

Part 4

S
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Confidential Filing

Prime Minister's visits to the Soviet Union - Policy

SOVIET UNION

Part 1: Jan 1987

Part 4: June 1990

[In attached folder: Fco Home Briefing for Visit 7 10.6.90 + Supplementary Briefing]

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
1.6.90							
6.6.90							
12.6.90							
26.6.90							
3.7.90							
PC ENDS							
PREM 19/3 176							

PART 4 ends:-

CDP to SIR R. McINTOSH 3.7.90

PART 5 begins:-

Moscow Tel No. 31.12.90

MEETING WITH PRESIDENT GORBACHEV: LIST OF ISSUES TO COVER

I INTRODUCTION

- congratulate on Summit
- continued support for his reforms
- excellent bilateral relations
- some difficult problems - Germany, arms control, non-circumvention - which you want to discuss in full.

PL.

- Houston

MEETING WITH PRESIDENT GORBACHEV: LIST OF ISSUES TO COVER

II SOVIET INTERNAL

- prospects for economic reform
- Baltic States
- Yeltsin/Russian Federation
- Jewish emigration: Anti-semitism
- Party Conference
- role of the Armed Forces

MEETING WITH PRESIDENT GORBACHEV: LIST OF ISSUES TO COVER

III EUROPEAN SECURITY

- Germany and NATO
- CFE
- CSCE

IV ARMS CONTROL

- START: non-circumvention
 : non-inclusion of UK Deterrent
- SNF
- Minimum Deterrence
- Biological Warfare
- Naval Arms Control

MEETING WITH PRESIDENT GORBACHEV: LIST OF ISSUES TO COVER

V BILATERAL

- UK assistance: management training, small
 business, food distribution

- Trade: payment

- Moscow Residence

- Mrs. Gordievsky

MEETING WITH PRESIDENT GORBACHEV: LIST OF ISSUES TO COVER

VI REGIONAL

- Afghanistan
- Southern Africa
- Middle East
- Kashmir
- China
- Central America



[Handwritten mark]

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

3 July 1990

Thank you for your letter of 2 July. I am very sorry to hear that the original went astray and will investigate what happened. Meanwhile, I am arranging for the Prime Minister to see your original letter, with an appropriate explanation why it is late.

C. D. POWELL

Sir Ronald McIntosh, K.C.B.

[Handwritten signature]

THE BRITISH FOOD CONSORTIUM

R3/7

RRS? -

- 1) GR N/T
- 2) Commes Section N/T
- 3) CF N/T

From: Sir Ronald McIntosh KCB

2 July 1990

Charles Powell Esq
Private Secretary
10 Downing Street
London SW1

Dear Mr Powell,

attached

I wrote to the Prime Minister on 11 June about an agreement which The British Food Consortium signed at Kiev last month. I handed the original in a clearly addressed envelope to a policeman on duty at the Downing Street gates but I gather from Mr Waldegrave's office (to whom I sent a copy of my letter) that it never made it to No 10.

It is really rather distressing that my letter should have gone astray in this way. I enclose a copy of it and I should be most grateful if you would give it to the Prime Minister with my apologies for its delayed delivery

Mincerely

Ronald McIntosh

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OF THE PUBLIC RECORDS ACT.



MS

c: Kapitsa

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

26 June 1990

THE KAPITSA FOUNDATION

Thank you for your letter of 25 June about the Kapitsa Foundation. The Russians were very keen for the Prime Minister to mention this during her television interview at Kiev Airport at the end of her visit to the Soviet Union. I discouraged this on the grounds that none of the Prime Minister's travelling party knew much about the background. But I said that we would do our best to be helpful over some sort of statement in London, provided that was discussed with the FCO. Is it in fact possible to put out some little statement or announcement about what seems a sensible and worthwhile project?

BN

Charles Powell

Richard Gozney Esq
Foreign and Commonwealth Office

AK

R26/6



Foreign and Commonwealth Office

London SW1A 2AH

25 June 1990

Dear Charles,

The Kapitsa Foundation

On 22 June the Soviet Embassy Counsellor Karasin told Simon Hemans, Head of Soviet Department, that you and Ambassador Zamyatin had discussed the proposed Kapitsa Foundation and the use of the late Academician Kapitsa's house in Cambridge as a foundation centre. Karasin said he gave you a piece of paper, (copy enclosed), and suggested you would look into how we might help.

If Karasin has got it right is there anything which we in the FCO need to do?

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

While preparing the visit of Prime Minister Margaret Thatcher to the Soviet Union the two sides spoke out in favour of the initiative by the scientists to establish in Cambridge and Oxford the Academician Kapitsa Foundation in order to create propitious conditions for the Soviet and UK scientists to work jointly in the area of fundamental research. The Kapitsa Foundation will be set up by the Academies of Sciences of both countries, their research centres and scientists' associations. It is envisaged that Academician Kapitsa's house in Cambridge will serve as one of the centres for the Foundation's activities.

Talks will be held between Soviet and UK organisations involved to formalise the agreement on the establishment of the Foundation.

The subsequent outcome of the talks will reflect the new approach in bilateral relations and will doubtless prove to be another manifestation of the readiness of the scientific communities in the Soviet Union and United Kingdom to promote their cooperation.

dti

the department for Enterprise

CEP

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

Ben Slocock ②

Charles Powell Esq
Private Secretary
10 Downing Street
LONDON
SW1A 2AA

CP
26/6

Department of
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1-19 Victoria Street
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Direct line
Our ref
Your ref
Date

071-215 5622

PE5AOT

22 June 1990

Dear Charles

SOVIET PAYMENT DELAYS

Thank you for your letter of 19 June, which is a helpful clarification.

Map
[Handwritten notes and a pink box around the word 'Map']

Although the problem remains serious, I am glad to report that, following the Prime Minister's visit, some British companies have received payment from their Soviet customers. The most encouraging news concerns B&J Shoes, the small Cornish company who were in imminent danger of bankruptcy, who received £400,000 earlier this week.

I am copying this letter to Richard Gozney (FCO).

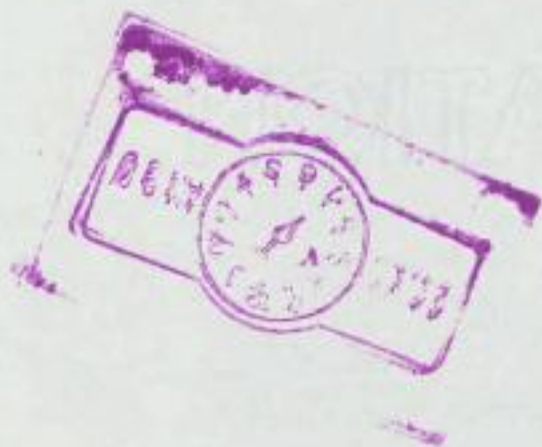
Yours ever
[Signature]

BEN SLOCOCK
Private Secretary



Recycled Paper

Soviet Union: PM's visit to Soviet Union -
Policy Pt 4.





the department for Enterprise

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
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26/6

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Direct line 071 215 5622

Our ref PB5AFA

Your ref

Date 22 June 1990

Dear Charles

*file
- WJH/CDP*

Thank you for your letter of 19 June.

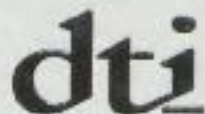
We are not surprised that Mr Tom Phillips took advantage of his opportunity to raise the difficulties of Cossor Electronics. The DTI has put considerable effort recently into making representations on their behalf on a number of issues. Your letter touches on two of them: subsidised competition, and public procurement.

Last year the company complained formally to the Commission that they were losing contracts to Thomson CSF (France) and Selenia (Italy) because the competition was subsidised. One good example is a radar contract for the Civil Aviation Authority of China last October, won by Selenia with a bid of \$20m against the British bid of \$27m. The Secretary of State wrote twice to Sir Leon Brittan in support of the company. Sir Leon treated the complaint extremely seriously, and has had the complaint investigated under the Community state aid and competition policy rules. However, both the French and the Italian Government were able to convince the Commission that the rules had not been breached. We continue to give the Commission active support in their efforts to police subsidies in the Community. In particular, the work they are currently doing on aids for exports may help in the field of overseas contracts.

On the public purchasing side, the situation is more complicated. The current position for the purchase by public authorities of air traffic control equipment is that the Works Directive applies to state, regional and local authority bodies, while the Works Directive applies to "bodies covered by public law". When the Utilities Directive comes into force at the end of 1992, all airports will fall under a rigorous public procurement regime.



Recycled Paper



the department for Enterprise

We do not have enough information about Cossor's efforts in the French and Italian markets to know whether they are being denied rights they should now have, or whether these will not in fact mature until 1992. We and the Treasury should be glad to advise the company further, on the basis of any information they were able to provide.

This uncertainty argues against use of the specific case in discussion of the Single Market at the Dublin Summit - though we should be keen to see reference in the conclusions to the importance of progress on public purchasing, amongst our other priorities.

A copy goes to Richard Gorney (FCO) and David Hadley (Cabinet Office).

Ben

Ben
BEN SLODICK
Private Secretary



SON ET UNION
PM'S visit to USSR Pt 4

CONSERVATION



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PS

CENTRE FOR
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LONDON W3 6OS.

Telephone: 01-992 4621
01-993 8953

Rec. Del.

20th June 1990 R5/7

Dear Mrs Thatcher,

Following our recent committee meeting, we are very pleased to write to you in order to express our most sincere thanks and gratitude for the gift from the British people to Armenia, of the Lord Byron school in Leninakan.

We also wish to express our particular thanks to you, personally and as Prime Minister, for officially opening the school on the 10th June last.

Armenia, and Armenians in Great Britain and the Diaspora, are honoured and proud that you made this historic visit, and the exuberant spirit of the welcome accorded to you is indicative of the respect commanded by Great Britain, and the natural desire for those great British tradition of human rights and democracy.

We genuinely hope you will make a longer visit to Armenia, where your popularity is unequalled, and allow this ancient people the opportunity to enrich your visit with their unique culture and history, and their hospitality.

Yours sincerely



S Mouradian
The Secretary - Management Committee



*File
to
C: Soviet*

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

19 June 1990

SOVIET PAYMENTS DELAY

Thank you for your letter of 15 June asking whether the Prime Minister raised with Mr. Ryzhkov the question of delays in payments to British firms. I have consulted both the Prime Minister and the interpreter. The Prime Minister has confirmed that she did not mention the matter to Mr. Ryzhkov, nor did she make any formal request for payments to be resumed. She thinks she might have touched lightly on the problem when discussing the difficulties of going from a centrally-controlled economy to a market economy. But she could not claim that this constituted representations.

I am sending a copy of this letter to Richard Gozney (Foreign and Commonwealth Office).

C.D. POWELL

Ben Slocock, Esq.,
Department of Trade and Industry.

B

Did not mention Ryzhkov. Did not request payment for Soviet - balance forward. dti in discussion with some for - control to what to categorise - over

dti
the department for Enterprise

Prime Minister

MP

1

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

Charles Powell Esq
Private Secretary
10 Downing Street
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Direct line
Our ref
Your ref
Date

071-215 5622
PE5AON

15 June 1990

We are not clear whether you raised the question of delays in payments to British companies. You did not do so with Gakhov. Did you mention it to Ryzhkov? The Embassy; see Charles, Charles does not mention it: and Andrew & I have no recollection. But

SOVIET PAYMENTS DELAY

Richard Pollock thinks you may have alluded to it briefly. Do you have any recollection? CBO 15/70

We spoke earlier this week about this issue and about the absence from the record of the formal part of the Prime Minister's meeting with Mr Ryzhkov of any mention of it. The financial press have however picked up that many British companies have received payments this week, amounting in aggregate to something like \$50m. It seems to us very likely that this welcome improvement is the direct outcome of the Prime Minister's having raised the matter with Mr Ryzhkov but we cannot say this because there is no mention of it in the Prime Minister's statement to Parliament. Could it be that the Prime Minister deemed it more tactful to mention this complaint outside the formal meeting and hence outside your (or others') hearing? Would you be prepared to ask her interpreter, Professor Pollock (home telephone 061-973 2349), who would not feel free to talk to us?

An extra reason to think that the Prime Minister may fail to get the credit she deserves is that the companies we know to have been paid this week are clearly British (e.g. Courtaulds got £4.5m) whereas the commodity brokers in the City (e.g. V.Befg), who in aggregate are owed more than £50m, have not received anything for the cocoa that is shipped at their expense direct from Ghana. The news is not all good, however: a company in Cornwall (B & J Shoes, 62 employees, owed about £1/2m) is very close to bankruptcy for lack of payment. If it goes under (Matthew Taylor, the local MP, is already involved) it will be all the more important to be able to say, if we can, that the Prime Minister raised the issue.



dti

the department for Enterprise

I am copying this letter to Richard Gozney (FCO).

Yours ever

Ben.

BEN SLOCOCK
Private Secretary

CONSERVATION



Recycled Paper

Professor R.W.W. Pollock

K19/6

CP
11/6

C.D. Powell, Esq.,
Private Secretary,
10 Downing Street,
London SW1A 2AA.

Temporarily Retained ~~HP~~ 15/11/2016

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OF THE PUBLIC RECORDS ACT

15 June 1990

Dear Charles -

I should be most grateful if you would kindly pass the enclosed letter to the Prime Minister at your earliest convenience - in reply to her letter to me earlier this week. Very many thanks.

I very much enjoyed the contexts I was privileged to share in, and much appreciated the invitation to participate. Thank you, as ever, for your support and guidance. I hope things went satisfactorily from your point of view during the visit - and that the PM takes a positive view of the insights accruing from it. I hope too she was unaffected by the amount of walking entailed.

I hope it will not inconvenience you if I send my personal observations, etc, on the visit separately. We are in the middle of Finals marking at present, but I shall post some notes to you as soon as possible.

With regards as ever wither,
Yours ever - Richard.

Richard Pollock

Enc. Letter to the Prime Minister.

Lambeth Palace London SE1 7JU

13 June 1990

My dear Prime Minister

R15/6 (2)
I have commissioned
a draft reply.

CAP
15/6.

Your visit to the Soviet Union was undoubtedly a great success. I was especially struck by your very warm reception at Leninakan, where the shots of the school were particularly impressive, and where there was no doubt of the gratitude of the whole region.

Clearly disaster prevention, relief and rehabilitation is a task at which we excel, and where there are also dividends. I hope you agree, therefore, that we could reasonably reinforce success, as the military say, with a view to developing this activity still further.

In particular, as Tom King has often pointed out, this seems to be a field in which the military can make a unique contribution. I am told on all sides that all three Services are eager to do it. They consider it the best sort of training they can get for defence, short of actual warfare.

I am glad to learn that a concerted effort is now being made to acquaint the ODA and our overseas embassies with what the Armed Forces can do, and also to look again at the long-standing question of MOD charges, which seem over-rigid when set against the returns in foreign policy.

May I hope, therefore, that in your consideration of the future of the country's Armed Forces, you will think of placing the mission of disaster relief on a footing which will make even better and more frequent use of the Services than is already being done? This seems to be a situation from which everbody would gain.

It seems to me that this subject might come under the heading of "more imagination", and "working on a wider canvas", which you urged on NATO last week. I shall in fact be chairing a conference, shortly after the London summit, on "NATO and Disaster Relief" which will be attended by some very sensible people.

I have myself paid a number of visits to America & seen much of their community life. They are people with a totally irresponsible religious tradition.

Yours Ever
Robert Cantin

The Rt Hon Margaret Thatcher MP
10 Downing Street
LONDON
SW1A 2AA



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

13 June 1990

*Y
Your Holiness.*

May I say how much I valued the privilege of being able to talk to you as head of the Church of the oldest Christian nation during my visit to Armenia. It was evident from my other conversations that the secular authorities accord great respect to your Church.

It meant a great deal to me to come to Armenia, first to share with your people the deep tragedy they suffered in the earthquake, but more importantly to play a part in the rebuilding of the community of Leninakan. What better way to do this than through a school for your children, on whom the future of the community rests.

May I thank you for the most beautiful icon. I will treasure it as a memory of what, in my eleven years as Prime Minister, was one of the most moving of visits.

Finally, may I express my profound regret that it was not possible to visit you in your Church. I hope you will understand the reasons this had to be. May I therefore renew my invitation to you to meet me in London, should you be visiting the Archbishop of Canterbury or the Armenian community here.

Yours sincerely

His Holiness Vazgen I

Vazgen I



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

Y
Tom Holness

May I say how much I valued the privilege of being able to talk to you as head of the Church of the oldest Christian nation during my visit to Armenia. It was evident from my other conversations that the secular authorities accord great respect to your Church.

It meant a great deal to me to come to Armenia, first to share with your people the deep tragedy they suffered in the earthquake, but more importantly to play a part in the rebuilding of the community of Leninakan. What better way to do this than through a school for your children, on whom the future of the community rests.

May I thank you for the most beautiful icon. I will treasure it as a memory of what, in my eleven years as Prime Minister, was one of the most moving of visits.

Finally, may I express my profound regret that it was not possible to visit you in your Church. I hope you will

Y
Yours sincerely
Margaret Thatcher

understand the reasons this had to be. May I therefore renew my invitation to you to meet me in London, should you be visiting the Archbishop of Canterbury or the Armenian community here.

His Holiness Vazgen I

CONFIDENTIAL

034353
MDADAN 1200

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FM WASHINGTON
TO IMMEDIATE FCO
TELNO 1404
OF 132302Z JUNE 90
INFO ROUTINE MOSCOW, UKDEL NATO, BONN

ADVANCE COPY

YOUR TELEGRAM NO 140 TO UKDEL NATO: PRIME MINISTER'S VISIT
TO THE SOVIET UNION

1. WE HAVE GIVEN BOTH THE STATE DEPARTMENT AND THE NSC A COMPREHENSIVE ACCOUNT OF THE PRIME MINISTER'S DISCUSSION WITH GORBACHEV AND OUTLINED THE MAIN POINTS TO HAVE ARISEN IN THE OTHER TALKS. I SPOKE TO EAGLEBURGER ON 13 JUNE, DRAWING ALSO ON MOSCOW TELNO. 1093.
2. EAGLEBURGER SAID THE AMERICANS AGREED GORBACHEV WAS CASTING ABOUT FOR ANSWERS ON GERMAN MEMBERSHIP OF NATO AND FUTURE EUROPEAN SECURITY. IN EAGLEBURGER'S VIEW HE HAD MADE A MESS OF SOVIET POLICY TOWARDS GERMANY FROM THE START, REACTING TACTICALLY TO IMMEDIATE ISSUES WITHOUT A GUIDING STRATEGIC VISION. THE SOVIET POSITION HAD HARDENED IN RECENT MONTHS. HE SUPPOSED THERE MIGHT BE A POSSIBILITY THAT GORBACHEV WAS TRYING TO MANIPULATE EVENTS BY SPREADING CONFUSION. HE WOULD FIND THE PRESIDENT IMMOVABLE ON BOTH NATO MEMBERSHIP AND SINGULARISATION. ~~AT~~ OHL HAD TAKEN THE VIEW DURING HIS CONVERSATION WITH THE PRESIDENT ON 8 JUNE THAT THE MARCH OF EVENTS WOULD TAKE CARE OF THE SOVIET PROBLEM. CERTAINLY WE DID NOT WANT TO EMBARRASS THE RUSSLANS IF WE COULD AVOID IT. BUT ON THE OTHER HAND A CHAIN OF EVENTS HAD BEEN SET IN MOTION WHICH HAD ITS OWN LOGIC.
3. OUR INTERLOCUTORS AT THE NSC REMARKED THAT GORBACHEV'S STATEMENTS TO THE PRIME MINISTER SUGGESTED A MORE COHERENT AND ORGANISED APPROACH THAN HAD BEEN EVIDENT WITH BUSH, THOUGH THEY AGREED THAT THERE WAS STILL A DEGREE OF CONFUSION. EAGLEBURGER COMMENTED TO ME ON THE DIFFERENCE BETWEEN THE WAY GORBACHEV SPOKE IN PRIVATE AND IN PUBLIC. A SIMILAR POINT AROSE AT THE NSC FOLLOWING A QUESTION AS TO WHETHER GORBACHEV HAD SUGGESTED A LONG TRANSITIONAL PERIOD DURING WHICH QRR'S WOULD CONTINUE. WHEN TEBBIT SAID THAT THIS HAD BEEN NEITHER IMPLICIT NOR EXPLICIT IN THE GENERAL THRUST OF GORBACHEV'S REMARKS RICE (NSC) WONDERED WHAT KIND OF GAME GORBACHEV WAS PLAYING: HE SPOKE ONE WAY TO THE PRIME MINISTER YET ALLOWED SHEVARDNADZE TO CONTINUE TO CALL FOR A TRANSITIONAL PERIOD. (NSC TEND TO TAKE A RATHER MORE SCEPTICAL VIEW OF GORBACHEV THAN STATE).

PAGE 1
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034353

MDADAN 1200

4. THE AMERICANS HAVE BEEN GRATIFIED BY THE PRIME MINISTER'S STRONG PITCH TO GORBACHEV TO ACCEPT THAT RAPID GERMAN UNIFICATION WITHIN NATO IS A REALITY AND THAT THE ONLY ISSUE IS TO DISCUSS REASSURANCES NEEDED TO PRESERVE STABILITY AND GUARANTEE MUTUAL SECURITY. THEY BELIEVE MRS THATCHER TO BE PARTICULARLY WELL PLACED TO PUT THIS ESSENTIAL POINT OVER TO GORBACHEV.

ACLAND

YYYY

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16

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7/14

.BERLIN/INNER-GERMAN RELATIONS
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PS

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MR P J WESTON

MR GREENSTOCK TMT

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HD/NEWS

MR POWELL, PLANNERS

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MR S MCCARTHY SEC(NATO/UKP)MOD

WG CDR LEIGH DCTS NATO MODUK

PRESS SECRETARY NO 10

MR WOOD, LEGAL ADVISERS

NNNN

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034270
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FM WASHINGTON
TO IMMEDIATE FCO
TELNO 1405
OF 132306Z JUNE 90
INFO PRIORITY MODUK, MOSCOW, UKDEL NATO

mt

SIC

MOSCOW TELNO. 1097: **NON-CIRCUMVENTION**

1. WHEN I SAW EAGLEBURGER ON 13 JUNE I TOLD HIM GORBACHEV'S REMARKS ON NON-CIRCUMVENTION WERE NOT JUST UNHELPFUL BUT INACCURATE. HE DID NOT ADDRESS THE ISSUE WHEN SPEAKING TO THE PRIME MINISTER BEYOND REFERRING TO AN ALLEGED UNDERSTANDING THAT THE BRITISH AND FRENCH DETERRENTS WOULD COME INTO QUESTION FOLLOWING 50 PER CENT REDUCTIONS IN START. THE PRIME MINISTER HAD LEFT HIM IN NO DOUBT OF OUR DETERMINATION TO MAINTAIN OUR CAPABILITY. EAGLEBURGER SAID IT HAD BEEN HARD TO JUDGE FROM THE WASHINGTON SUMMIT WHETHER GORBACHEV WAS SERIOUS ON NON-CIRCUMVENTION. IN ANY CASE, WE COULD BE SURE THAT THIS WAS NOT AN ISSUE THE AMERICANS WOULD BE NEGOTIATING ON WITH THE RUSSIANS.

ACLAND

YYYY

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22

ADVANCE

22 21

.EAST WEST SOVIET AFFAIRS
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PS/MR MAUDE
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MR P J WESTON
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MR GOULDEN
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RESIDENT CLERK
MR POWELL 10 DOWNING ST
MR D NICHOLLS DUS(P) MODUK
D. NUC(POL)SY MODUK
DACU MODUK
CDI MODUK

NNNN.

PAGE 1
CONFIDENTIAL

THOUGHT FOR THE TV INTERVIEW


1. A time of great change is bound to be a time of great ferment, full of new ideas, new ways of doing things. And especially when one is trying to change attitudes after a very long period in which they have become entrenched.

2. That is what we see in the Soviet Union at present. One senses it very strongly everywhere one goes. The desire to move to a market economy with all the prosperity it can bring - but only if you are prepared to work for it. The desire for greater democracy - but carrying with it greater responsibility. The desire of the different republics to express their identity and take an increasing number of decisions for themselves.

3. All that is understandable - and of course it creates difficulties which have to be surmounted. That is what President Gorbachev is trying to do. Always to move forward with economic reform and greater democracy, while keeping the country together

4. There is a tremendous fund of goodwill for the Soviet Union abroad in this rather difficult stage. We are willing you to succeed and we want to help in various ways: but above all by creating a more stable and secure Europe, so that you can free all your energies to deal with building a new society at home. That is a tremendous task, and we all wish you well in it.

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3176</i> (one piece/item number)	Date and sign
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27

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 June 1990

PRIME MINISTER'S VISIT TO THE
SOVIET UNION: MESSAGES

Thank you for your letter of 12 June covering draft messages from the Prime Minister to President Mitterrand, Chancellor Kohl and Mr Mulroney about her visit to the Soviet Union. These may issue. But I hope you won't think me unkind if I say it would have been nice to have them rather earlier than the evening of the third day that the record had been in the hands of the FCO.

CHARLES POWELL

J S Wall Esq
Foreign and Commonwealth Office

CONFIDENTIAL

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

12 June 1990

Dear Charles,

Prime Minister's visit to the Soviet Union:
Messages

In your letter of 10 June, you said the Prime Minister would want to send messages about her visit to the Soviet Union to President Mitterrand and Chancellor Kohl. I enclose drafts. I also enclose a draft message to the Canadian Prime Minister.

J. S. Wall
Stephen Wall

(J S Wall)

Private Secretary

C D Powell Esq
10 Downing Street

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OUT TELEGRAM

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IMMEDIATE

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FM FCO

TO IMMEDIATE OTTAWA

TELNO

OF 111730Z JUNE 1990

AND TO INFO IMMEDIATE WASHINGTON, PARIS, OTTAWA, UKDEL NATO

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T1230/90

PRIME MINISTER'S VISIT TO USSR: MESSAGE TO PRIME MINISTER
MULRONEY

1. Following is text of message from the Prime Minister to
Mulroney after her visit to the Soviet Union. Grateful if you
would arrange for it to be delivered.

Begins:

~~Dear Boris~~

I wanted you to have my personal impressions of my talk
last Friday with President Gorbachev.

Even as the problems mount, Gorbachev remains confident,
ebullient - perhaps just a little less than usual - and
apparently in command of events. He talks of putting the
infrastructure of a market economy into place in short order,
and contemplates a new constitutional relationship between the
centre and the Republics.

We spent most of our time discussing the security of
Europe and Germany's membership of NATO. Gorbachev's thinking

have

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SIMON HEMANS

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on this continues to evolve. There are inconsistencies and contradictions. But even though he still expressed some misgivings at the speed of the moves towards unification, he nevertheless agreed with my position that this was for the German people to decide. He was also very careful not to say, at any point during our talks or our joint press conference, that a united Germany should not (underlined) be a member of NATO. He talked a great deal of the need to respect the Soviet Union's security interests and to move towards a European security organization which would transcend both NATO and the Warsaw Pact. But I think he realizes this is not a practical proposition for the foreseeable future. We discussed his proposal for a joint NATO/Warsaw Pact declaration. I think this offers possibilities. There is no need for us to strive officiously to keep the Warsaw Pact alive. But equally, I believe we could devise a declaration between the member states of the two alliances which would not imply equality but would help the Russians to accept, as I believe they will, a united Germany in NATO.

We discussed nuclear weapons in the light of the US-Soviet summit, and I made clear our view on the continued need for nuclear deterrence. We did not go into detail on the Conventional Forces negotiations, although in our talks we touched on these and on the need to strengthen the CSCE process.

On Lithuania, President Gorbachev pronounced himself heartily sick of the problem, and I got the impression that it does not rank high among his priorities. I pressed him to bridge the gap that remains between his position and that of the Lithuanians, and to start talks with them as soon as possible. He was insistent that any moves towards independence

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must be within the framework of the Soviet constitution. The media are reporting that he has now agreed to talks. If so, this would be very encouraging. He realises, however, that the economy has to be his main immediate task, although I am not sure that even now he really understands how a market economy functions.

I had a robust session with Marshal Yazov and the Soviet Chiefs of Staff. My impression is that they are quite realistic, both on the subject of Germany in NATO (which I told them was not in question) and on nuclear weapons, but somewhat overwhelmed by the practical problems of withdrawing from Eastern Europe and their shrinking forces.

I also went both to the Ukraine and Armenia, and the strength of nationalist feeling is tangible in both. Clearly Gorbachev has no early respite in sight. Equally, it is hard to see that anyone else could have a better chance of surmounting the problems and getting through in reasonable order.

Congratulations on guiding the discussions on Meech Lake through so successfully.

Ends.

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THE BRITISH FOOD CONSORTIUM

Suite 10
Westminster Palace Gardens
Artillery Row
London SW1P 1RL

Telephone 071 222 7622

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Rice Minister

CAF

3/7

From: Sir Ronald McIntosh KCB

11 June 1990

The Rt Hon Margaret Thatcher MP
10 Downing Street
London SW1

mb

Dear Prime Minister,

Thank you very much for witnessing the signature of our agreement with the Ukrainian Government in Kiev last week. We much appreciated your taking time for this in your hectic programme there.

The agreement represents a real breakthrough in our efforts to persuade the Soviet authorities to introduce modern methods of food preservation, processing and distribution. We have been commissioned to carry out a pilot study of current methods of handling fruit and vegetables, dairy products, meat and sugar beet in the Kiev area and to recommend a programme of action to modernise the whole food chain from farm gate to retail outlet. The reduction of waste which such a programme would bring about would more than pay for the investment required, making the whole thing self-financing.

This project goes to the heart of the Soviet Union's current difficulties and has implications far beyond the Ukraine. Without an integrated food chain approximating to what we have in the West (though not necessarily at the same level of sophistication) the Soviet Union's food problem will remain insoluble.

I know from what you have already said that you share our general view on this and I hope we may have your continued support as the work progresses.

Yours sincerely,

Ronald McIntosh

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FM FCO

TO IMMEDIATE PARIS

TELNO

OF 111800Z JUNE 1990

AND TO INFO IMMEDIATE WASHINGTON, BONN, OTTAWA, UKDEL NATO

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T123C/90

PRIME MINISTER'S VISIT TO USSR: MESSAGE TO PRESIDENT MITTERRAND

1. Following is text of message from the Prime Minister to President Mitterrand after her visit to the Soviet Union. Grateful if you would arrange for it to be delivered.

Begins:

~~Dear Mr. President~~

I was grateful for your message about your talks with President Gorbachev at the end of May, which I found very helpful in preparing for my own talks last Friday. We shall be providing detailed briefing for our partners in the context of political cooperation, but I wanted to send you my personal impressions.

Even as the problems mount, Gorbachev remains confident, ebullient - perhaps just a little less than usual - and apparently in command of events. He talks of putting the infrastructure of a market economy into place in short order, and contemplates a new constitutional relationship between the centre and the Republics.

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SIMON HEMANS

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We spent most of our time discussing the security of Europe and the problem of Germany and NATO. Gorbachev's thinking on this continues to evolve. There are inconsistencies and contradictions. But he was very careful not to say, at any point during our talks or our joint press conference, that a united Germany should not (underlined) be a member of NATO. He talked a great deal of the need to respect the Soviet Union's security interests and to move towards a European security organisation which would transcend both NATO and the Warsaw Pact. But I think he realises this is not a practical proposition for the foreseeable future. We discussed his proposal for a joint NATO/Warsaw Pact declaration. I think this offers possibilities. There is no need for us to strive officiously to keep the Warsaw Pact alive. But equally, I believe we could devise a declaration between the member states of the two alliances which would not imply equality but would help the Russians to accept, as I believe they will, a united Germany in NATO.

We discussed nuclear weapons in the light of the US-Soviet summit, and I made clear our view on the continued need for nuclear deterrence. We did not go into detail on the Conventional Forces negotiations, although in our talks we touched on these and on the need to strengthen the CSCE process.

On Lithuania, President Gorbachev pronounced himself heartily sick of the problem, and I got the impression that it does not rank high among his priorities. I pressed him to bridge the gap that remains between his position and that of the Lithuanians, and to start talks with them as soon as possible. He was insistent that any moves towards independence must be within the framework

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of the Soviet constitution. The media are reporting that he has now agreed to talks. If so this would be very encouraging. He realises, however, that the economy has to be his main immediate task, although I am not sure that even now he really understands how a market economy functions.

I had a robust session with Marshal Yazov and the Soviet Chiefs of Staff. My impression is that they are quite realistic, both on the subject of Germany in NATO and on nuclear weapons, but somewhat overwhelmed by the practical problems of withdrawing from Eastern Europe and their shrinking armed forces.

I also went both to the Ukraine and Armenia, and the strength of nationalist feeling is tangible in both. Clearly Gorbachev has no early respite in sight.
Ends. *Look forward to seeing you in Dublin.*

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PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T/238/90

FM FCO

TO IMMEDIATE BONN

TELNO

OF 111730Z JUNE 1990

AND TO INFO IMMEDIATE WASHINGTON, PARIS, OTTAWA, UKDEL NATO

PRIME MINISTER'S VISIT TO USSR: MESSAGE TO CHANCELLOR KOHL

1. Following is text of message from the Prime Minister to Chancellor Kohl after her visit to the Soviet Union. Grateful if you would arrange for it to be delivered.

Begins:

~~Dear Helmut~~

I wanted you to have my personal impressions of my talk last Friday with President Gorbachev. Douglas Hurd gave Hans Dietrich Genscher some of the details on the telephone on Sunday and further briefing is being given to your officials.

Even as the problems mount, Gorbachev remains confident, ebullient - perhaps just a little less than usual - and apparently in command of events. He talks of putting the infrastructure of a market economy into place in short order, and contemplates a new constitutional relationship between the centre and the Republics.

We spent most of our time discussing the security of

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SIMON HEMANS

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Europe and Germany's membership of NATO. Gorbachev's thinking on this continues to evolve. There are inconsistencies and contradictions. But even though he still expressed some misgivings at the speed of the moves towards unification, he nevertheless agreed with my position that this was for the German people to decide. He was also very careful not to say, at any point during our talks or our joint press conference, that a united Germany should not (underlined) be a member of NATO. He talked a great deal of the need to respect the Soviet Union's security interests and to move towards a European security organization which would transcend both NATO and the Warsaw Pact. But I think he realises this is not a practical proposition for the foreseeable future. We discussed his proposal for a joint NATO/Warsaw Pact declaration. I think this offers possibilities. There is no need for us to strive officiously to keep the Warsaw Pact alive. But equally, I believe we could devise a declaration between the member states of the two alliances which would not imply equality but would help the Russians to accept, as I believe they will, a united Germany in NATO.

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I also went both to the Ukraine and Armenia, and the strength of nationalist feeling is tangible in both. Clearly Gorbachev has no early respite in sight. // I look forward to seeing you in Dublin, which will be an historic occasion with Mr de Maiziere present for the two meals.
Ends.

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Foreign and Commonwealth Office

'London SW1A 2AH

11 June 1990

cm

Dear Charles,

Prime Minister's visit to the Soviet Union

Thank you for your letters of 10 June asking for comments on a draft statement to the House and a draft message to President Bush.

On the draft message, we would suggest adding a new second sentence to the first paragraph to read "I was also grateful to Jim Baker for briefing me on subsequent developments at Turnberry". "Him" in the last line would then have to read "President Gorbachev". We would also suggest a new paragraph:

"I mentioned BW, as you did. President Gorbachev was dismissive but said he intended to look into it more deeply."

We would suggest four small amendments to the draft statement:


- page 2, para 1: redraft first lines to read:
"NATO, indeed that would be the natural result of unification:". Our legal advisers believe this gives a more accurate account of the legal position.
- page 2, para 3, line 3: delete "proper": there is a danger of implying that we share Gorbachev's view of the applicability of the Soviet constitution to Lithuania.
- page 3, para 3: add after first sentence "I was impressed by the exhibition and the range of cultural events on offer. And", so as not to make it sound as if the exhibition is purely commercial.
- on page 4, perhaps it would be better to refer to a new and more "positive" period in Europe. We ourselves often point to the fact that we have had peace in Europe for forty-five years.

Yours,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

A The National Archives

DEPARTMENT/SERIES <i>prem 19</i> PIECE/ITEM <i>3176</i> (one piece/item number)	Date and sign
Extract details: <i>PRIME MINISTER TO US PRESIDENT</i> <i>7123/90</i> <i>2 copies - 1 tele, 1 typed.</i>	
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file 5

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 June 1990

I enclose a copy of the Prime Minister's message to President Bush in the form in which it issued.

Charles Powell

Stephen Wall Esq
Foreign and Commonwealth Office



10 DOWNING STREET

Prime Minister

Message to President

Bush

The FCO had only
a minor comment
which I have
taken.

Content for the
message to issue?
C.D.!

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

10 June 1990

Dear Stefan.

**PRIME MINISTER'S VISIT TO THE SOVIET UNION:
MESSAGE TO PRESIDENT BUSH**

The Prime Minister intends to send President Bush a message about her visit to the Soviet Union. I enclose a draft with which she is content and should be grateful for any comments by 1500 on 11 June.

I imagine you would want the Prime Minister to send messages also to President Mitterrand and Chancellor Kohl. I should be grateful if the department could provide drafts, drawing from my records which have been circulated separately.

I am sending this letter and enclosure to Simon Webb (Ministry of Defence) and, for information to Sonia Phippard (Cabinet Office).



Yours sincerely,

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

SECRET

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3176</i> (one piece/item number)	Date and sign
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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

9 June 1990

Dear Stephen,

PRIME MINISTER'S MEETING WITH SOVIET MILITARY LEADERS

The Prime Minister had a 50 minute meeting with Soviet military leaders in the Soviet Ministry of Defence yesterday afternoon. The Soviet side was led by the Minister of Defence, Marshal Yazov. He was flanked by the three Service Chiefs Marshal Moiseev, Air Marshal Efimov and Fleet Admiral Chernavin. Admiral Khuzhokov and General Manilov were also present. HM Ambassador Moscow attended on our side.

I suppose a few years ago the idea of a British Prime Minister sitting down with the Soviet Minister of Defence and all the Service Chiefs would have seemed wildly improbable. But Marshal Yazov handled it with considerable courtesy and aplomb. Although it was a fairly combative session and the Soviet commanders emerged with their armour slightly dented and their helmets somewhat askew, the general atmosphere was good-humoured.

The Prime Minister began by commenting on the main council chamber of the Ministry of Defence where we were meeting, saying how important it was to preserve military tradition. Marshal Yazov agreed. Traditions were vital to armed forces and the Soviet military took great trouble to instil them in younger soldiers.

Marshal Yazov continued by extending a very warm welcome to the Prime Minister. It was a great source of personal pleasure to him that she had come, and he recalled the satisfaction of their meeting in London. We had all come a long way since then. There had recently been a very successful visit by the Defence Secretary, who had seen everything he had wanted to see. The Prime Minister said that we had been very happy to receive Marshal Yazov, and she knew that Mr. King had been very well satisfied with his visit to the Soviet Union.

The Prime Minister continued that she had wanted to see Marshal Yazov and his colleagues because she felt we were entering a new period in relations between East and West. The communique issued by the Warsaw Pact meeting the previous day had exemplified the end of confrontation and the opening of a new stage of more positive relations. Even so, she believed that every country must continue to preserve its security with a strong defence. You never knew where the next threat would come from. There was scope for reducing conventional forces and nuclear weapons and for modifying and adapting our strategy to new circumstances. But we would continue to need nuclear weapons: they were the best deterrent to war. The Prime

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Minister continued that she had visited the NATO Foreign Ministers meeting the previous day and had urged a review of NATO strategy, in particular, whether forward defence was still appropriate but she believed that nuclear deterrence would continue to be a vital part of that strategy. It was no coincidence that we had just completed the longest period of peace in European history. Marshal Yazov said the Prime Minister was right in what she said about Europe and the new period which we were entering. But he did not really share her views on nuclear weapons. Five countries had nuclear weapons, yet there were still wars in the world. He believed that in the long term, nuclear weapons were dangerous and were bound to spread unless we could agree effective measures on nuclear disarmament. The Prime Minister said the point was that the nuclear powers were all countries which knew the need for restraint. Unfortunately we were not going to be able to stop some other countries from obtaining nuclear weapons and her fear was that they would not be as restrained as the existing nuclear powers. She would never put British forces in the position where they could be threatened by nuclear weapons without the capacity to deter. So long as Britain had its independent nuclear deterrent she was confident it would never be attacked. Our nuclear cooperation with the United States was longstanding and would continue. She was absolutely determined to keep our nuclear deterrent up to date. Marshal Yazov said there was no guarantee that nuclear weapons would never be used. After all, they had been used at the end of the last war. The Prime Minister commented that she was sure that, in reality, Marshal Yazov accepted that conventional weapons alone could not deter war. That was why she had been so worried by the talk at Reykjavik of a world without nuclear weapons. She did not want to get into a protracted argument about this, and one day, in the distant future, the situation might be different. The main point for now was that we were going into a period where we could all have more confidence in each other.

