human values. But it really comes down to how governments treat their own citizens, because that is the real basis for establishing trust and confidence between countries. Confidence between East and West is greater than when I visited Moscow two years ago. But it cannot depend on personalities, or speeches, even on agreements. It will depend on how we each view the other's society, its goals and ambitions and the way it treats its citizens.

In what directions do you expect Anglo-Soviet co-operation in international affairs to grow?

There are various areas:

- increasing use of the forum of the Five Permanent Members of the UN Security Council to discuss international problems;
- more bilateral discussions on problems on which we are both directly engaged, for instance Southern Africa and the Middle East, both of which you hope to discuss with Mr Gorbachev;
- co-operation on new, global problems such as the environment. You were pleased to have important Soviet delegates at the Conference on the Ozone Layer and at the earlier one on AIDS.

Why are British firms reluctant to enter joint ventures? What about COCOM restrictions?

I am not sure that they are so reluctant. We already have 19 joint ventures in existence and 40 other companies are exploring possibilities. You hope tht will grow as a result of recent changes in Soviet legislation to make joint ventures

CONFIDENTIAL

7

more attractive. But British companies decide for themselves.  
We cannot tell them what to do - and their decisions will be  
reached on the basis of how they assess that a joint venture  
will benefit them.

COCOM is a strategic embargo, not a trade one. We have to  
safeguard our national interest, particularly on defence, just  
as the Soviet Union does. There is plenty of scope for  
increasing trade without running up against COCOM barriers.

CSP

CHARLES POWELL

21 March 1989

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

20 March 1989

Dear Charles,

Prime Minister's Interview with Izvestia

As promised in our letter to you of 8 March, I now enclose some briefing to cover the questions which Mr Laptev is proposing to ask the Prime Minister during his interview with her on 22 March. These questions are fairly wide-ranging and I think cover all the issues which are likely to come up. I am also attaching a short personality note on Mr Laptev.

This is Mr Laptev's first visit to the UK. He has, however, travelled widely to other countries in the West including the USA, FRG, Austria, Italy and Finland. We are arranging a programme for him in conjunction with the COI which includes a call on the Foreign Office (Mr Waldegrave), a visit to Parliament (including Prime Minister's Question Time) and calls on the Independent and Daily Telegraph. Mr Laptev will be accompanied by Mr Krivopalov, Izvestia's London correspondent since April 1985. He is one of the more reliable and better informed of the Soviet journalists based in London.

In Tony Bishop's absence in the Soviet Union, we have arranged for Helena Bayliss who comes highly recommended by Tony Bishop and the Great Britain-USSR Association, to act as interpreter.

Jans.  
Stephen Wall

(J S Wall)  
Private Secretary

C D Powell Esq  
10 Downing Street

CONFIDENTIAL





PRIME MINISTER'S INTERVIEW WITH IZVESTIA

1. Prime Minister, may I ask you first of all to characterise and comment on the main changes in the international situation over the last three or four years. What, in your view, are the underlying impulses and reasons for these changes?

- Has been a remarkable change for the better in the atmosphere of East-West relations. A number of international problems have been sorted out in a very positive way: INF agreement - a totally new kind of agreement, eliminating a whole class of nuclear weapons; Soviet withdrawal from Afghanistan; settlement in Namibia after many years of intractable wrangling; progress on START agreement; Vienna Concluding Document marks important human rights progress.

- Not simply a question of particular events: more fundamental is the way that it has become natural for East and West to talk together reasonably and constructively. Would not deny that a lot of the credit for this should go to Mr Gorbachev. He has injected strong sense of pragmatic realism. The Soviet Union is now working on much the same agenda as the West has long urged.



- And there are other problems that are global and need to be dealt with globally. Drugs, AIDS, environmental damage, terrorism: questions where differences in political ideology are simply irrelevant. Greater awareness of common interests and shared problems is one of the most positive developments in the past few years.

- In improved climate people now increasing everyday contacts so fast that Governments unable to count them. These are the best guarantee of stability, and the best measure of change.



2. We, in the Soviet Union, listened attentively to your assessment of the proposals contained in Mr Gorbachev's speech at the UN. It seems to us that the "model for the world of the future" outlined in these proposals was close to your own ideas. Where do you see the areas of concordance and divergence in the philosophical approaches of out two countries toward shaping such a world? What role do you think New Political Thinking can play in this process?

- Share many of views expressed by Mr Gorbachev about the way in which relations between states should be handled. Particularly struck by emphasis on removal of ideology from inter-state relations, and on universal validity of principle of freedom of choice. Both principles to which West long subscribed.

