

CM

CONFIDENTIAL

24 July 1989

My dear Geoffrey.

In view of the visits due from Marshal Dimitri Yazov and others I feel some information I have may be helpful.

Soviet sources tell me Mr Gorbachev is concerned that ideas he has promoted are not provoking response of the order he expected from the West.

Without doubt this is substantially a problem that his closest advisers are closeted in the Kremlin and that he continues to mistrust the Ministry of Foreign Affairs. This has resulted before in misunderstanding of the authority and value of a number of Western political institutions and the failure to phase advance marketing of ideas if he needs a response at a particular time.

His two current problems are the lack of response to his speech to the Council of Europe on 6 July and the proposals made to the G.7 meeting in Paris.

Clearly there is a (typical) misunderstanding in the Kremlin of the power of the Council of Europe to respond collectively to such phrases as 'Recognition and respect for the sovereign right of every nation to choose freely a social system constitute the major prerequisite for a normal European process', 'a common (European) home' (deliberately left out of the Guildhall speech), and 'talks on tactical nuclear systems between all countries concerned'. (No doubt Marshal Yazov can be tested as to his understanding that the accuracy of his ICBMs enable them to be used as tactical weapons!)

On the G.7 letter it appears Mr Gorbachev is upset that the West does not realise that Soviet overseas aid commitments are 87 billion roubles, of which one third is in hard currency and that added to the 34 billion roubles debt to the West means the USSR is a player in global financial matters who cannot be ignored (just because it is not yet ready for convertibility, free trade etc).

One is constantly surprised at the ham-fistedness of the Soviets, particularly when it appears they really do mean well.

over/

However, despite all, the MFA appears enthusiastic about Mr Gorbachev's leadership although the 'London-split' between Mr Zamyatin, as a member of the Central Committee and the career diplomats rolls on. I understand he is very upset that the Prime Minister did not quietly warn Mr Gorbachev about our then impending spy revelations so they could be shipped out quietly. He appears to be caught by Gorbachev between 'Not knowing' what was going on and the 'Need to know' what was going on. Not healthy for a man proud of being in the 'inner circle'.

Can ever

Ken

Kenneth Warren , *MP*

Rt Hon Sir Geoffrey Howe MP
Secretary of State
Foreign & Commonwealth Office
Whitehall
London
SW1A 2AH

cc Rt Hon Margaret Thatcher MP ✓
The Prime Minister
Rt Hon George Younger MP
Secretary of State for Defence