Marshal Yazov said that he could agree with this last point. But on the nuclear issue he thought that the Prime Minister under-estimated the effect of Chernobyl. The explosion on one boiler had made an enormous impact on public opinion. There were something like 200 nuclear powers stationed in Europe plus a host of nuclear weapons. What would happen if there were further tragedies? The Prime Minister said that she took leave to doubt whether the views of Marshal Yazov and his colleagues on nuclear weapons were in reality very different from her own. After all, they did have an awful lot of them and presumably saw some purpose in that (I think I saw the muscles of Marshal Moiseev's face twitch). Marshal Yazov said that he was aware that the United Kingdom was not planning to attack the Soviet Union, the Soviet Union was not planning to attack Britain. But both had to take account of world opinion. The Prime Minister commented that we were all on defensive strategies now. The Soviet Union in particular needed peace for the courageous and exciting reforms which it was carrying out. But threats to our security could arise from outside Europe altogether. You never knew where they might come from. Our defence was a silent message to anyone who might be tempted to start something: don't. She and President Gorbachev had always agreed on the need for every country to provide for its security.

The Prime Minister continued that we were all a little apprehensive about the reunification of Germany. But it was going to happen and we all had to adapt to that. In her view it was in the interests of all of us - including the Soviet Union -

That American forces should be kept in Germany. That was an insurance policy for the whole of Europe. Marshal Yazov said that he and his colleagues had read the Prime Minister's speech in the NATO Foreign Ministers meeting the previous day very carefully. She had talked of restructuring NATO. He wondered what she had in mind. The Prime Minister said the first point had been a review of NATO's strategy and the forces appropriate to it. NATO no longer had a clear front line in Europe. We would also need to look at the structures of the Alliance and how they could be improved and adapted. She assumed that the Soviet Union was also revising its own strategy. Marshal Yazov said that they had already done so and now had a defensive strategy. The Prime Minister noted that the Soviet Union still maintained very large forces. Marshal Yazov explained that the Soviet Union was a very large country with very long borders.

The Prime Minister said she had read that the Soviet Union was thinking of moving towards a professional army. Marshal Yazov denied this quite vehemently. They could not afford that. But they hoped to have a semi-professional army with a higher proportion of fulltime officers and men. He recalled that at their meeting, the Prime Minister had asked him about the practical problems of reducing the Soviet armed forces. He could tell the Prime Minister that they had released 83,000 officers into civilian life in 1989, and they had all got jobs. Problems lay more with finding accommodation for the forces being withdrawn from Eastern Europe and their families. The Prime Minister commented that, if we decided to reduce our forces in Germany, we might face some of the same problems. She could sympathise.

Marshal Yazov said he wanted to come back to the main point which the Prime Minister had made earlier in the discussion. We all spoke the same words about peace, yet the Prime Minister continued to regard the Soviet as an enemy. The Prime Minister said that things had changed. We had certainly regarded the Soviet Union as an enemy when it was being governed by expansionist Communist ideology which had believed in the victory of Communism all over the world. Of course we had been hostile towards that. But now things looked very different. But she did not want to start a war of words across the table. Those days had gone, she hoped forever. Marshal Yazov interjected that he agreed with that. The Prime Minister continued that nonetheless we had not solved all the world's problems. We still had to contend with Moslem fundamentalism and regional problems like Kashmir. We were worried by the spread of nuclear weapons to countries like North Korea. Marshal Yazov said that the Soviet Union was already experiencing the Moslem factor. But he had recently seen the new North Korean Ambassador who had assured him that North Korea did not have nuclear weapons. The Prime Minister said you would hardly expect him to say anything different. Marshal Moiseev commented that the International Atomic Energy Authority (IAEA) were concerned about this.

The Prime Minister said that her purpose in suggesting the meeting had been to reassure Marshal Yazov and his colleagues. Unfortunately there were not many minutes left. Were there any other topics they ought to cover? Marshal Yazov professed not to know there was any time limit on the meeting. He knew that the Prime Minister had discussed the problem of a unified Germany with President Gorbachev that morning. German unification was a matter for concern to the Soviet military and above all to the Soviet people. They would simply not accept a united Germany in NATO. The Prime Minister said it was going to happen so it was

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best to concentrate on providing assurance to the Soviet people that it would not be an extra threat. Marshal Yazov said that perhaps there could be a special form of membership for Germany, rather like France. What was the Soviet Union going to get out of this? What was going to happen to their interests? The Prime Minister said that Marshal Yazov should understand a united Germany was going to be in NATO and that was to the Soviet Union's advantage because it was the way to ensure that American forces would remain in Germany. That was a reassurance to all of us. We were ready to consider other ways to provide such reassurance. Secretary Baker had produced nine points: and she had discussed with President Gorbachev the scope for a NATO/Warsaw Pact declaration. This was a Soviet idea and needed to be given more substance. But she wanted to say that we were aware of the sensitivities and would do our best to meet them. Marshal Yazov then asked about other passages in the Prime Minister's speech but there was no opportunity to pursue these, because the Prime Minister had to leave for her joint press conference with President Gorbachev.

I am copying this letter to John Gieve (HM Treasury), Simon Webb (Ministry of Defence) and Sonia Phippard (Cabinet Office).

Jan Smith
Chris Powell

(C.D. Powell)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

YOUR PRESS CONFERENCE

You are to give a joint press conference with Mr Gorbachev at 5.45pm. It is important you do not run beyond 6.20 pm because changing time for dinner is tight. I will try to ensure that whoever is in charge of the press conference knows this.

NB. You are to give British radio and TV interviews after dinner at the Embassy.

In many respects, a joint press conference comes at a difficult time for both you and Mr Gorbachev. But failure to appear together would have been critically contrasted with the recent treatment, for example, of M. Mitterrand.

A Gorbachev-Thatcher press conference at this time is a major event and theatre in itself. It does not take a genius to write the media script.

They will concentrate their critical faculties on:

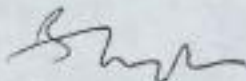
- i. how Mr Gorbachev looks to be bearing up under the weight of his problems;
- ii. the atmospherics and body language between you; they will seize on the slightest sign of cooling, distance or disagreement;
- iii. the degree to which, and the warmth with which, you continue to support Gorbachev;
- iv. the issues.
 - a. Germany and NATO - the extent to which you have succeeded or failed in allaying Mr Gorbachev's fears. Your talks with Yazov.

- b. Trident and non-circumvention - who raised it? How much it figured in the talks?
- c. Lithuania - and other troubles in the Republics.
- d. Middle East - Jewish emigration and settlements in the occupied territories.
- e. Offers of British help - what kind? Economic talks with Ryzhkov.
- f. Your impressions of your fourth visit as Prime Minister. Can Gorbachev succeed? The Yeltsin phenomenon - Did you discuss him with Mr Gorbachev?
- v. Domestic issues - it is possible they will raise the Gallup poll and BSE.

Finally, I cannot stress too strongly how the media want to write down the Gorbachev-Thatcher relationship. In my view, your best hope, given all the circumstances, is to emerge as a Gorbachev loyalist - supporting him, encouraging him and offering him reassurance and practical help - on the basis that he is an enormous force for good in the world.

Content?

I attach a draft speaking note, written in total ignorance of what you have discussed today.



BERNARD INGHAM

8 June 1990

DRAFT SPEAKING NOTE: YOUR PRESS CONFERENCE

Mr Gorbachev and I have just spent some four hours in fascinating and valuable discussions, and we shall continue our talks over dinner this evening.

I have also spent an hour each with Prime Minister Ryzhkov and Marshal Yazov, the Soviet Defence Minister, and the top military commanders in the Soviet Union.

It has been an extremely rewarding and constructive day which has underlined the increasingly close relationship between our two countries.

First, I want to congratulate Mr Gorbachev on a most successful summit with President Bush. The agreements which you reached - and which have done so much to raise the spirit of people across the world - testify to the phenomenal change you have helped to bring about in international relations.

The progress made in reducing tension and charting a new course for peace, freedom, democracy and co-operation is truly remarkable, and no one should forget it.

I would just like to say one other thing on this - and it is something I shall deal with in my speech at dinner this evening. Prosperity in the Soviet Union will not be achieved by the Government alone but by the efforts of the people - by hard work and the acceptance of responsibility.

In the course of our talks, Mr Gorbachev and I took stock of East/West relations following the successful summit in Washington and the prospect of a number of arms control agreements soon.

I sought to make two points:

Our objective in the West is to bring the Soviet Union into the process of shaping the future of Europe. I want to see a great alliance stretching from the Atlantic to the Urals and beyond.

We see a unified Germany in NATO, with arrangements taking account of Soviet concerns, as a contribution to the security which we understand only too well the Soviet Union seeks.

We have also discussed, as you would expect, defence and regional issues and the progress of reform in the Soviet Union.

My visit comes at a time when Anglo/Soviet relations, by mutual consent, have never been better. The Princess Royal's very successful tour, including her opening of the 'British Days in Kiev' festival, which I shall visit tomorrow, are a demonstration of that.

On Sunday I shall open a school in Armenia which the British people have contributed to Armenia's reconstruction after its terrible earthquake.

Today I have signed several memoranda of understanding to develop our co-operation. And I am delighted to be able to announce some ten new lectureships at British Universities in Soviet and Eastern European studies. This will develop still further the Anglo-Soviet relationship which, as Mr Gorbachev and I can warmly testify, is indeed very well founded.

Mr Powell. A 'full' record - on the principle that it is easier to delete than to add.

DRAFT RECORD

~~CALL BY THE PRIME MINISTER ON MR RYZHKOV: 1500 HOURS: 8 JUNE~~

1. The following took part:

Mr Ryzhkov, USSR Prime Minister	The Prime Minister
Mr Sitaryan, Chairman of the State Committee for Foreign Economic Relations	Sir Rodric Braithwaite
Mr Laverov, Head, State Committee for Science and Technology	Mr Turnbull
Mr Kvitinsky, Deputy Minister of Foreign Affairs	Mr Powell
Mr Zamyatin, Soviet Ambassador in London	Mr Ingham
Mr Uspensky, Head Second European Department, MFA	Mr Longrigg

2. After welcoming the Prime Minister Mr Ryzhkov opened the discussion by commenting that the Soviet Union was living through a complicated, but also an interesting period. Everything was changing, he hoped for the better. The Soviet Union was now in a critical decade which would determine the country's future in the 21st century. He hoped that they would enter this century fully prepared for what would lie ahead.

3. The Prime Minister said that if the Soviet Union could get their reforms to work it would be a marvellous end to a very turbulent century. All governments know that most battles were won on the home front: their people judged them by reference to their own standard of living. She commented that no country had ever achieved such a large-scale transformation from a centralised to a market economy as the Soviet Union was

attempting. History showed that most people achieved freedom by pressure from below. The Soviet Union was attempting to introduce freedom from the top down. This ^{was bound to} ~~must~~ be a very difficult task: people always wanted to know exactly where they stood. It would take time to change the legal system and, for example, to agree on which powers should belong to the Central Government and which to the republics and regions. Enterprises would also have to learn how to develop initiative so that they could make the most of their new opportunities. It was easy to explain the theory: but practice was much more difficult.

4. The Prime Minister then said she would like to hear from Mr Ryzhkov how he thought the reforms were going ~~and~~ how they planned to move forward.

5. Mr Ryzhkov thanked the Prime Minister for the support she had always offered ^{President Gorbachev & himself} ~~them~~. He recalled that he had met the Secretary of State for Defence during his recent visit and had told him that, of all the foreign leaders he met, he had always felt he received the greatest support from the Prime Minister. He had read with interest the press interviews she had given before this visit and before the visit of President Gorbachev to ^{Washington} London. He thought they contained a useful note of sobriety. In the Soviet Union, as in any other country, there was a wide range of political opinions. Mr Ryzhkov said that those he called "left radicals" were always arguing that everything should have been done yesterday. Conservatives, on the other hand,

argued that the Government should have done nothing at all.

6. When the Prime Minister interjected that British Conservatives were very progressive, Mr Ryzhkov replied that in a recent press article he had been called a "progressive Conservative". ~~He said~~ He was very happy with the term. He believed that Governments should always be a little bit conservative. But, as he told the Left Radicals, he himself was a radical and supported radical solutions. But there had to be an element of caution. Perhaps if they did not believe him, they would believe the Prime Minister. She was right to say that the transition from one system to another would take 10 years.

7. Mr Ryzhkov then turned to explain the country's economic reform plans in more detail. The first years of perestroika had been a period of preparation for change. Now the first real changes were beginning to take place. Not all, of course, were positive. For example, there was the problem with nationalities. There were at least 140 nationalities in the USSR. The exact figure was not even known. Mr Ryzhkov recalled that 3 months ago, there had been a meeting in Moscow of the small peoples from the north and west of the country. 26 nationalities had been represented at this conference. The total population of these 26 nationalities was only 180 thousand. Some nationalities numbered no more than 500 people. This was a serious problem. On the one hand, one understood their desire to retain their culture, language and traditions. But, on the other, even they knew that, biologically, they could not

survive.

8. Mr Ryzhkov said that the recent violence in Kirghizia was an example of the problems they faced. He had been told that morning that the death toll had now reached 78 with hundreds injured. The situation was now a little calmer, but the atmosphere was still very tense.

9. Mr Ryzhkov said that the process of change was now taking place over a very wide front. Tactically, it would be easier if this front could be narrowed down. But in practice this was impossible. All the problems were inter-related. The Soviet economy had operated under a rigid centralised system of planning and distribution for more than 60 years. At some stages, Mr Ryzhkov believed, this had been the right system - for example before the war when it had been necessary to build up industry to resist Hitler, and immediately after the war when it had been necessary to concentrate efforts in certain directions in order to rebuild the economy. Two previous attempts to introduce a more flexible system - in 1965 and 1979 - had failed because the Government had realised that the process of change could not be restricted to the economy and had therefore brought it to a halt.

10. In the ¹⁵ 3 years since the country's reform programme had begun, the Soviet Union had come a long way. Consequences had been both positive and negative. But even negative consequences were useful: one could learn from them. There was no such thing

as an overnight change: this was for writers of fiction. One had to take into account the Soviet Union's particular difficulties - its size, the underdeveloped communications system, and 3 generations of people brought up under a system with very different ideas. The reform had now reached the stage where the old system had been dismantled. But the new system, based on a market, or partial market, had not yet been established.

11. Earlier this year, the Government had reviewed the reform strategy. There had been 2 options: either to go back or to take a giant step forward towards a market. The Government had talked to hundreds of people - managers, financiers, bankers etc. There were, of course, differences of view about strategy and timing of the reforms. But all had been unanimous that one could not go back. The Government's new plan, as the Prime Minister would know, had encountered sharp criticism from the people. This was because everyone turned straight to the section on price reform. But it was an integrated programme and needed to be looked at as a whole.

12. Mr Ryzhkov cited the example of the Government's proposals for the reform of enterprise taxation. From 1 January 1991, there would be a single rate of tax (on profits) for all firms. This would replace the old system whereby the Government had taken money from profitable firms to subsidise the unprofitable. He thought the reform would be adopted within the next week. It would force firms to be more efficient. Those that were not would go bankrupt. The Government estimated that some 20% of

firms would go bankrupt if they did not improve their performance. Finance policy would also be changed. At present the average interest rate in the economy was 2.4%. One of the *fundamental problems* tragedies of the economy was that money played only a secondary role.

13. The Prime Minister asked how firms could know whether they were making a profit when there was no proper system for calculating costs. It might be possible for a farmer to do this reasonably easily. But for a factory, one needed a whole new cost and accounting system. Would a small businessman who faced, for example, a 30% tax on profit, know how to calculate his profit? It would also be very difficult for people who had been brought up in the old system to adapt to their new circumstances. They had always been told what to make, and it had always been someone else's job to sell what they made. People sometimes got irritated in Britain when they produced high quality products but could find no new market for them. But the point was that if no-one wanted to buy the product it should never have been made in the first place.

14. The Prime Minister said she knew about the problems the Soviet Government was having with food prices. Sometimes one had to sell food at below production cost. But, more generally, there was a choice. One could have low cost food - but only little of it as prices would not provide farmers with the incentive to produce. Or one could have *sufficient food* ~~a lot of~~ high cost food. *at reasonable*

at reasonable but higher

15. Mr Ryzhkov said that the whole Soviet price structure was distorted. Everyone talked about retail prices. But the real problem for the Government was wholesale prices. The Government had once boasted that a litre of petrol cost the same as a bottle of mineral water. But this had to be changed. The coal industry was operating on average at a 15% loss.

16. The Prime Minister interjected that ^{she} ~~she~~ too had problems with the British Coal Industry. It was still nationalised and therefore expected to have all its costs met. ~~She said that~~ Governments should not become involved with fixing prices. When she had come to power there had been some fixed prices - for example milk. But this was something that should be left to farmers. ~~Even in wartime Britain, the prices of chicken and fish had never been fixed.~~

17. The Prime Minister asked whether there was anything ^{more} the UK could do to help ⁱⁿ ~~it~~ with training people, ^{to run} ~~to run~~ ^{supermarkets,} ~~or to understand price mechanisms.~~ She referred to the agreement on management training that she and Mr Ryzhkov were about to sign.

18. Mr Ryzhkov recalled ^{that} ~~the~~ ^{two} ~~2~~ groups of managers who had already been to the UK. ~~He said~~ they had been very pleased with the programme. ~~He said~~ the Soviet Union was also training its own managers, ~~but~~ the scale of this still needed to be increased. He then turned to the issue of bread prices. They

would be increased - probably now on 1 August rather than 1 July. There would be 100% compensation for the population. With the subsequent retail price increases of 1 January there would only be 70% compensation. The Prime Minister asked what the purpose was of increasing bread prices if all the money was to be given back. Mr Ryzhkov said that the price increase would encourage people to economise. At present there was huge wastage. The price rise would also begin the process of readjustment. The extra money that people received would not all be spent on bread. He said the Government had received thousands of letters on this subject. Most had supported the price increase. People knew that bread was too cheap.

19. Noting that time was running out, Mr Ryzhkov said he wanted to raise one last issue - the fact that the Soviet Union was not an organic part of the world economic community. The rouble was not convertible. If it had been, the reform process would have been much simpler. There were, however, doing all that they could to speed up convertibility. They had told their CMEA partners that, from 1 January 1991, trade between them would be in world prices and in convertible currency. This had not been received with applause.

20. The Prime Minister said that this was natural. People did not like discipline. But some people understood it was necessary. The Soviet Union was rich in so many ways eg in natural resources that she was sure that once they had got their

priorities right, the country's prospects would be very good indeed. She said she had confidence the Soviet Union could succeed. One had to be an optimist.

21. Mr Ryzhkov confirmed that he was. ~~He said that~~ ^{things} were very difficult now, ^{but} he looked ahead with confidence. The most difficult thing was to change the mental attitudes of the population. The Prime Minister assured him that he had numerous well-wishers in the UK and full support from her Government. She understood that the Soviet Union could not do everything at once. But one ^{always} needed to go a little faster than people wanted. It was like training a skier: you had to persuade him to go faster than he thought he could. One also had to understand, as she knew from her own experience, that no-one thanked you for introducing reforms. People took the benefits for granted and complained about the problems. But she had great faith in the Soviet leadership. She understood that Mr Ryzhkov was very preoccupied at present. But she hoped that ^{she} ~~she~~ would be able to see him in London soon.

en.

Mr Powell

*We spoke. I have
told Mr Marshall that
the answer is yes.*

Private Secretary to the Prime Minister

Robert Lynd.

INVITATION TO MEET UKRAINIAN SUPREME SOVIET

1. Mr Marshall in Kiev has spoken this morning to a Ukrainian Deputy Foreign Minister on the lines we agreed. I have spoken in parallel to the Soviet MFA. The upshot is as follows:

- a) The invitation to the Prime Minister to meet Ukrainian Supreme Soviet Deputies clearly has the full support of her hosts in the Ukrainian Government. It does not appear to be a request inspired by any one political group, but reflects the broad desire of the Deputies to meet the Prime Minister.
- b) Through the MFA, the Soviet Government has been aware of the proposal since last night, and aware since this morning that the Prime Minister was minded to accept. They have had ample opportunity to try to steer us away from this idea. Unless something has been said to you or the Prime Minister this morning, they have not done so.
- c) The nature of the invitation is such that we could not easily ask the Deputies to send a small group for a brief chat with the Prime Minister. The Ukrainian Supreme Soviet Session officially ends this afternoon. Yesterday 163 Deputies indicated by pressing their voting buttons that they would like to stay on for an out-of-Session meeting with the Prime Minister on Saturday. The 163 Deputies do not represent any particular tendency in local political opinion.
- d) Organisationally, the Ukrainian proposal now is that the meeting should take place in the Supreme Soviet Chamber from approximately 1700 - 1730. The Prime Minister's existing programme incorporates a rest period from 1700 to about 1845. The meeting with the Supreme Soviet would reduce this. She would have from approximately 1740 - 1845 or 1850 to change and rest in the Kiev Hotel.
- e) The newly elected Chairman of the Ukrainian Supreme Soviet, Ivashko, would meet the Prime Minister at the door. The Chairman of the Council of Ministers, Masol (her official host), would also be present. Ivashko would open the meeting with a short greeting to the Prime Minister. He would then invite her to make some remarks to the Deputies, to be followed by questions and answers.



2. Given the absence of any objection so far from the Central Soviet Government, plus the participation of Ivashko and Masol, I see no political reason why the Prime Minister should not accept this invitation, as she wishes. But in practical terms, you will wish to weigh the merits of adding this engagement to a long and tightly-packed day. Although the Prime Minister would not be delivering a formal speech, she would presumably wish to have some speaking notes prepared in advance.

3. So that a reply can be given to the Deputies before their Session ends later this afternoon, we have been asked if we can confirm the Prime Minister's agreement as soon as possible. Would you be able to give a decision to the bearer of this message?



Roderic Lyne

R M J Lyne

8 June 1990

cc: Ambassador
Mr Turnbull

A The National Archives

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

8 June 1990

Dear Sophie,

PRIME MINISTER'S MEETING WITH PRESIDENT GORBACHEV
IN THE KREMLIN ON FRIDAY 8 JUNE

The Prime Minister had a two and a half hour talk with President Gorbachev in the Kremlin this morning. Gorbachev was accompanied only by his assistant, Anatoly Chernayev. The discussion continued over a working lunch which was attended in addition by Mr. Thatcher, Mr. Shevardnadze, the Soviet Ambassador in London and HM Ambassador in Moscow.

The Prime Minister commented afterwards that she found Mr. Gorbachev a bit less ebullient than usual, but nonetheless in good form and seemingly well in control of events. Certainly he was very equable and good-humoured throughout. Richard Pollock, who interpreted, thought the mood the best of any of the meetings between the Prime Minister and Gorbachev which he had attended. I would agree with that.

The main interest of the meeting lay in Gorbachev's views on Germany and NATO which are obviously still evolving. At no stage did he say that a united Germany in NATO was unacceptable. He appeared rather to be reaching round for ways to make this more palatable and explicable to his own people. But some of his comments were rather confused and hard to follow. Lithuania did not seem to be at all a high priority for him. He did not raise non-circumvention under the START Treaty, indeed did not dwell on nuclear matters much at all.

This letter contains sensitive material and should be given a very restricted circulation only.

Introduction

The meeting started with some banter about Gorbachev's visit to Washington. Gorbachev said that his body was still trying to recover from the effects of the journey and the eleven hour time difference between San Francisco and Moscow. He kept wanting to go to sleep at the wrong time: indeed he had almost dropped off during the Warsaw Pact meeting the previous afternoon.

Gorbachev said one of the reasons he always enjoyed meeting the Prime Minister was that she did not come trailed by a delegation. They could talk more intimately. The Prime Minister said she believed in having only a small staff. Gorbachev said

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that she was fortunate: in the Soviet Union the policy and the administration functions were combined, which made for a very complex bureaucracy. He was now engaged in trying to take the bureaucratic structure apart: the Prime Minister could probably hear the yelling even in the United Kingdom. Parkinson's Law was no exaggeration.

The Prime Minister congratulated Gorbachev on the success of the US/Soviet Summit in Washington. It had been very extensively and positively reported in the United Kingdom and there had clearly been an excellent rapport between Gorbachev and President Bush. Gorbachev said that he knew the President had telephoned the Prime Minister to give her an account of the meetings. Indeed he seemed to have telephoned everyone, including some of the East Europeans. But there was no harm in that, he was all for everyone having as much information as possible.

Becoming slightly more formal, Gorbachev then said that he was very happy to see the Prime Minister again. He had a feeling that her visit would be productive and successful. The Prime Minister said she was honoured that Gorbachev had taken the time to receive her at such a critical moment in the Soviet Union, when he had many pressing problems with which to deal. Gorbachev said that their meeting had been arranged long before the US/Soviet summit and he had been determined to keep his promise. The only aspect of the visit he could not manage was accompanying the Prime Minister to Kiev. He was genuinely very sorry about that, but hoped she would understand. He could assure her that he would much prefer to go with her to Kiev than be stuck with resolving his problems in Moscow. The Prime Minister said rather starchy that the problems must come first. Gorbachev observed that at least he and the Prime Minister were having a joint press conference for the first time in their six years of meetings: at last she had agreed. The Prime Minister said that she had not realised that she had been an obstacle to this. But she hoped they could both use the press conference to convey a positive and forward-looking view of the future. The task of those at the top was to point the way forward. Gorbachev said the Prime Minister was very experienced in handling the press: he would take his cue from her: together they would manage to give the right impression. The Prime Minister said that Gorbachev had managed the press extremely well in Washington: he could give her a few lessons.

US/Soviet Summit

Gorbachev said he would start by dealing with the US/Soviet summit since the Prime Minister had mentioned it. It had been a most important visit, with many issues discussed and significant agreements reached. There had been a lot of discussion of disarmament and neither he nor President Bush had failed to remember the Prime Minister's strong views on this subject. He recalled that the Prime Minister had once said that the British and French nuclear deterrents would not be involved in any negotiations, at least until after a START Agreement which reduced the US and Soviet strategic arsenals by 50 per cent. But that was by the way. He believed a treaty would be signed this year. There had also been progress on chemical weapons and

nuclear testing. There had been quite a sharp discussion about the future intentions of each party in the nuclear field. On CFE, they had agreed to aim at a treaty this year. The talks had also covered the whole range of bilateral problems. Discussion of a trade agreement had gone right up to the last day. By now he was accustomed to the American style of fighting your corner up to the last minute and had decided to hang in there himself. The Prime Minister was his only unpredictable interlocutor: he never knew what she was going to say next.

The Prime Minister said that she continued to believe passionately in what Gorbachev was trying to achieve in the Soviet Union. People - and particularly journalists - had become blasé about how much had already changed. He would have her full support, both privately and publicly. From their very first meeting, they had always agreed to speak frankly and on the basis of mutual respect, with each entitled to their own views. Generally speaking she was encouraged by the way things were moving. For instance the communique from the Warsaw Pact meeting the previous day would have been inconceivable even a year ago. Gorbachev said that he was now looking for some reciprocal move from the NATO summit in London. He had the feeling that NATO was rather lagging behind the Warsaw Pact. The Prime Minister said that she had looked in on the NATO Foreign Ministers meeting in Scotland the previous day, and in fact the views there had been very similar. But we must always keep strong defence: you never knew where the threat would come from next. Gorbachev said the aim must be for NATO and the Warsaw Pact to draw closer to each other. They must make the transition from confrontation to co-operation. We must mould European structures so that they helped us find the common European home. Neither side must be afraid of unorthodox solutions. He would be more specific about this later in their talk.

The Prime Minister said that when she and Gorbachev had first met some years ago, there had been two wholly different ideologies confronting each other. The Communist ideology had been expansionist and it was this that had caused the basic division of Europe and the confrontation between NATO and the Warsaw Pact. Much had changed since then, due in good part to Gorbachev, and several regional problems were well on the way to solution. There was one point on which the two of them had differences in the past: she believed that nuclear weapons were the most effective deterrent to war. We must keep nuclear weapons, including some in Europe. People asked her who the enemy was. The answer was: you never knew where or when a new tyrant might arise. But you had to be sure that whatever enemy might materialise, you had enough forces to make success impossible for him, so that he would never start a war. President Reagan had a vision of the world without nuclear weapons, but President Bush did not share this and he was right.

Gorbachev suggested that tyrants were pretty sophisticated these days and would understand that no one would actually use a nuclear weapon. The Prime Minister said that apparently sophisticated people sometimes had uncontrolled emotions and might over-step the mark. The fact was that thirteen countries

already had a missile capability, which could deliver chemical weapons. The odds must be that several of them would acquire nuclear weapons in the next 20 years. Gorbachev said that his view was rather different. He believed we should move towards a system of joint action to ensure security. If we could put that together, it would be a good start. The Prime Minister replied that, even then, you would need to keep a certain level of weapons, including nuclear weapons. Gorbachev commented that he and the Prime Minister were back on their old argument. The Prime Minister acknowledged this, but said she wanted Gorbachev to be quite clear that we intended to keep our independent nuclear deterrent, and she thought the same applied to France. Gorbachev said that the reference to France made him think the Prime Minister's view-point was rather like the Maginot Line. If there had been a joint security system in Europe between the wars, the Second World War would never have happened.

The Prime Minister said this led her on to the importance of keeping American forces in Europe. Gorbachev said he had discussed this in Washington with President Bush. The President saw NATO as the only way in which United States forces in Europe could be maintained. His reasoning seemed to be that without a unified Germany in NATO, there would be no NATO: without NATO, there would be no United States forces in Europe: and without that, the United States would have no political influence. He quite seriously and realistically understood that point of view. His own point of departure with President Bush - as it always had been with the Prime Minister - was that there could be no security unless it was equal for all. If one side felt disadvantaged there would be no movement forward. But he also accepted there could be no success without co-operation between the United States and the Soviet Union. That had been a constant in his thinking since 1985. He did not want to drive the United States out of Europe: that would be dangerous. But there was a bit of a paradox here. When tension started to rise, everyone was very keen to persuade the United States and the Soviet Union to patch up their differences. But as soon as relations improved, other countries began to suspect a condominium. He recalled the Prime Minister's expression: 'We can't afford another Reykjavik'. The Prime Minister said that she had been quite right: we could not afford another Reykjavik. But she agreed that we would only make progress if there was co-operation and understanding between the United States and the Soviet Union.

Germany and NATO

The Prime Minister said she would like to be more specific on the subject of Germany and NATO. She recalled her discussion with Gorbachev last September. She had always been rather apprehensive about a unified Germany. So was President Mitterrand. The difference was that she expressed it publicly and Mitterrand did not. She had been aware of Gorbachev's view that there should be a long transitional period before unification to enable all the details to be worked out. She had supported that view publicly and taken a lot of criticism for it. She had not received much support, even from Gorbachev. It had subsequently become clear that Germany would unify quite rapidly

under Article 23 of the Federal German Constitution. Now that unification was almost upon us, ordinary people were beginning to express more doubts about it, particularly in the Soviet Union. We could not now stop or even slow down unification. The task was to find some way to make sure that it did not threaten anyone's security.

The Prime Minister continued that she was glad Gorbachev accepted the stabilising role that the United States played in Europe. Germany was just about the only place that American forces could be present in Europe in any significant numbers. And their presence there represented security not just for Europe but also for the Soviet Union. But that meant a unified Germany must be in NATO, otherwise there would be no justification for the presence of US forces. If we took that as the starting point, we could then look at ways to allay Soviet concerns. Various ideas had been put forward, in particular Secretary Baker's nine points. Gorbachev had himself proposed limits on the numbers of German forces and some sort of joint declaration between NATO and the Warsaw Pact. (At this point, Gorbachev asked Chernayev to go and fetch his briefcase, from which he produced a document.) We could look at that and she would be interested to hear more about the idea. She had set out her own view in her speech to NATO Foreign Ministers the previous day, which would be available to him. One way of strengthening confidence would be to develop the CSCE, making it a forum for regular political consultation between East and West. Mr Shevardnadze had made similar proposals. The history of central Europe was littered with conflicts and difficulties, and there had to be a forum to sort out problems before they became too troublesome. There should be regular meetings and consultations. None of this would obviate the need for continuing defence, which would in turn require us to keep some nuclear weapons in Germany - perhaps fewer than at present, but still some.

Gorbachev said that he would like to take up some of the Prime Minister's points on Germany. What was going to happen was going to happen: he did not dispute that. But they ought to analyse the situation. Europe used to be two armed camps. Now that was changed. The previous day's meeting of the Warsaw Pact had left no doubt about that. Indeed Europe had travelled a long way since 1985, and he was grateful for the Prime Minister's contribution to that. What he had to say on Germany might seem unorthodox or unusual. But ideas which had seemed utopian only a few years ago were now being realised in practice. If the two of them could join hands in seeking a solution, they would succeed. He was ready to back any option, whoever was the author, which would produce a solution. But it must be an option which did not undermine the progress which had already been made. And no nation must feel that its interests were not being taken into account.

Gorbachev continued that there were a number of processes in train which ought to be combined. First, there was the process of forming a unified Germany. It ought to be a calm and placid process. But Chancellor Kohl was being a bit hasty and

subordinating everything to the demands of his election campaign. Kohl was not exactly displaying a high class of politics. He desperately wanted to be father of a unified Germany. De Maziere, whom he had met the previous day, represented the same party as Kohl but took a more sober approach. His great concern was that his people should not be hit too hard in economic terms by unification. Opinion polls even in West Germany showed a growing number of people concerned that unification was going too fast. All the same he accepted that unification would be determined mostly by internal reasons in Germany.

Gorbachev continued that we also had to consider the external front. It was premature to say that the Four Powers had given up their rights in Germany. There had first to be a final settlement. Only then would Germany be a fully sovereign state. There was also the issue of Germany in NATO. Chancellor Kohl claimed to speak for a unified Germany on this, and the Prime Minister supported him. But we did not yet have a unified Germany. Once it emerged, we could talk about it. But for now there could only be preliminary discussions, although he had nothing against them. In parallel, we should be looking at a new security structure for Europe. There were several aspects to this. We should change the nature of our respective alliances and make them more political. Germany should confirm its renunciation of nuclear, chemical and biological weapons. She should also agree to limits on the size of her forces. We should change our military strategies - and in this respect, he had high hopes of the NATO summit in July. If nothing tangible came of that, then suspicions would rise. It was in this general context that he had suggested that the two alliances might sign a declaration or agreement signalling a rapprochement between them. The document could record their intention to co-operate and interact. It might set up a body where the military leaders of the two alliances could talk to each other. As it was, he never saw Yazov these days: he always seemed to be travelling. The Prime Minister interjected that she had seen him. Gorbachev said that was just the trouble. But if we were both thinking of permanent bodies in the CSCE framework, then why not have one for the military, where all these matters could be discussed?

Gorbachev continued that he would like to pursue the point in rather greater detail. One aspect was that of limiting German forces. That could perhaps be pursued in a second stage CFE agreement. Another possibility to be explored was the nature of a unified Germany's membership of NATO. What about the French model? Or the Danish or Norwegian model, under which there were no stationed nuclear weapons or bases? Or even the UK model? His point was that there were many different models of NATO membership, and we should look for a form of membership for a united Germany which would reflect the interests of all of us. In the longer term, and once NATO and the Warsaw Pact were reformed, it might be possible for any European state to join either one of them. Perhaps the Soviet Union could join NATO. What he was saying was that we were in a transitional period, and should be discussing how to alleviate the concerns of everyone about the future status of Germany in defence matters. He had promised to put forward some more detailed ideas, and had agreed

with President Bush that their two Foreign Ministers would work on this.

The Prime Minister said that she would respond to some of these points. There was no prospect now of slowing down German unification. The escalator would start to move with German economic and monetary union on 1 July. The political parties in East and West Germany would unite in the autumn. We all had to accept that unification would happen in the timetable foreseen by Chancellor Kohl i.e. by the end of the year. The manner in which Germany would unite meant that East Germany would automatically inherit all the obligations and alliances of West Germany, including membership of the European Community and of NATO. She did not see any way in which Germany could be united for one purpose and not for another. NATO's Foreign Ministers had agreed to look at the Alliance's strategy and structure and consider how it could have a more substantial political role. We were also negotiating reductions in conventional forces. All this should help meet Soviet concerns. She did not think the French model of membership of NATO was at all relevant. The worst thing would be to have Germany in NATO but without its forces integrated into the Alliance's military structure.

The Prime Minister continued that she was interested by Gorbachev's idea of a NATO/Warsaw Pact declaration. But at the moment it was just a skeleton. We needed to put some clothes on it. What kind of declaration would it be? If it was a sort of confidence-building measure she would support it. She could also understand an institutionalisation of the present pattern of exchanges and visits. She could agree a declaration which emphasised that both the NATO and the Warsaw Pact were defensive alliances, which would keep the forces and weapons necessary for defence. Gorbachev interjected that his proposal might also involve the setting up of a centre for conflict prevention. The Prime Minister continued that the CSCE could provide the umbrella for all this, as well as being the forum which brought the Soviet Union fully into discussion about the future of Europe. An organisation in which the United States and the Soviet Union were also present would help balance the growing power of Germany. In short, it was no good fighting causes which had already been lost, such as a longer transitional period before unification. We should put all our efforts into increasing confidence between East and West.

Gorbachev said that he could support most of what the Prime Minister had said. By talking things through, he felt they were making progress. They should agree to put their Foreign Ministers to work on these new concepts and try and come up with a coherent formula. Things were becoming steadily clearer. But until discussion of these matters had been completed, Germany could not have full sovereignty. The Prime Minister said that it was not realistic to hold up German unification on these issues. We should be pressing ahead on all fronts: a final settlement between Germany and the Four Powers: a CFE Agreement: strengthening the CSCE: a NATO/Warsaw Pact declaration. Gorbachev said that he wanted to be completely frank with the Prime Minister. If discussion of the external aspects of unification went entirely normally, he was sure that all these

treaties and declarations could be signed. But if one side tried to go ahead unilaterally, there could be a very difficult situation. The Soviet Union would feel its security in jeopardy and might have to reconsider the whole concept of a CFE agreement. He thought that all would go well. But there should be no ultimatums. The Prime Minister said she understood this: it was in no one's interest to jeopardise the Soviet Union's security. But we had to be realistic. Certain consequences flowed from German unification, and membership of NATO was one of them. It was no good fighting it. But we must find ways to give the Soviet Union confidence that its security would be assured. She and Mr Gorbachev should put in hand further work on the basis of their discussion. Gorbachev said that he agreed with that.

Lithuania

The Prime Minister said she would like to hear how Gorbachev saw the situation in the Baltic Republics. She took the line that they were entitled to self-determination: and since the Soviet Union also accepted the principle of self determination, it was just a question of settling practical details. She was disappointed that discussions had not yet got under way and she hoped the two sides were not getting hung up on semantic differences. Gorbachev seemed to be saying that the Lithuanians must suspend their declaration of independence. The Lithuanians were saying that they would suspend all the consequences of it. In reality there was not much difference. She wondered how Gorbachev saw the way ahead.

Gorbachev said he was endlessly having to talk about this and was beginning to regret that he had not settled the whole matter within twenty-four hours of it happening. But dealing with it by force or by diktat would be contrary to everything else he was trying to achieve in the Soviet Union. In the old days it really would not have taken more than a few minutes to resolve a problem like this, but he wanted to find a way that was compatible with perestroika. He was literally taking Soviet society apart, politically, economically, and constitutionally. It required tremendous intellectual effort and will-power, a strong head and a strong mind. He was trying to use this approach in his relations with the Baltics. But he had a mandate from the Congress of Peoples Deputies, which said that the Lithuanian action was illegal and they must follow the constitution. A lot of people talked about the history. But the history had happened and there was not much they could do about it now. Lithuania had been part of the Soviet Union for 50 years and that could not be ignored either. The Prime Minister was right: he recognised the right of self-determination for any republic in the Soviet Union. But the Lithuanians had not gone about it the right way. There had been no referendum. They had taken no account of the interests of 800,000 non-Lithuanians. Now all sorts of problems were being stirred up. Byelorussia wanted some of its territory back. The Poles wanted to form a Polish region round Vilnius which would join the Russian Republic.