- Share also Mr Gorbachev's interest in more dynamic and meaningful political dialogue, and in what he described as "democratisation of world order". Look forward to further details of particular measures he proposed. But believe we are already well on the way towards the kind of changes he proposed. Applaud this recognition of global interdependence: economically, or in environmental or security terms, none of us can or should wish to stand alone.

- Do not pretend that there are not divergences in our views. There remain aspects of Soviet society which we in Britain would not regard as compatible with our principles



and values. On this point, look forward to legislation to institutionalise human rights reforms, mentioned in Gorbachev UN speech.

- Possible our own individual interests may differ, however rationally we pursue them. But to everybody's advantage if each state pursues its interests through co-operation, communication, and compromise. I believe this is the essence of Gorbachev's "new thinking"; an approach we wholeheartedly support.



3. Many political pundits predicted that Europe would become "outmoded" as a political centre. Today's reality has shown the opposite. As in the past, Europe in many areas is determining the pace of international relations and giving a practical example in the solution of a series of complex problems. Prime Minister, how do you see the future of Europe? In your view, how strong are its unifying principles, which could open up constructive routes towards building the Common European Home?

- Anyone who predicted the demise of Europe was misguided. Europe's identity - and contribution to the world - is as distinct as it has ever been. European Community one manifestation of that identity. Community is a practical means to ensure the future prosperity and security of our citizens. Best achieved by active cooperation between independent states.

- Integration amongst the Twelve the most significant development in Europe: a new kind of relationship between states: single market, close political cooperation. Perhaps the best model for a future Europe - not least in economic terms where market forces provide for more reliable key to use of resources than central planning.

- But cooperation does not stop at the Community's boundaries. Wider European dimension is a very important one. The Community is looking at ways of developing further its relations with EFTA countries, among others. Rhodes European Council last December rightly drew attention to the Community's international role, with due regard to relations with European members of the CMEA. Welcome their recent development. Believe that these can - and should - be



further strengthened on the basis of mutual benefit, to the extent that developments within the CMEA countries themselves make this possible.

- Interested in idea of "Common European Home". No doubt that we have much in common. Cooperation on environment, transport, energy, communications is of great importance. So is our common cultural background - although much of that is shared with the US, Canada, and others. But would like to see "Common European Home" as a symbol for the breaking down of the barriers which still divide Europe, for the free flow of people, ideas, resources between our countries. Most constructive route towards the Common European Home is the CSCE process. Vienna results already a considerable achievement, but we need to go much further.

- Key is Mr Gorbachev's "freedom of choice". Hungary and Poland now determining new and varied approaches to social/political/economic structure of society. Freely reached national consensus best guarantee of stability/security. Important first results of "new political thinking". And first steps on road where more difficult problems lurk.



4. It would not be an exaggeration to regard your meeting with Mr Gorbachev at Chequers in December 1984 as opening a new phase in Anglo-Soviet relations. Today these consist of a rapidly developing, substantive package, which has a perceptible effect on any changes in the situation in Europe and the world. Mrs Thatcher, could you tell us what played the decisive part in your decision to pursue such abrupt changes in relations with the Soviet Union? How do you assess their state today, and their prospects?

- First met Mr Gorbachev in 1984. Dialogue between us has always been frank, with no illusions on either side. Welcome Glasnost and Perestroika. Have gone through our own perestroika in UK. Can therefore appreciate some of difficulties Gorbachev is facing. Admire way he is pressing ahead in spite of difficulties.

- Anglo-Soviet relations in best shape since War. Wide range of contacts at all levels. Increasingly taking place direct between individuals in the 2 countries. Encouraging this trend.

- Traditional areas of cooperation between 2 countries (culture, agriculture, health, trade) expanding to new areas (management training, school exchanges, drugs). Even within traditional areas new initiatives being taken.

- British public very interested in Soviet Union. Vast increase in number of British people visiting Soviet Union. Overwhelmingly generous response of British public to tragic earthquake disaster in Armenia.



- Still need for greater freedom of information in Soviet Union. Your newspapers needs the competition of freely available Western press.
  
- Good progress being made on meeting target set during my visit to Soviet Union in 1987 for an increase in the value of bilateral trade by 40% to 2.5 billion roubles by 1990.
  
- British Soviet Trade month to be held in Moscow in April. Over 250 British companies will participate, to be opened by Secretary of State for Energy. Sign of importance HMG attach to Anglo-Soviet trade.
  
- British week to be held in Kiev in 1990. Second leg of exchange of British and Soviet weeks, first leg held in Birmingham in 1988.
  
- ??
- Politics the art of the people. What made me pursue improvements so doggedly was the real possibility of progress, and the importance for us all of overcoming the diversion of our continent, and the shadow of the fear of war.