Gorbachev continued that the only way to settle the matter was to go slowly but surely, as the constitution provided. There

were many issues to resolve. Sometimes - slamming his hand on the table for effect - he was heartily tempted to resolve it all in twenty four hours. He and the Prime Minister were bound to be asked about the matter at their press conference (actually they weren't). He would reaffirm his position that he was in favour of self-determination by constitutional means and was ready to be patient. The Prime Minister said she would agree on self-determination and say she hoped to see the matter settled by discussion. Gorbachev added that a Federation Council had been summoned for 12 June to discuss a new treaty between the Union and the Republics. He had invited President Landsbergis to come and take part. That would be an opportunity to hold discussions. It would be the third time he had invited him and he could not understand why Landsbergis would not come.

Biological Warfare

The Prime Minister said she had a difficult issue to raise. We had evidence that the Soviet Union was doing some work on biological weapons and this disturbed us greatly. She knew that President Bush had raised the matter with Mr Gorbachev and he had undertaken to look into it. She had the impression that the work might have been undertaken as a sort of response to the SDI. Whatever the reason, it was a very serious matter and she wanted to know whether the reports were correct.

Mr Gorbachev said emphatically that they were not. He had called for a report on his return from Washington and could tell the Prime Minister that it was simply not true. What were under suspicion were facilities related to this area, but with other purposes. The Soviet Union was ready to present its information on this to the United Kingdom and the United States to allay their suspicions. Still, he believed it would be important that he should himself summon those concerned and quiz them thoroughly. The matter had never been raised with him before, so he felt it necessary to verify it thoroughly. The Prime Minister said she looked forward to hearing more.

Mrs Gordievsky

The Prime Minister said there was a further tricky matter and that concerned Mrs Gordievsky. We had heard she wished to leave the Soviet Union and needed help. We had therefore got in touch, to help her fill in a visa application, but had been careful to keep the Soviet Foreign Ministry fully informed. We did not wish to do anything underhand. She hoped very much that the case for letting Mrs Gordievsky go could be considered.

Gorbachev commented jovially that the Prime Minister said she did not wish to do anything underhand, but we had smuggled Mr Gordievsky out of the Soviet Union in the boot of a car. Was that not underhand? The Prime Minister said that some of our people had defected to the Soviet Union in the past and we had not stopped their families from joining them. We hoped that Mr Gorbachev would look at the case of Mrs Gordievsky again. Gorbachev, now more serious, said that he had involved himself in this case in the past but so far not very successfully. He would make a note of it.

Embassy Residence

The Prime Minister said she now had something more congenial to raise. We loved our Ambassador's house in Moscow, and the Soviet Ambassador loved his house in Kensington Palace Gardens. For some reason, it had been proposed that both of them should be given up. It seemed much more sensible to her to keep them. If that could be agreed, we would put money into doing up our Residence rather than building a new one. We would restore it well. She could promise Mr Gorbachev that it would be used only as a Residence and we would build our offices elsewhere. We would also do everything we could in London to see that the Soviet Ambassador could keep his house. She understood there had been earlier discussions, but no conclusion could be reached without Mr Gorbachev's agreement.

Mr Gorbachev said that he would involve himself in the matter and get to know the details. He would give the Prime Minister an answer soon. He had a vague memory of having been consulted about it before, but could not quite remember when. He liked the idea in principle.

Soviet Internal Developments

The Prime Minister said she would like to hear more about internal developments in the Soviet Union over lunch. They were the biggest thing which had happened in the last half century. Gorbachev said he would be very happy to talk further about this. He was impressed by the degree of public support abroad for what he was doing, and by the public response in the United States to his visit.

Lunchtime Discussion

The discussion continued over lunch, in rather more disjointed form.

Gorbachev begun by announcing to the assembled company that his talk with the Prime Minister had been excellent as always. The Prime Minister said that Mr Gorbachev had agreed to do further work on the idea of a NATO/Warsaw Pact declaration and clothe it with some details. Gorbachev said that Shevardnadze should co-operate with his British colleague to come up with some proposals. Shevardnadze said he would be happy to make contact with the Foreign Secretary.

The Prime Minister continued that she had been impressed by the communique which had emerged from the Warsaw Pact meeting. Gorbachev said it had been a very democratic and open meeting. There had been a lot of new faces. But they had all acted very responsibly. There was a general feeling that we were only at the beginning of the changes. The general direction was clear: it was towards democratisation of our societies and more openness. The Warsaw Pact wanted active co-operation in all spheres with NATO.

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The Prime Minister recalled that Gorbachev had last year sent a letter to the Economic Summit in Paris. We would be expecting another letter for the meeting in Houston. Gorbachev said perhaps he would come himself. Seeing the Prime Minister's startled expression, he chortled that his suggestion had only been a trial balloon. The Prime Minister said it might be a bit soon for him to visit the United States again: in any case, he had much to occupy him at home.

Turning to Soviet affairs, Gorbachev said that internal politics were at the heart of everything. Success depended on this. He was always grateful for the support and solidarity which he received from No 10 Downing Street. No 10 took an independent position, despite the contacts which our Embassy in Moscow had with extremists.

Gorbachev then said to Shevardnadze that the Prime Minister had raised with him the question of the Embassy residence. He had not been quite sure of his ground and did not know all the details, but it seemed a good idea. Shevardnadze said that in principle we could keep our Residence. The Soviet Union was interested in a deal. Gorbachev said there should be something in writing about this. Shevardnadze repeated that it could be done and the papers were on their way to Gorbachev.

Gorbachev commented that the Princess Royal's recent visit had been very successful. He had liked her very much. Her visit drew a line under the old conflict about the Romanov dynasty.

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There was a brief exchange about environmental problems and population growth. Gorbachev observed that the highest rates of growth in the Soviet Union were in the Moslem Republics.

Gorbachev said that Ryzhkov would tell the Prime Minister about the Soviet Union's economic problems. They were a decisive aspect of the Soviet Union's development: 'we are turning round to face the market'. The trouble was that people focused only on the retail price rises without considering the underlying changes. The Prime Minister agreed that people did not stop to think what it cost to produce something, only what it cost them to buy it. There had to be a change of attitude. Gorbachev said that was the focal point. People thought you could have capitalism immediately. They were not even interested in the details, just the idea. There were many psychological problems to be overcome. So far, everyone had been guaranteed at least something by the State. That would have to change. The Prime Minister said she understood that private ownership and success tended to provoke jealousy. Gorbachev agreed this was the case, although he had seen a delegation of people who had profited least from recent changes and found them full of ideas and initiatives. Someone who had taken a lease on a farm was now

producing a thousand litres more milk from his cows than previously. But all his neighbours referred to him as Rockefeller.

Gorbachev said that he had been very impressed by his visit to Stanford University. The faculty had included six Nobel prize-winners. He had been particularly attracted by Milton Friedman, who had given him one of his books.

The Prime Minister said we were still experiencing some problems with joint ventures. Gorbachev said that the Soviet Union was building on experience gained. In future, foreigners would be allowed to own 100 per cent of a company and have the Chairman of the Board. There would also be the right to repatriate profits. He thought everything would fall into place. Indeed, before 1 January 1991 the government would be putting into place the full infrastructure for a market economy. It was a massive task. The Prime Minister asked whether consultants from abroad were being used. Gorbachev said that some help was being given in setting up centres for management training, mostly by the United States and Germany.

Gorbachev reverted to his visit to the United States. He had met a great number of American businessmen. He agreed with the Prime Minister that the Americans were very generous people. He had received no less than 50,000 birthday greetings from Americans. He had been amused to find that the Governor of California was Armenian and the Mayor of San Francisco Greek. The latter had told him that if he had any problems with Greeks in the Soviet Union, he would sort them out. He must have been thinking of Popov. Gorbachev added equably that he knew the Prime Minister had met Popov that morning.

The Prime Minister enquired after former President Reagan. Gorbachev said he had been in good form and glad to see the things which they had started together continue. Nancy had been 'terrific'. He had the impression that the Reagans were certainly no poorer than they were before!

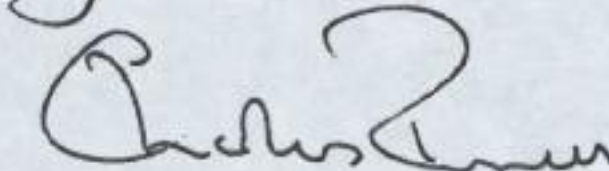
The Prime Minister asked about the Middle East and whether it had been discussed in Washington. Gorbachev replied that all regional problems had been discussed at Camp David, and on the majority of them his views and those of President Bush had coincided. The exception was Cuba. The Prime Minister said that Gorbachev would eventually come round on this too. Gorbachev observed ruefully that you could not give Castro orders.


The Prime Minister said that she understood Gorbachev's problems over emigration of Soviet Jews. These were not the fault of the Soviet Union but of the Israelis for allowing settlement in the occupied territories. Gorbachev agreed and quoted Mubarak in support. The Prime Minister said that only the United States could really bring pressure to bear on the Israelis on this matter.

The lunch broke up at this point. I subsequently handed to Chernayev a list of unresolved emigration cases. Chernayev

observed stoically that he supposed no meeting could be complete without this.

I am copying this letter to John Gieve (Treasury), Simon Webb (Ministry of Defence) and Sonia Phippard (Cabinet Office).

Yours sincerely,


CHARLES POWELL 

Stephen Wall Esq
Foreign and Commonwealth Office

Remarks at dinner in honour
of Prime Minister M.Thatcher
8 June 1990

Prime Minister Thatcher,
Mr. Denis Thatcher,
Ladies and gentlemen, comrades

We are pleased to see you again in Moscow. It is good indeed that such meetings are becoming regular and routine in the literal, not only diplomatic sense of the word.

For each meeting produces something new and useful while expanding trust, openness, interest in each other's views and willingness for mutual action.

We cannot imagine present-day international relations without active Soviet-British cooperation. This cooperation can and must play its indispensable role at the current watershed in European and world history.

The visit of the British Prime Minister to this country is the first occasion for us to meet a Western leader after the Soviet-Canadian and Soviet-US summit meetings.

The whole world knows that Great Britain is bound to the United States and Canada by special relations which are rooted deep in history.

We know that you have been informed at first hand about the course and outcome of the talks. And yet I would like to reiterate once again our high assessment of the meetings

in Canada and in the United States. This time it is identical in many ways on both sides.

Until quite recently the relations between the Soviet Union and the United States were a source of tension in the world. Nowadays they are becoming a factor of international stability.

The stage is now set to move Soviet-U.S. relations toward cooperation based on partnership. Orwell's anti-utopia regarding permanent hostility in relations between major powers has been proven wrong.

During the North American meetings we put in place what I hope, will be the solid piers of a giant bridge that will link the Soviet Union, the United States and Canada across two oceans.

It will support heavy two-way traffic between the two extreme points of European civilization in the Northern hemisphere.

By bridging them to form one single ring, we will restore its normal circulation which has been artificially obstructed by the ups and downs of history.

The outcome of Soviet-U.S. summit meetings are the patrimony of the entire world community. It would have been inconceivable without positive contributions from other powers.

We discussed this at yesterday's meeting of the Political Consultative Committee of the Warsaw Treaty Organization. I am gratified to note that important

agreement was reached there to drastically transform that international organization by making it a political body.

It would be good to see this process evoke a positive response from NATO and indeed it would be desirable to have this process synchronized on both sides.

The ways of transforming military blocks into bodies for cooperation will not be easy. But it is essential for them to converge, if the objective is to be attained. Then the elimination of military confrontation will become an integral part of the overall positive process.

Then we will be able to go over smoothly to new European security structures. We have received with interest the suggestions to that effect that you, Mrs. Thatcher, made at the Cambridge conference, for they have a lot in common with our own approaches.

Europe is now amidst deep change. Common legal, economic, cultural, and informational areas are now becoming meaningful concepts.

The German problem with its external aspects has moved to the centerstage of European politics. If one is to be honest to oneself and to others, then one should admit that a solution acceptable to all nations as regards the future of Germany is yet to be found.

Therefore our search should go on and we should work on various options together and examine all arguments closely. We propose that we do that without delay. We live at a very

dynamic time which sets its own pace for international politics to keep up with.

At the same time, we should not allow the status of a new German state to be affected by any deformation; otherwise the historically shaped balance of all States' interests in the common European system will be upset and a common European home will not be resting on a solid foundation.

Our allies in the anti-Nazi coalition should be aware of the Soviet people's sensitivity to a resolution of the German problem. Our people have made unheard-of sacrifices at the altar of our common victory. And they are morally entitled to expect a fair and final settlement to the outcome of the Second World War.

However authoritative they may appear, no amount of assurances of good intentions from those who insist bluntly on Germany's incorporation into NATO will suffice. Nobody will feel convinced, or relieved. No concerns, or even suspicions will be allayed.

Real guarantees are needed to keep Europe's strategic stability intact. Such guarantees may be provided only if the reunification of Germany proceeds in close coordination with the CSCE process.

We are pleased to see perestroika not only herald an age of renewal in our country but also become a catalyst for sweeping positive changes in world development.

This, I believe, is a major reason why you, Mrs. Thatcher, never fail to show your support for reforms underway in the USSR.

Today we are clearly conscious that perestroika is not our exclusive property but is shared by European nations, too. We appreciate the attitude of those who support our efforts sincerely and are willing to contribute to implementing our plans.

The close attention which is focused on the reforms underway in our society demonstrates that all parts of Europe and the world are growing increasingly integrated and interdependent.

Perestroika in our country has reached the peak load. It is not exactly plain sailing for any of us over here.

I think you know the feeling, for your country has recently gone through reforms in your long-established structures, although you acted in a different situation and used different methods.

We believe that the pledge of success for such an awesome enterprise as our perestroika is national concord and democratic consolidation of all diverse and conflicting forces concerned over the future of our country, of our great people and our state.

I am positive that the Soviet people will show enough resolve, common sense and intellectual power to implement the choice they have made.

Tomorrow you will be leaving for Kiev where the British Days in the USSR have commenced. Your participation, Mrs. Thatcher, in this momentous action in the history of our relations makes it very special.

I wish success to the British Days in the USSR and hope that they will help Soviet people to learn more about your country, which is remarkably rich in history and culture, and about your outstanding achievements.

I have no doubt that the action will be highly conducive to promoting understanding, trust and cooperation among the nations of the USSR and Great Britain.

To progressing and flourishing Soviet-British relations, to the health of Mrs. Thatcher and Mr. Denis Thatcher.

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 June 1990

Dear Stephen,

PRIME MINISTER'S VISIT TO MOSCOW

I enclose records of the Prime Minister's talk with the Chairman of the Moscow City Soviet, Professor Popov, and with the Soviet Prime Minister, Mr Ryzhkov.

I am copying this letter and enclosures to John Gieve (Treasury), Simon Webb (Ministry of Defence), Martin Stanley (Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

Yours sincerely,

CHARLES POWELL

Stephen Wall Esq
Foreign and Commonwealth Office

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PRIME MINISTER'S MEETING WITH THE SOVIET PRIME MINISTER IN THE
KREMLIN: 8 JUNE

The following took part:

Mr Ryzhkov, USSR Prime Minister	The Prime Minister
Mr Sitaryan, Chairman of the State Committee for Foreign Relations	Sir Rodric Braithwaite Mr Powell
Mr Laverov, Head of State Committee for Science and Technology	Mr Turnbull
Mr Kvitinsky, Deputy Minister of Foreign Affairs	Mr Ingham
Mr Zamyatin, Soviet Ambassador in London	Mr Longrigg
Mr Uspensky, Head of Second European Department, MFA	

After welcoming the Prime Minister, Mr Ryzhkov opened the discussion by commenting that the Soviet Union was living through a complicated, but also an interesting period. Everything was changing, he hoped for the better. The Soviet Union was now in a critical decade which would determine the country's future in the 21st century. He hoped that they would enter this century fully prepared for what would lie ahead.

The Prime Minister said that if the Soviet Union could get their reforms to work it would be a marvellous end to a very turbulent century. All governments know that most battles were won on the home front: their people judged them by reference to their own standard of living. She commented that no country had ever achieved such a large-scale transformation from a centralised to a market economy as the Soviet Union was attempting. History showed that most people achieved freedom by pressure from below. The Soviet Union was attempting to introduce freedom from the top down. This was bound to be a very difficult task: people always wanted to know exactly where they stood. It would take time to change the legal system and, for example, to agree on which powers should belong to the Central Government and which to the Republics and regions. Enterprises would also have to learn how

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to develop initiative so that they could make the most of their new opportunities. It was easy to explain the theory: but practice was much more difficult.

The Prime Minister then said she would like to hear from Mr Ryzhkov how he thought the reforms were going and how they planned to move forward.

Mr Ryzhkov thanked the Prime Minister for the support she had always offered President Gorbachev and himself. He recalled that he had met the Secretary of State for Defence during his recent visit and had told him that, of all the foreign leaders he met, he had always felt he received the greatest support from the Prime Minister. He had read with interest the press interviews she had given before this visit and before the visit of President Gorbachev to Washington. He thought they contained a useful note of sobriety. In the Soviet Union, as in any other country, there was a wide range of political opinions. Mr Ryzhkov said that those he called 'left radicals' were always arguing that everything should have been done yesterday. Conservatives, on the other hand, argued that the Government should have done nothing at all.

When the Prime Minister interjected that British Conservatives were very progressive, Mr Ryzhkov replied that in a recent press article he had been called a 'progressive Conservative'. He was very happy with the term. He believed that Governments should always be a little bit conservative. But, as he told the Left Radicals, he himself was a radical and supported radical solutions. But there had to be an element of caution. Perhaps if they did not believe him they would believe the Prime Minister. She was right to say that the transition from one system to another would take ten years.

Mr Ryzhkov then turned to explain the country's economic reform plans in more detail. The first years of perestroika had been a period of preparation for change. Now the first real changes were beginning to take place. Not all, of course, were positive. For example, there was the problem with nationalities. There were at least 140 nationalities in the USSR. The exact figure was not even known. Mr Ryzhkov recalled that three months ago there had been a meeting in Moscow of the small peoples from

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the north and west of the country. Twenty six nationalities had been represented at this conference. The total population of these twenty six nationalities was only 180,000. Some nationalities numbered no more than 500 people. This was a serious problem. On the one hand, one understood their desire to retain their culture, language and traditions. But, on the other, even they knew that, biologically, they could not survive.

Mr Ryzhkov said that the recent violence in Kirghizia was an example of the problems they faced. He had been told that morning that the death toll had now reached 78 with hundreds injured. The situation was now a little calmer, but the atmosphere was still very tense.

Mr Ryzhkov said that the process of change was now taking place over a very wide front. Tactically, it would be easier if this front could be narrowed down. But in practice this was impossible. All the problems were inter-related. The Soviet economy had operated under a rigid centralised system of planning and distribution for more than 60 years. At some stages, Mr Ryzhkov believed, this had been the right system - for example before the war when it had been necessary to build up industry to resist Hitler, and immediately after the war when it had been necessary to concentrate efforts in certain directions in order to rebuild the economy. Two previous attempts to introduce a more flexible system - in 1965 and 1979 - had failed because the Government had realised that the process of change could not be restricted to the economy and had therefore brought it to a halt.

In the three years since the country's reform programme had begun, the Soviet Union had come a long way. Consequences had been both positive and negative. But even negative consequences were useful: one could learn from them. There was no such thing as an overnight change: this was for writers of fiction. One had to take into account the Soviet Union's particular difficulties - its size, the underdeveloped communications system, and three generations of people brought up under a system with very different ideas. The reform had now reached the stage where the old system had been dismantled. But the new system, based on a market, or partial market, had not yet been established.

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Earlier this year, the Government had reviewed the reform strategy. There had been two options: either to go back or to take a giant step forward towards a market. The Government had talked to hundreds of people - managers, financiers, bankers, etc. There were, of course, differences of view about strategy and timing of the reforms. But all had been unanimous that one could not go back. The Government's new plan, as the Prime Minister would know, had encountered sharp criticism from the people. This was because everyone turned straight to the section on price reform. But it was an integrated programme and needed to be looked at as a whole.

Mr Ryzhkov cited the example of the Government's proposals for the reform of enterprise taxation. From 1 January 1991, there would be a single rate of tax (on profits) for all firms. This would replace the old system whereby the Government had taken money from profitable firms to subsidise the unprofitable. He thought the reform would be adopted within the next week. It would force firms to be more efficient. Those that were not would go bankrupt. The Government estimated that some 20 per cent of firms would go bankrupt if they did not improve their performance. Finance policy would also be changed. At present the average interest rate in the economy was 2.4 per cent. One of the fundamental problems of the economy was that money played only a secondary role.

The Prime Minister asked how firms could know whether they were making a profit when there was no proper system for calculating costs. It might be possible for a farmer to do this reasonably easily. But for a factory, one needed a whole new cost and accounting system. Would a small businessman who faced, for example, a 30 per cent tax on profit know how to calculate his profit? It would also be very difficult for people who had been brought up in the old system to adapt to their new circumstances. They had always been told what to make, and it had always been someone else's job to sell what they made. People sometimes got irritated in Britain when they produced high quality products but could find no new market for them. But the point was that if no one wanted to buy the product it should never have been made in the first place.

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The Prime Minister said she knew about the problems the Soviet Government was having with food prices. Sometimes one had to sell food at below production cost. But, more generally, there was a choice. One could have low cost food - but only little of it as prices would not provide farmers with the incentive to produce. Or one could have sufficient food at reasonable but higher cost.

Mr Ryzhkov said that the whole Soviet price structure was distorted. Everyone talked about retail prices. But the real problem for the Government was wholesale prices. The Government had once boasted that a litre of petrol cost the same as a bottle of mineral water. But this had to be changed. The coal industry was operating on average at a 15 per cent loss.

The Prime Minister interjected that we too had problems with the British coal industry. It was still nationalised and therefore expected to have all its costs met. Governments should not become involved with fixing prices. When she had come to power there had been some fixed prices - for example milk. But this was something that should be left to farmers.

The Prime Minister asked whether there was anything more the United Kingdom could do to help, for instance with training people, particularly in distribution. She referred to the agreement on management training that she and Mr Ryzhkov were about to sign.

Mr Ryzhkov recalled that two groups of managers who had already been to the United Kingdom. They had been very pleased with the programme. The Soviet Union was also training its own managers, but the scale of this still needed to be increased. He then turned to the issue of bread prices. They would be increased - probably now on 1 August rather than 1 July. There would be 100 per cent compensation for the population. With the subsequent retail price increases of 1 January there would only be 70 per cent compensation. The Prime Minister asked what the purpose was of increasing bread prices if all the money was to be given back. Mr Ryzhkov said that the price increase would encourage people to economise. At present there was huge wastage. The price rise would also begin the process of readjustment. The extra money that people received would not all

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be spent on bread. He said the Government had received thousands of letters on this subject. Most had supported the price increase. People knew that bread was too cheap.

Noting that time was running out, Mr Ryzhkov said he wanted to raise one last issue - the fact that the Soviet Union was not an organic part of the world economic community. The rouble was not convertible. If it had been, the reform process would have been much simpler. They were, however, doing all that they could to speed up convertibility. They had told their CMEA partners that, from 1 January 1991, trade between them would be in world prices and in convertible currency. This had not been received with applause.

The Prime Minister said that this was natural. People did not like discipline. But some people understood it was necessary. The Soviet Union was rich in so many ways, for instance in natural resources, that she was sure that once they had got their priorities right, the country's prospects would be very good indeed. She said she had confidence the Soviet Union could succeed. One had to be an optimist.

Mr Ryzhkov confirmed that he was. Things were very difficult now, but he looked ahead with confidence. The most difficult thing was to change the mental attitudes of the population. The Prime Minister assured him that he had numerous well-wishers in the UK and full support from her Government. She understood that the Soviet Union could not do everything at once. But one always needed to go a little faster than people wanted. It was like training a skier: you had to persuade him to go faster than he thought he could. One also had to understand, as she knew from her own experience, that no one thanked you for introducing reforms. People took the benefits for granted and complained about the problems. But she had great faith in the Soviet leadership. She understood that Mr Ryzhkov was very preoccupied at present. But she hoped that we would be able to see him in London soon.

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fileNOTE FOR THE RECORD

cc: HM Ambassador
Mr Powell
Mr Ingham

**PRIME MINISTER'S VISIT TO MOSCOW CITY SOVIET
0930 HOURS, FRIDAY 8 JUNE**

On arriving at the Moscow City Soviet, the Prime Minister was given a brief presentation by the Carroll Group of the proposed British/Soviet Trade Centre project. The Prime Minister was shown a model of the twin-tower hotel and business complex.

The Prime Minister, accompanied by HM Ambassador, then had a discussion with the Chairman of the Moscow City Soviet, Professor Gavriil Popov. He was accompanied by Mr Luzkov, Chairman of the Executive Committee.

Mr Popov said the Soviet Union had 70 years of experience of moving from a market to a state-controlled economy: no one ever imagined it would be necessary to make the transition back. He identified two specific Moscow problems. First, there was now a position in which the Government was of one political persuasion and the City of another. There was no experience of this, nor did the legislation provide for it. He was, therefore, thinking about a special law for Moscow which could provide a precedent for the rest of the country. Secondly, Moscow was a non-market City. In his view, the central problem was to give property to the people. Without this they could not be expected to partake fully in a democratic society. The Soviet Union had started to build democracy without the necessary economic basis to accompany it. The fact that the process of distributing property was lagging behind explained why there was such political turmoil. He warned that radical populism, if not backed by economic changes, could turn into conservative populism, with the danger that there could be a return to bureaucratic socialism.

Mr Popov continued that decisive action was required at all levels in society, but no single person or political party was capable of resolving the problem. Perestroika had been started by the Government and they had to be given credit for that. But

over time the area over which they could exert leadership was dwindling. The centre was diminishing while the radical and conservative wings were gaining strength. The centrist forces, including the President, were not capable of leading the country alone; it was essential, therefore, to think in terms of a coalition. The President should lead the country but should form a union around him for left-wing and conservative forces, both shorn of their extremists. After Mr Popov's political grouping had won the election they had formed just such a coalition. It was essential to see the same thing repeated at the level of the Russian Federation and the Soviet Union. He described the President as a great diplomat who, through negotiation, had achieved important international agreements. He should now turn those talents to domestic issues.

The Prime Minister said the role of Government was to create new opportunities, and it was for the people to take them up. But, if this was to work, new firms or businesses should be sufficiently free and not tied up in bureaucracy. There had to be a degree of regulation to set general standards, but this should not be too detailed. She asked whether the lines of responsibility between central government and local government were drawn clearly enough.

On the latter, Mr Popov replied that Moscow itself was drafting the law. On regulation, he said the laws passed by the leadership were still too detailed and were passed on the premise that people at the top could tell others how to live. All the laws adopted in recent years would have to be changed. It was essential to allow the man in the street to be master of his own life, though he recognised that many were not yet ready to take on that responsibility. They had lived for too many years like clients of an hotel.

The Prime Minister said that all revolutions were led by the few. For the revolution to a market economy to succeed, some people would prosper and others would have to be prepared to see that happen. She asked whether feelings of envy were still present. Mr Popov replied that there was some progress but this was far

from complete. He went on to give some examples of the kind of issue the City had to tackle. The kindergarten system, which he described as a shambles, was heavily subsidised by the State, which paid five roubles for each one paid by the parents. The system had to change to give parents more responsibility, together with a withdrawal of State subsidy. In housing, people should be encouraged to own apartments and shops, and service industries should be transferred to private ownership. He felt that the Supreme Soviet laws gave sufficient scope to start this process. As the number of people who became owners grew, the pressure for change would grow also.

The Prime Minister asked whether the City Soviet had started to reduce the number of people employed. Mr Popov said a decision had been taken to eliminate one entire level of administration; this was the highest level, the most remote from administrative problems. Staff numbers were being cut by 200-300, around 20 per cent. It would be possible to go further once responsibility for retail trade had been transferred to the private sector.

The Prime Minister raised with Mr Popov the British Embassy's accommodation problems. Applications for visas were increasing rapidly and cultural exchanges were being developed. The existing offices were having difficulty coping and queues were forming. This created entirely the wrong image for Britain. She therefore urged the City Soviet to approve the proposals for new offices that had been put to them. Mr Popov said that Embassy officials had met Mr Luzkov, Chairman of the Executive Committee to discuss these problems. The Moscow City Soviet were ready to resolve these problems.

The discussions, which lasted about twenty minutes, were extremely amicable and open throughout.

AT

ANDREW TURNBULL

8 June 1990

cc Mr Turnbull
 Mr Powell (x2)
 Mr Ingham

Trayl
 8/i

M. Hyne
 HMA

PRIME MINISTER'S MEETING WITH DEPUTIES OF THE UKRAINIAN SUPREME SOVIET

1. The Ukrainian Supreme Soviet has been in session for 4 weeks. On 4 June they elected Ukrainian Communist Party First Secretary, Ivashko, as chairman. Ivashko's First Deputy Chairman has also been elected - Ivan Stepanovich Plyusch the 49 year old chairman of the Kiev oblast soviet. Plyusch is said to be in the mould of former Ukrainian Party First Secretary, Scherbitaky. The latest word from Kiev is that a second deputy, a Russian speaking Democratic Communist, Grined, has been confirmed. The next tasks to be tackled by the Ukrainian Supreme Soviet are the formation of the Government and a declaration of Ukrainian sovereignty.
2. The Democratic Bloc who hold about 25% of the seats in the Ukrainian Supreme Soviet refused to participate in the elections for chairman because they objected to the possibility of Ivashko holding this post whilst remaining Party First Secretary. Ivashko offered to include names from the Democratic Bloc on his list of proposed deputy chairman but the Democrats declined and have said that they will not accept posts in the Government either. The Democratic Bloc has decided to establish an alternative body, the "People's Council" or shadow parliament. Igor Yukhnovsky (see below) has been elected leader of the People's Council. The Council will continue to work within the Supreme Soviet and plans to present alternative versions of draft laws. The Council has been described by Izvestiya as a Parliamentary opposition.
3. As yet Chancery has few contacts in the new Ukrainian Supreme Soviet and are not well placed to provide detailed briefing on individual personalities. I hope that the following skeletal notes on some of the prominent deputies will be of use.

Leonid Kravchuk

Ideology Secretary of the Ukrainian Communist Party. Reckoned to be flexible and clever, responsible for past successful rapprochement between Party and democrats

Stanislav Gurenko

Second Secretary of the Ukrainian Communist Party. Quick-witted and competent traditionalist communist. Likely to succeed Ivashko as head of Party in two weeks' time if the latter resigns to concentrate on his Supreme Soviet chairmanship.

/Ivan



I R Yukhnovsky

Academician, physicist and CPSU member, seen as a possible compromise candidate for the post of chairman of the Ukrainian Supreme Soviet. Yukhnovsky has been named as head of the Democratic Bloc's 'shadow parliament'. One of the organisers of the Peasants' Party.

Ivan Drach

Poet and leader of Narodny Rukh. Met Mr Waldegrave in January. Involved in the Democratic Party.

Mikhail Horyn

Chairman of the Rukh secretariat and former political prisoner.

Vladimir Yavorivsky

USSR People's Deputy, writer and Rukh founder member. Interviewed in Sobesednik no. 21 criticised apparat obstruction of progressive candidates in elections to Ukrainian Supreme Soviet.

Levko Lukyanenko

Chairman of the newly founded Ukrainian Republican Party. One of the Democratic Bloc's preferred candidates for the post of chairman of the Ukrainian Supreme Soviet (partly because of his 'record' 26 years as a political prisoner). Lukyanenko and other democrats withdrew from the running before voting took place.

Vyacheslav Chornovil

Former political prisoner under Brezhnev, now chairman of Lvov Regional Council. Nominated for the post of Ukrainian Supreme Soviet chairmanship but withdrew. His book 'The Chornovil Papers' was smuggled out to the West and published in 1968. The book recounts 'secret trials' of Ukrainian intellectuals in the mid '60s and reproduces writings collected from other political prisoners.

Dmitro Pavlichko

Poet from Western Ukraine. Head of organising committee of Democratic Party.

Sian MacLeod

Sian MacLeod

Mr Power

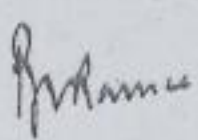
This message came into Mr Guise,
and he has asked me to pass it
on to you.

CR

Louise Ashton

Policy Unit

7 June 1990

NUMBER OF P.		
COMPANY NAME:	PRIME MINISTER'S PRIVATE OFFICE	THE BRITISH PETROLEUM COMPANY PLC
TOWN:	LONDON	LONDON
NAME:	MR. GEORGE GUISE	P.J.V. ROUNCE (REU)
DEPARTMENT/ LOCATION:	ENERGY DESK	
MESSAGE:		
<u>BP in the USSR</u>		
<p>You may wish to brief the Prime Minister about some BP activities in the USSR in preparation for her visit later this week. She will be aware that both ELF (France) and Chevron (USA) have signed protocols/letters of intent with the Soviets for exploration and production in the USSR. Indeed these events have been well publicised in recent announcements and in the Press comment that followed.</p> <p>The Prime Minister should be assured that BP are also actively developing a position with Soviet counterparts which, inter alia, includes the promising project described in the attached note. She should be aware of this but we would prefer at this stage that she makes no specific reference to it. However we would, of course, welcome any general support that she feels able to give us.</p>		
		
<p><u>P.J.V. Rounce</u> Assistant Director USSR & Central Europe BP Europe</p>		



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Moat Lane, London EC2Y 9BU
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John Browne
Chief Executive Officer

6 June 1990

BP Exploration has recently been in discussion with the Republic of Kazakhstan concerning the exploration and production of hydrocarbons in Kazakhstan. The Ministry of Oil and Gas and the Ministry of Geology in Moscow are fully aware that the discussions took place, although we have not returned to speak to the Ministries to tell them of the outcome. We are currently arranging visits to Moscow for this purpose, anticipated to be in the second half of June.

The Minister for Energy in the UK is aware of these discussions and we request that they are kept confidential, and not raised by the Prime Minister in her forthcoming visit to the USSR.

Mr Power

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and he has asked me to pass it
on to you.

CN

Louise Ashton.

Policy Unit
7 June 1990

PREM 19/3176

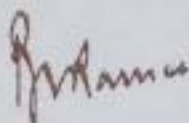
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TOWN:	LONDON	LONDON
NAME:	MR. GEORGE GUISE	P.J.V. ROUNCE (REU)
DEPARTMENT/ LOCATION:	ENERGY DESK	

MESSAGE:

BP in the USSR

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P.J.V. Rounce

Assistant Director USSR & Central Europe
BP Europe

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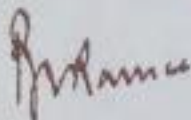
NUMBER OF PAGES TO FOLLOW: X-1	DATE: 6th June, 1990
TO:	FROM:
COMPANY NAME: PRIME MINISTER'S PRIVATE OFFICE	THE BRITISH PETROLEUM COMPANY PLC
TOWN: LONDON	LONDON
NAME: MR. GEORGE GUISE	P.J.V. ROUNCE (REU)
DEPARTMENT/ LOCATION: ENERGY DESK	

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P.J.V. Rounce
Assistant Director USSR & Central Europe
BP Europe

FAX MESSAGE

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Mem 19/3/76

DATE: 6th June, 1976	NUMBER OF PAGES TO FOLLOW: 1
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THE SECRETARY GENERAL	SECRETARY GENERAL
UNITED NATIONS	UNITED NATIONS
11, ROUTE 9	11, ROUTE 9
NEW YORK	NEW YORK

The following information is being provided for your information. It is requested that you advise the Secretary General of any changes to the information provided. The information is being provided for your information and is not to be used for any other purpose. The information is being provided for your information and is not to be used for any other purpose.

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Date: 19/3/76
 Name: [Name]
 Address: [Address]



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John Browne
Chief Executive Officer

6 June 1990

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The Minister for Energy in the UK is aware of these discussions and we request that they are kept confidential, and not raised by the Prime Minister in her forthcoming visit to the USSR.



Foreign and Commonwealth Office

London SW1A 2AH

6 June 1990

Jean Charles,

START: UK Interests *at the end*

Thank you for your letter of 4 June enclosing President Bush's message on last week's Summit in Washington. You asked for advice on President Gorbachev's proposals on the non-circumvention language, START and on British and French involvement in follow-on negotiations to the START agreement. You will have since seen Washington telegram no 1327 which gives further background.

The Summit discussions on non-circumvention follow up those held in the margins of the Baker/Shevardnadze meeting last month when the Americans tabled language (acceptable to us, my letter of 18 May) which the Russians took away to study. We and the Americans have been working on the assumption that the Russians have known all along that they cannot win on the non-circumvention issue, just as they cannot in the foreseeable future embroil UK and French systems in START II.

The Russians' claim that they did not realise co-operation would extend beyond Trident II and could encompass systems other than SLBMs is therefore unexpected and unwelcome. It suggests they see this as an issue where obstructionism may still pay off. President Gorbachev apparently sees this as a significant problem to be discussed within START, and there is a danger now that the question of US/UK nuclear co-operation could become a major issue in START in the run-up to signature of the Treaty (something we have all along tried to avoid for domestic as well as foreign policy reasons).

As the Embassy in Washington report (para 6 of their telegram) the Americans responded unambiguously in rejecting the Soviet proposals on non-circumvention. The telegram confirms what the Americans have told us all along: that if the Russians tried to use non-circumvention as a way to circumscribe US/UK nuclear co-operation, there would be no treaty.

SECRET



As the Embassy reports, the Americans advise against our tackling the Russians ourselves on the non-circumvention problem since this might cut across US/Soviet discussions in the START context. This argument has also led Scowcroft to amend President Bush's original recommendation that the Prime Minister should make clear that "nuclear co-operation between the US and the United Kingdom poses no threat to Soviet strategic interests".

The Foreign Secretary accepts the US view that it is for the Americans to sort out the non-circumvention issue in START. For us to become involved in actual negotiations would complicate matters and perhaps give the Russians scope to play us against the US. He suggests, however, that the Prime Minister should make her thinking clear to President Gorbachev on both non-circumvention and START II. It would be interesting, as an indication of the strength of Soviet feelings, to wait and see whether Gorbachev raises these issues. But even if he does not, the Prime Minister might say that:

- we congratulate the Russians and Americans on progress in START negotiations so far; - she is aware in detail of US-Soviet discussions on non-circumvention; no wish to cut across bilateral negotiations but may be helpful to make the position clear;

- she and President Bush are absolutely committed to continuing our present arrangements and rejecting any third party constraints on our nuclear cooperation in the future;

- HMG's aim is to sustain an independent deterrent at minimum level (hence the public commitment not to exceed 128 warheads on each of the four boats);

- on START II, HMG's position is unchanged (text from 1990 Defence estimates attached);

- President Gorbachev's comment to President Bush that we would participate in START after Soviet and US arsenals were cut by 50% is not correct. UK Ministers in the early 80s said that negotiations would have to go well beyond the 50% envisaged as the objective of START before the UK's deterrent could become involved;



- because of increases on the Soviet side, the ratio of UK to Soviet warheads, even after the implementation of START and the introduction of Trident, will be less than 10% - a smaller proportion of Soviet strategic nuclear forces than Polaris when it was introduced in 1970;

- our position is, with minor nuances, shared by France. President Mitterrand has made clear that he, like us, sees no case for involvement in START II.

MOD agree with this advice. I am copying this letter to Simon Webb (MOD), Sonia Phippard (Cabinet Office) and Sir Percy Cradock.