5. In your statements, you have supported Mr Gorbachev's idea of the primacy of common human values in relations between states, noting that such an approach strengthens international confidence and predictability of policy. How do you assess the putting of this idea into practice, and what do you think needs to be done to develop international co-operation to defend and to strengthen such values?

- Cannot stress too often importance of contacts: not simply a question of government to government relations, but contact at every level, official and unofficial: parliamentary, academic exchanges, tourism, cultural exchange. The essential thing is mutual confidence and an appreciation of our shared goals and values.

- Internationally, "new thinking" of great value in this. Need to know that states' policy is based on rationality, not dogmatism. The world can no longer be divided into antagonistic blocs on the basis of dubious ideologies.

- But confidence not a matter of relations between states. As the CSCE nations have all accepted, external relations are also dependent on the treatment by governments of their own people. It is of fundamental importance - not only in the CSCE states but throughout the world - that people - individuals as well as states - should have freedom of political choice.

- the CSCE has now provide a monitoring mechanism - not the same as a Convention need a Court but perhaps that will follow.



6. Recently we have seen more signs of burgeoning practical co-operation between the USSR and Britain in solving a number of international problems, bearing both on the disarmament field and on the solution of chronic regional conflicts. Prime Minister, in what directions do you see such co-operation growing and will it spread to new areas?

- Great opportunities for further co-operation, bilateral and multilateral. Keen to see further enhancement of effective co-operation in the UN, particularly among 5 Permanent Members. Look forward also to progress at CFE, where NATO have tabled what we believe to be viable proposals. Also have shared interest in an effective Chemical Weapons regime. That area needs more glasnost before agreement can be reached.

- As far as regional conflicts are concerned, best policy for UK, Soviet Union, and other, is not to be involved in conflict in the first place. Where, for historical reasons or by virtue of commercial/political links, we do have influence, should use it for moderation and compromise, to sow harmony in place of discord. Particularly hopeful for progress in Middle East - important that we work together there.

- Essential to cooperate on new global problems: environment, health, drugs, etc. Problems where we cannot afford to lose time or to be distracted by political differences.



7. Today we have dozens of Joint Ventures with Western firms operating in the Soviet Union, and, it seems, quite successfully too. Their number is likely to increase several times over in the near future. However, British industrialists and financiers are showing distinct hesitation in this area. What is the reason, do you think? And one last question: what would be your attitude to a review of the COCOM regulations and lists in favour of greater liberalisation of trade and economic relations with the USSR? What will be your position?

- 19 British companies have set up joint ventures with Soviet partners. One involving manufacturing already in production in Kiev 9 months from signature. 40 other companies actively exploring possibilities. Great interest therefore among British companies in doing business with Soviet Union. Interest likely to grow, particularly as recent changes in Soviet legislation on joint ventures have made them much more attractive to foreign companies. Initial hesitancy reflection of desire of British companies to get things right first time.

- COCOM operates a strategic not a trade embargo. Control lists and regulations have been streamlined. Regularly reviewed to ensure that they are restricted to strategically sensitive goods and technology. In favour of shortening lists but must ensure national interest is safeguarded. By far the greatest potential for trade increase is in non controlled items.



- Changes in our policy on the applications of strategic export control in the light of developments taking place in the Soviet Union reflected in decisions on individual exports. While the Warsaw Pact continues to devote its efforts to obtaining Western strategic goods and technology, the COCOM embargo will continue to be necessary. Soviet Union has similar controls on exports of strategic technology.



## IVAN DMITRIEVICH LAPTEV

- Chief Editor of Izvestiya; Candidate Member CC CPSU (member of its newly formed Commission for International Policy) and Deputy to the USSR Supreme Soviet (member of one of its two Foreign Affairs Commissions).
- Born 1934. Studied Siberian Highways Institute and CC CPSU Academy of Social Sciences.
- Mid 1960's - started to work in the press.
- 1970's - spell in CPSU Central Committee's Propaganda Department.
- 1978 - Appointed editor of Pravda for the department of Propaganda of Marxist Leninist Theory.
- 1982 - Deputy Chief Editor Pravda
- 1984 - Chief Editor of Izvestia

Laptev is known as a firm supporter of Gorbachev's political reforms. Under him Izvestia has gained reputation for exposing old style bureaucratic practices and criticising opponents of reform.

SOVIET UNION: Relations  
p. 12





176  
SAM  
cc Mike Roberts  
fe

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

13 February 1989

**MR GORBACHEV'S VISIT:  
PRIME MINISTER'S INTERVIEW WITH IZVESTIA**

The Prime Minister has agreed to give an interview to Izvestia at 1600 on Wednesday, 22 March. I should be grateful if you would let me have some briefing by 17 March.

**CHARLES POWELL**

R N Peirce Esq  
Foreign and Commonwealth Office

to