Jan,

Stephe Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

SECRET
FM WASHINGTON
TO DESKBY 050830Z FCO
TELNO 1327
OF 041600Z JUNE 90
AND TO DESKBY 050830Z COPENHAGEN
INFO IMMEDIATE MODUK

SIC

COPENHAGEN FOR PRIVATE SECRETARY
MODUK FOR DUSP, ACDS (POL-NUC), AND DACU
MY TELNO 1235 : START : BRITISH INTERESTS
SUMMARY

1. DISCUSSION OF NON-CIRCUMVENTION AT SUMMIT GOES BADLY. RUSSIANS ARGUE THAT US/UK COOPERATION SHOULD BE RESTRICTED TO THE CURRENT TRIDENT D5 PROGRAMME AND NOT EXTEND BEYOND IT. AMERICANS STANDING RESOLUTE ON THE POSITION AGREED PREVIOUSLY WITH US. ASSURANCES THAT THEY WILL CONTINUE TO SAFEGUARD UK INTERESTS. RECOMMENDATION ON WHETHER THE PRIME MINISTER SHOULD RAISE THE MATTER WITH GORBACHEV IN KIEV.

DETAIL

2. IN RESPONSE TO OUR REQUEST FOR AN EARLY READOUT ON HOW NON-CIRCUMVENTION FIGURED DURING THE SUMMIT, BARTHOLOMEW ASKED ME TO CALL ON 4 JUNE. HE WAS ACCOMPANIED BY A FULL US TEAM (SEITZ, CLARKE, AND TIMBIE).

3. BARTHOLOMEW SAID THAT THE AMERICANS HAD WORKED THROUGHOUT THE SUMMIT WITHIN THE FRAMEWORK THAT HAD BEEN AGREED WITH US PREVIOUSLY. THEY HAD SUSTAINED THE TEXTS FOR THE TREATY ARTICLE, AGREED STATEMENT AND US SPEAKING NOTE AS GIVEN IN MY TELNOS 1167/1168, THE LANGUAGE OF WHICH REMAINED UNCHANGED. THIS STILL REPRESENTED AN ACHIEVEMENT, PARTICULARLY AS IT WAS THE FIRST TIME THAT A REFERENCE TO THE NON-APPLICABILITY OF THE TREATY TO EXISTING PATTERNS OF COOPERATION HAD BEEN INCLUDED IN THE TREATY TEXT ITSELF, AS OPPOSED TO A SUBSIDIARY STATEMENT. THE RUSSIANS HAD NOT CHALLENGED THE LANGUAGE, NOR ATTEMPTED TO INTRODUCE SQUARE BRACKETS, BUT THEY HAD SOUGHT TO RE-INTERPRET THE MEANING OF THESE QUOTE EXISTING PATTERNS OF COOPERATION UNQUOTE IN THE RESTRICTED WAY WHICH WE HAD FEARED.

4. IN THE OPENING SESSION WITH BARTHOLOMEW, KARPOV HAD MADE A GREAT DISPLAY, FEIGNING SUDDEN DISCOVERY THAT US/UK COOPERATION DID NOT END WITH TRIDENT II AND COULD ENCOMPASS SYSTEMS OTHER THAN SLBMS. THAT SAID BARTHOLOMEW WAS CLEAR

PREVARICATION, SINCE THE NATURE OF THE COOPERATION HAD BEEN KNOWN TO THE RUSSIANS ALL ALONG (AND HAD BEEN SPELT OUT MOST RECENTLY TO NAZARKIN BY BURT IN GENEVA ONLY A FEW MONTHS AGO). BARTHOLOMEW ADDED THAT HE HAD TAKEN KARPOV ASIDE TO ASK WHAT WAS GOING ON. KARPOV HALF CONCEDED THAT THE RUSSIANS WERE COMING TO THIS LATE, BUT CLAIMED THAT NAZARKIN IN GENEVA HAD NOT APPRECIATED ALL THE POLITICAL ANGLES, NOTABLY THAT UNDER THE NEW CONSTITUTIONAL ARRANGEMENTS, THE SUPREME SOVIET COULD FOCUS ON US/UK COOPERATION AS A MAJOR DEFECT. BARTHOLOMEW SAID THAT HE HAD BEEN VERY DIRECT AND FIRM IN MAKING IT CLEAR TO KARPOV THAT THE GOVERNMENT OF THE UNITED STATES WOULD NOT ENTER INTO A TREATY WHICH BOUNDED AND LIMITED COOPERATION WITH THE UK IN THE WAY THAT KARPOV WAS SUGGESTING. IT WOULD BE, HE HAD SAID, A TREATY BLOCKER.

5. DESPITE THIS, THE RUSSIANS HAD GONE ON TO RAISE THE SUBJECT AT THE POLITICAL LEVEL. GORBACHEV REFERRED TO IT IN DISCUSSIONS WITH THE PRESIDENT AS AN UNEXPECTED PROBLEM WHICH THE RUSSIANS HAD NOT PREVIOUSLY UNDERSTOOD. BARTHOLOMEW HAD YET TO REVIEW THE RECORDS OF THE MEETING IN DETAIL, BUT HE RECALLED GORBACHEV AS SAYING THAT AN OPEN-ENDED RELATIONSHIP WITH THE UK CHALLENGED THE NEGOTIATING LOGIC OF WHAT WAS BEING DONE IN START. SHEVARDNADZE HAD MADE A PITCH TO BAKER IN SIMILAR TERMS.

6. THROUGHOUT THE MEETINGS THE AMERICAN RESPONSE HAD BEEN CONSISTENT: THAT A REDEFINITION OF EXISTING PATTERNS OF COOPERATION TO EXCLUDE FOLLOW-ONS OR MODERNISATION WOULD BE UNACCEPTABLE TO THE UNITED STATES: THAT IT WAS CREATING A PROBLEM WHERE ESSENTIALLY NONE EXISTED (IN THE SENSE THAT THE UK DID NOT ASPIRE TO BE A SUPER POWER): AND THAT IF THE RUSSIANS PERSISTED, THERE WOULD BE NO TREATY. BARTHOLOMEW ADDED (THOUGH IT WAS NOT CLEAR THAT THESE POINTS WERE SPECIFICALLY CONVEYED BY BAKER AND BUSH) THAT IF THE RUSSIAN POSITION WAS CONCEDED, IT COULD NOT ONLY DAMAGE RELATIONS WITH OURSELVES BUT WOULD ALSO AMOUNT TO THE SUBORDINATION OF THE UNITED STATES' ENTIRE NATO RELATIONSHIP TO THAT WITH THE SOVIET UNION. HE SAID THAT THERE COULD BE NO DOUBT THAT THE RUSSIANS HAD BEEN GIVEN AN UNEQUIVOCAL MESSAGE. HE ALSO SAID THAT THE ADMINISTRATION HAD NO INTEREST IN PUTTING US UNDER ANY KIND OF PRESSURE ON THIS SUBJECT.

7. BARTHOLOMEW SAID THAT THE ADMINISTRATION HAD SOUGHT TO PLAY THIS LOW-KEY IN PUBLIC, WITH REASONABLE SUCCESS SO FAR. HE CONCEDED THAT BAKER HAD MENTIONED COOPERATION WITH THE UK AS ONE OF THE REMAINING PROBLEMS IN START DURING HIS PRESS CONFERENCE ON 1 JUNE, BUT SAID THAT THIS HAD BEEN

UNINTENTIONAL AND HAD HAPPENED ONLY BECAUSE BARTHOLOMEW HAD BEEN UNABLE TO REACH BAKER IN TIME TO WARN HIM OFF. NO FURTHER STATEMENTS WERE ENVISAGED.

8. I ASKED BARTHOLOMEW AND SEITZ FOR THEIR VIEWS ON WHETHER THE PRIME MINISTER SHOULD CONSIDER RAISING THIS WITH GORBACHEV IN KIEV LATER THIS WEEK. THEIR INITIAL INCLINATION, WITHOUT HAVING DISCUSSED THIS MORE WIDELY WITHIN THE ADMINISTRATION WAS TO RECOMMEND AGAINST DOING SO. SEITZ SAID THAT IT COULD MAKE MORE OF A PROBLEM THAN CURRENTLY EXISTED. BARTHOLOMEW ARGUED THAT IT RAN THE RISK OF CREATING A TRIANGULAR DISCUSSION ABOUT A TREATY WHICH WAS STRICTLY BILATERAL AND THOUGHT THAT IT WOULD PROBABLY BE IN OUR MUTUAL INTEREST TO KEEP IT THAT WAY. CLARKE SUGGESTED THAT IT MIGHT BE BETTER TO WAIT AND SEE WHETHER GORBACHEV RAISED THIS SUBJECT HIMSELF, AS A TEST OF HOW SERIOUSLY HE REGARDED IT.

9. SUBSEQUENTLY SCOWCROFT TELEPHONED ME TO SAY THAT, ON FURTHER CONSIDERATION (NO DOUBT AFTER CONSULTATION WITH STATE DEPARTMENT) HIS OWN VIEW HAD CHANGED AND THAT ON BALANCE HE ALSO AGREED THAT IT WOULD BE BETTER IF THE PRIME MINISTER DID NOT RAISE THE ISSUE AND THAT WE SHOULD WAIT AND SEE WHETHER THE AMERICANS COULD RESOLVE THIS WITH THE RUSSIANS, BEFORE CONSIDERING DIRECT INVOLVEMENT. THE PRESIDENT AND GORBACHEV HAD NOT ENGAGED SUBSTANTIVELY ON THE SUBJECT THEMSELVES AND GORBACHEV HAD CONCLUDED WHAT LITTLE HE HAD SAID ON IT BY COMMENTING THAT A START TREATY SHOULD BE QUICKLY COMPLETED WITH THE IMPLICATION THAT THE ISSUE NEED NOT BE A MAJOR OBSTACLE.
COMMENT

10. THERE IS CLEARLY A DIFFICULT QUESTION OF JUDGEMENT TO BE DECIDED HERE. ON THE ONE HAND UK INTERVENTION MIGHT COMPLICATE THE AMERICAN GAME-PLAN WHICH, AS THEY HAVE ASSURED US, IS DESIGNED TO PROTECT OUR INTERESTS. IT COULD ALSO WORK TO OUR DISADVANTAGE BY ENCOURAGING THE RUSSIANS TO GO FURTHER AND ATTEMPT TO PIN US DOWN OVER SUCH ISSUES AS THE INCLUSION OF UK ASSETS IN FOLLOW-ON NEGOTIATIONS. ON THE OTHER HAND, IF SOVIET CONCERNS DO PROVE TO BE GENUINE AND DEEPLY FELT (EG IN THE SUPREME SOVIET RATIFICATION CONTEXT) A GENERAL REASSURANCE THAT UK/US COOPERATION WILL NOT DEVELOP IN A WAY WHICH COULD AFFECT THE CENTRAL STRATEGIC BALANCE, COULD BE HELPFUL. MOREOVER SINCE THIS IS NOW IN THE PUBLIC DOMAIN, IT MAY NOT BE SUFFICIENT TO SAY SIMPLY THAT WE ARE CONFIDENT THAT THE AMERICANS ARE FULLY PROTECTING OUR INTERESTS WITHOUT DOING ANYTHING OURSELVES.

11. MY RECOMMENDATION, ON BALANCE, IS THAT THE PRIME MINISTER SHOULD NOT RAISE THE SUBJECT EARLY IN THE DISCUSSION WITH

GORBACHEV. IF HE FAILS TO DO SO HIMSELF, THAT IN ITSELF WOULD BE A USEFUL INDICATION OF THE DEGREE OF SIGNIFICANCE WHICH HE REALLY ATTACHES TO THE SUBJECT. IT MIGHT, HOWEVER, BE IMPORTANT TO SHOW SUBSEQUENTLY THAT HE HAD BEEN OFFERED EVERY OPPORTUNITY TO EXPRESS ANY GENUINE CONCERNS, AND IN THE EVENT THAT THERE WAS NO EARLY REFERENCE TO THE SUBJECT, THE PRIME MINISTER MIGHT OFFER HIM THE OPPORTUNITY BY RAISING THE PROGRESS OF START IN GENERAL TERMS. SHOULD A REASSURANCE THEN BE REQUIRED, IT MIGHT BE GIVEN IN AS LOW A KEY AND GENERALISED A MANNER AS POSSIBLE.

12. THERE WILL BE FURTHER OPPORTUNITIES TO DISCUSS THIS WITH THE AMERICANS DURING WESTON'S TALK WITH SEITZ ON 5 JUNE (AND, SUBSEQUENTLY, WHEN BARTHOLOMEW VISITS LONDON ON 12 JUNE).

ACLAND

YYYY

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NUCLEAR ARMS CONTROL

Strategic Forces

121. The eleventh round of Strategic Arms Reductions Talks (START) began in Geneva in May last year. The United States and the Soviet Union reaffirmed their aim to reduce their holdings to 1,600 strategic offensive delivery systems and 6,000 warheads on each side, with sub-limits of 4,900 ballistic missile warheads and 1,540 warheads on 154 heavy intercontinental ballistic missiles (ICBMs). Each heavy bomber was to count as a single delivery system and, if armed only with free-fall bombs and short-range missiles, as a single warhead. Steady progress has been made since then in subsequent rounds of the talks towards the conclusion of an agreement to make deep cuts in strategic nuclear weapons. Both sides have agreed upon counting rules for air-launched cruise missiles (ALCMs) and on which non-deployed missiles should be subject to the Treaty. Agreement has also been reached on the treatment of sea-launched cruise missiles (SLCMs), which it is intended should be the subject of annual politically binding declarations between both sides.

122. A number of issues continue to divide the two sides. These include definitions of ALCMs and SLCMs, restrictions on the modernisation of ICBMs, and verification issues. There are also differences on the relationship of any START agreement to the outcome of the separate negotiations on Defence and Space, also taking place in Geneva. But there has been some convergence. The United States has dropped its insistence that mobile ICBMs should be banned. The Soviet Union is considering a US proposal for numerical limits on such missiles and their warheads. And progress has been made towards agreeing a suitable verification regime. The Soviet Union has agreed to dismantle the large phased-array radar at Krasnoyarsk, which it now admits is in breach of the 1972 Anti-Ballistic Missile (ABM) Treaty. It has also agreed that a START Treaty need not depend upon agreement at the Defence and Space talks, although it wishes to see provision within a START Treaty to allow it to withdraw from the agreement if the US Strategic Defence Initiative were to be taken beyond the constraints imposed by the ABM Treaty.

123. We support the efforts of the US and Soviet Governments to bring their negotiations to a successful conclusion. A START Treaty would result in the first negotiated reductions in strategic offensive weapons since their invention, and would create a more stable and secure balance between the two superpowers.

124. The START negotiations are bilateral, reflecting the fact that the US and the Soviet Union possess between them over 95% of the world's strategic nuclear warheads. Our policy with regard to our own strategic deterrent remains unchanged. The introduction of Trident in the 1990s will provide the minimum capability necessary to

maintain an effective independent deterrent into the next century, and a START Treaty would not reduce our needs. If US and Soviet strategic arsenals were further reduced very substantially and there had been no significant improvements in defensive capabilities, we would consider how best we might contribute to the arms control process in the light of the changed circumstances. But even after a START Treaty involving reductions in US and Soviet arsenals of the size now under discussion in Geneva had been implemented, our Trident force would still represent a smaller proportion of Soviet strategic nuclear warheads than did Polaris when it entered service. Reductions in US and Soviet strategic arsenals would have to go much further before we could even consider including the British deterrent in any future negotiations on strategic nuclear weapons.

Intermediate Nuclear Forces

125. Full implementation of the INF Treaty should be completed by 31 May 1991. All ground-launched cruise missiles have been withdrawn from RAF Molesworth. Half of the 96 operational missiles at RAF Greenham Common were withdrawn in 1989, and the remainder will be removed before the end of May 1991. A total of six Soviet inspections of RAF Molesworth and RAF Greenham Common have been carried out. All have proceeded to the satisfaction of both parties to the Treaty.

Nuclear Testing

126. We welcome the efforts of the United States and the Soviet Union to conclude verification protocols for the 1974 Threshold Test Ban Treaty (TTBT) and the 1976 Peaceful Nuclear Explosions Treaty (PNET). These bilateral treaties limit to 150 kilotons the yield of underground nuclear weapons tests and nuclear explosions carried out for peaceful purposes. Under the terms of the verification protocols, each party would have the right to use hydrodynamic and seismic methods to monitor nuclear tests on the territory of the other party in the case of tests above an agreed yield. The conclusion of these protocols would pave the way for the ratification of the two Treaties.

127. The United States and the Soviet Union intend in due course to consider further limits on testing following ratification of the TTBT and the PNET. But as thresholds are reduced verification becomes both more difficult and more important. Progress will depend on technical advances in verification as well as on progress elsewhere in arms control and the attitudes of other states. A comprehensive test ban remains a long-term goal, but for the foreseeable future the United Kingdom's security will depend on deterrence based in part on the possession of nuclear weapons. There will be a continuing requirement to conduct underground tests to ensure that our nuclear weapons remain effective and up-to-date.

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MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 071-21 8211/3

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com
7/6

6 June 1990

Dear Charles,

START; UK INTERESTS

The Defence Secretary has seen Stephen Wall's letter to you of 6th June with advice on the approach the Prime Minister might take on START during her visit to the Soviet Union.

He is a little nervous that the UK might get drawn into a dialogue, alongside the treaty negotiations, in which (given how little real scope we have for manoeuvre) we might be uncomfortably squeezed, or give the Soviets needless scope for manipulation. It also seems questionable whether we are likely to help our long-term co-operation with the US by raising the topic direct with the Soviets when they have advised against. Ultimately, we have to rely on the US to negotiate in our interests on the non-circumvention clauses.

While recognising that the issue is finely balanced, the Defence Secretary's own inclination would be for the Prime Minister not to raise the issue and simply to be ready to play the hand much as Sir Anthony Acland suggests in paragraph 11 of his telegram No. 1327 of 4 June.

A copy of this letter goes to Stephen Wall (FCO), and Sonia Phippard (Cabinet Office).

Yours sincerely,
Sonia Webb.

(S WEBB)
Private Secretary

Charles Powell Esq
10 Downing Street

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*file in
cup*

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

6 June 1990

PRIME MINISTER'S VISIT TO THE SOVIET UNION:
HUMAN RIGHTS CASES

Thank you for your letter of 6 June, with a list of human rights cases which our Ambassador in Moscow might hand over to Soviet officials in the margins of the Prime Minister's visit. I am content with what is proposed and will take the lists with me.

C. D. POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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the department for Enterprise

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The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

Charles Powell Esq
Private Secretary to the
Prime Minister
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Direct line 071 215 5622
Our ref JW2ASM
Your ref
Date 6 June 1990

See Charles

**PRIME MINISTER'S VISIT TO SOVIET UNION: COMMERCIAL
ENGAGEMENTS**

When Richard Gozney wrote to you on 1 June about the Prime Minister's visit to the Soviet Union he mentioned that I would be writing with more details about commercial engagements in the programme.

Soviet credits

First, however, the Prime Minister should be made aware of the possibility that the Soviets may raise the subject of assistance from the West, possibly in the form of new credit facilities and the encouragement of investment, to enable the Soviet government to store consumer goods for release early next year to ease the pain of the planned market reforms.

ECGD could certainly agree to a small increase in credits for consumer goods, provided that they are guaranteed by Vneshekonombank (the Soviet Bank of Foreign Economic Affairs). But they would attract only short terms of payment under OECD Consensus rules and would adversely affect the Soviet balance of payments.

As to investment, ECGD are willing to provide support to encourage British companies to invest in the Soviet Union, but any such investments would be unlikely to have a significant impact on the consumer goods market by early 1991.

On export credits generally, the Prime Minister should avoid giving any firm commitments on cover for new projects, pending the current review of markets in which ECGD already have a significant exposure (of which the Soviet market is one).



Recycled Paper

Security Export Controls

COCOM partners are expected to announce on 7 June agreement to major relaxation in strategic export controls. These relaxations will in general apply to all prescribed destinations. However in certain areas, ie computers and telecommunications, the countries of Eastern Europe may receive more favourable treatment than the Soviet Union.

In Moscow, the Prime Minister will first visit the Ministry of Telecommunications to see equipment being supplied by GEC-Plessey Telecommunications (GPT) as part of their long-term commitment to the USSR. The Soviet Minister of Telecommunications, Mr Pervyshin, is expected to be present. *R. Pervyshin* The Prime Minister may be invited to make a telephone call to the UK (possibly to Lord Prior, Chairman of GEC) through the recently installed System X exchange which is being tested by the Soviets and which GPT hope will form the basis for extensive business opportunities in the future. GPT have already established a successful joint venture (Comstar) to develop both domestic and international telecommunications networks in the Soviet Union. The first fruit of this co-operative venture was the provision of direct dial international payphone booths in Moscow.

Moscow City Council

Following the visit to the Ministry of Telecommunications, the Prime Minister will look in on a presentation at the Moscow City Council, complete with scale models and architects' plans, on the £200m British-Soviet Trade Centre project being pursued by the Carroll Group in a joint venture with Mossoviet (effectively the formal launch of the project). The new Mayor of Moscow, Mr Gavriil Popov, will also be present. The project involves the construction of a twin-tower hotel and business complex near the centre of Moscow (above the 1905 Street Metro station to the west-north-west) and a residential block, which, after protracted negotiations and a letter from the Prime Minister to Mr Ryzhkov, will be located in the south-west suburbs on Mosfilmovskaya Street. The related problem of the location of offices for the Carroll/Mossoviet joint venture, which the Prime Minister raised in her letter, has still to be resolved but is not yet crucial to progress.

Carroll claim to have made good progress in discussions with possible contractors and hotel management companies. No decisions have been taken. However, there is some danger that, for commercial reasons, British companies will not be selected. This would dilute the case for continued high-level political support, although the centre would still be a very valuable asset for UK companies doing business in the USSR and would bring in some £10m of invisible earnings a

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year.

Probably the major obstacle to the project remains that of financing and specifically the question of commercial and political risk guarantees. ECGD support (assuming a UK contractor) is likely to be conditional on a guarantee from the Soviet State (in practice Vneshekonombank) or an accepted Western party. This is far from certain. Since the project is of no immediate benefit to Soviet citizens a Soviet guarantee has not been offered and no Western party (including Carroll) has so far been inclined to give the project any financial backing.

Long-term Programme

When the Prime Minister meets Mr Ryzhkov, they will sign, amongst other documents, a 10-year Economic and Industrial Co-operation Programme for 1991-2000. She should not refer to this as a trade agreement but as a co-operation programme. This is because of EC competence on trade matters and the signature of the EC/USSR trade agreement on 18 December 1989 (the equivalent of the US/USSR trade agreement signed during President Gorbachev's visit to Washington last week).

The programme replaces a similar one for the period 1986-1990. Its purpose is to serve as a guide to companies and organisations on each side as to commercial areas where both sides could do business with each other, such as through straight sales or joint manufacture. As Richard Gozney said in his letter of 1 June, such Agreements are a standard feature of economic relations between the Soviet Union and Western countries; the Soviet side regards them as much more important than we do.

The main features of the new agreement are:

- a) it demonstrates the willingness of both countries, and confidence in each other, to co-operate closely over the next 10 years;
- b) it reflects the changes in the Soviet economy by placing greater emphasis on co-operation with organisations newly entitled to engage in foreign trade and recognising new forms of co-operation, such as joint ventures and consortia;
- c) it acknowledges the importance of co-operation in the provision of a wide range of services, where the UK is particularly strong;
- d) it provides for co-operation in joint exploration, extraction and distribution of minerals and energy products,

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which could provide the means for a general expansion of co-operation in other fields;

e) it recognises the importance of protecting investments and intellectual property rights;

f) it confirms the importance of greater diversity in the provision of financing for major projects.

The programme will be circulated widely throughout British and Soviet industry and should lead to a closer co-operation between the two countries through better awareness of the opportunities.

"British Industry Today", Kiev

In Kiev, the main commercial element in the Prime Minister's programme is the visit to the "British Industry Today" exhibition.

We understand that the Prime Minister hopes to visit all the stands, but if time does not permit this we recommend that she visit at least those of Allied-Lyons, in view of the Lord Mayor of London's visit the following week (Sir Hugh Bidwell is a Director of Allied-Lyons); Amersham, because the company had invited the Prime Minister to visit the Cardiology Centre in Moscow, where they have just signed a joint venture to manufacture radio-diagnostics; ICI, because it did not prove possible for the Prime Minister to visit their farm management consultancy project outside Kiev; and ICL, because the company may be about to sign a large contract to supply personal computers.

John Brown

After touring the Exhibition, the Prime Minister will witness the signature of two agreements between British companies and Soviet organisations. The first will be a Shareholders Agreement to establish a joint venture company between John Brown Plc and Gasprom (a new organisation representing the interests of over 90 gas enterprises in the USSR) to pursue a project at Novi Urengoi, 30 miles south of the Arctic Circle. This comprises the turnkey design, supply and installation of a natural gas liquids plant, ethylene, butene and polyethylene plants, plus associated utilities and infrastructure on a greenfield site. John Brown would be main contractor, undertaking engineering, project management and support and would hope to supply most of the equipment from the UK. British content could be as high as £180m but stiff competition is expected from Japanese and US companies.



the department for Enterprise

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The project would be the second under John Brown's pioneering ASETCO arrangement - facilitating hard currency financing through the purchase by Union Carbide of polyethylene products from the Novi Urengoi complex. ECGD cover would also be crucial (but see earlier paragraph on availability of ECGD cover for new projects).

The agreement will be signed by Mr Allan Gormly, Managing Director of John Brown, and Mr V S Chernomyrdin, Chairman of Gasprom.

Overseas Pharmacies Ltd (OPL)

*AngloMed
Red*

The second agreement will be signed by Mr Charles Rommer, Chairman of OPL, a specialist UK healthcare supply company, and Mr A L Boyko, Director General of the industrial amalgamation "Pharamacia" of the Ukrainian Ministry of Health. This will establish a joint venture called AngloMed to offer a complete supply and distribution service in the Ukraine for pharmaceutical, healthcare and related consumer products through the creation of offices, warehouses and, ultimately, retail pharmacies. OPL is also offering assistance in the staged development of improved pharmaceutical production techniques.

Last year OPL opened a British-style pharmacy in Tbilisi, in co-operation with the Georgian Ministry of Health.

OPL has also concluded an agreement with Soyuzsnabimport, the import and distribution arm of the Soviet State Supplies Commission, towards a full joint venture (hoped for in late 1990) for the supply and distribution of healthcare products through their 220 warehouses nationwide.

Mr David Gilroy-Bevan MP, advisor to OPL, will be in Kiev for the signing ceremony.

Mr Thatcher

I am writing separately about engagements in Mr Thatcher's programme.

I am copying this letter to Richard Gozney (FCO).



Yours ever

B. Slocok

BEN SLOCOCK
Private Secretary



A The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 376 (one piece/item number)	Date and sign
Extract details: JS WALL TO CO POWELL DATED 6 JUNE 1990 INC SPEAKING NOTE	
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Foreign and Commonwealth Office

London SW1A 2AH

6 June 1990

Dear Charles,

Prime Minister's Visit to the Soviet Union:
Human Rights Cases

In our briefing for the Prime Minister's visit to Moscow we covered the human rights issue in general terms. When the Foreign Secretary visited Moscow for talks with Mr Shevardnadze in April the Russians were given a list of human rights cases which concerned us. We think it would be useful if an updated list of names of Soviet citizens who have been refused exit visas could be given to the Soviet authorities at the time of the Prime Minister's visit. If you agree, we might ask HMA Moscow to hand such a list to one of the senior officials in the margins of the Prime Minister's talks with President Gorbachev.


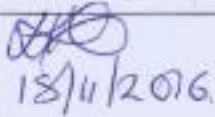
I enclose two copies of the updated list.

Yours ever,

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3176</i> (one piece/item number)	Date and sign
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FOR HEMANS SOVIET DEPT

PRIME MINISTERS BREAKFAST WITH REFUSENIKS

1. THE FOLLOWING MEMBERS OF THE SOVIET JEWISH COMMUNITY ARE EXPECTED TO ATTEND THE PRIME MINISTER'S BREAKFAST ON 9 JUNE.

IRINA VORENKEVICH

LONG TERM SECRECY REFUSENIK, MOTHER OF IGOR USPENSKY WHO RECENTLY EMIGRATED.

NATASHA STONOV

WIFE OF LEONID STONOV, THE JEWISH ACTIVIST, WHO COMPILES RECORDS OF VISA REFUSAL CASES. THE STONOVs ARE EMIGRATING TO THE US IN SEPTEMBER AFTER 11 YEARS OF WAITING FOR PERMISSION.

MARK KOTLYAR

LONG TERM SECRECY REFUSENIK AND ACTIVIST FROM KIEV.

LEONID BELOPOLSKY

LONG TERM SECRECY REFUSENIK FROM KIEV

VLADIMIR TSIVKIN

LONG TERM SECRECY REFUSENIK FROM Leningrad, HAD EXIT VISA GRANTED AND WITHDRAWN

STANISLAV BUYANOV

'POOR RELATIVE' REFUSENIK PREVENTED FROM EMIGRATING BY REFUSAL OF PARENTS IN LAW TO SIGN AFFIDAVIT.

EVGENY SKRYNNIK

LONG TERM SECRECY REFUSENIK

BRAITHWAITE

YYYY

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MR TAIT

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Foreign and Commonwealth Office

London SW1A 2AH

6 June 1990

*CCPC
2 DC*

Prime Minister
6/6/90

Dear Charles,

Prime Minister's Visit to Moscow:
Soviet support for Prime Minister's ideas about Development
of the CSCE

You may have seen FCO telno 988 to Moscow reporting Mr Zamyatin's call on John Weston when he handed over a message from Mr Shevardnadze about European architecture, and when John Weston noted the absence from the message of any reference to the ideas for the development of the CSCE which the Prime Minister included in her Königswinter speech on 29 March.

You ought to know that the Russians have supported the ideas put forward by the Prime Minister. In a speech which Mr Shevardnadze himself gave on 10 April, during the Foreign Secretary's visit to Moscow, he included the sentence:

"We support the ideas formulated by Prime Minister Thatcher on March 29."

Yours ever,
R. H. T. Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

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6 June 1990

Dear Charles,

Prime Minister's Visit to the Soviet Union: CFE

Thank you for your letter of 1 June. You asked for a more detailed note on outstanding issues in CFE. The Foreign Secretary's minute of 5 June described the state of the negotiations, how we should handle the issue at the NATO meetings, and the agenda for CFE follow-on talks.

There was little progress on CFE at the Baker/Shevardnadze or Bush/Gorbachev meetings. If anything the Soviet line has hardened. They showed little interest in US offers of flexibility on individual issues and indicated that Western insistence on full German membership of NATO could lead the Soviet Union to reassess its interest in any CFE agreement.

The Russians are using the threat of no CFE to try to weaken our resolve to maintain NATO in its present form. In these circumstances, NATO needs to look for ways of overcoming Soviet resistance to full German membership. The briefing for the Prime Minister's meeting with the Soviet military already contains some material. We believe that on CFE NATO should avoid the temptation to offer too many sweeteners at this stage. In Moscow the Prime Minister may wish to deploy the following general points before any discussion of details:

- CFE is the Soviet downpayment on the development of new security structures in Europe. Without it, there will be no CSCE Summit or SNF negotiations
- We too want an agreement, reflecting our objectives of balance, irreversibility, and transparency
- If the Russians draw back from CFE, this would retard the changes otherwise likely to take place in NATO

/- NATO

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- NATO is prepared to address the question of German force levels in a wider negotiation on manpower
- We are prepared to show flexibility when the Russians indicate that they are also keen to conclude an agreement

Detail

The purpose of the CFE negotiations, begun in March 1989, is to remove the capability to launch a surprise attack or initiate large-scale offensive action, by removing the existing disparity between Warsaw Pact and NATO conventional forces. The negotiations do not cover nuclear or chemical weapons, nor naval forces, although the West has argued that naval aircraft based on land should be included.

The negotiations cover five categories of Treaty Limited Equipment (TLE):

- tanks: agreement on 20,000 on each side
- artillery: 16,500
- armoured combat vehicles: 30,000
- combat aircraft: ceiling not agreed
- combat helicopters: 1,900

The US and Soviet Union have also agreed bilaterally to limit their stationed manpower in the Atlantic to Urals zone (ATTU) to 195,000 in the central region, and 30,000 elsewhere.

OUTSTANDING ISSUES

Treaty Limited Equipment

There is continued wrangling over the definitions of some of the Treaty Limited Equipment, principally armoured combat vehicles; tanks are close to agreement, and artillery is agreed.

The Soviet Union have difficulties with the timescale for destruction of surplus Treaty Limited

/Equipment

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Equipment; as drafted the Treaty would require them all to be destroyed within 3 years - a deadline the Soviet Union are not yet sure they can meet, given the quantity of their equipment to be destroyed.

Aircraft

The Soviet Union has about 7,900 combat aircraft in the ATTU, including about 700 land-based naval aircraft, compared with NATO's holdings of around 6,200. Our aim is to limit total Warsaw Pact holdings to something close to NATO levels. Soviet proposals seek special exclusions for their combat capable trainers and air defence interceptors and exclude land-based naval aircraft (thus allowing the Russians about 6800 combat aircraft - 600 more than NATO!). We would be prepared to allow some flexibility if the overall Soviet aircraft limit (including land-based naval aircraft) could be held within the 4,500 to 5,000 range. Negotiators in Vienna have been instructed to explore such a compromise. But we would not accept a situation in which their land-based naval aircraft were not covered in some way. Our determination is reinforced by the fact that the Soviet Union is re-assigning existing combat aircraft to land-based naval aircraft units, which could have the effect of circumventing the treaty.

Sufficiency

The negotiations include the principle of a sufficiency rule, which provides that no one state should have more than a certain percentage of the total ceiling for Treaty Limited Equipment in the ATTU area. This works in effect as a limit on total Soviet forces. NATO has stuck to a 30% sufficiency rule (ie allowing the Soviet Union 60% of the Warsaw Pact allocation). The Soviet Union wants this raised to 35-40%, to take account of changes in the Warsaw Pact since the CFE negotiations began, and to compensate for the loss of the GDR. Some Allies, including the Americans, see this as an area where we could help the Russians. We and the French have argued for caution; the sufficiency rule expresses a key concept of political relations between European states and will become the benchmark for future negotiations. To raise the percentage would further increase the proportion of the Warsaw Pact holdings which the Soviet Union was entitled to fill, to the detriment of the

/Eastern

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Eastern European states. The card, if it is to be played, should be played only if other outstanding issues are satisfactorily resolved.

Verification

Intrusive verification of equipment sites and deployment is a key concern for NATO. Primary verification will be by on-site ground inspections, including an aerial examination of the vicinity. The Soviet Union's main objection is to the number of inspections. Mr Baker has already suggested some compromise. A ground inspection regime would probably provide a sufficient degree of confidence for the CFE Treaty. However, in order to provide greater transparency and confidence, we are keen to establish the principle of intrusive aerial verification, using aircraft with sensors in the ATTU, as proposed globally in the Open Skies talks. The Soviet Union have not yet responded to NATO's proposal on this.

Manpower

Apart from the 195,000/30,000 US/Soviet ceiling on stationed forces, this is not formally an element in the CFE Treaty. We have however told the Russians that their concern about the future size of the Bundeswehr is an issue for CFE (in order to prevent it holding up progress in the 2+4 negotiations). We also have an interest in manpower negotiations which could constrain all Soviet forces in Europe. To avoid singularising Germany, any further limits on manpower beyond those on US and Soviet stationed forces should ideally be addressed in the negotiations to follow on CFE I so that there is a regime to limit national forces in Europe as a whole. But the Soviet Union may not accept in the 2 + 4 meetings that they should lift their Quadrupartite Rights in exchange for a mere promise of limits on the Bundeswehr in future negotiations. The German aspects of this issue may therefore have to be partially settled in the final stages of CFE I and Herr Genscher at least is working up ideas which do this without affecting UK or other European forces. But before committing ourselves, we would want to be sure that this would secure Soviet signature to the agreement.

/If

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If the going gets tough in Moscow on CFE, the Prime Minister might like to make the following debating points:

- it is not possible to square the idea of defence sufficiency with proposals which would allow the Soviet Union 35%- 40% of all the equipment in the ATTU area. Unacceptable to Eastern as well as Western Europeans;
- the current Soviet proposal on aircraft would allow the Soviet Union to have around 6800 combat aircraft - 600 more than NATO currently possesses. What sort of arms control is that?

I am sending a copy of this letter to Simon Webb (MoD) and Sonia Pippard (Cabinet Office).

Yours ever,

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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ADVANCE COPY

PRIME MINISTER'S VISIT TO THE SOVIET UNION: GORBACHEV'S INVOLVEMENT.

1. THE MFA HAVE JUST PASSED US A MESSAGE FROM GORBACHEV'S FOREIGN AFFAIRS ADVISER, CHERNYAYEV, TO THE EFFECT THAT GORBACHEV WOULD NOT NOW BE ABLE TO ACCOMPANY THE PRIME MINISTER TO KIEV ON SATURDAY 9 JUNE. CHERNYAYEV EXPRESSED GORBACHEV'S SINCERE REGRETS. HE SAID THAT THE PRESIDENT WOULD HAVE TO SPEND 9 JUNE DEALING WITH INTERNAL MATTERS, INCLUDING THE MAJOR STATEMENT WHICH HE IS DUE TO DELIVER TO THE USSR SUPREME SOVIET ON 11 JUNE. PRESIDENT GORBACHEV HOPED THAT THE PRIME MINISTER WOULD UNDERSTAND HIS REASONS FOR HAVING TO MAKE THIS LATE CHANGE OF PLAN.

2. WE REPLIED THAT, WHILE THE PRIME MINISTER WOULD OF COURSE BE SAD THAT THE PRESIDENT COULD NOT VISIT THE BRITISH EVENTS IN KIEV WITH HER, SHE WOULD CERTAINLY UNDERSTAND. WE WERE WELL AWARE OF THE INTENSE PRESSURE OF DOMESTIC BUSINESS.

2. WE POINTED OUT THAT IT WAS WIDELY KNOWN THAT GORBACHEV HAD INTENDED TO GO TO KIEV (IT WAS INDEED ANNOUNCED BY THE DEPUTY PRIME MINISTER OF THE UKRAINE AT THE OPENING OF THE BRITISH EXHIBITION IN KIEV ON 4 JUNE), THAT WE WOULD HAVE TO FIND A WAY OF LETTING THE PRESS KNOW OF THE CHANGE, AND THAT THIS WOULD INEVITABLY LEAD RECEIVE HEADLINE TREATMENT IN THE WEST AND LEAD TO SPECULATION. KRASNOV ACKNOWLEDGED THE INEVITABILITY OF THIS. HE HAD NO INFORMATION ON WHEN AND HOW THE SOVIET SIDE MIGHT RELEASE THE NEWS. WE SUGGESTED THAT IT WOULD BE BEST FOR THE NEWS TO COME OUT AS SOON AS POSSIBLE. IF THE CHANGE OF PLAN ONLY BECAME APPARENT AFTER THE PRIME MINISTER'S ARRIVAL, SPECULATION ABOUT IT COULD OVER-SHADOW THE POSITIVE NEWS OF THE VISIT.

COMMENT

3. WE SEE NO REASON TO SEE MORE IN THIS THAN MEETS THE EYE. THE SUPREME SOVIET SESSION HAS BEEN EXTENDED YET AGAIN, AND IS NOT NOW DUE TO END UNTIL 14 JUNE. GORBACHEV WAS TO HAVE MADE A REPORT TO THE SUPREME SOVIET TODAY (INTER ALIA COVERING HIS WASHINGTON SUMMIT MEETING): BUT THE REPORT WAS DEFERRED, OVERTLY BECAUSE OF THE MEETING IN MOSCOW OF THE WARSAW PACT CONSULTATIVE COUNCIL. ON 5 JUNE

THE SUPREME SOVIET ALSO PUT OFF UNTIL NEXT WEEK THE VOTE ON THE SOVIET GOVERNMENT'S ECONOMIC REFORM PACKAGE. IN ANNOUNCING THE POSTPONEMENT OF THE VOTE, LUKYANOV INDICATED THAT THE SUPREME SOVIET MIGHT WISH TO HEAR GORBACHEV'S VIEW BEFORE TAKING ITS DECISION. LAST, BUT BY NO MEANS LEAST, GORBACHEV MUST RAPIDLY DEVISE HIS STRATEGY FOR DEALING WITH YELTSIN (ON WHICH, SEE MOSCOW TELNO 1057).

4. ALTHOUGH THE PARTY SECRETARY FOR THE UKRAINE, IVASHKO, HAS JUST BEEN ELECTED CHAIRMAN OF THE UKRAINIAN SUPREME SOVIET (HOLDING THE LINE FOR GORBACHEV THERE FOR THE TIME BEING) NERVOUSNESS ABOUT UKRAINIAN NATIONALISM MAY HAVE PLAYED A PART IN GORBACHEV'S DECISION. HE MAY HAVE FEARED EMBARRASSMENT IF NATIONALISTS TRIED TO DEMONSTRATE AGAINST HIM IN THE PRIME MINISTER'S PRESENCE.

5. YOU WILL WISH TO TAKE IMMEDIATE DECISIONS ON NEWS MANAGEMENT. IT IS NOT FOR THE BRITISH SIDE TO MAKE A FORMAL ANNOUNCEMENT ABOUT GORBACHEV'S PLANS - BUT THE NO 10 PRESS OFFICER MAY WISH TO LET IT BE KNOWN TODAY THAT PRESSURE OF BUSINESS FOLLOWING GORBACHEV'S LONG ABSENCE IN NORTH AMERICA, INCLUDING HIS SCHEDULED STATEMENT TO THE SUPREME SOVIET ON MONDAY, WILL PREVENT THE PRESIDENT FROM ACCOMPANYING THE PRIME MINISTER TO KIEV. IT COULD BE ADDED THAT THE CENTRAL WORKING ELEMENT OF THIS VISIT HAS ALWAYS BEEN SEEN AS THE OFFICIAL TALKS IN MOSCOW ON FRIDAY 8 JUNE: AND THAT IT HAD NEVER BEEN ENTIRELY CERTAIN THAT PRESIDENT GORBACHEV WOULD BE ABLE TO SPARE THE TIME TO VISIT THE BRITISH EXHIBITION IN KIEV. THE PRESS COULD BE TOLD THAT THE PRIME MINISTER FULLY UNDERSTANDS AND SYMPATHISES WITH PRESIDENT GORBACHEV'S DECISION: AND THAT SHE WILL BE GIVING A JOINT PRESS CONFERENCE WITH HIM IN MOSCOW ON THE AFTERNOON OF 8 JUNE (THE MFA AGAIN CONFIRMED THIS ITEM TO US TODAY). WE WOULD TAKE A SIMILAR LINE IN RESPONSE TO ENQUIRIES TO THE EMBASSY.

6. WE INDICATED TO THE MFA THAT YOU WERE LIKELY TO ACT IN THIS WAY, AND SAID THAT THEY SHOULD LET US KNOW AT ONCE IF THEY HAD ANY FURTHER SUGGESTIONS TO MAKE ABOUT THE NEWS MANAGEMENT. THEY HAVE MADE NONE, AND IN GENERAL AGREED WITH THIS RECOMMENDATION. THEY ACKNOWLEDGED THAT IT WOULD BE BEYOND OUR POWERS TO LIMIT COMMENT OR SPECULATION.

7. NOTWITHSTANDING THE MFA'S AGREEMENT, WE SHALL TRY TO CROSS-CHECK THAT GORBACHEV'S OFFICE ARE CONTENT WITH OUR PROPOSED LINE AND PREPARED TO ACT IN PARALLEL. IN THE MEANTIME, GRATEFUL IF YOU COULD LET US KNOW BY TELEGRAM OR SATELLITE TELEPHONE HOW YOU WISH TO HANDLE THIS.

8. PSE ADVANCE TO NO 10 DOWNING ST.

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Foreign and Commonwealth Office

London SW1A 2AH

6 June 1990

Dear Charles,

Richard Gozney
CDP
6/6

Prime Minister's Visit to the Soviet Union:
Lectureships in Soviet and East European Studies

The Prime Minister wanted the proposal to fund ten new lectureships in Soviet and East European studies to be sorted out in advance of her visit to the Soviet Union this week. She would then be able to make an announcement while she was there.

It has now been agreed that the British Council will administer the funds to pay for additional lectureships in Soviet and East European studies up until 1994. The money (£350,000 in all) will be made available through the FCO grant-in-aid, and is being provided through a PES transfer from the DES to the FCO. We hope that these lectureships will also attract money from the private sector and the academic institutions concerned.

The way is clear for the Prime Minister to make an announcement. However, the emphasis of the Prime Minister's speech at the Kremlin dinner is now on East/West and the political aspects of our relationship with the Soviet Union. It does not readily offer a peg on which to hang an announcement about lectureships. The Prime Minister will no doubt wish to take the opportunity to tell Mr Gorbachev of her initiative to set up the lectureships. She might like to announce them during the Press Conference, and in the TV/radio interviews with the British media. She might also refer to them when the scholars are presented to her in Kiev.

I am copying this letter to Stephen Crowne at the Department of Education and Science.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street



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FCS/90/111

SECRETARY OF STATE FOR EDUCATION AND SCIENCE

Soviet and East European Studies

1. Thank you for your letter of 1 June.

2. We have considered further with the British Council whether they can agree to administer a scheme of lectureships in Soviet and East European studies. They remain concerned, as do we, that this will lead to pressure to continue the scheme for longer than the three years you envisage, and to agree to similar schemes in other areas. But, given the exceptional circumstances of this case, they have agreed to administer the funds you have offered us, which we will pass on by means of an increase in the FCO grant-in-aid. Their agreement is on the following basis, which I understand has been agreed between our officials.

(i) the funds have been made available to the Council by Government for a specific purpose and for a limited number of years;

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(ii) the Council will disburse the funds as they decide, making the best possible use of them to achieve the given purpose;

(iii) there can be no guarantee on the number of lectureships which can be funded;

(iv) unless you can make available extra funds for administration, the administrative costs of the scheme will come out of the money available: this will reduce the amount which can be spent on lectureships.

3. FCO and the British Council spokesmen will draw on the enclosed line in briefing the press as soon as possible after the Prime Minister has made an announcement in Moscow. My Private Secretary is in correspondence with Number 10 about this, copied to your office. As you will see, we intend to hold the line that the scheme will be funded by Government money, if necessary adding that it will be passed to the British Council through an increase in the FCO grant-in-aid. But we cannot entirely exclude the possibility of a direct question at some stage about the source of the funds. In that event we would see no alternative to confirming that it had been provided by PES transfer from the DES.

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4. I am sending a copy of this minute to the Prime Minister.

DH.

(DOUGLAS HURD)

Foreign and Commonwealth Office

6 June 1990

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PRESS STATEMENT/LINE TO TAKE FOR THE SPEECH BY THE
PRIME MINISTER IN MOSCOW

FUNDING OF SOVIET AND EAST EUROPEAN STUDIES

The British Council will be given funds from Government for the financial years 1991/2-1993/4 inclusive to enable it to contribute to the cost of additional lectureships in Soviet and East European studies in this three year period. This follows one of the recommendations in the Wooding Report.

If necessary

- This is an exceptional pump-priming scheme for three years only, in view of the recommendations of the Wooding Report.
- It is hoped to secure joint funding of posts by institutions concerned.
- A committee will be set up to allocate funds.
- (If asked) the money is being made available through the FCO's grant-in-aid to the British Council.

PRIME MINISTER

MEETING WITH GORBACHEV

You were reflecting on the order in which you want to take the various issues in your meeting with Gorbachev.

He normally likes to start by discussing his domestic preoccupations. The problem is that it can take quite a long time. On the other hand it helps you to judge his mood, the pressures which he is under and how he is meeting them. My inclination would be to let him start on these - the economy, Yeltsin, the Baltics, the forthcoming party conference, the role of the military - if that seems to be what he wants; but to keep an eye on the time. You will want to select three or four key questions - what is his bottom line with Lithuania? What is his most pressing need for help with the economy? How is he going to establish a new balance between the centre and the republics? - and concentrate on them, keeping his anecdotal account for lunch. You will want to be moving on to more operational issues after an hour.

Fedⁿ.

You will want to devote the greater part of the meeting to Germany and future European Security. The judgment from Washington appears to be that Gorbachev has not really thought through his ideas on this. Whether it is really worth going back over the past few months and how you felt let down by him at the turn of the year, I rather doubt. I would not harp on it. We have to deal with the situation as it is.

You will want to take him through the various points of reassurance for the Soviet Union: no NATO forces in East Germany: Soviet forces to remain for a transitional period: changes in NATO strategy: a greater political role for NATO: the assurance of a CFE agreement: the prospect of negotiations on SNF: Germans to confirm renunciation of nuclear and chemical weapons: a further CFE which could include limits on the size of German forces: prospects of German (and other Western) financial help: ideas on building up the CSCE. There is a great deal here, and the question is how best to package it, to enable him to sell it in the Soviet Union. He will go on about dissolving alliances, creating a new pan-European security structure based

Will not
be taken
posted
then.

on the CSCE, and the need for a transitional period. You will need to underline that this is illusory now. In addition, a rather vague Soviet idea for an agreement between NATO and the Warsaw Pact seems to be emerging, although it is far from clear what it would be about: you will want to explore. It is possible that the Germans and Americans are cooking up something further. You will want to quiz Jim Baker on this tomorrow.

The purpose will be to talk the issue of Germany and NATO through with him in depth and try to implant an idea of how the German issue can be resolved in ways which get him some political credit in the Soviet Union. If you can make some progress, that would be a very worthwhile outcome from the meeting, but it would be unrealistic to expect anything more concrete. The trap to be avoided is allowing him to claim you as an ally against Germany and in favour of slowing everything down on unification. We are past that point.

The other area which needs substantive discussion is nuclear arms control, in particular non-circumvention, but also the case for retaining nuclear weapons in Europe (you will also want to pursue this with the military). You will want to get to this before lunch, say by 1230. The Americans have suggested that you should not take the initiative in raising non-circumvention: the real test how serious the Russians are will be whether Gorbachev himself brings it up. If he does not we can probably conclude that it is just the bureaucrats stirring things up. But I think you must make clear that we and the Americans are committed to continuing our present cooperation, and absolutely reject any third party constraints. That cooperation has been in place since the middle of World War II.

There are two difficult issues which I suggest you deal with at the very end of the morning session, while we are still in very restricted format. They are biological weapons and Mrs. Gordievsky (apparently President Bush did not raise her case specifically). He will not welcome your mentioning either point. If you want to end on a sweeter note, you might try to get agreement before lunch on respective Embassies keeping their

Residences in Moscow and London: and mention the sort of bilateral and economic help which we are prepared to give.

That would leave regional issues to be done mainly over lunch, together with further discussion of internal developments and anything more he wants to tell you about his visit to the United States. You will also want to work in - perhaps under the Middle East - something about Jewish emigration and the rise of anti-Semitism, presenting the latter as a European-wide phenomenon. You might mention Princess Anne's visit and end by issuing an invitation to President Gorbachev to pay another official visit to the United Kingdom, next year.

C.D.P.

(C. D. POWELL)

6 June 1990

a:\foreign\Gorbachev (srw)



CABINET OFFICE

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N.0702

C D Powell Esq
Private Secretary
10 Downing Street
Whitehall
London SW1

CDP
Eric Nimitz
CDP 6/6.
6 June 1990

Dear Powell,

THE PRIME MINISTER'S VISIT TO LENINAKAN

1. You will have seen Christopher MacRae's minute of 30 May about the Prime Minister's visit to Soviet Armenia. You will wish to know that this was considered by a meeting of MISC 136 on 5 June, which agreed that there was no risk of any group threatening violence to the Prime Minister during her visit to Leninakan. MISC 136 also took the view that the security arrangements for the visit were sound and that the Soviet authorities would take every measure to avoid exposing the Prime Minister to any danger.

2. We and the Assessments Staff shall continue to keep a close watch on the situation, and shall let you know if there is any development which has a bearing on the Prime Minister's security.

3. I am copying this letter to Stephen Wall and Sonia Phippard (with copies of Christopher MacRae's minute) and to Christopher MacRae.

Yours very,
David Gowan

D J GOWAN

-with CDP?

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CHAIRMAN - MISC 136

cc Chief Officer Coates

SOVIET ARMENIA: PRIME MINISTER'S VISIT

1. In the light of Mrs Thatcher's proposed visit to Leninakan on 10 June, you may find it useful to have our views on the current security situation in the republic.

The Political Background

2. Fuelled by the bitter and violent dispute with Azerbaijan over Nagorno-Karabakh, the political atmosphere in Armenia has been heated for months. There is deep disillusionment with Moscow, and hostility towards its representatives. It is condemned for the return of Nagorno-Karabakh to Azerbaijan's administration earlier this year, for the failure decisively to break Azerbaijan's economic blockade, and for Armenia's dire economic plight. The economy has shrunk sharply from the effects of the 1988 earthquake, the refugees from the fighting with the Azeris, and the blockade.

3. The local "popular front", the Armenian National Movement, is therefore a powerful force, which has put the local authorities on the defensive: the CPSU's leading role has been dropped from the constitution and conscription into the Soviet armed forces has been suspended. The republic is in the middle of a campaign to elect a new republican parliament, with National Movement candidates standing in two thirds of the seats.

Weapons

4. Guerilla warfare developed with Azerbaijan in January following anti-Armenian pogroms in Baku, the capital of

Azerbaijan. Armenian militants formed themselves into unofficial military detachments and illegally seized weapons from local army and internal security units. The commander of the Ministry of Internal Affairs (MVD) forces, General Shatalin, estimated on 25 May that militant groups still held more than 2,500 weapons, including 1,145 sub-machine guns and explosives. He publicly condemned the Armenian leadership for failing to help the MVD to disarm these groups, and described the situation as "explosive".

5. Tension has repeatedly flared into violence between the MVD and Armenian militants, as well as between the latter and Azeri militants. It did so again in three separate incidents in and around the Armenian capital, Yerevan, on 27 May in the run-up to Armenia's national day on 28 May. In at least two of these incidents numerous armed Armenians were involved: 24 people died, including two MVD soldiers, and dozens were wounded.

Leninakan

6. Most of the violence has been in and around Nagorno-Karabakh, on Armenia's borders with Azerbaijan (including the enclave of Nakhichevan), and in Yerevan. It has been guerilla rather than terrorist in style, and there is no evidence that the Lebanon-based Armenian terrorist group ASALA operates in any manner within the republic. Leninakan is well removed from the main hotspots. We have seen no reports from any source of violence there for at least several months.

7. It is planned that the Prime Minister will fly into Leninakan direct: no travel elsewhere in Armenia is involved. The town contains a large military garrison: the Russians certainly have the resources to ensure maximum security. Moreover, the Prime Minister is popular; there are no serious Armenian grudges against Britain; and our earthquake assistance has been well-received. We therefore judge that the likelihood of any group or individual intending violence against the Prime Minister is low to non-existent.

8. There does, however, seem to us some possibility of peaceful demonstrations being attempted. Such demonstrations would be more likely to be directed against Moscow than against the Prime Minister; but would seek to take advantage of what is likely to be the heavy media coverage of her visit. Soviet security would probably either keep them at a considerable distance or (more likely) suppress them altogether.

Christopher MacRae.

A C D S MacRAE

30 May 1990

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MIPT (NOT TO ALL):

PRIME MINISTER'S VISIT TO THE SOVIET UNION, 7-10 JUNE:
THE EXTERNAL AND BILATERAL BACKGROUND
SUMMARY

1. THE POWER, INFLUENCE AND LEVERAGE OF GORBACHEV AND THE SOVIET GOVERNMENT ARE WANING. THE LAW OF DIMINISHING RETURNS IS WORKING AGAINST GORBACHEV. 'GORBYMANIA' PEAKED IN HIS VISIT TO THE FRG IN JUNE 1989. HE RETAINS WIDE PERSONAL APPEAL IN THE WEST; BUT THIS IS INCREASINGLY DILUTED BY THE PERCEPTION OF A CRUMBLING HOME BASE. THE DEEPENING DOMESTIC CRISIS HAS LED TO NATIONAL INTROVERSION: FOREIGN POLICY 'SUCCESSSES' ARE FAR HARDER TO COME BY: AND THE SOVIET PEOPLE ARE RELUCTANT TO GIVE GORBACHEV CREDIT. PREOCCUPIED BY GERMANY AND EUROPE, THE SOVIET LEADERSHIP ARE PAYING AS LITTLE ATTENTION AS THEY CAN TO OTHER AREAS. OUR BILATERAL RELATIONS ARE ON THE CREST OF A WAVE.

DETAIL

2. THE COLLAPSE OF THE SOVIET POSITION IN EASTERN EUROPE HAS PUT GORBACHEV'S FOREIGN POLICY ON THE DEFENSIVE, AT HOME AND ABROAD. AS EASTERN EUROPE RAN OUT OF SOVIET CONTROL, WHAT MIGHT HAVE BEEN A MASTERLY ACT OF STATESMANSHIP BECAME A GLARING ADVERTISEMENT OF WEAKNESS. GORBACHEV, UNDERSTANDABLY, IS SENSITIVE TO THE IMAGE OF A DEMANDEUR. HE TOLD US CONGRESSIONAL LEADERS ON 2 JUNE 'THE INTERNATIONAL AND AMERICAN PRESS HAS BEEN WRITING THAT, GORBACHEV, LIKE NO SOVIET LEADER EVER BEFORE, HAS COME TO WASHINGTON AS A WEAK PETITIONER. BUT I AM NOT GOING TO PETITION YOU FOR ANYTHING.' EVEN SOVIET COMMENTATORS HAVE DEPICTED THE WASHINGTON SUMMIT AS A MATCH BETWEEN TWO WEAKENING GIANTS. UNDER THE HEADING 'THE LAST MEETING OF THE SUPERPOWERS,' ONE WROTE:
'IN FACT THE SOVIET UNION HAS ALREADY STOPPED BEING A SUPERPOWER. THE WARSAW TREATY IS LOSING ITS EFFICIENCY AND THE SOVIET ECONOMY IS

PAGE 1

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IN DIRE STRAITS. NOW EVEN (THE USSR'S) EXISTENCE WITHIN THE OLD FRONTIERS HAS BEEN CALLED INTO QUESTION.'

GERMANY AND EUROPE

3. FOR THE PAST HALF YEAR, THE SOVIET UNION HAS HAD VIRTUALLY A SINGLE-ISSUE FOREIGN POLICY. THE REALIGNMENT OF EASTERN EUROPE AND CONSEQUENCES OF IMPENDING GERMAN UNIFICATION HAVE PERVADED THE SOVIET APPROACH TO ARMS CONTROL, CSCE AND RELATIONS WITH THE UNITED STATES AS WELL AS WITH WESTERN EUROPE; AND HAVE RELEGATED OTHER EXTERNAL ISSUES TO THE MARGIN OF THE LEADERSHIP'S ATTENTION. THE ISSUE, IN SOVIET THINKING, IS PART PSYCHOLOGICAL, PART REAL. IN WASHINGTON GORBACHEV DENIED THAT SOVIET NATIONAL PRIDE COULD NOT ACCOMMODATE NATO MEMBERSHIP FOR A UNITED GERMANY, BUT CLAIMED IN THE SAME BREATH THAT IT WAS A MATTER OF 'SUPREME JUSTICE' AFTER SOVIET WARTIME SACRIFICES. THE REAL ELEMENT IS NOT, OF COURSE, THAT THE RUSSIANS FEAR AN ATTACK FROM A RESURGENT GERMANY, BUT THAT THEY SEE THE BALANCE OF POWER (OR OF 'INTERESTS,' AS THEY NOW PREFER TO EXPRESS IT) IN EUROPE TILTING YET FURTHER AWAY FROM THEM.

4. HAVING AT FIRST REFUSED TO DANCE WITH THE WEST OVER GERMANY'S NATO MEMBERSHIP, GORBACHEV AND SHEVARDNADZE ARE NOW ENGAGED IN A MINUET WITHOUT KNOWING WHERE TO PLANT THEIR FEET. THEY KNOW WHAT IS GOING TO HAPPEN, THEY KNOW THEY DON'T LIKE IT, AND THEY HAVE FAILED TO COME UP WITH A REALISTIC ALTERNATIVE. THEY ARE ALL BUT ASKING THE WEST TO DO THEIR THINKING FOR THEM.

5. THE SOVIET GOVERNMENT'S DESPERATE SEARCH FOR SOME CONTINUING LEVERAGE OVER GERMANY HAS LED TO THREATS WHICH, IF IMPLEMENTED, WOULD DO MOST DAMAGE TO THE USSR. THEIR PRE-EMINENT EXTERNAL NEED AT THIS TIME IS TO MINIMISE PRESSURE FROM WITHOUT, TO MAXIMISE WESTERN COOPERATION, AND TO SECURE A PLACE FOR THE SOVIET UNION IN THE NEW EUROPE OF THE 1990S. BUT THEIR PARADOXICAL REACTION TO THE PROSPECT OF GERMAN UNIFICATION ON 'WESTERN' TERMS HAS BEEN A THREAT TO RENEW CONFRONTATIONAL POLITICS. THIS THREAT SURFACED IN THE RECENT VISITS TO MOSCOW OF MR TOM KING, MR JAMES BAKER, AND PRESIDENT MITTERRAND. GORBACHEV REPEATED IT TO THE US CONGRESSMEN: 'IF THE BALANCE IS DISRUPTED, THEN ... WE WOULD HAVE TO THINK HOW TO REACT, WHAT TO DO ABOUT THE REDUCTION OF OUR ARMED FORCES, WHAT TO DO IN VIENNA.'

6. THE SOVIET LEADERSHIP LINK THIS TO A SECOND SPECTRE, EQUALLY DAMAGING TO THEMSELVES. THEY ARGUE (WITH THE SUPPORTING EVIDENCE IN FULL VIEW) THAT THE WEST MUSTNOT DRIVE A BARGAIN WHICH UNDERMINES THE FRAGILE POSITION OF GORBACHEV, HIS ALLIES AND HIS POLICIES. THIS ARGUMENT HAS EVIDENTLY IMPRESSED SUCH RECENT INTERLOCUTORS AS THE

WEST GERMAN AND FRENCH FOREIGN MINISTERS AND PRESUMABLY LAY BEHIND PRESIDENT BUSH'S DECISION TO SIGN THE TRADE AGREEMENT. THE WEST IS RIGHT TO TAKE IT SERIOUSLY. BUT IT IS HARDLY CALCULATED TO INSPIRE CONFIDENCE OR ENCOURAGE THE WEST TO MAKE THE MAJOR POLITICAL AND ECONOMIC INVESTMENT WHICH THE SOVIET UNION ARDENTLY DESIRES.

7. WE MUST HOPE THAT IN HIS CONVERSATIONS WITH THE PRIME MINISTER GORBACHEV WILL MOVE BEYOND THIS BARREN GROUND. HE HAS THE OPPORTUNITY TO STEER THE SUBJECT OF GERMANY AND EUROPE IN A MORE CONSTRUCTIVE DIRECTION. NOW SHOULD BE THE TIME FOR HIM TO DO SO. THE RUSSIANS STILL CLAIM TO WANT A CFE AGREEMENT THIS YEAR. THEY REMAIN VERY KEEN ON THE CSCE SUMMIT. THEY HAVE NOW SET OUT THEIR THINKING ON FUTURE EUROPEAN STRUCTURES IN SOME DETAIL. WESTERN REACTIONS HAVE BEEN FAR FROM UNRESPONSIVE. THE AMERICANS AND WEST GERMANS HAVE OFFERED SIGNS OF MOVEMENT ON CFE ISSUES. THE WEST HAS SHOWN WILLINGNESS TO TAKE ACCOUNT OF SOVIET CONCERNS ABOUT EUROPEAN SECURITY AND EXTERNAL ASPECTS OF GERMAN UNIFICATION. THE SOVIET REACTION, IN WASHINGTON AND ELSEWHERE, HAS BEEN CONFUSED, ERRATIC AND CONTRADICTORY. IT WILL BE USEFUL TO SEE IF GORBACHEV CAN NOW BE NUDGED CLOSER TO ACCEPTING THAT GERMANY'S STATUS IN NATO NEED NOT BE A DEFEAT FOR THE USSR, IF SEEN IN THE WIDER CONTEXT OF EUROPE'S CHANGING ARCHITECTURE.

OTHER ASPECTS OF THE WASHINGTON SUMMIT

8. GLASNOST NOTWITHSTANDING, THERE HAS BEEN A YAWNING GAP BETWEEN WESTERN AND SOVIET MEDIA COVERAGE OF THE WASHINGTON SUMMIT. THE SOVIET PRESS HAVE COVERED WITH WIDTH, NOT THE QUALITY: TWO PAGES OF THE VERBATIM TRANSCRIPT OF THE JOINT PRESS CONFERENCE, FOR EXAMPLE, AND TELEVISION TRAVELOGUES OF MINNESOTA. BUT FEW SOVIET CITIZENS WILL HAVE SHARED SHEVARDNADZE'S ASSESSMENT OF THE SUMMIT AS ONE WHICH WOULD BE SEEN BY FUTURE GENERATIONS AS 'A VERY LARGE EVENT IN WORLD POLITICS.' THEIR ATTENTION, LIKE THAT OF THE WESTERN PRESS, IS FIXED ON PROBLEMS NEARER HOME. THERE HAVE BEEN FEW SIGNS OF POPULAR INTEREST IN GORBACHEV'S LATEST VISIT TO AMERICA. DESPITE LOWERING POPULATION EXPECTATIONS SUMMITRY IS PRODUCING DIMINISHING RETURNS FOR GORBACHEV.

9. DISCERNING RUSSIANS WILL HAVE FOUND THE WASHINGTON SUMMIT THIN ON CONCRETE ACHIEVEMENTS, BUT NOT ENTIRELY WITHOUT BENEFIT TO GORBACHEV WHEN IT COMES TO DEFENDING HIS FOREIGN POLICY AGAINST HARD-LINE CRITICS AT NEXT MONTH'S PARTY CONGRESS. IN STATEMENTS RELAYED FROM WASHINGTON, GORBACHEV PLAYED ON TWO THEMES. THE FIRST WAS: 'FROM CONFRONTATION THROUGH RIVALRY TOWARDS PARTNERSHIP.' HE HOPEFULLY COMPARED THE EMERGING PARTNERSHIP WITH THE UNITED STATES TO THE

WAR-TIME COALITION AGAINST HITLER. WITH MOST INTELLIGENT RUSSIANS, THE THEME OF PARTNERSHIP, THOUGH INCREASINGLY COMMONPLACE, STRIKES A CHORD. THE OTHER POSITIVE MESSAGE WHICH GORBACHEV AND THE SOVIET MEDIA HAVE SOUGHT TO CONVEY IS THAT, AT THIS MEETING AND PARTICULARLY AT CAMP DAVID, HE HAS ESTABLISHED A CLOSE PERSONAL RAPPORT WITH PRESIDENT BUSH, WITHOUT ABANDONING A TOUGH DEFENCE OF SOVIET INTERESTS. THERE HAS BEEN THE HINT OF A SUB-TEXT THAT GEORGE BUSH IS MORE ATTUNED TO GORBACHEV'S STYLE OF DISCUSSION THAN RONALD REAGAN, AND THAT THIS IS THEREFORE A QUALITATIVELY DIFFERENT RELATIONSHIP BETWEEN SOVIET AND AMERICAN LEADERS.

THE WIDER WORLD

10. THE SOVIET LEADERSHIP HAS MADE INTERMITTENT, BUT LARGELY UNSUCCESSFUL, ATTEMPTS TO WIDEN THE FOCUS OF ITS FOREIGN POLICY OVER THE LAST FEW MONTHS. TO ITS EMBARRASSMENT, ARAB REACTIONS TO THE HIGH TIDE OF SOVIET JEWISH EMIGRATION TO ISRAEL HAVE DRAGGED THE USSR INTO THE CROSS-FIRE OF THE ARAB/ISRAEL QUESTION. UNTIL THIS LATEST UNWELCOME DEVELOPMENT, THE RUSSIANS HAD HOPED THAT THEIR DIPLOMACY WITH BOTH SIDES OF THE DISPUTE HAD SHORED UP THEIR TRADITIONAL AIM OF BEING REGARDED AS A VITAL ALLY OF THE ARABS AND AN INESCAPABLE PARTICIPANT IN A MIDDLE EASTERN SETTLEMENT. ELSEWHERE IN THE MIDDLE EAST, THEY HAVE BEEN STEADILY BUILDING UP THEIR RELATIONS WITH IRAN.

11. IN ASIA, THOUGH THE AFGHAN AND CAMBODIAN CONFLICTS NO LONGER IMPEDE SOVIET POLICY, THE IMPACT OF SOVIET 'NEW THINKING' HAS BEEN BLUNTED BY LACK OF RESOURCES. LI PENG WAS ABLE THIS SPRING TO PAY THE FIRST VISIT TO MOSCOW BY A CHINESE PREMIER FOR 26 YEARS, BUT THE RELATIONSHIP WITH CHINA IS CONSTRAINED BY WIDE IDEOLOGICAL DIFFERENCES. RELATIONS WITH JAPAN (WHERE GORBACHEV IS DUE IN 1991) ARE HUNG UP ON THE NORTHERN TERRITORIES. PRIMARILY FOR ECONOMIC REASONS, THE RUSSIANS HAVE BUILT UP RELATIONS WITH SOUTH KOREA AT THE EXPENSE OF KIM IL SUNG: BUT SOUTH KOREA IS A POOR SUBSTITUTE FOR JAPAN. THE LONG-STANDING FRIENDSHIP WITH INDIA IS SUFFERING A LITTLE FROM NEGLECT. THE RUSSIANS HAVE KEPT AS LOW A PROFILE AS THEY CAN OVER KASHMIR.

12. ALTHOUGH SHEVARDNADZE USED NAMIBIAN INDEPENDENCE AS A PEG FOR THE FIRST TOUR OF SUB-SAHARAN AFRICA BY A SOVIET FOREIGN MINISTER, AFRICA, LIKE LATIN AMERICA, SCARCELY REGISTERS ON THE SOVIET LEADERSHIP'S SCALE OF PRIORITIES. SHEVARDNADZE QUOTES THE DEVASTATION OF THE ANGOLAN ECONOMY AS A DIRE EXAMPLE OF OVER-CONCENTRATION ON THE ARMED FORCES.

BRITISH/SOVIET RELATIONS

13. WITH THE OTHER MAJOR WESTERN EUROPEAN COUNTRIES, WE CONTINUE TO FIND OURSELVES IN THE FRONT RANK OF SOVIET INTERLOCUTORS. LIKE OUR OTHER PARTNERS, WE ENCOUNTER PROBLEMS IN THE RELATIONSHIP WITH RELICS OF THE OLD SOVIET SYSTEM AND WITH ASPECTS OF THE NEW (ESPECIALLY AT THE MOMENT THE DELAYS IN SOVIET HARD CURRENCY PAYMENTS). BUT BOTH AT A POLITICAL LEVEL AND IN TERMS OF PERSONAL CONTACTS, THE SPREAD OF BRITISH EXCHANGES WITH THE SOVIET UNION HAS NEVER BEEN WIDER. THE BRITISH MONTH IN KIEV, WHICH THE PRIME MINISTER WILL BE VISITING, AND THE PRINCESS ROYAL'S TWO-WEEK TOUR FROM MOSCOW TO SIBERIA AND BACK VIA CENTRAL ASIA TO THE UKRAINE, HAVE CAUGHT THE SPIRIT OF THE TIMES. IN THE PARTNERSHIP THAT WE ARE DEVELOPING IN SO MANY FIELDS, FROM MANAGEMENT TRAINING TO MILITARY EXCHANGES, AND IN PENETRATION BY BRITONS OF PREVIOUSLY CLOSED AREAS OF SOVIET LIFE AND SOCIETY, BRITAIN IS PLAYING A FULL PART IN A PROCESS OF WESTERN ENLIGHTENMENT WHICH WILL MAKE IT HARDER FOR THE SOVIET UNION EVER TO RETURN TO ITS PREVIOUS HERMETIC ISOLATION. THAT IS A WORTHWHILE INVESTMENT IN ITS OWN RIGHT. THOUGH SOVIET POLITICAL AND ECONOMIC STRUCTURES ARE SET FOR A BUMPY RIDE, IT IS ALSO AN INVESTMENT IN EMERGING DEMOCRACY AND IN WHAT ONE DAY SHOULD BECOME A LARGE MARKET ECONOMY.

BRAITHWAITE

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MR P J WESTON
MR TAIT
MR GOULDEN
MR BEAMISH
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PRIME MINISTER'S VISIT TO THE SOVIET UNION, 7-10 JUNE
THE INTERNAL BACKGROUND

SUMMARY

1. AT HOME AND (SEE MIFT) ABROAD, GORBACHEV'S POWER IS SHRINKING. THIS HAS BEEN THE WORST HALF YEAR OF HIS TENURE, DESPITE HIS ASSUMPTION OF THE EXECUTIVE PRESIDENCY. THE PRESIDENTIAL STRUCTURE AS YET PROVIDES INADEQUATE SUPPORT FOR GORBACHEV, WHOSE PERSONAL POSITION HAS BEEN UNDERMINED BY YELTSIN'S ELECTION IN THE RSFSR. NATIONALITY AND ECONOMIC PROBLEMS HAVE MULTIPLIED. THE LAUNCH OF A SUPPOSED TRANSITIONAL PLAN TO A MARKET ECONOMY HAS BEEN GRAVELY MISJUDGED ON EVERY COUNT. IN A CONFUSED AND VOLATILE SITUATION, IT IS HARDER THAN EVER TO PREDICT WHAT LIES AHEAD. PERESTROIKA HAS STUMBLERD BADLY, AND CHANGE AND REFORM AS PROCEEDING IN AN UNCOORDINATED AND POTENTIALLY CHAOTIC MANNER.

DETAIL

2. IN GORBACHEV'S WEEK AWAY, THE POLITICAL LANDSCAPE HAS CHANGED. THE PRESS HAS WRITTEN ABOUT AMERICA, BUT THE REAL TALKING POINT (EXCEPT IN PRAVDA) IS YELTSIN'S ELECTION VICTORY.

3. THIS TURNING POINT HAS SHOWN UP PERESTROIKA'S CONTRADICTIONS =

- A DIFFUSE AND DISORGANISED CENTRAL DECISION-MAKING STRUCTURE,
- A LACK OF FEEL AMONG THE OLD GENERATION OF PERESTROIKA POLITICIANS (INCLUDING GORBACHEV) FOR NEW DEMOCRATIC INSTITUTIONS
- A FEDERATION WITHOUT AGREED MEMBERSHIP RULES OR A CONSENSUS ON THE DISTRIBUTION OF POWER.

DECISION-MAKING IN MOSCOW: THE PRESIDENCY

4. GORBACHEV'S NEW POWERS AS EXECUTIVE PRESIDENT WERE INTENDED TO REVITALISE PERESTROIKA, FACILITATE VITALLY NECESSARY ECONOMIC MEASURES AND CONTROL ETHNIC UNREST. THESE EXPECTATIONS HAVE BEEN DISAPPOINTED, LARGELY BECAUSE OF TWO INSTITUTIONAL FLAWS.

5. FIRST, THE PRESIDENCY HAS NO EXECUTIVE APPARATUS. GORBACHEV HAS TO RELY, AS BEFORE, ON THE GOVERNMENT AND PARTY MACHINE TO IMPLEMENT POLICY. THE PRESIDENTIAL COUNCIL HAS NOT REPLACED THE POLITBURO AS AN EFFECTIVE DECISION-MAKING CABINET. IT HAS BEEN ANOTHER TALKING SHOP.

6. SECOND, GORBACHEV LACKS A POPULAR MANDATE. UNLIKE VIRTUALLY ALL THE NEW REPUBLIC AND REGIONAL LEADERS, HE HAS NEVER STOOD FOR PUBLIC ELECTION: AND HE HAS LOST HIS INITIAL POPULARITY. THIS UNDERMINES HIS ABILITY TO IMPLEMENT DECISIONS. RATHER THAN FORCE THROUGH UNPALATABLE ECONOMIC REFORMS BY PRESIDENTIAL DECREE, HE HAS FELT OBLIGED TO PROMISE THE POPULATION THAT NOTHING WILL BE DONE WITHOUT THEIR AGREEMENT.

7. YELTSIN'S PLEDGE TO HOLD A NATIONAL ELECTION FOR THE RUSSIAN PRESIDENCY WITHIN A YEAR BRINGS THIS WEAKNESS INTO THE OPEN. IT WILL FACE GORBACHEV WITH AN UNCOMFORTABLE CHOICE: EITHER TO FOLLOW SUIT WITH ELECTIONS FOR THE USSR PRESIDENCY, OR TO HOLD BACK AND DAMAGE HIS CREDIBILITY AS A NATIONAL LEADER.

COPING WITH THE NEW DEMOCRACY

8. PERESTROIKA BEGAN AS A REVOLUTION FROM ABOVE. GORBACHEV SKILFULLY DICTATED THE PACE. BY THE TIME HE ASSUMED THE PRESIDENCY, IT SEEMED AS IF THE COUNTRY MIGHT BE READY FOR REAL PROGRESS TOWARDS A MULTI-PARTY DEMOCRACY AND A MIXED ECONOMY. SINCE THEN, THERE HAS BEEN HESITANCY. GORBACHEV SEEMS WORRIED THAT HE MAY, LIKE FRANKENSTEIN, BE CREATING A MONSTER HE CANNOT CONTROL. INSTEAD OF USING THE PRESIDENCY TO CUT LOOSE FROM THE CPSU HE IS STILL TRYING TO BUILD UP HIS POSITION WITHIN THE PARTY. FEW NOW BELIEVE THAT GORBACHEV WILL VOLUNTARILY STEP DOWN FROM THE PARTY LEADERSHIP AT NEXT MONTH'S CONGRESS. HE HAS ALSO BEEN MAKING BELATED OVERTURES TO THE MILITARY.

9. THIS RETRENCHMENT HAS BEEN ACCOMPANIED BY ELEMENTARY MISTAKES IN HANDLING THE NEW DEMOCRATIC INSTITUTIONS. GORBACHEV EXPOSED HIMSELF TO AVOIDABLE HUMILIATION IN RED SQUARE ON MAY DAY. HE HAS SOURED RELATIONS WITH THE NEW MODERATE REFORMIST LEADERSHIP OF THE MOSCOW CITY COUNCIL. HE BADLY MISHANDLED THE YELTSIN ELECTION, ENDORSING A WEAK AND UNPOPULAR CANDIDATE (VLASOV) AND THEN INTERVENING UNSUCCESSFULLY AGAINST YELTSIN. THIS MAXIMISED GORBACHEV'S DEFEAT.

THE UNSTABLE FEDERATION

10. FEDERAL PROBLEMS NOW START WITH THE RSFSR, NOT THE BALTIC AND THE CAUCASUS. YELTSIN CAMPAIGNED FOR INCREASED RUSSIAN SOVEREIGNTY

AND A RUSSIAN "REBIRTH." HE IS CHALLENGING USSR INSTITUTIONS OVER SECURITY (RUSSIA TO HAVE ITS OWN KGB), DEENCE (NUCLEAR TESTING TO BE BANNED ON RUSSIAN TERRITORY) AND ABOVE ALL THE ECONOMY. HE WANTS RUSSIA TO CONTROL ITS VAST NATURAL RESOURCES AND THE DOLLARS THEY EARN.

11. THE THRUST OF "RUSSIAN REBIRTH" IS THAT RUSSIA IS IN ITS PRESENT SORRY STATE FROM SUBSIDISING THE OTHER REPUBLICS. THE REPUBLICS SHOULD EITHER BE ALLOWED TO LEAVE THE UNION, OR COMPELLED TO CONTRIBUTE MORE TO RUSSIAN DEVELOPMENT. HAVE THE RUSSIANS LOST THEIR WILL FOR EMPIRE? GORBACHEV'S ADVISERS, APROPOS OF LITHUANIA, SAY THE RUSSIAN PEOPLE ARE NOT READY TO DISMANTLE. YELTSIN APPEARS NOT TO AGREE. HE HAS IN THE PAST BEEN A GOOD JUDGE OF THE RUSSIAN POPULAR MOOD.

THE UKRAINE

12. THE NEW UKRAINIAN SUPREME SOVIET ON 4 JUNE ELECTED VLADIMIR IVASHKO AS ITS FIRST CHAIRMAN. HE IS ALSO PARTY LEADER OF THE REPUBLIC, AND WAS PRESUMABLY MOSCOW'S CHOICE. BUT NATIONALISM IS ALSO ON THE MOVE IN THE UKRAINE. IVASHKO NEEDS TO TAKE ACCOUNT OF HS ELECTORATE. DESPITE HIS REPUTATION FOR POLITICAL ORTHODOXY, HE COULD PROVE NO LESS ASSIDUOUS THAN YELTSIN IN SEEKING WIDER SOVEREIGNTY FOR HIS REPUBLIC AT THE EXPENSE OF THE CENTRE.

THE BALTIC STATES

13. WHEN GORBACHEV LEFT FOR CANADA, RELATIONS WITH LITHUANIA WERE AT AN UNEASY STALEMATE. THE LITHUANIANS HAD OFFERED CONCESSIONS: MOSCOW HAD SAID THEY WERE INSUFFICIENT. NEITHER SIDE SEEMED ABLE TO TAKE THE ONE EXTRA STEP WHICH MIGHT GET NEGOTIATIONS STARTED. GORBAHCEV'S PUBLIC STATEMENTS IN THE USA WERE INTRANSIGENT. HOWEVER, IN HIS ABSENCE, THE LITHUANIANS HAVE RECIEVED THE MAJOR BOOST OF YELTSIN'S ELECTION. YELTSIN MAY BE PREPARED TO DEFY THE MOSCOW BLOCKADE AND HAS ALREADY HAD TALKS WITH LANDSBERGIS. LITHUANIAN "INDEPENDENCE" HAS ALSO BEEN RECOGNISED BY THE MOLDAVIAN SUPREME SOVIET - A PSYCHOLOGTICAL BOOST AND A FURTHER SIGN OF MOSCOW'S LOSS OF CONTROL OVER THE REPUBLICS. GORBACHEV NOW NEEDS TO LOOK FOR A COMPROMISE SOLUTION, BUT WILL STILL BE HARD PUT TO WIN PARTY AND MILITARY SUPPORT FOR CONCESSIONS TO THE BALTIC REPUBLICS.

ECONOMIC REFORM = SHOCK WITHOUT THERAPY

14. THE GOERNMENT'S NEW ECONOMIC REFORM PROGRAMME HAS RUN INTO HEAVY OPPOSITION IN THE USSR SUPREME SOVIET. ECONOMISTS ARGUE THAT THE PLAN IS HALF-BAKED AND THAT THE DECISION TO INCREASE - BUT NOT FREE - RETAIL PRICES IS A MAJOR STRATEGIC ERROR: "SHOCK WITHOUT THERAPY"

AS ONE DEPUTY PUT IT. VIRTUALLY ALL DEPUTIES ARE WORRIED ABOUT THE PRICE RISES: ABOVE ALL ABOUT THE THREE-FOLD INCREASE IN THE PRICE OF BREAD PROMISED FOR 1 JULY.

15. VOTING ON THE PROGRAMME WAS DUE ON 5 JUNE AFTER A WEEK IN WHICH GOVERNMENT AND SUPREME SOVIET EXPERTS HAVE BEEN TRYING TO PUT TOGETHER AMENDMENTS TO KEEP IT AFLOAT. MEANWHILE, THE THREAT OF PRICE RISES HAS PANICKED CONSUMERS AND FORCED MOSCOW AND OTHER CITIES TO INTRODUCE 'SHOPPING BY PASSPORT.' REGIONS AROUND MOSCOW ARE THREATENING RETALIATORY CUTS IN SUPPLIES TO THE CAPITAL. SOME OF GORBACHEV'S ECONOMIC ADVISERS HOPE TO USE GROWING CHAOS TO PERSUADE GORBACHEV TO ENDORSE A MORE RADICAL REFORM PROGRAMME: EXTENSIVE FREEING OF PRICES IN 1991 WITH A CRASH PROGRAMME DURING THE REST OF THIS YEAR TO INTRODUCE FURTHER BUDGET CUTS, DISMANTLE THE MINISTERIAL APPARATUS AND INTRODUCE NEW CREDIT AND BANKING STRUCTURES.

16. IRRESPECTIVE OF GORBACHEV'S ATTITUDE, THERE ARE REAL DOUBTS ABOUT THE WILLINGNESS OF THE INCREASINGLY INDEPENDENT REPUBLIC GOVERNMENTS TO ACCEPT ANY REFORM PLAN IMPOSED BY MOSCOW. THE UKRAINIAN AND BELORUSSIAN SUPREME SOVIETS HAVE ALREADY VETOED THE CURRENT USSR GOVERNMENT'S PLAN WITHOUT WAITING FOR THE USSR SUPREME SOVIET. YELTSIN AND THE RUSSIAN CONGRESS ARE THREATENING TO DO LIKEWISE.

CONCLUSION: THE BROKEN MOULD

17. MANY BELIEVE THAT GORBACHEV MUST EITHER NOW SIDE WITH YELTSIN AND OTHER MODERATE REFORMERS (EG THE NEW MAYORS OF MOSCOW AND LENINGRAD) OR FALL BACK ON THE PARTY. IT IS ARGUED THAT YELTSIN'S ENDORSEMENT WOULD HELP GORBACHEV CARRY THROUGH UNPOPULAR ECONOMIC REFORMS: AND THAT GORBACHEV HAS LITTLE CHOICE - GIVEN THE STRENGTH OF YELTSIN'S POSITION.

18. THESE ARGUMENTS MAY OVERESTIMATE GORBACHEV'S FLEXIBILITY AND YELTSIN'S STRENGTH. YELTSIN IS UNLIKELY TO HAVE THINGS ALL HIS OWN WAY IN THE RUSSIAN CONGRESS. THE PERSONAL ANTI-PATHY WILL MILITATE AGAINST CLOSE COOPERATION. ALLIANCE WITH YELTSIN WOULD MEAN A BREACH WITH THE PARTY APPARATUS (STILL A POWER BASE) AND DILUTION OF GORBACHEV'S PERSONAL ROLE. ON THE OTHER HAND, RELIANCE ON THE PARTY COULD LEAVE GORBACHEV ISOLATED IF IT SPLITS BADLY AT OR SOON AFTER THE FORTHCOMING CONGRESS. THE CENTRAL PARTY APPARATUS HAS ALREADY LOST CONTROL OF THE BALTIC AND CAUCASIAN REPUBLICS. YELTSIN WILL BE DOING HIS BEST TO REDUCE ITS POWER IN RUSSIA.

19. GORBACHEV IS NEVER TO BE UNDER-ESTIMATED. HOWEVER THE FORCES HE

HAS UNLEASHED HAVE SLIPPED HIS CONTROL. HE IS NOW FIGHTING TO PREVENT THE MARGINALISATION OF HTE EXECUTIVE PRESIDENCY AND THE GROWING ASSERTIN OF REGIONAL OVER CENTRAL AUTHORITY. IN THIS, HIS ALLIES INCLUDE BODIES WHOSE LOYALTY TO HIM HAS BEEN STRAINED - THE PARTY, THE ARMED FORCES, AND THE KGB. AS TIME PASSES, REVERSION TO A STRONG, CENTRALISED SYSTEM WHETHER UNDER GORBACHEV OR A SUCCESSOR) BECOMES INCREASINGLY HARD TO ENVISAGE. THE DIAMETRICALLY OPPOSITE SCENARIO IS ONE (PERHAPS UNDERRATING THE INSTRUMENTS OF STATE POWER STILL AT THE PRESIDENT'S DISPOSAL) IN WHICH THE USR SUPREME SOVIET BECOMES SOMETHING AKIN TO THE EUROPEAN PARLIAMENT, WITH THE PRESIDENT AS A CONSTITUTIONAL FIGUREHEAD. IN TRUTH, THE MOULD HAS BEEN SO THOROUGHLY BROKEN THAT ONE CAN DO LITTLE MORE THAN GUESS AT THE FINAL RESULT. AT THE COST OF HIS OWN POSITION, GORBACHEV HAS PUT POPULAR FORCES TO WORK. THE SHORT-TERM EFFECT IS INSTABILITY. IN THE LONGER TERM, A NEW CONSTELLATION OF FORCES MAY YET ACHIEVE MANY OF PERESTORIKA'S ORIGINAL BROAD AIMS

20. SEE MIFT (NOT TO ALL)

BRAITHWAITE

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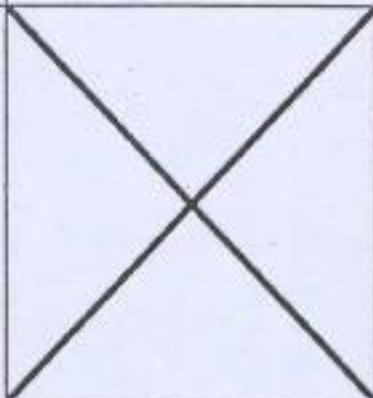
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CDP

JRF.keb.e1

5th June, 1990

The Rt. Hon. Mrs Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
LONDON, SW1 2AA.

Dear Prime Minister,

When I wrote to you in September of last year prior to your last meeting with Mr. Gorbachev, I concurred with your earlier hope that legislation would be speedily forthcoming which would enshrine the rights of individuals to leave the Soviet Union "so that they can be claimed and enforced and not given as privileges which can one day be taken away".

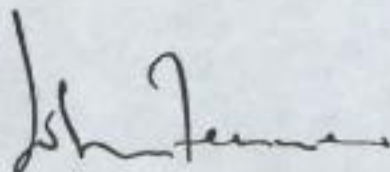
Despite innumerable promises, and sterling input by our own Foreign Office, this hope remains unfulfilled. Two suggested dates for the subject to be raised in the Supreme Soviet have come and gone and we are still no nearer legislation. We recently received the text of the latest draft of the proposed legislation which is a significant improvement on its predecessor. Nevertheless, a number of serious flaws remain, of which its non retro-activity is perhaps of most concern. This will mean that the many hundreds of existing refuseniks will fall outside the remit of the legislation. We submit that this loop-hole must be filled before the law is enacted. The continued existence of refuseniks will remain in complete contradiction to the USSR's international obligations and the spirit of cooperation and understanding that is rapidly being erected.

We are most concerned at the increase in anti-semitism which is causing widespread fear among Jews within and without the Soviet Union. Their fears would be somewhat allayed if Mr. Gorbachev personally, or the Soviet Government generally, were to take a resolute stand against this phenomenon. It might perhaps be appropriate for such a stand to occur in Kiev, the site of Babi Yar and of so much historic anti-semitism.

2.

Being ever mindful of your commitment to Human Rights in the Soviet Union and your intention of hearing first-hand testimony from leading refuseniks during your forthcoming visit, may I wish you every success in your deliberations.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "John Fenner".

JOHN R. FENNER
Chairman



Foreign and Commonwealth Office

London SW1A 2AH

SECRET

5 June 1990

Dear Charles,

More a matter to ask the Soviet military via Mr. Gorbachev.

Prime Minister's visit to Moscow: CFE: Pre-positioning of Treaty Limited Equipment

I am writing separately in response to your letter of 1 June about outstanding issues on CFE. But the Prime Minister should be aware in advance of her meetings in Moscow that there have been some indications that the Russians might be removing equipment which will be covered by the Conventional Forces in Europe (CFE) Treaty from the Treaty area of application (West of the Urals) for stockpiling east of the Urals. I should stress that we have no hard evidence that the Soviet authorities are doing this in order to circumvent the effect of the CFE Treaty when it comes into force, but that is certainly one interpretation of what we have seen so far. It is equally possible that the movements have been brought about as part of unilateral reduction, modernisation of formations in the European USSR, or prior to destruction.

The Treaty Limited Equipment (TLE) in question are tanks, artillery and aircraft. In the case of the latter, the Soviet Union have also redesignated a number of Soviet Air Force regiments based west of the Urals to the Soviet Naval Air Force. Naval aircraft, they argue, should be excluded from the scope of the CFE Treaty, although they are land based. NATO has firmly resisted the suggestion that land based naval aircraft should be excluded from the TLEs.

We are not in a position to confront the Soviet authorities with an accusation that they are deliberately trying to reduce the extent to which the CFE Treaty bites on Soviet conventional forces by removing TLEs from the scope of the Treaty. But in discussion of CFE, it would be worth the Prime Minister asking about what is happening (particularly with the Soviet military). She might say that:

- we have noted movements of Soviet tank, artillery and aircraft units from west of the Urals to positions east of the Urals;
- this, taken with redesignation of Soviet aircraft west of the Urals to the Soviet Naval Air Force, leads us to wonder what are the implications for the CFE negotiations;
- the agreed purpose of CFE is to establish a stable balance which eliminates the scope for surprise attack and offensive

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action in the Atlantic to the Urals area. As you can imagine any undue increase outside that area would raise worries in Western Europe that the purpose of a CFE Treaty was being circumvented;

- we would therefore be grateful to know why these movements are taking place, and what reassurance you can provide that we will not be faced with undue concentrations east of the Urals.

I am copying this letter to Simon Webb (MOD).

Yours,
Stephen Wall
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

SECRET

Soviet Union: (no) 457 to use 194



PRIME MINISTER

VISIT TO THE SOVIET UNION

I attach some further important papers, relevant to your meeting with Mr Gorbachev, which you will want to look at overnight.

They comprise:

- the full State Department briefing on the talks. This is generally in line with the account which you received from President Bush, while giving somewhat more detail;
- a telegram recording a conversation with Mr Blackwill of the National Security Council. This takes rather a 'counter-cyclical' view, saying in effect that Gorbachev was all over the shop in his talks with the President, appeared to have done very little serious preparation, and to have no clear idea what he was trying to achieve (particularly in key areas such as Germany and some aspects of arms control). This is not a view we have received from others. Personally, I would lay off a bit for Blackwill: he is a bit of a smarty boots;
- Rodric Braithwaite's telegrams from Moscow, setting the scene for your visit;
- a letter from the Foreign Office giving an initial assessment of the outcome of the summit on START and chemical warfare;
- a more detailed note on the non-circumvention problem which you will certainly need to take up with Gorbachev. It is not clear why he has changed his mind to such an extent about the British (and French) strategic nuclear deterrents. Either he wasn't focusing properly: or he is under some sort of

specific pressure from the military: or he is really serious about trying to stop US/UK nuclear co-operation, in which case we are in for some tough negotiation, with only one acceptable outcome;

- a note on the CFE negotiations. It is not clear whether the Russians are delaying these in order to try to extract concessions from us on Germany in NATO: or whether they have decided that German membership of NATO is inevitable and, in consequence, they cannot afford to reduce their conventional forces to the extent which they originally envisaged. This is an area you will need to explore in your talks with Gorbachev. The note also deals with the question of manpower reductions in CFE follow-up negotiations (as it is now called): this is relevant to our intentions over BAOR.

C.D.P.

CHARLES POWELL

5 June 1990

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PRIME MINISTER

ECONOMIC RELATIONS WITH THE SOVIET UNION

You may like to glance at the attached minutes of OD(AE), which discussed economic relations with the Soviet Union yesterday. The minutes have some pointers for your meetings in Moscow.

C.D.P.

(C. D. POWELL)

5 June 1990

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Foreign and Commonwealth Office

CONFIDENTIAL London SW1A 2AH

Prime Minister

5 June 1990

Dear Charles,

Just tells us what you had already decided

PRIME MINISTER'S VISIT TO MOSCOW: YELTSIN

We have considered whether the Prime Minister might ask for a meeting with Boris Yeltsin during her visit to Moscow.

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Sir Rodric Braithwaite's view, with which the Foreign Secretary agrees is that Mr Yeltsin's election is a serious blow for President Gorbachev. President Gorbachev would be likely to regard a request for a meeting at this early stage as hedging our bets in public, and be extremely sensitive about it. On the other hand, if the Prime Minister does not ask to see Mr Yeltsin, we do not judge there to be a risk of snubbing him. The Prime Minister recently received him and has sent a congratulatory message on his election. It is not normal to include a call on the Chairman of the RSFSR Supreme Soviet. The Foreign Secretary therefore recommends that the Prime Minister stick to her present programme.

ms

If Mr Yeltsin asked for a call on the Prime Minister it would be proper for us to consult the Soviet Government, as the Prime Minister's hosts, but on the basis that the Prime Minister would wish to receive him unless they saw serious objection.

*Yours,
Stephen Wall*

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

dti

the department for Enterprise

Mr Poysh (29)
[Signature]

This is covered in your supplementary briefing for Ryzhkov. You may wish to be aware that Lord Trefgarne has written thus.

Department of Trade and Industry
1-19 Victoria Street
London SW1H 0ET
Enquiries
071-215 5000
8811074/5 DTHQ G
Fax 071-215 4294

The Rt. Hon. Lord Trefgarne PC
Minister for Trade

C B Ohanian Esq
Director
Tambrands Ltd
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Havant
Hants PO9 5DG

Direct line
Our ref
Your ref
Date

071-215 5144
WO4

4 June 1990

Robert Lyne Esq

Mr Bryant OT3
Mr George OT3/5
Mr Gavin OT3/5c
(on file)
Mr Spindler, MOSCOW

Dear Mr Ohanian,

I have been asked to reply to your letter of 9 May to Nicholas Ridley concerning your Femtech joint venture in the USSR.

I am of course well aware of Femtech, not least because it is so widely regarded as a shining example of successful British-Soviet economic co-operation. Indeed, Soviet Prime Minister Ryzkhov himself has referred to it as a textbook joint venture.

We were, therefore, all the more concerned to hear that the planned exports of bleached cotton were still being held up by Soviet Customs despite clearance being given by the Ministry for Foreign Economic Relations on 11 May. As you will know, Kester George, DTI Director for Eastern Europe, held a meeting about this on 25 May with David Shortt and Grigory Karasin, Counsellor at the Soviet Embassy in London. Mr Karasin was left in no doubt whatsoever about the importance which the government attach to a speedy and satisfactory resolution to the problem - to the extent that the Prime Minister was being briefed to raise it during her forthcoming visit. He promised that the Embassy would lend its support and said that Femtech could be optimistic about the outcome. We, for our part, will continue to give you whatever help is necessary.

The difficulties which you have been facing are symptomatic of what can only be regarded as the Soviets' ill-conceived application of legislation on joint ventures and foreign economic activity more generally. They have said that



C B Ohanian Esq

June 1990

umbrella legislation covering all aspects of foreign economic activity is being drafted for 1991. The Government believe that Western companies will benefit most from Soviet legislation which is fully transparent, which does not allow exceptions and which rules out the retrospective application of decrees. I have to say, therefore, that while I share your view that the Soviets need to introduce a legislative system which inspires more confidence in potential investors, I do not support your proposal to seek special treatment. To do so would compromise our campaign for transparency.

In view of the difficulties you have had, I am particularly encouraged by your plans to increase your investment in the soviet market. It clearly holds tremendous potential for you, despite the headaches.

Yours sincerely
Trefgarne

LORD TREFGARNE

POINTS FOR MEETING WITH THE MILITARY

1. Great respect for Soviet military tradition. Of a generation which remembers of them as allies in WWII.
2. Welcome greater contacts between armed forces:
Marshal Yazov's visit: Tom King's visit.
3. Our common experiences then mean that we share unease about German unification. We have to find ways to live with it and ensure we avoid any repetition of the past.
4. The Conventional Force Reduction agreement will require us all to make reductions in our forces, not just Russians. We are also giving thought to our future defence posture.
5. Understand the practical problems which this causes.
6. We welcome the reforms in the Soviet Union. We understand the difficulties of the adjustments. We want to help and be constructive. There is no intention to take advantage.
7. Very much agree with Marshal Yazov that we must all keep sufficient defence. Never know where next threat may come from.
8. Interest in their views on nuclear deterrence in a situation where conventional forces are much reduced. Surely it enhances the need for maintaining nuclear deterrence although at lower levels. Britain will keep its deterrent.

PRIME MINISTER

MEETING WITH PRESIDENT GORBACHEV: LIST OF ISSUES TO COVER

I Soviet Internal

- our continuing support for Gorbachev approach
- prospects for economic reform
- Baltic States
- Yeltsin/Russian Federation
- Jewish emigration: Anti-semitism
- Party Conference
- role of the Armed Forces.

II European Security

- Germany and NATO
- CFE
- CSCE

III Arms Control

- START: non-circumvention
: non-inclusion of UK Deterrent
- SNF
- Minimum Deterrence
- Biological Warfare
- Naval Arms Control

IV Bilateral

- UK assistance: management training, small business, food distribution
- Trade: payment
- Moscow Residence
- Mrs. Gordievsky

V Regional

- Afghanistan
- Southern Africa
- Middle East
- Kashmir
- China
- Central America

C. D. POWELL

4 June 1990

c:\foreign\issues (kk)



ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

Mr Charles Powell
Private Secretary
10 Downing Street
London SW1

4 June 1990

Dear Charles

PRIME MINISTER'S VISIT TO THE SOVIET UNION

As requested, I attach briefing on the Holgate School in Nottingham, which is going to link with the Lord Byron School in Leninakan.

We still know very little about the staffing and curriculum of the Byron School, but John Wiggins, who will be attending the opening ceremony, will aim to find out more while he is there. He will also be taking with him a package of information about the Holgate School (including its prospectuses); and material on exchanges which we hope will be of use to the Armenians.

Yours sincerely

John

JOHN RATCLIFF
Assistant Private
Secretary

THE HOLGATE SCHOOL, HUCKNALL, NOTTINGHAMSHIRE.

The Holgate School is a comprehensive for 11 - 18 year old pupils in Hucknall, Notts. Its roll is around 1,800, though its sixth form is small (ca 100 pupils). Right next to the school is the churchyard where Lord Byron's heart is buried.

The school does not have any experience of links or pupil exchanges, but it has sent and received exchange teachers.

Neither does it teach Russian. However, even before linking up with the Lord Byron School in Armenia, it was interested in the Soviet Union, and plans are being made for a group of pupils (about 15 of them) to visit Leningrad in 1991.

The acting Headmaster, Richard Robinson, attended the reception and the dinner that the Secretary of State for Education and Science hosted for his Soviet counterpart, Professor Yagodin, when he visited Britain in April. Announcement was made then of the link between Holgate and the Lord Byron School.

DEVELOPING THE LINK

Although the Lord Byron School is scheduled to open its doors to its pupils in September, we do not yet know whether the Head and any staff have been appointed. However, this may become clearer after the opening ceremony in June. Once we have a contact, we hope to get information about the Byron School's proposed curriculum etc.

Our plan is to encourage a link based on joint curriculum work and involving a wide range of pupils. This could be a problem given the likely communication difficulties.

A possible timetable for establishing contacts might be as follows:

Financial year 1990/91: - a study visit to Leninakan by a Holgate teacher to pave the way for a teacher exchange.

Financial year 1991/92: - the purpose of the teacher exchange would be to plan a joint curriculum project (or a range of joint curriculum projects) which would in turn pave the way for a pupil exchange (perhaps to evaluate the joint curriculum project/s) in 1992/93.

Financial year 1992/93: - first pupil exchanges.

The Central Bureau for Educational Visits and Exchanges is already providing advice and guidance to the Holgate School on good exchange practice and how to make the best of a partner school.

It is hoped that modest resources will be made available to the Central Bureau by the DES to enable the exchanges to take place alongside the agreed school exchange programme initiated in 1988 by the then Secretary of State for Education and Science.

Prime Minister
Cross 576



04 JUN 1990

Charles Powell Esq
10 Downing Street
LONDON
SW1

Richmond House
79 Whitehall
London SW1A 2NS
Telephone 071 210 3000
From the
Minister for Health

Dear Charles

May 1983

ms

Thank you for your letter of 30 May about special access to Soviet hospitals for British manufacturers of healthcare products.

The suggestion of possible "preferential treatment" for British companies arose in an informal conversation at the end of the recent visit of Departmental officials and senior businessmen to the Soviet Union for wide-ranging discussions on ways of boosting UK/USSR investment and trade. Substantial further progress was made by the Joint Working Group throughout the visit but earlier experience has shown that some Soviet proposals are less well thought through than others. Therefore, in our opinion our best course is to press the Soviets for more specific details of what they have in mind. At the end of the visit the UK Chairman asked them to do this and we have confirmed this in the attached letter.

Meanwhile we are actively boosting investment and trade in healthcare products. As you may know from his report to the Prime Minister on 20 June last year, Mr Clarke and the then Soviet Health Minister, Chazov, agreed to establish a joint working group for the healthcare industry. The first meeting was held here in January. The Soviets met over 40 British companies in an open forum and visited the factories of several leading manufacturers. Much business has resulted, both in straight trade and (the expressed preference of the Soviets) in joint manufacturing ventures. Thus:

- * Amersham International signed a joint venture on 22 May with the Cardiology Institute to manufacture new radio-diagnostics (although the deal is yet to be legally finalised). The Institute is headed by the former Health Minister, Chazov. The deal will be some some £8m over 5 years in cash terms, plus transferred leading-edge technology and management. We had hoped that the Prime Minister might have visited the Institute to set the seal on this major achievement but we understand that there will not be time);



* Smiths Industries Medical Systems are well advanced in discussions for joint manufacture of operating tables and licensed manufacture of single-use products (blood-giving sets and catheters);

* Wellcome are in discussion about joint manufacture of some of their products for the Soviet market and for exports. The Soviets are particularly impressed with Wellcome's new plant at Dartford.

Several other UK companies are also making proposals to the Soviets. Over 20 British companies participated in a major Public Health Exhibition in Moscow last week demonstrating a range of British equipment which the Soviet Ministry of Health offered to test in the USSR after the close of the exhibition.

Much progress is being made on the healthcare front but some aspects need more careful thought. If the Prime Minister should be approached about British companies lending or giving healthcare products to Soviet hospitals for evaluation or testing we recommend that she should:

- * emphasise the seriousness with which UK companies are already approaching the Soviet healthcare market with proposals;
- * say that UK companies would be ready to consider urgently any detailed proposals which the Soviets may offer;
- * ask for a detailed statement of Soviet regulatory requirements for healthcare products; and
- * stress the real progress that is being made in trade and investment through the Anglo-Soviet Healthcare Industry Joint Working Group. (I attach a list outlining the membership of that group.)

Yours
Tim Sands

TIMOTHY SANDS
Private Secretary

Mrs Inna Salko
Secretary to Anglo-Soviet
Joint Working Group

BY FAX

Your reference:

Our reference:

Date: 4 June 1990

Dear Mrs. Salko,

Mr Critchley has told me of a conversation he had with Mr Zintsov in Leningrad after I had left for London. My understanding of this is that British companies would get preferential (? fast-track) registration/approval in return for providing their products to designated hospitals.

As you know we still await from your side a detailed statement of regulatory requirements for entry to the Soviet market (the protocol of the third meeting in January and my letter of 20 March to Mrs Basova refer); this would be incorporated into the booklet on UK market entry requirements that we gave you in Moscow at the opening plenary session on 23 May.

We would very much like to take up this offer but, so that we can discuss it with our companies we need firm details in writing of what you propose, including:

- * details of regulatory requirements in the USSR for medical equipment and, to the extent that the arrangements envisaged by Mr Zintsov would apply to them, for pharmaceuticals;
- * any types of product which you would regard as high priority;
- * details of the hospitals you have in mind; and
- * arrangements for providing the products (e.g. would it be for use during testing/evaluation for subsequent sale).

I should be grateful for an early reply - I am on holiday now for two weeks but any action necessary on this will be dealt with in my absence either by one of my assistants or by Mr Critchley himself.

I very much enjoyed my stay in the Soviet Union but, having immediately gone from there to Turkey (where we just missed meeting Mr Gromyko and Dr Denisov) and thence now to Spain on holiday, it will be a little time before the many impressions settle down into some kind of order!

Yours sincerely,

R J Berry

pp. T F CRAWLEY
Dictated by Mr Crawley and
signed in his absence.

ANGLO-SOVIET JOINT HEALTHCARE INDUSTRY WORKING GROUP

UK

USSR

CO-CHAIRMAN

CO-CHAIRMAN

Mr Tom Critchley
Formerly Under-Secretary
Department of Health

Mr V V Gromyko
Deputy Minister of Health

MEMBERS

MEMBERS

Mr Bruce Beharrell
Regional Director
(Eastern Europe)
Amersham International plc

Mr Victor Zharikov
General Director of Foreign
Trade Organisation
SOYUZZDRAVEKSPORT
(Union Health Export)

Mr George Kennedy
Chairman
Smiths Industries
Medical Systems

Mr Alexander Apazov
General Director
SOYUZPHARMATSIYA
(Union Pharmacy)

Mr Andrew Seton
Banking Director
Morgan Grenfell

Mr Vladimir Victorov
Director of Scientific
Research Institute
Minpribora (Min of Equipment)

Mr Devereux
Director of Operations
Wellcome Foundation Ltd

Mr Valeriy Mosharov
Deputy Head of
SOYUZMEDTEKHNIKA Union
(Union Med Tech)

Mr Malcolm McKinnon
Grade 7
Department of Trade
and Industry

Mr Albert Sorokin
General Director
Foreign Trade Organisation
MEDEKSPORT (Medexport)
Min of Medical Industry

JOINT SECRETARIES

Mr [REDACTED]
Grade 7
Department of Health

Mrs Inna Salko
Sojuzdravexport
Moscow
Tel No: 291-93-03
Fax : 010 7 095 2919601
010 7 095 2919612

* NOTE This Working Group replaces the healthcare groups established in 1970 under the Anglo-Soviet Technology Agreement of 1969 (Chairman, Bruce Beharrell)

SOVIET UNION : Paris Visit 1972

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Foreign and Commonwealth Office

SECRET

London SW1A 2AH

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Rine Austin

1 June 1990

OB 1/6.

mb

Dear Charles,

Prime Minister's Visit to the Soviet Union: 7-10 June:
Biological Weapons

The Prime Minister will be aware of:

- Our recent information and JIC assessment.
- The joint demarches by the US and UK Ambassadors in Moscow on 14 May to Chernyayev (Gorbachev's Foreign Affairs Adviser) and Deputy Foreign Minister Bessmertnykh.
- The claim by the Defence Minister, Mr Yazov, to the Defence Secretary on 18 May that all Soviet work was defensive or public health oriented.

Points the Prime Minister might make to Gorbachev are:

- We and the Americans have firm information, based on a range of sources, about the Soviet Union's large covert biological weapons programme.
- This programme is incompatible with the 1972 Biological and Toxin Weapons Convention.
- We look to Soviet Government to terminate its BW programme and destroy its BW weapons.
- We hope the issue can be resolved quickly and privately without causing wider problems.

Gorbachev may well reply:

- The UK's defector source is tainted.
- The Soviet programmes are all defensive or medical.
- Raising the issue at this delicate moment is irresponsible.
- Experts should sort out this misunderstanding.

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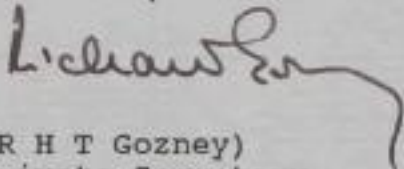
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The Prime Minister might respond:

- Our concern is not based on any single source. But it would be irresponsible to suppress or ignore the recent corroborative evidence which we have. This confirms our view that the defensive/medical programmes are a cover for activities banned by the BW Convention.

- Important for our mutual confidence that this problem is taken seriously. Its resolution is a matter for political decision rather than technical discussion. But we are ready for experts meeting.

We hope to have a read out of any exchange between Presidents Bush and Gorbachev on this issue before the Prime Minister leaves for Moscow.

Yours ever,


(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

SECRET

(2)



10 DOWNING STREET

Prime Minister

Some background
on the Baltic
States.

CMP
4/6

BALTIC STATES

The Baltic states comprise the present-day Soviet republics of Lithuania, Latvia, and Estonia, on the extreme eastern shores of the Baltic Sea. While, in some respects, they have a common history, they are ethnically and linguistically diverse. The Lithuanian and Latvian languages belong to the Baltic branch of the Indo-European linguistic family. The Estonian people, on the other hand, belong to the Finno-Ugric family of peoples. More anciently, the area included such provinces as Courland (Kurland), Livonia, Selonia, and East Prussia. Under Russian imperial rule from the 18th century, Estonia, Latvia, and Lithuania were independent from 1917-18 until 1940, when, during World War II, they were overrun by the Soviet Union and incorporated as constituent soviet socialist republics.

Physical and human geography

THE LAND

The region is a section of the great North European Plain stretching from the Baltic Sea to the Ural Mountains. The coastal areas are flat and low lying, with few places rising above 300 feet (90 metres); inland there is some hilly land, but, except for Gaizins Hill (1,027 feet [313 metres]), no surface is higher than 950 feet (290 metres). The territory so described applies to the modern Baltic states. Historic Lithuania covered a far larger territory, comprising the whole of Belorussia and, for a time, part of the Ukraine. East Prussia, on the southern and southeastern shores of the Baltic Sea, was overtaken by German expansion in the late Middle Ages.

The Baltic region is crossed by a multitude of rivers emptying into the Baltic, including the Neman and the Western Dvina, and is dotted by more than 6,000 lakes. Almost a quarter of the area is forested. Because of the long occupation by man, animal life is restricted mainly to the smaller animals; but elk, bear, roe deer, wolves, and wild boar do occur, as well as hares and badgers.

Until 1945 the Baltic states were predominantly agricultural, but since then industrial production has increased considerably. Industry includes fishing and forestry as well as mining and manufacturing.

THE PEOPLE

A group of nations speaking languages of the Indo-European family, the Balts live on the southeastern shores of the Baltic Sea and include the Lithuanians and Latvians (Letts) and several other peoples now extinct—such as the Prussians, who were Germanized at the beginning of the 18th century; the Curonians, who were Lettonized in the 16th century; and the Semigallians and Selonians, who died out in the 14th century. The eastern Baltic tribes, scattered in what are now Belorussia and western Russia, were Slavonized after the northward expansion of the Slavs between the 7th and 13th centuries AD. (The name Balts is derived from the Baltic Sea; it is a neologism, used since the middle of the 19th century.)

The Estonians belong to the Finno-Ugric family of peoples and constitute the core of the southern branch of the Baltic Finns, the other constituents of that group being the Livs and the Votes. The Livs occupy the northern tip of Courland and number fewer than 1,000. The Votes are still less numerous and live in a few villages in the vicinity of Narva. Formerly, they were said to have inhabited the whole of Ingermanland (Ingria), whereas the expansion of the Livs along the Baltic shores to the south reached Kurisches Haff (Kursky Zaliv) toward the end of the 9th century. They were later absorbed by the Latvians.

The Estonians and Livs intermarried with the early Germans and also with the Lapps, but the extent of the admixture is not known. Culturally, the Estonians were strongly influenced by the Germans, and traces of the original Finnish culture have been preserved only in folklore. The Latvians were also considerably Germanized, and the majority of both the Estonians and Latvians belong to the

Lutheran Church. The great majority of Lithuanians, historically long associated with Poland, are Roman Catholic. (Ed.)

History

FROM EARLIEST TIMES TO THE 18TH CENTURY

In prehistoric times, the Finno-Ugric tribes formed a long belt in northern Europe from the Urals to northern Scandinavia and south into Latvia. The predecessors of the modern Balts formed an equally long belt further south from a region west of the Urals to the Vistula region, including sizable territories of Russia, the Baltic region, eastern Prussia, and portions of northern Poland. About 1250 BC, during the Bronze Age, the western Baltic region was known throughout the civilized portions of Europe and the Near East as the land of fabulous amber. From the 1st to the 6th century AD, the Baltic peoples experienced their Golden Age, characterized by remarkable cultural progress and vigorous trade with the Roman Empire and the German lands. Western histories praised their industry, humanity, personal integrity, and warlike qualities. The Baltic trade diminished during the years of the decline of the Roman Empire and of the Great Migrations of Germanic tribes. The Balts then engaged alternately in trading and warring with the expanding Scandinavian tribes (from the 8th century) and the Slavs (from the 11th century).

At the dawn of written history the Estonians had eight independent districts and four smaller ones. The Livs had congregated in four major areas of northern Latvia and northern Courland. Among the Balts, the westernmost, or Prussian, group had formed 10 principalities. Yotvings (or Sudavians) and Galinds were considered as separate Baltic groups; they reached far into Slavic territories and were possibly related to the Neuri. Ancient Lithuanians were divided into two major groups, the Samogitians (or Zhemaitians) and the Augshtaitians, later united under one king or grand duke. The Curonians (Kurs), the westernmost Latvian group, had five to seven principalities that were sometimes united under one king, as were the principalities of the Zemgals (Semigallians). Further east were the Latvian Selonians and Latgals (or Latgallians), the latter divided at least into four major principalities ruled by local kings or chieftains.

The religion of the Balts was dominated by a friendly and benevolent god, called Dievs (Dievas), assisted by a number of lesser deities. The Estonians had their own major epic poem, the *Kalevipoeg*, while the Lithuanians, and especially the Latvians, had an immense collection of folk songs called *dainas* (singular, *daina*); their subject matter was the totality of human life, revealing strong individualism, high ethical standards, and a love of work and nature. Archaeological excavations have revealed a high level of artistic expression.

Conquest of Latvia and Estonia. In the 9th century, the Scandinavian vikings ravaged the Curonian and Estonian coastal areas and established strongholds and trading posts along the Baltic waterways to Russia. The Curonians managed to destroy a Danish fleet c. 853, and from c. 1040 to c. 1230 the Estonians and Curonians often attacked Danish and Swedish lands. In the east, the Slavs partly destroyed and partly assimilated the Yotvings and Galinds, the remnants of these people being mentioned in Russian chronicles as late as the 15th century. As early as 1030 the Russians took over the southeastern portion of Estonia, but the struggle continued throughout the next century. In 1132 the Estonians defeated a Russian Army and in 1177 even attacked the Russian stronghold of Pskov. From time to time Latgallian lands were also invaded by the Russians, but in 1106 the Zemgals defeated two Russian armies.

The Slavic tribes were successful in bringing the Eastern Orthodox religion to eastern Latvia and in establishing alliances with local leaders. One of the oldest (1270) extant Gospels in Russia was written by Georgius, the son of a

The Baltic Golden Age

Christianization of Baltic peoples



Lithuania and the lands ruled by the Teutonic Order in the 14th and 15th centuries.

Adapted from Westerman: *Geography Atlas zur Weltgeschichte*, Georg Westermann Verlag, Braunschweig.

Latvian priest. The first attempt of the Roman Catholics to bring Christianity to Prussia dates to 997. The first Danish church in Courland was built c. 1070, and the first Danish missionary was sent to Estonia c. 1171. In 1219-22, the king of Denmark, Baldemar II, conquered all of northern Estonia. The Germans conquered the rest of Estonia and Latvia from 1198 to 1290. In 1236 the Order of the Brothers of the Sword, founded in 1202 by Bishop Albert of Bushoefden, was defeated by the combined forces of the Lithuanians and Zemgals at Saule, and in 1260 its successor, the Livonian Order (a branch of the Knights of the Teutonic Order), was badly defeated by the Lithuanians and Curonians at Durbe. The Teutonic Order conquered all Prussian lands from 1236 to 1283. (By the end of the 17th century the Baltic Prussians had become completely assimilated by the introduced German population.) Livian territories were conquered by 1207, three of the Latgalian territories by 1214, and Estonia by 1227. Courland lost its independence in 1263, Zemgalia in 1290. The Zemgalian army retreated to Lithuania, and their envoys continued a diplomatic struggle in Rome as late as 1300. In 1343 the northern Estonians freed themselves from the yoke of Denmark, only to be subjugated by the Livonian Order in 1346.

The old order along the Baltic coast was replaced by a number of small feudal ecclesiastical states dominated by German knights and burghers: the State of the Livonian Order, the Archbishopric of Riga, the bishoprics of Courland (Kurzeme), Dorpat (Tartu), and Osel-Wiek (Saaremaa-Läänemaa), and the free city of Riga. Although loosely united in a Livonian confederation from 1418, the states often fought each other and suppressed the native population. The Confederation of Livonia was considered to be the bulwark of the Western world in the East and the intermediary between western Europe and Muscovy, but it was internally weak and a cultural desert, thus allowing the colourful native civilizations to survive.

Independent Lithuania. The Lithuanians succeeded in maintaining their independence and were united in 1236 under Mindaugas, who was crowned king of Lithuania in 1253, after accepting Christianity. Ten years later he was assassinated and Lithuania rejected Christianity. The country was not unified again until 1290, when the grand duke Vytenis was recognized as absolute ruler. He was succeeded in 1316 by his younger brother, Gediminas, who ruled until 1341. Gediminas extended Lithuania's territories from the Baltic Sea southward almost to the Black Sea and eastward to the Dniepr. Lithuania became a major power. Under Gediminas' sons Algirdas and Kęstutis, the Grand Duchy expanded to include Kiev in the east, and in 1370 the Lithuanians besieged Moscow. The Tatar conquest of Kiev had destroyed the influence of the Kievan Russian state over the other Russian principalities. This gave Lithuania an opportunity to expand to the east and southeast, while at the same time fighting off the Teutonic Order on its western frontiers. That a small non-Christian state was able to conquer and maintain control over such an extended area was partly the consequence of the skillful diplomacy of the Lithuanian leaders. The conquered Russian principalities were allowed to keep their autonomy and their Orthodox religion. The business of the state was conducted in Belorussian Slavonic.

In 1385 Jogaila, the son of Algirdas, concluded an agreement to unite Lithuania and Kievan Russia. He then went to Kraków, was baptized on February 15, 1386, married the Polish Queen Jadwiga, and on March 4 was crowned king of Poland, receiving the name Władysław II Jagiello. The Lithuanians were baptized in 1387, and Władysław's cousin Vytautas, son of Kęstutis, became grand duke of Lithuania. On July 15, 1410, the Polish-Lithuanian forces inflicted a crushing defeat on the Teutonic Order at Tannenberg-Grünwald. Vytautas renewed the policy of eastward expansion, and during this time Lithuania reached its largest expansion (350,000 square miles; 906,700

The
Lithuanian
Empire

Partition of
Livonia
in the 16th
century

500 square kilometres). When Vytautas the Great died in 1430, the heroic epoch of medieval Lithuania ended.

With the acceptance of Roman Catholicism, Lithuania was drawn culturally toward the West. The Teutonic Muscovy posed a threat to Lithuania's Belorussian conquests. The Federal union between Lithuania and Poland was of no advantage to the Lithuanian peasantry. The culturally more advanced Polish nation tended to assimilate the Lithuanians, and after the equalization of the aristocracy of the two countries in 1413, the Lithuanian nobility became polonized. The Lithuanian and Belorussian peasantry now met with a fate like that of the Latvian and Estonian peasantry before them; under the rule of a foreign aristocracy, they were restricted to farming and sank into serfdom. On July 1, 1569, at Lublin, the personal union between the dynasties of Poland and Lithuania was changed to a union of the two countries, and Lithuania was reduced to a subsidiary land under the Polish crown. When Poland was partitioned among Prussia, Austria, and Russia in 1772, 1793, and 1795, Lithuania was annexed by Russia.

Livonia, Estonia, and Courland from the 16th to the 18th century. While the internal strength of the Confederation of Livonia was gradually weakening, the importance of the corporations of the landed nobility and of the free cities increased. The towns enjoyed prosperity through the commercial activity of the Hanseatic League, predominantly in the trade with Russia. At the same time, the Latvian and Estonian populations, both rural and urban, were methodically deprived by their German overlords of their remaining rights and privileges. The Latvian and Estonian nobility had been exterminated long before, and only a few pockets of free peasantry remained. As early as 1522-24, Lutheranism began to gain ground among the German ruling classes. This was important to the non-German population, for the evangelical ministers did much to foster written literature in the Estonian and Latvian languages. With the establishment of Lutheranism in Latvian and Estonian lands, the Catholic ecclesiastical states became anachronisms.

When the Russian tsar Ivan IV the Terrible advanced claims on Livonia in 1558 in order to secure access to the Baltic Sea, the Confederation of Livonia broke down before the violent onslaughts of the Russian troops. The last able grand marshal of the Livonian Order, Walter von Plettenberg, who had managed to forestall the Russian advance in 1502, had no worthy successors, and the Germans had disarmed the Latvians and Estonians at the most crucial moment. The German leaders were forced to apply for protection to the kings of Sweden, Denmark, and Poland-Lithuania. During the Livonian War, Livonia broke up into three duchies of Livonia, Estonia, and Courland, Denmark holding the island of Saaremaa until 1645. The borders of the new entities were different from the original Estonian and Latvian settlements, but they remained the administrative divisions until 1917. Estonia, with its capital, Reval (Tallinn), came under Swedish rule; Livonia, with its capital, Riga, became a part of Lithuania; while Courland became a hereditary duchy nominally under Polish suzerainty. The nobility and the magistrates of the free cities retained their privileges. German was recognized as the official language; and German law and German administration remained.

In 1592, the Baltic lands became the object of the first Swedish-Polish war and of the struggle between Lutheranism and Catholicism. In 1629 Poland was forced to cede Livonia with Riga to Sweden, retaining only the southeastern province of Latgale.

The Swedish kings, particularly Gustavus II Adolphus (reigned 1611-32) and Charles XI (reigned 1660-97), accustomed to a free peasant class in their own country, sought to raise the Estonian and Latvian peasants from serfdom. Compulsory elementary education was introduced, the Bible was translated into Latvian and Estonian, a high school was opened in Riga in 1631, and a university was founded at Dorpat in 1632. Numerous Swedish administrative, judicial, and ecclesiastical reforms in favour of the peasantry fell short, however, of their intended accomplishments because of the frequent, devastating wars. The Estonians and most of the Latvians still regard the



Baltic States from 1561 to 1721.

Adapted from Westermann Grosser Atlas für Abgabeschichte, Georg Westermann Verlag, Braunschweig.

association with the Swedish Empire as one of the better periods of their history.

In Courland the last master of the Teutonic Order of Livonia, Gotthard Kettler (ruled 1559-61), had preserved the duchy's relative independence with himself as duke (Herzog). His grandson, Jacob (sole ruler, 1642-82), the ablest duke of Courland, developed local industry, fostered foreign trade, and created a formidable navy. He also acquired two colonies, the island of Tobago in the West Indies and The Gambia on the West African coast, as well as an ocean station and several mining and agricultural settlements in Norway. His ships sailed to Brazil, Iceland, Sierra Leone, Liberia, and Indonesia, and in 1651 he planned to colonize Australia, then newly discovered. His son, Frederick Casimir (ruled 1682-1737), attempted to make his capital of Mitau (Jelgava) into a northern Paris; the Academia Petrina was founded there in 1775. When the Kettler dynasty became extinct, the Biron dynasty was founded in Courland by Ernst Johann von Biron. He ruled intermittently until his son, Peter, became duke in 1769, only to lose his duchy to Russia in 1795.

THE BALTIC COUNTRIES UNDER RUSSIA (UNTIL 1914)

With his victory over Sweden in the Great Northern War (1700-21), the Russian tsar Peter I the Great gained both Livonia and Estonia. He thus fulfilled an age-old Russian dream of "opening the window to the seas." The other Baltic lands passed into Russian hands from 1772 to 1795, except for a small portion of Lithuania, which was incorporated into Prussia. For the Germans of the Baltic lands their incorporation into Russia opened up great opportunities for increasing their privileges and power over the peasants and for advancement in the service of the tsar. For the great majority of Latvians and Estonians, and, later, the Lithuanians, it brought a deterioration of their legal status and increased exploitation.

Not until the 19th century did a process of social and national emancipation begin. Under the tsar Alexander I the Estonian and Latvian peasants were given their personal freedom (1816-19), but without the right to own land. By the middle of the century, however, they were allowed to acquire leased land as their personal property. The Baltic provinces thus began to develop an agrarian structure quite different from that in Russia. However, as the big landed estates remained untouched, most of the peasants were not able to acquire enough land to be self-supporting. In consequence, thousands of Latvians and Estonians migrated to the Russian interior, where land was available for settlement. In Lithuania the peasantry was not liberated until 1861—when the emancipation of

Social changes under the tsars

partition of
Livonia
in the 16th
century

the
Lithuanian
empire

Russian's own serfs took place. Tens of thousands of Lithuanians emigrated to the United States, Canada, and Brazil, followed by thousands of Latvians and hundreds of Estonians.

Advances
in
educa-
tion

Considerable progress was made in education. By the end of the century there was almost no illiteracy in Estonia and Latvia, in contrast to Russia proper. A German-language university was reopened in Dorpat (Tartu) in Estonia in 1802. By the middle of the 19th century it had become a focal point for national revival among the Estonians and Latvians. A Polish-language university restored in Vilnius (Vilna) in 1803 served in a similar way for the Lithuanians. Educated Latvians, Estonians, and Lithuanians began to grow conscious of their national origins. Starting with an interest in the past and with the study of the national languages, folklore, and ethnography, the movement developed political aims.

The Lithuanians and Latgals had to fight particularly hard. They took part in the Polish rebellions of 1830-31 and 1863-65 and suffered considerable repression afterward. From 1864 to 1905 the policy of Russification extended to every part of their public life: it was forbidden to publish newspapers, periodicals, or books in Polish, while books in Lithuanian or Latgalian could be printed only if the Russian alphabet was used. Russian was the only language of teaching in the schools, and the Roman Catholic religion was persecuted. The Lithuanian resistance was able to capitalize on the fact that Lithuanian was also spoken in the eastern part of East Prussia, and the national movement flourished there under the leadership of Lutheran clergymen and teachers. On German territory the first Lithuanian daily newspaper was published, and Lithuanian books were printed to be smuggled into Russia. Beginning in the 1880s, the Lithuanian resistance to Russification also received strong support from the Catholic clergy.

In the Baltic provinces, the Russian government introduced a series of liberal reforms during the 1860s and 1870s, but after 1881 a general strategy of systematic Russification began that lasted until 1905. It extended to the whole educational system, the courts, and local administration. At the same time, however, it did much to strengthen the Baltic nationalities, especially the Latvians and Estonians. Railroad lines were built from the Baltic seaports to the Russian hinterland. A considerable merchant fleet was built and manned by Latvians and Estonians, and Riga became a world port, its population growing from more than 250,000 in 1900 to about 500,000 in 1914. Riga, Tallinn, and Narva also became important industrial centres. These developments changed the character of the urban population. The Baltic Germans, who had never comprised more than 10 percent of the population, declined in number and importance. Although the German influence remained strong in the sciences, as well as in the Lutheran Church, in the large landed estates, and in wholesale trade, industry, banking, and the professions, the advancing Estonians and Latvians crowded the Germans out of the trades, business, and civil service. Many of the German academicians, artists, and writers emigrated to Germany. The percentage of Estonians in the population of Tallinn rose from 51.8 in 1867 to 88.7 in 1897, and the percentage of Latvians in the population of Riga rose in the same period from 23.5 to 41.6.

Marxism appeared in the Baltic provinces in the 1880s, at first known as the "New Current." The Latvian Social Democratic Party was founded in 1904, and an independent Estonian sister party was established in 1906. Both parties maintained connections with the Russian and German Social Democratic parties. A Lithuanian Social Democratic Party was founded in 1895.

The Russian Revolution of 1905 was felt strongly in Latvia and Estonia. Bourgeois politicians, together with radical revolutionaries, raised the demand for national autonomy. When revolutionary forces spread into the countryside, looting and burning the manor houses, the government sent troops to put down the uprising. About 1,000 Latvians and Estonians were shot, and thousands of revolutionaries were sent to Siberia or fled abroad. The Revolution was followed by concessions from the Tsar in

the way of liberal reforms in all three Baltic regions, and the Baltic regions were allowed to send elected representatives to the new imperial Duma (legislature).

LIBERATION AND INDEPENDENCE (1917-40)

Estonian liberation. The Russian Revolution of March (February, old style) 1917 overthrew the Tsar and brought a brief period of political autonomy for Estonia. On April 12 the Russian provisional government allowed all Estonian districts to be united into one province, and elections to the Estonian National Council (Maapäev) took place in June. After the October Revolution, the bourgeois majority parties of the Maapäev decided to break away from the Russian Empire, but the Bolsheviks appointed a Communist administration for Estonia. In February 1918 German forces advanced to Estonia. The Communists fled from Tallinn, and on February 24 the Maapäev declared Estonia's independence and formed a provisional government, which collapsed the following day when German troops entered Tallinn. On March 3, 1918, by signing the Treaty of Brest-Litovsk, the Soviet Russian government effectively transferred sovereignty over the Baltic countries to Germany.

Germany capitulated on November 11, 1918, and the Estonian provisional government renewed its activities. The Soviet Russian government declared the Treaty of Brest-Litovsk null and void and, on November 28, Soviet troops began an invasion of Estonia, which had been denuded of all arms by the retreating Germans. The government of Konstantin Päts was successful in obtaining weapons and war materiel from the Allies. With the aid of a British naval squadron and a Finnish voluntary force, the commander in chief, Johan Laidoner, was able to open a counteroffensive in January 1919. By the end of February all of Estonian territory had been freed, and the Estonian Army penetrated into Soviet and Latvian territories.

Latvian liberation. In Latvia, the struggle for independence was even more difficult than in Estonia. The Latvian Provisional National Council in the Soviet-held portion of Latvia had proclaimed the autonomy of Latvia as early as November 30, 1917. The Latvian People's Council, representing peasant, bourgeois, and socialist groups, proclaimed the independence of Latvia on November 18, 1918. A government was formed by the leader of the Farmers' Party, Kārlis Ulmanis. The Soviet Russian government established a Communist government for Latvia, headed by Pēteris Stučka. The Red Army, which included Latvian units, took Riga on January 3, 1919, and the Ulmanis government moved to Liepāja (Libau), where it was protected by a British naval squadron. There were also German troops whom the Allies expected to defend East Prussia and Courland against the advancing Red Army. Their commander, Gen. Rüdiger, Graf von der Goltz, however, intended to transform Latvia into a German base of operations against the Soviets, the Allies, and the new Social Democratic government of Germany by building his own anti-Communist German-Russian force, supplemented by Baltic German volunteers, and to form Baltic regimes faithful to imperial Germany and Russia. On November 9, 1918, the Baltic German barons had created a short-lived Duchy of the Baltic. While some Latvian nationalist troops fought alongside the Estonians, other units were temporarily forced to fight alongside the Germans, who took Riga on May 22, 1919. Pushing northward, the Germans were stopped near Cēsis (Wenden) by the Estonian Army and 2,000 Latvian troops. The head of the Allied military mission, the British general Sir Hubert Gough, negotiated an armistice. The defeated Germans had to abandon Riga, to which the Ulmanis government returned in July. In the meantime, the Red Army, finding itself attacked from the north by the Estonians, from the west by the Latvians, and from the south by the Lithuanians, had withdrawn from most of Latvia.

In July, General Gough demanded that the German troops retreat to East Prussia. In the meantime, however, General von der Goltz managed to organize an anti-Communist West Russian army, reinforced by units of German monarchist volunteers and headed by an obscure adventurer, Pavel Bermond-Avalov. On October 8,

Repulse
of the
Red Army



The
contest f
Vilnius

Displace-
ment of
Germans

Bermondts attacked the Latvian Army and occupied the suburbs of Riga. By November 11, however, the Latvians, assisted by an Anglo-French naval squadron, defeated Bermondts's army, which was also later attacked by Lithuanian troops. By December 15, all German troops had finally abandoned Latvia and Lithuania. Latvia remained in Red hands; but this Latvian province, too, was cleared by Latvians, Poles, and Baltic Germans, who in February 1920 were placed under the command of the British.

Lithuanian liberation. During World War I the Germans occupied a great part of historic Lithuania. On December 11, 1917, the Lithuanian National Council (Taryba), with tacit German approval, proclaimed the restoration of the independent state of Lithuania. On March 15, 1918, the German emperor, William II, recognized the "independence" of the former duchy of Courland, on March 23 of the "Kingdom" of Lithuania, and on September 22 of the entire Baltic area, to remain in close association with Germany. Because the Lithuanians were not allowed by Germany to act independently, they again proclaimed their independence on February 16, 1918, severing the ties with Germany. On November 11, 1918, a republican government was formed under Augustinas Voldemaras but, as the German armies withdrew, the Red Army occupied Vilnius on January 5, 1919, and installed a Communist government. The Germans remained in western Lithuania until December 1919. The Lithuanian Army took the offensive against the Reds in February 1919, and by the end of August the country had been cleared of Soviet troops.

A dispute with Poland had developed, however, over the possession of the Lithuanian capital city of Vilnius and the surrounding area. The city was largely Polish in population, while the district of Vilnius was predominantly Lithuanian. The head of state of Poland, Józef Pilsudski, himself a former resident of Vilnius, took Vilnius from the Red Army on April 19, 1919. Although the Lithuanians were able to regain the region in July 1920, the Poles took it back on October 7. For the next 18 years this region remained the principal trouble spot in northeastern Europe. As a theoretical state of war existed between Lithuania and Poland, northeastern and eastern European countries could not form a bloc between the Soviet Union and Germany. Relations between the two countries were normalized only on March 17, 1938, after a Polish ultimatum, but on October 10, 1939, the Soviet Union granted Vilnius to Lithuania.

Soviet Baltic governments. The Estonian Soviet government had been established on November 29, 1918; the Latvian Soviet government on December 17, and the Lithuanian Soviet government on December 15. The three were "recognized" by the Soviet Russian government on December 7 and December 22, 1918, but were dissolved in January 1920, when Lenin decided to sign peace treaties with the democratic governments of the Baltic states. The treaty with Estonia was signed on February 2, 1920, that with Lithuania on July 12, and that with Latvia on August 11, recognizing their independence "in perpetuity." At the same time, the Soviet Baltic agencies were converted into the nuclei of the Baltic Communist parties, with the aim of launching underground activities in the Baltic states in order to convert them into Soviet republics at a later date. Eight Latvian rifle regiments that had kept the German Army at bay near Riga from 1915 to 1917 had retreated to Russia at the time of complete German occupation of the Baltic region, and had become a sort of "praetorian guard" for Lenin. The Latvian (and Estonian) rifle divisions had played a crucial role in major battles during the Russian civil war against the tsarist forces; of these men, about 12,000 Latvian riflemen later returned to Latvia. Thousands of remaining Baltic Communists acquired important positions in the Soviet Russian administration, military forces, and economic life; almost all of them became the victims of Stalin's purges in the late 1930s.

Consolidation. There were serious internal problems faced by all three Baltic republics after the war: to reorganize their semifederal, basically German and Polish, agrarian structures; to adapt their economies to the new conditions; and to establish constitutions. In Estonia and Latvia the governments had promised the distribution of

land parcels to the landless combatants during the war. Now both republics solved their agrarian problems with the expropriation of all the holdings of large estates, thus destroying the economic and political power of the Baltic German nobility, whose corporations were dissolved. Tens of thousands of the rural proletariat were given land, thus effectively eliminating Communist influence in Estonia and Latvia. The expropriated forest lands remained the property of the state and became an important source of income from lumber exports. In Lithuania, the large estates were mainly in the hands of Poles and polonized Lithuanian aristocrats. The land reform there was less radical than in Estonia and Latvia. The governments sponsored cooperatives to handle the collection and marketing of farm produce.

Constitutional reform. Constitutional reorganization in all three countries was radically parliamentary in character, the legislative body clearly predominating over the executive branch. In Estonia, for example, there was a single-chamber parliament (Riigikogu) with a system of proportional representation, and the prime minister was also the chief of state. In both Latvia and Lithuania, a president of the republic was elected by the parliament (in Latvia, called Saeima; in Lithuania, Seimas). In all three countries there were numerous political parties and groups (up to 36 in some elections), but in Latvia and Estonia the dominant organizations were the Social Democrats, the farmers' unions, and some nationalist and liberal groups, while in Lithuania there was a strong conservative Christian Democratic Party. The membership in the outlawed Communist parties in Latvia and Lithuania never exceeded 1,000. In Estonia the Communist Party was outlawed after a Soviet-supported coup d'état failed on December 1, 1924.

The economy. In seceding from the Russian Empire, the Baltic states had lost their economic hinterland. The situation was worsened by a wholesale destruction of industrial enterprises in Latvia and the waste of agricultural resources in all three countries during the war. They were also burdened with war debts. With the exception of Estonia in 1926, the Baltic states did not receive any financial assistance from the West despite the fact that, for instance, Latvia was one of the countries most devastated during the war.

Their economic recovery was a miracle, thanks mainly to the hard work, thriftiness, and perseverance of the Balts themselves. Estonia developed an entirely new industry with the opening of rich oil shale fields. The timber and related industries increased slowly in importance, as did the export of meat, dairy, and poultry products. Great Britain became the principal market for all three countries, and Germany a close second. Trade with the Soviet Union remained slight.

Education and culture. Freed from outside restrictions, cultural life expanded. Schools of all kinds increased. Each country had its own university, conservatory of music, academy of arts, and various types of higher technical schools. Literature, music, and the fine arts reached the level of the rest of Europe. Cultural policy was strongly Western in orientation; English was the first foreign language taught in the schools, German or French usually taught as the second foreign language. Germans, Russians, Jews, Poles, Belorussians, and other minorities had their own state-supported schools, churches, theatres, and cultural organizations, something the Baltic peoples had never enjoyed before the war.

Political tendencies in the 1920s and 1930s. The Baltic republics were admitted to the membership of the League of Nations on September 22, 1921. They subscribed to all conventions of a humanitarian, social, and cultural nature and to all schemes and conventions intended to maintain the status quo and keep the world free of war. They also attempted to form a bridge between the Western world and the Soviet Union. Schemes to establish regional security were actively supported by the Baltic states, but did not materialize because of the unwillingness of Germany, Poland, and the Soviet Union to subscribe to them and the hesitation of Great Britain and France to support them. In October 1936, Latvia was given a nonpermanent

Agrarian reform

Economic recovery

crisis of the Red Army
interest for
Lithuanians

seat on the Council of the League of Nations, and in 1938 the Latvian foreign minister served as the president of the 101st meeting of the Council. The Soviet Union, Nazi Germany, and Poland attempted to alienate the Baltic states from each other. France at first tried to dominate them through Poland, and Great Britain supported the unsuccessful idea of a Scandinavian-Baltic bloc until the end of 1922. Serious problems emerged because political experience and democratic traditions were lacking, as were institutions that would have protected the interests of the state against those of particular groups. On December 16-17, 1926, an authoritarian presidential regime was established in Lithuania.

The numerous political parties in Estonia and Latvia prevented the formation of stable coalitions and led to frequent governmental crises during the 1920s. The life-span of the governments of Estonia during the years 1919-33 averaged eight months and 20 days. The political problem became even more pronounced in 1930, when the world economic crisis brought financial difficulties and unemployment that emphasized the need for stable government. Voices demanding constitutional reform were heard in both countries. Some small groups looked to Fascist Italy for guidance, and the Baltic German minority was infiltrated by Nazi agents. In Estonia the movement was led by the "Vaps" (Vabadussõjalaste Liit, or League of Freedom Fighters), which had grown from a group of war veterans into an anti-Communist and anti-parliamentary mass movement. The proposal of the Vaps won a majority of 72.7 percent in a referendum of October 1933. The acting president, Konstantin Päts, was expected to prepare for the election of a new president. Instead, he declared a state of emergency on March 12, 1934; the Vaps was dissolved, its leaders were arrested, and the parliament was soon also dissolved. After that Päts ruled by decree until 1938.

In Latvia a similar development occurred on May 15, 1934. After attempts at constitutional reform had failed and the country had become increasingly polarized between the far right and the far left, the prime minister, Kārlis Ulmanis, declared a state of emergency. He formed a government of national unity from representatives of almost all the important parties. From then on he governed without the parliament.

In neither Estonia nor Latvia was there any significant resistance to the suppression of parliamentary government. The new authoritarian regimes drew their main support from the well-to-do and the peasants, from the army, and the home guard. Both heads of state based their coups d'état on the need to prevent the interference of foreign powers in state affairs and to strengthen the position of the Estonian and Latvian peoples in their own countries. Both were quite successful in diminishing the power of the radical right as well as the influence of the radical left. Both strove to reorganize the society by setting up representative bodies of the professions, called chambers, patterned after the Italian Fascist model.

There were, however, marked differences in their styles of leadership. The Estonian president regarded his authoritarian regime as a regency for the restoration of the endangered democracy and worked for a conservative reform of the state. He legalized his regime by a referendum in 1936 in order to elect a constituent assembly to draft a new constitution. The candidates were chosen mostly from the ranks of the Patriotic League that he had founded in February 1935. The new parliament that convened on April 21, 1938, had in its lower chamber 63 members of the Patriotic League and a token opposition of 17. On April 23, 1938, Päts was elected the first president of the republic, and in May a new government was sworn in, headed by a separate prime minister.

In Latvia the dynamic "leader of the people," Ulmanis, did not bother to legalize his regime by popular referendum or even to organize a unified following. On April 11, 1936, he combined the office of prime minister with that of the president of the state and adopted the nationalistic theme of a "strong and Latvian Latvia." He also enlarged the state-run sector of the economy. The Germans felt themselves to be losing out to the Latvian majority, and German National Socialism found an increasing num-

ber of supporters among them. On the other hand, both Socialism and Communism lost their appeal among the population. Under the new regime no one was killed, and only a few hundred persons were temporarily imprisoned. The rural population and the business interests favoured the authoritarian regime because it brought prosperity; foreign trade showed a steady increase. In Latvia an entirely new electronics industry came into existence and made surprising progress.

In Lithuania a nationalistic one-party state emerged. The dictatorial tendencies of Prime Minister Voldemaras aroused opposition among conservative-ecclesiastical circles, which led to his removal by the president, Antanas Smetona, on September 19, 1929. Smetona now cast himself as a "people's leader" with the small Nationalist Party in full control of the state. His regime had the support of the army, the home guard, and the state-sponsored youth organization, Young Lithuania. The obvious model for the regime was Fascist Italy, and it led to the alienation and dissolution of other parties. Two unsuccessful attempts were made to return Voldemaras to power, and there were peasant strikes and workers' demonstrations. These events, coupled with the dispute with Germany over control of Klaipėda (Memel), forced Smetona to broaden his power base. On September 1, 1936, the President summoned the rump parliament to draft a new constitution, which was promulgated on May 12, 1938; it provided for a single-chamber Diet elected for five years by democratic suffrage, and for a strong head of the state elected for seven years by delegates of the nation.

The end of independence. The Baltic states had won their independence at a time when both Russia and Germany were defeated in war. They retained it as long as the two powers remained weak. Proposals for closer ties with Finland and Poland ran aground on the irreconcilable differences between Lithuania and Poland and on the refusal of Finland from 1922 to engage in affairs south of the Gulf of Finland. An Estonian-Latvian defense alliance was formalized in 1923 and renewed in 1934. When Lithuania joined the alliance in 1934 it became known as the Baltic Entente. All three Baltic states signed nonaggression pacts with the Soviet Union, which were renewed in 1934. They also signed nonaggression pacts with Germany in 1939. In the summer of 1939 the Baltic question was one of the issues in the ill-fated Anglo-French negotiations with Moscow. The Baltic states attempted to maintain absolute neutrality in the power struggle.

In a secret protocol to the German-Soviet pact of August 23, 1939, however, Estonia and Latvia were recognized as belonging to the Soviet sphere of interest, and on September 28, after the German victory over Poland, Lithuania was put in the same category. Moscow then demanded that the Baltic states should sign mutual assistance pacts with the Soviet Union and allow Soviet military bases on their territory. Completely isolated, the governments of the Baltic states realized that military resistance was useless. The agreement between Berlin and Moscow for a resettlement of Baltic Germans in Germany on September 28 made it clear to the Balts that Hitler had left their states at the mercy of Stalin. On September 28, October 5, and October 10, 1939, Estonia, Latvia, and Lithuania signed mutual assistance treaties with the Soviet Union and admitted Soviet troops that exceeded in numbers those of their own armies. The Soviets at first were satisfied to observe the limits of their bases, concentrating their attacks on Finland.

When the Germans took Paris on June 14, 1940, Stalin demanded that the governments of the Baltic states admit more Soviet troops and establish pro-Soviet regimes. On June 15, Lithuania was completely occupied by Soviet forces, and on June 17 Latvia and Estonia experienced similar fates. Soviet emissaries organized elections on July 14-15 in which only a single list of Soviet-sponsored candidates was allowed to stand. The new "parliaments," disregarding the constitutions of the Baltic states, immediately "voted" by a show of hands for incorporation of their countries into the Soviet Union; the requests were accepted by the Supreme Soviet on August 3, 5, and 6, 1940, respectively.

Arrests and deportation

Rise of the one-party state in Lithuania

The geographic plight of the Baltic states

Underground resistance

The Vaps movement

Many Baltic political leaders were arrested, deported to Siberia, or killed, or were able to flee to the West. Beginning on June 14, 1941, there were mass deportations of the Balts, including women and children, to the polar or desert regions of the Soviet Union. In one year, Estonia lost more than 60,000 people; Latvia more than 34,000; and Lithuania about 35,000. Another, even larger, deportation of Baltic citizens was scheduled for July, but it did not materialize because of the German invasion.

After the Lithuanian revolt of June 23, 1941, and the subsequent German occupation of the Baltic region, the Baltic states and Belorussia were combined in July 1941 into a new territorial unit, Ostland, scheduled to be Germanized and added to the German Reich at a later date. Many Balts at first considered the Germans as their liberators and were willing to cooperate with them. They soon found out, however, that such a stance would not help them to regain their national independence or most of their nationalized property. All the Balts were considered by the German occupation authorities as second-class citizens. Lithuanians receiving the worst treatment. Whereas the Soviets had sought to annihilate the upper classes, the Nazis at first tried to wipe out the Jews and other "undesirable" elements among the Balts themselves. They killed at least 14,000 Lithuanians and 136,000 Lithuanian Jews. About 90,000 Jews were killed in Latvia and 4,500 in Estonia. Hundreds of Latvians and Estonians also lost their lives, and about 95,000 Lithuanians and 30,000 Latvians were sent to concentration camps.

On July 17, 1941, Alfred Rosenberg became the *Reichsminister* for the occupied eastern territories. Under him, the *Reichskommissar* for Ostland resided in Riga and *Gebietskommissars* in the capitals of each of the former Baltic States and in Belorussia. As was the case in the Soviet Union, the *Sicherheitsdienst* (SD) of the Nazis often wielded greater power than the administrative agencies. Indigenous, but generally powerless, self-governments were also formed in each of the Baltic countries. Disregarding international conventions, the German Reich proclaimed the compulsory draft of Baltic men and women into labour service and the German armed forces (camouflaged as *Schutzstaffel* (SS) "voluntary" units and police battalions). One Estonian division and one brigade, along with two Latvian divisions and a large number of other units, were sent to fight against the Soviets. At least 146,000 Latvians, 47,000 Lithuanians, and 50,000 Estonians were enlisted in military units of various kinds.

In May 1944, 4,000 mobilized Lithuanians clashed with the Germans. There were also sizable nationalist and Communist guerrilla movements in the Baltic countries, and more than 3,000 Estonians fled to Finland and enlisted in the Finnish Army and Navy. A Lithuanian provisional government, proclaimed on June 23, 1941, was disbanded by the German authorities on August 5 of the same year. On November 25, 1943, an underground nationalist Supreme Committee for the Liberation of Lithuania started its activities. A similar underground Central Council of Latvia came into existence on July 13, 1943, and on March 23, 1944, an underground Republican National Council of Estonia was founded. These bodies cooperated with each other and established ties with the Western powers through Finland and Sweden. In April, May, and July 1944, many of the Baltic nationalist leaders were arrested and sent to concentration camps, where a number of them perished. The Latvian underground nationalist armed force was annihilated by German forces in Courland in November-December 1944. On September 18, 1944, a short-lived Estonian nationalist government started its activities, and on May 4, 1945, a similar Latvian government was founded.

The Baltic countries were again devastated. Latvia, which had lost 650,000 people during World War I, lost another 450,000 during World War II. Estonia lost 200,000 and Lithuania 473,000 people. In the fall of 1944, as the Germans retreated and the Soviet Russians returned, large numbers of people were evacuated or fled before the advancing Soviet armies. Courland held out until the end of the war. About 33,000 Estonians, 115,000 Latvians, and 70,000 Lithuanians were deported or managed to flee

to western Germany; about 30,000 Estonians and 5,000 Latvians reached Sweden. During World War II, 18 Latvian vessels, a few Lithuanian ships, and more than 30 Estonian vessels served the interests of the Western Allies; most of these ships were victims of German submarines and airplanes. One Lithuanian, two Estonian, and two Latvian divisions fought with the Soviets, the soldiers, however, being partly or mostly non-Balts.

After the Soviets restored the Communist regimes in the three countries, they faced a nationalist guerrilla war that lasted until 1951. The Communists tried to eradicate the last vestiges of the private economy and faced considerable opposition among the rural population. New waves of deportations followed. Estimates of the numbers of those deported in the years 1941-49 run to about 570,000, including large numbers of peasants who resisted the collectivization of their farms. About 25-30 percent of these persons are said to have returned home after Stalin's death in 1953 and a general amnesty in 1955.

THE BALTIC STATES AS SOVIET UNION REPUBLICS

After the victory over Germany the Soviet authorities resumed their previous efforts to integrate the Baltic states into the Soviet Union. Most of the Communist leaders of the early days were replaced by officials who had grown up in the Soviet Union or been trained there.

Soviet policies



BALTIC REPUBLICS SINCE 1945.

Collectivization and industrialization. The rural population was forced into the *kolkhozy*, or collective farms, without regard for the consequences to agriculture. Resistance by partisans or guerrillas, which had persisted longest in Lithuania, was ultimately broken by special forces of the security police. Collectivization eliminated the independent farming class, which had been the political basis of the Baltic states. The Baltic region concentrated on dairy farming and cattle breeding; in the 1950s and 1960s Estonia and Latvia held first place among the union republics of the Soviet Union in milk production per cow.

The economies of the Baltic republics were integrated into the Soviet system of economic planning and development. This resulted in considerable growth in production, as a result of Soviet investment in the Baltic region. Some outstanding projects of the postwar period included the development of the Estonian oil shale industry, which supplies gas for Leningrad and Tallinn. Five giant power stations generate large quantities of electricity. Industrial establishments produce textiles, synthetic fibre, microbuses, electric trains, radio and television sets,

mass
deportations

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refrigerators, and fine electronic equipment for the entire Soviet Union and foreign countries. There is also a large fishing and canning industry. Living standards remain relatively low, but they are higher than the average standard for the Soviet Union as a whole. Soviet citizens of other regions feel as if they are abroad while in the Baltic countries, and tens of thousands of them have attempted to settle there.

Demographic changes. Postwar political, industrial, and agricultural policies of the government of the Soviet Union have made fundamental changes in the social structure of the Baltic republics. From predominantly rural societies they became predominantly urban. In 1939, 65 percent of the Latvians lived in rural areas, as did 66 percent of the Estonians and 77 percent of the Lithuanians, but 40 years later the ratio was reversed, and 70 percent of the Latvians, 71 percent of the Estonians, and 64 percent of the Lithuanians were urban dwellers. Latvia and Estonia had achieved the highest rate of urban population in the Soviet Union.

Another demographic change was the immigration of Russians and other non-Balts. By the late 20th century almost half of the population of Riga was estimated to be Russian. The Russians manned the large military force stationed in the Baltic; they took over many of the top positions in government and most of the administrative posts; hundreds of thousands of them came in with newly created large industrial enterprises; they took over most of the shipping and transportation, commerce, trade, and customer services; and they penetrated the professions and even larger agricultural enterprises. Many fields of enterprise were subordinated directly to union ministries in Moscow. Feeble attempts by indigenous Baltic Communists to curb enforced Russification in the 1950s ended in their removal from top positions and their replacement by Balts from Russia and Russians themselves.

Religion, education, and culture. Under Soviet rule, the activities of the formerly influential Lutheran and Roman Catholic churches have been severely limited. Church attendance has declined markedly.

Education and culture in the Baltic republics have been "national in form, socialist in content." The native languages and literature, theatre and music, popular customs and national histories have all been promoted, but as part of a multinational Soviet culture and in terms of Soviet ideology. The severance of ties between the Baltic states and Russia after 1919 is explained as the work of Western imperialism, and the forced integration into the Soviet Union as a "liberation from the yoke of imperialism." In the new histories, the periods of independence of the Baltic peoples have been either ignored or condemned, but the ties with the Russians and the periods of Russian rule have been emphasized. The Balts are reminded daily that they are Soviet people, and they are encouraged to use the Russian language as their "second mother language." Most of the Baltic technical literature is now published only in the Russian language.

In 1980 the incorporation of the Baltic states into the Soviet Union had still not been recognized by the United States and many other countries, although some governments did accord it de facto recognition. Prewar Baltic legations are still active in Washington, D.C., and in several other Western capitals. (F.A.n.)

Estonia

The Estonian Soviet Socialist Republic, one of the 15 republics of the Soviet Union, was proclaimed on July 21, 1940, and became a member of the Soviet Union on August 6, 1940. On the north and west the republic is bounded by the Baltic Sea and on the east by Lake Peipus (Chudskoye Ozero) and the Narva River; in the south it borders on Latvia and the Russian S.F.S.R.

Estonia has an area of 17,400 square miles (45,100 square kilometres), of which 9 percent is made up of some 800 islands and islets. The larger islands are Saaremaa (1,048 square miles [2,714 square kilometres]) and Hiiumaa (373 square miles [966 square kilometres]). The capital is Tallinn.

PHYSICAL AND HUMAN GEOGRAPHY

The land. *Relief.* The Estonian landscape bears traces of glacial activity; the south is covered with moraine (glacial deposit) hills, and the central part abounds in elongated hills with flat tops. They are usually arranged in groups in the direction of glacial movement, for the most part from the northwest to the southeast. The northern part of Estonia is characterized by long narrow swells consisting of deposits left by glacial rivers that formed during the melting of ice. Extensive sandy areas mark what was once the glacier's edge.

The Estonian relief is thus generally undulating, with small hills and numerous lakes, rivers, and forests leading the scene mildness and picturesqueness, particularly in the south.

The mean absolute altitude is 160 feet (49 metres); only one-tenth of the territory lying at altitudes exceeding 300 feet (90 metres) above sea level. In the southeast is the Haanja elevation containing Mt. Munamägi (1,042 feet [318 metres]), which is the highest point in Estonia.

During the postglacial period a considerable part of Estonia was flooded by the Baltic Sea. Later, large areas emerged from under water as a result of the elevation of the mainland—a process still observable, particularly in the northwest, where a rise of approximately five feet (1.5 metres) in a hundred years has been recorded.

In northern Estonia is a low limestone plateau that falls abruptly to the sea. The sheer cliff stretches along the southern shore of the Gulf of Finland from Tallinn and continues beyond the republic's borders. It rises to its maximum height (544 feet, or 166 metres, above sea level) at Pandivere.

Estonia abounds in rivers, which carry their water to the gulfs of Finland and Riga and into Lake Peipus. The longest rivers are the Pärnu (88 miles, or 142 kilometres) and the Pedja (81 miles). Lakes occupy about 5 percent of the republic's territory. The largest lake is Peipus, with a surface area of 1,370 square miles (3,548 square kilometres).

Climate. The temperate and humid climate of Estonia differs sharply from the climates of many regions of the Soviet Union situated at the same latitude but in the depth of the continent. The republic lies in the path of air masses brought in by cyclones born in the northern Atlantic that carry warm air in winter and cool air in summer. The mean temperature in February is 23°–43° F (–5° to +6° C) and in July 61°–63° F (16°–17° C). Annual precipitation is 24–28 inches (610–710 millimetres), which, coupled with negligible evaporation and plain relief, leads to waterlogging. The Estonian climate is generally favourable to agriculture.

Plant and animal life. Mixed forests, with about 90 species of trees and shrubs, cover almost one-third of Estonia's territory. Most widespread are pine, fir, birch, and aspen; less common are oak, lime, maple, elm, and ash. Meadows occupy a considerable area, as do marshes and swamps.

About 60 species of mammals live in Estonia. The elk is the largest; roe deer, red deer, and wild pigs are also found. In the deep forests of the northeast, bear and lynx are encountered. Foxes, badgers, otters, rabbits, hares, and—along the riverbanks—mink and nutria (coypu) are fairly common. Among the sea animals, seals and fishes (cod, salmon, eel, plaice, and others) are of commercial importance. Birds are very numerous; 295 species have been identified, of which 60 are year-round residents.

Minerals. The most important mineral is bituminous shale; the output of Estonia accounts for 80 percent of the shale produced in the Soviet Union. Reserves and production of peat also are substantial, and large deposits of high-quality phosphorites, limestone, dolomites, marl, and clay exist.

The people. Estonians belong ethnically and linguistically to the Baltic-Finnish group of Finno-Ugric peoples.

The development of Estonia's economy has been attended by a considerable internal migration. The population in the northern, industrially advanced part of the republic has increased appreciably since the mid-1950s at the expense of the southern and western regions, which are

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tion

basically agrarian. There has also been extensive immigration from other territories of the Soviet Union, particularly the Russian S.F.S.R. The major towns are Tallinn, Tartu, Kohtla-Järve, Narva, and Pärnu.

The economy. Estonia is basically an industrial region, with agriculture also making a contribution.

Fuel and power. About 20 percent of the industrial workers of Estonia are employed in producing bituminous shale and phosphorites or in the power industry. Estonia, the only area of the Soviet Union that has a large shale processing industry, produces a great percentage of the Soviet Union's artificial gas, much of which is transported by pipelines extending from Kohtla-Järve to Leningrad.

Most of the electricity produced in the republic is generated by thermal power plants fired with bituminous shale. One station near Narva, the Estonskaya, which began to operate in 1968, accounts for much of the electricity produced in the Soviet Baltic republics. Other major power plants include a hydroelectric station at the Narva falls and a peat-fired plant at Ellamaa. The electrical power industry has great significance both for the economy of Estonia and for the whole northwest Soviet Union.

Manufactures. Estonia's industry uses both local resources and imported raw materials. About 20 percent of the industrial labour force is engaged in engineering and metalworking activities that provide oil-refining equipment, agricultural implements, mining machinery, gas pipes, and excavators. Technical and scientific instruments and electronic apparatus are also produced.

Shale processing underlies a developing chemical industry centred in Tallinn and Kohtla-Järve. Such products as benzene, adhesives, tanning agents, resins, formaldehyde, and detergents are made.

Estonia's natural resources provide a base for the production of building materials, including cement, mural blocks, and panels made either from shale ash or reinforced concrete. The main centres of this industry are Tallinn, Kunda, Tartu, and Aseri.

Timber and woodworking make up one of the oldest industries of Estonia. As a result of a disorderly exploitation of woodlands in former times the total wooded area decreased considerably. Many thousands of acres of new trees have been planted, but in order to satisfy its needs Estonia is nevertheless obliged to import from the northwestern regions of the Soviet Union about one-fourth of its requirements. Paper, pulp, plywood, matches, and furniture are among the republic's wood products. The main centres of production are Tallinn, Tartu, Narva, Pärnu, Kehra, Kuressaare (Kingsisep), and Viljandi.

Among consumer goods industries, textiles are the most developed. Seventy percent of all cotton cloth produced in the Soviet Baltic republics is manufactured in Estonia. The republic also produces wool, silk, and linen. Knitted and woven garments and shoes are also produced.

Agriculture. After 1945 Estonia's agriculture was collectivized. Instead of the former 120,000 small peasant farms there were by the late 20th century more than 140 collective farms and about 150 state farms. Agriculture accounts for 20 percent of the gross national product and engages a quarter of the labour force.

The land is generally fairly difficult to farm. Large areas have to be cleared of stones, and 70 percent of the natural pastures require draining. Cattle and pigs account for about two-thirds of the Estonian S.S.R.'s agricultural production.

Fodder crops for animal husbandry account for almost half the total crop production. Grain crops, legumes, and potatoes represent most of the balance.

An increased level of mechanization and the application of more advanced methods of work in agriculture have resulted in a considerable increase in labour productivity and in agricultural incomes.

Transport and communications. Transport systems in Estonia include railways, roads, rivers, and pipelines. Most of the republic's freight is carried by railways. River transport is of local significance only.

Estonia is connected by air with Moscow, Leningrad, the capitals of the union republics, and the Black Sea resorts.

Administrative and social conditions. *Government.* Es-

tonia has a state emblem, flag, and national anthem. It is a socialist republic, and its constitution (1940) declares it to be a sovereign entity, though in fact it has no power to carry on relations with foreign countries. The highest organs of state power are the Supreme Soviet, elected for a four-year term, and the Presidium, selected by the Supreme Soviet. The highest executive and administrative organ of government is the Council of Ministers. In the provinces government is effected through local soviets.

All political life in the republic is under the direction of the Communist Party of Estonia. The party concerns itself with the political and ideological education of the population, establishes policy for the development of the economy, and directs the activities of the Young Communist League of Estonia (Komsomol; created in 1921).

Trade unions do not, as in the West, represent the workers in negotiations with management; their efforts are directed more to providing incentives for increased production, maintaining labour discipline, and serving as an instrument of Communist Party policy.

Welfare and education. As a result of the development of industry and agriculture, the economic and social welfare of the population has increased substantially compared to the period immediately after World War II.

Scientific research in the republic is centred on the Academy of Sciences of the Estonian Soviet Socialist Republic (founded in 1946), which has three departments: physics, mathematics, and technical sciences; chemistry, geology, and biology; and social sciences.

More than 40 newspapers are published in Estonia, some with a circulation of more than 1,000,000 copies. Book publishing also flourishes.

Estonian radio broadcasts diversified programs. The system possesses a mixed chorus, a symphony, and a variety orchestra. The republic has had a television centre since 1955, and television broadcasts from Moscow and Leningrad are also received in most areas.

Cultural life. The scope and importance of Estonian literature has steadily increased since the period of national awakening in the 19th century. The greatest achievements in the first half of the 20th century were made in the genres of realistic novel (Anton Tammsaare) and imaginative poetry (Marie Under, Betti Alver). Open to cultural and literary influences of western Europe, Estonian literature developed a diversity of styles, ranging from Neoclassicism to bold experimentation. Since World War II, the dominant theme has been Soviet reality, expressed in the form of Socialist Realism especially in the prose writings of Soviet Estonian authors (Juhan Smuul). During the 1960s, a younger generation of exceptionally talented poets (Paul-Eerik Rummo, Jaan Kaplinski) brought about a revival of Estonian poetry that continued into the '70s (Jüri Üdi). A new and sophisticated genre, the so-called short novel, deals primarily with psychological problems (Enn Vetemaa, Mati Unt), sometimes projecting them into history (Jaan Kross). New developments can also be found in drama and short story. Both Estonian classics and the works of contemporary authors have been translated into many languages.

The beginning of professional theatrical art in Estonia is closely connected with the creation of the Vanemuine Theatre in Tartu in 1870. Tallinn has five theatres, including an opera and ballet theatre, a drama theatre, a youth theatre, and a puppet theatre. There are also professional theatres to be found in Pärnu, Viljandi, and Rakvere.

Tallinn is famed for its song festivals. There is an enormous stage for popular mass performances, and tens of thousands of singers and up to 200,000 spectators come to take part in these events. (A. A. Ke./V.J.T./Ed.)

HISTORY

The Estonians are first mentioned by the Roman historian Tacitus (1st century AD) in *Germania*, in which he wrote of the keepers and tillers of the soil. Their political system was patriarchal, based on clans headed by elders. The first invaders of the country were Vikings, who from the mid-9th century AD passed through Estonia and Latvia on their way to the Slavonic hinterland. These Vikings were soldiers and merchants, and there is much evidence to

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Literature

Viking invasions

show that the Estonians learned from them; apart from ornaments, many of local make, archaeological finds in Estonia include Arabic, Byzantine, German, and Anglo-Saxon coins as evidence of trade. In the 11th and 12th centuries, the Danes and the Swedes tried to Christianize the Estonians, without success. Between 1030 and 1192 the Russians made 13 campaigns into Estonia but failed to establish supremacy there.

German conquest. Meinhard, a monk from Holstein, landed in 1180 on what is now the Latvian coast and for 16 years preached Christianity to the Livs, a Finno-Ugric tribe. His successor, Berthold of Hanover, appointed bishop of Livonia, decided that the sword must be used against the recalcitrant pagans. He was killed in 1198 in the first great battle, Albert of Buxhoeveden, who succeeded him as bishop, proved himself a shrewd colonizer, pacifying the "treacherous Livs" and forcing them to build the fortress of Riga. To popularize recruitment for his army, Albert dedicated Livonia to the Virgin Mary. In 1202 he established the Order of the Knights of the Sword.

By 1208 the knights were firmly established on both banks of the Daugava (Western Dvina), and Albert felt strong enough to proceed northward to the conquest of Estonia. In the following years the Estonians lost steadily in manpower while the knights replenished theirs with new crusaders from Germany. The Russian princes of Novgorod and Pskov also raided Estonia on many occasions, penetrating especially deep in 1212 and 1216. Finally, in a major battle in 1217, the knights defeated the Estonians and killed their commander, Lembitu. Northern Estonia and the islands, however, remained free for another 10 years. To complete the conquest, Albert concluded an alliance with King Valdemar II of Denmark, who in 1219 landed with a strong army on the northern coast, on the site of Tallinn. Moreover, in the summer of 1220, Swedes conquered part of western Estonia, but the garrison they left there was wiped out shortly afterward. The Danes landed on the island of Saaremaa two years later, but, after their castle was bombarded with catapults, they surrendered on a safe conduct. Prompted by this victory, fighting flared up all over Estonia, and the Estonians raided as far as Sweden in 1226.

In 1237 the Knights of the Sword joined the Teutonic Order, which assumed control of Livonia. Northern Estonia and the islands were under Danish rule; Livonia (i.e., southern Estonia and Latvia) was shared between the Teutonic Order and the bishops. The terms under which the Estonian localities submitted were not severe, but the conquerors violated them as their position became stronger, thus provoking a series of revolts. After major risings in 1343-45, the Danish crown sold its sovereignty over northern Estonia to the Teutonic Order in 1346. The Germans became the masters in the "Land of the Virgin" and, with minor exceptions, formulated its history in colonization, commerce, and the church for centuries to come. The Estonians, the Latvians, and the Livs became the serfs of their conquerors, with little to sustain their national feeling save their folklore and traditional crafts. In agriculture, however, the Germans made an improvement by introducing the three-field instead of the two-field system, and the towns enjoyed prosperity through the commercial activity of the Hanseatic League.

Swedish period. By the end of the 15th century two major powers were emerging around Livonia: Poland-Lithuania, already united in the south; and Muscovy, which had conquered Novgorod, in the east. A third factor, the Reformation, was to produce disunity and strife in this quarter, as in many others. More by diplomacy than by victory in battle, Poland gained Livonia on the dissolution of the Teutonic Order in 1561. Three years before, northern Estonia had capitulated to the King of Sweden. The Muscovite tsar Ivan IV the Terrible had captured Narva in 1558 and penetrated deep into Estonia, bringing devastation with him, and it was not until 1581 that the Russians were expelled by the Swedes. In 1559 the Bishop of Saaremaa had sold the Estonian islands to Denmark, but in 1645 they became part of the Swedish province. By the Truce of Altmark (1629), which ended the first Polish-Swedish War, Poland surrendered to Swe-

den the major part of Livonia, so that all Estonian lands then came under Swedish rule.

Prolonged wars left the country devastated, and many farms were unoccupied. The vacancies were partly filled by foreign settlers who were soon assimilated. This also gave the German nobility the opportunity to enlarge their estates, increase taxes, and exact more unpaid labour. The Swedish kings attempted to curb the power of the nobility and improve the lot of the peasants. Soon after Charles XI of Sweden came of age (1672), the nobles of Livonia were forced to show their title deeds, and those who failed to do so became tenants of the crown.

The Russian conquest. The "good old Swedish days" for Estonia were more a legend than reality, but they ended with the Great Northern War. The Russian tsar Peter I the Great was finally able to achieve the dream of his predecessors and conquer the Baltic provinces. After the defeat of Charles XII of Sweden at Poltava (1709), Russian armies seized Livonia. The barons did not resist, angered as they were against the Swedish crown for its policy of reversion of estates. By the Peace of Nystad in 1721 Sweden ceded to Russia all its Baltic provinces. The old Land of the Virgin was divided into the three *guberniyas* (provinces) of Estonia, Livonia, and Kurlandia (Courland). In 1740 a famous lawsuit by an Estonian peasant, Jaan the Miller from Vohnja, against his landlord ended in a decision by the College of Justice in St. Petersburg that the peasants had no right to sue their landlords. The peasants' lot became worse than ever.

In 1804, however, under the emperor Alexander I, the peasants of Livonia were given the right of private property and inheritance; a bill abolishing serfdom was passed in Estonia in 1811 and in Livonia in 1819. Other agrarian laws followed, in particular that of 1863 establishing the peasants' right of free movement; that of 1866 abolishing the landowner's right of jurisdiction on their estates, including the right to flog; and that of 1868 abolishing the *corvée*.

Estonian national awakening. The Estonian peasants benefited by these reforms, and at the end of the 19th century they possessed two-fifths of the privately owned land of the country. With the growth of urban prosperity as a result of industrialization, the population increased. Improvement in education was such that by 1886 only about 2 percent of the Estonian recruits were unable to read. National consciousness increased too.

The accession of Alexander III marked the beginning of a period of more rigid Russification. The Russian municipal constitution was introduced in 1882; Russian criminal and civil codes replaced the old Baltic ones; in 1887 Russian was made the language of instruction, instead of German and Estonian. In 1893 the University of Tartu (Dorpat), which was then an important centre of German learning, was Russified. The first reaction of the Estonians was that poetic justice was being administered to their age-long oppressors, but they also feared the reactionary Pan-Slavism. In 1901, in Tallinn, Konstantin Päts founded the newspaper *Teataja*, in which moderately radical ideas were expressed. In 1904, thanks to Päts, the Estonians won a clear victory on the Tallinn town council.

In January 1905 a revolution started in Russia and spread immediately to Estonia. Tõnisson founded a National Liberal Party and organized its first congress in Tallinn on November 27. The 800 delegates soon split into a Liberal and a Radical wing, but both voted resolutions demanding political autonomy for Estonia. In December, Päts summoned a peasant congress in Tallinn, but martial law was proclaimed. Parties of workers scattered into the countryside and began to loot and burn the manor houses. Troops were drafted and repression started. 328 Estonians were shot or hanged. Päts and the Radical leader Jaan Teemant fled abroad, both being sentenced to death *in contumaciam*. At the elections to the first and the second Russian Duma, the Estonians returned five deputies.

Independence. The Russian Revolution of March 1917 brought autonomy to Estonia. An Estonian National Council, which came to be known as the Diet *Maapäev*, met on July 14 and on October 12 appointed a provisional government with Päts as premier.

German
domina-
tion

Repulse
of the R
army

Abolition
of serfdom

Soviet
ultimatu

The November coup d'état that brought the Communists into power in Petrograd made itself felt in Estonia. On November 28, 1917, the Estonian Diet decided to break away from the Russian state, but on December 8 the Russian Council of People's Commissars appointed a puppet Communist government headed by Jaan Anvelt, who seized power in Tallinn but never obtained control of the whole country. (He was shot in Moscow in 1937.) In February 1918 German forces advanced. The Communists fled, and on February 24 the provisional government declared Estonia independent. The following day German troops entered Tallinn. Estonian leaders, except Pääs, who was arrested, went abroad or underground. On March 3 the Treaty of Brest-Litovsk was signed, and, by a protocol signed in Berlin on August 27, sovereignty over the Baltic countries was transferred from Russia to Germany.

Germany capitulated on November 11, 1918. The Estonian provisional government again proclaimed the independence of Estonia. But the Soviet government declared the Treaty of Brest-Litovsk null and void. On November 28 the Red army took Narva and started the invasion of Estonia, which had been denuded of all arms by the retreating Germans. The government of Konstantin Pääs obtained weapons and war materiel from the Allies. With the aid of a British naval squadron and a Finnish voluntary force of 2,700 men, the commander in chief Col. (later General) Johan Laidoner opened a counteroffensive in January 1919. By the end of February all of Estonian territory had been freed, and the Estonian Army penetrated into Soviet and Latvian territory.

On June 15, 1920, the constituent assembly (elected in April 1919), with August Rei as president, voted the new constitution with a single-chamber Parliament (*Riigikogu*) of 100 members elected for three years, with a system of proportional representation, and a chief of state (*riigivanem*), who was also the premier. Because no party had an absolute majority, government by coalition became the rule, and from May 1919, when the first constitutional Cabinet was formed, to May 1933, Estonia had 20 coalitions headed by 10 statesmen.

On December 1, 1924, 300 conspirators, mostly Russians working on the transit base at Tallinn or smuggled in, tried to seize communications and to call in Soviet troops but failed ignominiously. The Communist Party was outlawed, and the movement became virtually extinct. The world depression of the early 1930s caused unemployment and the falling off of agricultural prices. The strong government action necessary to cope with the situation was precluded under the 1920 constitution. A new constitution in 1933 gave sweeping powers to the president. Pääs became acting president and was expected to prepare the ground for the first presidential election. Instead, he proclaimed on March 12, 1934, a state of emergency; opposition leaders were arrested and the political activities of all parties forbidden. For three years Pääs ruled as a benevolent dictator. In December 1936 a new constituent assembly was elected. It prepared a third constitution with a chamber of 80 deputies elected by the majority system and a national council of 40 members. The election was held in February 1938. In April Pääs was elected president for a term of six years.

Independence lost. The fate of Estonia was decided by the so-called Nonaggression Treaty of August 1939 between Nazi Germany and the U.S.S.R. A secret protocol to this treaty assigned Finland, Estonia, Latvia, and eastern Poland to the Soviet orbit. After the defeat of Poland this arrangement was revised on September 28, and a secret supplementary clause extended the Soviet sphere of influence to Lithuania. On the same day, the Soviet government imposed on Estonia a treaty of mutual assistance that conceded to the U.S.S.R. several military bases on Estonian territory, which were manned forthwith. A broadly based nonpolitical government under Juri Uluots was appointed. On June 16, 1940, a Soviet ultimatum demanded a new Estonian government, "able and willing to secure the honest application of the Soviet-Estonia mutual assistance treaty." The following day, Soviet armed forces occupied the whole country. On July 21 the Chamber of Deputies was presented with a resolution to join

the U.S.S.R.; it was unanimously adopted the following day in spite of being contrary to constitutional procedure. On August 6 the Moscow Supreme Soviet incorporated Estonia into the U.S.S.R. Meanwhile, Pääs, Laidoner, and many political leaders were arrested and deported to the U.S.S.R. In the first 12 months of Soviet occupation, more than 60,000 persons were killed or deported; more than 10,000 were removed in a mass deportation during the night of June 13-14, 1941.

On June 22, 1941, Germany attacked the U.S.S.R. Large areas of Estonia were freed from Soviet forces by improvised Estonian units before the German front reached Estonia. For three years Estonia was under German occupation. It became part of the Ostland province. By February 1944, however, the Russians were back on the Narva front. A few thousand Estonian youths, who had escaped to Finland to fight the Reds in the Finnish Army rather than with the Germans, returned but of course could not save the situation. About 30,000 Estonians escaped by sea to Sweden and 33,000 to Germany; many thousands perished on the sea. On September 22, 1944, Soviet troops took Tallinn. It is estimated that about 20,000 Estonians were deported in 1945-46. The third large deportation took place on March 24-27, 1949, and comprised about 40,000 persons, mostly farmers who resisted collectivization.

After restoration of the Soviet regime, Estonia became nominally the 15th union republic of the U.S.S.R., subject to the laws and practices of the union. The Communist party and the administration were both permeated by ethnic Russians or by Russified Estonians.

(K.M.S./E.Ar./Ed.)

Latvia

Latvia, which had been an independent republic since 1920, was constituted as one of the 15 republics of the Soviet Union on July 21, 1940, and was proclaimed a Soviet Socialist republic on August 5. Situated in the Soviet west on the shores of the Baltic Sea and the Gulf of Riga, it covers an area of 24,600 square miles (63,700 square kilometres). In the north it borders on the Estonian Soviet Socialist Republic, in the east on the Russian S.F.S.R., and in the south on the Lithuanian S.S.R. The overall length of Latvia's borders is 1,120 miles (1,800 kilometres), of which 307 miles (494 kilometres) are coastal. The capital is Riga (Riga in Latvian).

PHYSICAL AND HUMAN GEOGRAPHY

The land. *Relief.* Latvia is essentially an undulating plain, with fairly flat lowlands alternating with hills. The eastern part is more elevated, the most prominent feature being the central Vidzeme (Livonia) elevation, which reaches a maximum height of 1,020 feet (311 metres). In the southeast the highest point is 948 feet (289 metres). The Kurzeme (Courland) elevation in the west is cut by the Venta River into western and eastern parts. Between the central Vidzeme and Latgale (Latgalian) elevations lies the East Latvian Lowland, partly crossed by moraine ridges that impede drainage; there are many peat bogs in this area.

The shores of the Baltic and the Gulf of Riga are only slightly indented, and there are considerable stretches of excellent sandy beaches.

Drainage and soils. Latvia contains a multitude of rivers belonging to the Baltic drainage area. The largest are the Western Dvina, locally called the Daugava (with a total length of 224 miles [358 kilometres] in Latvia), the Gauja (Russian Gauya), the Venta, and the Lielupe. Amid the hills, many of which are forested, are numerous lakes, ranging from a few acres up to 12 square miles (30 square kilometres) in area. Soils are predominantly podzolic, though calcareous soils characterize the Zemgale Plain. Swampy soils are found in some areas, particularly the East Latvian Lowland. Erosion is a problem in the more intensely cultivated hilly areas.

Mineral resources are confined to gravel, sand, dolomite, limestone, clay, and peat. Oil has been discovered in the Courland Peninsula, but reserves have not yet been explored.

The
Daugava
River

abolish
the Red
Army

abolition
of serfdom

Soviet
ultimatum

Climate. The climate is influenced by the prevailing air masses coming from the Atlantic. Humidity is high, and the skies are usually somewhat cloudy; there are only 30 to 40 days of sunshine per year and 150 to 180 completely overcast days. Average precipitation is 22-24 inches (about 550-600 millimetres) on lowlands and 28-31 inches (about 700-800 millimetres) on elevations. Southwesterly and southerly winds prevail. The frost-free season lasts from 125 to 155 days. Summers are cool and rainy more often than not. The mean air temperature in June is 63° F (17° C) with occasional jumps to about 93° F (34° C). Winter sets in slowly and lasts from the middle of December to the middle of March. The mean January temperature ranges from 28° F (-2° C) on the coast to 19° F (-7° C) in the east. There are occasional drops to -40° F (-40° C).

Plant and animal life. About two-thirds of Latvia is covered with forests, meadows, pastures, swamps, and wasteland. Forests, which account for more than a third of the total area, are a dominating feature of the republic's natural scene; about 10 percent of the forests are cultivated. The larger forest tracts are to be found in the northern part of the Courland Peninsula, along the left bank of the Daugava, and in the northeast. Conifers (pine and spruce) predominate. Of the deciduous species, birch, aspen, and alder occur more commonly. Meadows are found everywhere, both in the river valleys and among the hills.

Latvia's fauna is typical for a region with mixed forests; there are squirrel, fox, hare, lynx, and badger. Somewhat less common are ermine and weasel. Conservation measures have resulted in an increase in the number of deer and elk and reintroduced beaver.

The numerous birds include the nightingale, oriole, black-bird, woodpecker, owl, grouse, partridge, finch, tomtit, quail, and lark. Storks and herons are found in the marshes and meadows.

The people. The bulk of the people are Latvians and Russians. The Latvians, or Letts, speak one of the two surviving Baltic languages, the other being Lithuanian. In 1935 about 68 percent of them were Lutheran, 26 percent Roman Catholic. The ancestors of the present-day Latvians were the Latgals (Latgallians), who in the 9th century lived in the northeastern part of the present republic and who absorbed the Kurs (Cours, Couronians) and Livs. Two other early Latvian tribes were the Selonians and the Zemgals (Semiigallians).

The economy. Industrialization in Latvia began in the latter part of the 19th century, and by the late 20th century it was the most heavily industrialized republic of the Soviet Union.

Energy. Latvia produces approximately half of its own energy requirements, the remainder being derived from imported fuel and from the unified power system of the northwest regions of the Soviet Union. On the Daugava River stand the major hydroelectric stations—Plavīgas, Ķegums, and Riga. There are thermoelectric stations in Riga and other cities. All the stations are integrated in a single power grid, which in turn is incorporated in the power grid of the Soviet northwest.

Industry. Machine building and metal engineering are the leading manufacturing activities. Labour-intensive goods—that is, items utilizing small quantities of raw materials and much labour—such as radios and scientific instruments, are produced in quantity. Durable consumer goods, such as refrigerators, washing machines, motorcycles, and motor scooters, are also produced. The heavy engineering sector turns out ships, rolling stock, streetcars, power generators, diesel motors, and agricultural implements. The light consumer goods industry, concentrating on textiles, shoes, and hosiery, is sufficiently well developed that its products can be exported to other Soviet republics. There are many food processing enterprises.

Agriculture and fisheries. Agricultural specialization is in dairy farming and meat production. Of the agricultural land, some two-thirds is used for crops, the remainder mainly for pasture. Of the crops, grain is the most important, industrial crops (sugar beets and flax) occupying only a tiny percentage of the total crop area.

Collectivization of agriculture was accomplished, against

resistance, in 1947-50. In the late 20th century there were some 300 collective farms and 240 state farms. Agriculture is mechanized, permitting intensive farming.

Latvia accounts for a small percentage of the Soviet Union's fish catch.

Transportation. All types of transport are found in Latvia, which ranks first among the union republics in the density of its rail network. Much Soviet foreign trade is conducted via the seaports of Riga and Ventspils, which are open the year round. Riga has air links with Moscow and other large cities of the Soviet Union, and there is some internal air service.

Administrative and social conditions. **Government.** The highest formal organs of government in Latvia are the Supreme Soviet, members of which are elected for a period of four years, and the Presidium. The Supreme Soviet appoints the Council of Ministers and elects the Supreme Court and the Presidium. The latter exercises power between sessions of the Supreme Soviet. Administration is the responsibility of the Council of Ministers, which drafts economic development plans and oversees their implementation. For administrative purposes the republic is divided into *rajoni* (districts) and cities. At the local level, government is exercised by district, city, and village soviets, elected for terms of two years.

Justice is administered by people's courts, the judges of which are elected for terms of two years.

The Communist Party of Latvia, like its counterparts in the other union republics, is in fact the only source of political power, under the Communist Party of the Soviet Union. Western students of the Soviet Union conclude that the party is dominated by non-Latvians (mainly Russians and other Slavs) and by Russified Latvians who have lived in Russia for large parts of their lives.

Education. General literacy was achieved in Latvia in the 1890s. Teaching in the general schools is in Latvian or Russian or both. In Latvian-language schools the study of Russian is compulsory.

Scientific work is carried on at the institutes of the Latvian Academy of Sciences (founded in 1946), in higher educational establishments, and in research institutes.

Cultural life. Amateur art thrives in Latvia. Clubs and individual enterprises have drama groups, choirs, ensembles, orchestras, and dance companies. The song festivals that have been held in Latvia since 1873 are still very popular; every five years the local districts and towns hold their own festivals and then send their best choirs, orchestras, and dance companies to the national festival, held at a park in Riga. The republic has a conservatory of music, an academy of arts, and a number of specialized secondary educational establishments for students of music, painting, and the applied arts.

Noted Latvian composers include Jāzeps Medīns, Jānis Medīns, and Emīlis Melngailis.

Modern Latvian literature dates from the late 19th century; the national epic, *Lūkšplēšis* ("Bear Slayer"), by Andrejs Pumpurs, was published in 1888. Jānis Rainis, who died in 1929, is generally considered to be the most important Latvian writer. Three houses now publish literature in Latvian, Russian, and other languages. Newspapers and magazines are published in Latvian and Russian. Like the other Baltic republics, Latvia is better supplied with radio receivers than the rest of the Soviet Union and receives foreign broadcasts. Television broadcasts are part local, part from Moscow; a large part of television transmission is in Russian. The Riga Film Studio produces full-length feature films as well as documentaries, short subjects, cartoons, and newsreels.

An important national tradition is the festival of Midsummer Eve (St. John's Eve, or Janu Naktis) and Day, which, though officially abolished by the government in 1960, continues to be observed. (P.V.G./Ed.)

HISTORY

The Latvians constitute a prominent division of the ancient group of peoples known as the Balts. The first historically documented connection between the Balts and the civilization of the Mediterranean world was based on the ancient amber trade: according to Tacitus, the Aestii (pre-

Collective and state farms

The Communist Party of Latvia

The Livonian confederation

Amber trade of the Aestii

Forest animals

decessors of the Old Prussians) developed an important trade with the Roman Empire. This trade, with Germanic tribes as middlemen, reached its peak in the first two centuries AD and was maintained, precariously, when the migrations of the Germanic peoples began. What isolated the Balts from direct contact with the Mediterranean world was the large expansion of the Slavs over central and eastern Europe. Trade routes then shifted farther to the east or to the west, and the eastern Baltic countries had to rely on their Scandinavian neighbours for trade and cultural relations.

The Varangian, or Viking, expansion southeastward to the steppes north of the Black Sea was along the Western Dvina and Dnepr rivers and so passed across the Latvian lands. During the 10th and 11th centuries these lands were subject to a double pressure: from the east there was the Russian penetration; from the west came the Swedish push toward the shores of Courland.

German rule. During the crusading period, German, or, more precisely, Saxon, overseas expansion reached the eastern shores of the Baltic. Because the people occupying the coast of Latvia were the Livs, the German invaders called the country Livland, a name rendered in Latin as Livonia. In the mid-12th century, German merchants from Lübeck and Bremen were visiting the estuary of the Western Dvina; and these visits were followed by the arrival of German missionaries. Meinhard, a monk from Holstein, landed there in 1180 and was named bishop of Üxküll (Ikšķile) in 1186. Berthold of Hanover, who succeeded Meinhard as bishop in 1196, was killed in 1198 because he used force against the "treacherous Livs" resisting Baptism. Then, the third bishop, Albert of Buxhoeveden, with Pope Innocent III's permission, founded the Order of the Knights of the Sword in 1202. Before they merged in 1237 with the Knights of the Teutonic Order, they had conquered all the Latvian tribal kingdoms. The history of the country as written by the Germans is thus a conqueror's account.

After the conquest, the Germans formed a so-called Livonian confederation, which lasted for more than three centuries. This feudalistic organization was not a happy one, its three components—the Teutonic Order, the archbishopric of Riga, and the free city of Riga—being in constant dispute with each other. Moreover, the vulnerability of land frontiers involved the confederation in frequent foreign wars: the network of German strongholds testifies to the lack of security no less eloquently than the earlier system of castle mounds built by the Latvians. The Latvians, however, benefitted from Riga's joining the Hanseatic League in 1282, as the league's trade brought prosperity. In general, however, the situation of the Latvians under German rule was that of any subject nation. The indigenous nobility was extinguished, apart from a few of its members who changed their allegiance; and the rural population was forced to pay tithes and taxes to their German conquerors and to provide corvée, or statute labour.

The rise of Lithuania in the 14th century and the union of the Lithuanian and Polish crowns (1386) created a power that could wage long and devastating wars with the fast-growing Muscovite state in the east; but these wars were partly fought out on Livonian soil, so that the Latvian people's sufferings increased. As the fortunes of the Teutonic Order declined, the knights exploited their subjects more and more ruthlessly, and by the 16th century the Latvian peasants were reduced to virtual slavery as the chattels of their landlords.

The Poles, the Swedes, and the encroachment of Russia. In 1561 the Latvian territory was partitioned: Courland, south of the Western Dvina, became an autonomous duchy under the suzerainty of the Polish crown; and Livonia north of the river was incorporated into Poland under the name Inflanty. Riga was likewise incorporated into Poland in 1581 but was taken by the Swedish king Gustavus II Adolphus in 1621; Vidzeme—that is to say, the greater part of Livonia north of Livonia north of the Western Dvina—was ceded to Sweden by the Truce of Altmärk (1629), though Latgale, the southeastern area, remained under Polish rule.

The rulers of Muscovy had so far failed to reach the Baltic shores of the Latvian country, though Ivan III and Ivan IV had tried to do so. The Russian tsar Alexis renewed the attempt without success in his wars against Sweden and Poland (1653-67). Finally, however, Peter I the Great managed to "break the window" to the Baltic Sea; in the course of the Great Northern War he took Riga from the Swedes in 1710; and at the end of the war he secured Vidzeme from Sweden under the Peace of Nystad (1721). Latgale was annexed by the Russians at the first partition of Poland (1772), Courland at the third (1795). By the end of the 18th century, therefore, the whole Latvian nation was subject to Russia.

Russian domination. In the period immediately following the Napoleonic Wars the Russian emperor Alexander I was induced to grant personal freedom to the peasants of Courland in 1817 and to those of Vidzeme in 1819. This was remarkable insofar as it preceded the abolition of serfdom in Russia by more than 40 years; but it did not imply any right of the peasant to buy the land that his ancestors had tilled for centuries, so that the Latvian peasant's freedom was compared by wits to that of a bird. Consequently, there was unrest in the Latvian lands until the emancipation of the serfs throughout the Russian Empire (1861) brought the right to buy land in ownership from the state and from the landlords, who were still mostly German.

In step with the growing economic strength of the local peasantry came a revival of national feeling. This movement was led by idealistic, strong-willed men who soon saw how difficult and dangerous it would be to steer a course between the German aristocracy and merchant groups on the one side and the Russian administration on the other. During those years of intermittent hope and despair, the idea of political self-rule was conceived; and moreover, in order to meet the rapidly increasing intellectual demands of the people, educational establishments and other national institutions were required. The idea of an independent Latvian state was openly put forward during the Russian Revolution of 1905. This revolution, evoked as it was simultaneously by social and by national groups, bore further witness to the strength of the Latvian reaction to economic and political German and Russian pressure. Nine years later, World War I broke out.

Independence. After the Russian Revolution of March 1917 the Latvian National Political Conference, convened at Riga, asked in July for complete political autonomy. On September 3, however, the German Army took Riga. After the Bolshevik coup of November 1917 in Petrograd, the Latvian People's Council, representing peasant, bourgeois, and Socialist groups, proclaimed independence on November 18, 1918. A government was formed by the leader of the Farmers' Union, Kārlis Ulmanis. The Soviet government established a Communist government for Latvia at Valmiera, headed by Pēteris Stučka. The Red Army, which included Latvian units, took Riga on January 3, 1919, and the Ulmanis government moved to Liepāja (Libau), where it was protected by a British naval squadron. But Liepāja was still occupied by German troops whom the Allies wished to defend East Prussia and Courland (Kurzeme) against the advancing Red Army. Their commander, Gen. Rüdiger Graf von der Goltz, demanded control over the Latvian units as well. He intended to build a German-controlled Latvia and to make it a German base of operation in the war against the Soviets. This intention caused a conflict with the government of independent Latvia supported by the Allies. Von der Goltz had at his disposal—besides his German troops—the *baltische Landeswehr*, a combat-ready unit of predominantly Baltic-German volunteers including also Latvian units. On May 22 these forces took Riga. Pushing northward, the Germans were stopped near Cēsis by the Estonian army which included 2,000 Latvians. The British general, Sir Hubert de la Poer Gough, head of the Allied military mission, negotiated an armistice. The Germans had to abandon Riga, to which the Ulmanis government returned in July. In the meantime, the Red Army, finding itself attacked from the north by the Estonians, had withdrawn from Latvia.

Conquest
by Peter
the Great

Red Army
actions

Collective
and state
farms

The Com-
munist
Party of
Latvia

The
Livonian
confedera-
tion

Amber
trade of the
Aestii

In July Gough demanded that the German troops should retreat to East Prussia. But von der Goltz now raised a "West Russian" army, systematically reinforced by units of German volunteers. These forces, headed by an adventurer, Col. Bermond-Avalov, were to fight the Red Army, co-operating with the other "White Russian" armies of Kolchak, Denikin, and Yudenich, supported by the Allies. But on October 8 Bermond attacked the Latvian troops and occupied the suburbs of Riga south of the river. By November 10, however, the Latvians, helped by the artillery of an Anglo-French naval squadron, cooperating with Estonian forces, defeated von der Goltz's and Bermond's troops, attacked finally also by the Lithuanians. Until December 1919 all German troops had abandoned Latvia and Lithuania. Only Latgale remained in Red hands; but this province was cleared by 33,000 Latvians under Gen. Jānis Balodis, 20,000 Poles under Gen. Edward Smigly-Rydz, and 6,000 men of the *Landwehr*, which had been put under the command of the British Lieut. Col. H.R.L.G. Alexander (later Earl Alexander of Tunis).

A Latvian constituent assembly, elected in April 1920, met in Riga on May 1; and on August 11 a Latvian-Soviet peace treaty was signed in Riga, the Soviet government renouncing all claims to Latvia. The Latvian constitution of February 15, 1922, provided for a republic with a president and a unicameral parliament, or *saeima*, of 100 members elected for three years.

The multiplicity of parties in the *Saeima* (22 in 1922 and 24 in 1931) made it impossible to form a stable government; and in 1934 Ulmanis, prime minister for the fourth time since 1918, proposed a constitutional reform. This was angrily opposed by the Social Democrats, the Communists, and the national minorities. The German minority became Nazified, and Ulmanis had to suppress the Latvian branch of the *Baltischer Bruderschaft* (Baltic Brotherhood), whose program was the incorporation of the Baltic state into the Third Reich; but a Latvian Fascist organization called *Perkonkrust* (Thundercross) developed a fierce propaganda. On May 15, 1934, Ulmanis and Balodis issued a decree declaring a state of siege. The *Saeima* and all the political parties were dissolved. On April 11, 1936, on the expiry of the second term of office of Pres. Alberts Kviesis, Ulmanis succeeded him. The country's economic position improved considerably.

The Soviet occupation and incorporation. When World War II started in September 1939, the fate of Latvia had been already decided in the secret protocol of the so-called German-Soviet Nonaggression Treaty of August 23. In October Latvia had to sign a dictated treaty of mutual assistance by which the U.S.S.R. obtained military, naval, and air bases on Latvian territory. On June 16, 1940, Latvia was invaded by the Red Army. On June 20 the formation of a new government was announced; on July 21 the new *Saeima* voted for the incorporation of Latvia into the U.S.S.R.; and on August 5 the U.S.S.R. accepted this incorporation. In the first year of Soviet occupation about 35,000 Latvians, especially the intelligentsia, were deported to Russia.

After the German invasion of the U.S.S.R., from July 1941 to October 1944, Latvia was a province of a larger Ostland, in which Estonia, Lithuania, and Belorussia were also included. After the reconquest of Latvia by the Soviet Army, the Soviet regime was restored with August Kirhensteins as chairman of the Presidium of the Supreme Soviet. About 65,000 Latvians fled to Germany and to Sweden before the arrival of the Soviet forces, while during 1945-46 about 105,000 were deported to Russia. The extreme northeastern section of Latvia with its predominant Russian population was ceded to Pskov Oblast of the Russian S.F.S.R. in 1945. In March 1949, when collective farming was forcibly introduced, the third mass deportation took place, in which about 70,000 Latvians were sent to northern Russia and Siberia. In 1952 Kirhensteins was succeeded by Karlis Ozolins, who was dismissed in November 1959 as the leader of the "Nationalist Communist" faction that opposed Russian influence in Latvia. From then on, Latvia was subjected to increasing Russification.

(Ar.Sp./K.M.S./Ed.)

Lithuania

The Lithuanian Soviet Socialist Republic, more popularly known as Lithuania (Lithuanian *Lietuva*, Russian *Litva*), was proclaimed on July 20, 1940, and became a member of the Soviet Union on August 3, 1940. It is bounded on the north by the Latvian S.S.R., on the east and south by the Belorussian S.S.R., and on the southwest by the Kaliningrad *oblast* (region) of the Russian Soviet Federated Socialist Republic and by Poland. The waters of the Baltic Sea to the west add an important maritime element to the natural environment of the republic. Lithuania has an area of 25,200 square miles (65,200 square kilometres).

PHYSICAL AND HUMAN GEOGRAPHY

The land. *Relief.* Underlying rock structures are of little significance for the contemporary Lithuanian terrain, which, basically, is a low-lying plain scraped by Ice Age glaciers that left behind thick, ridgelike terminal deposits known as moraines. The Baltic coast area is fringed by a region characterized by geographers as the maritime depression, which rises gradually eastward. Sand dunes line an attractive coast, and the Kuršij Maries (Kurisches Haff), a lagoon almost cut off from the sea by a thin, 60-mile (100-kilometre) sandspit, forms a distinctive feature. This is bounded on the east by the Žemaičių (Samogitian) Hills, which give way to the flat expanses of the central Lithuanian lowland.

The lowland consists of glacial lake clays and boulder-studded loams and stretches in a wide band across the republic from north to south; some portions of it are heavily waterlogged. The lowland is bordered in the southeast by the narrow Žiežmariai Plain, which was formed from an ancient glacial valley filled with sandy, gravelly, and pebbly deposits. The sandy portions have often been whipped up into dunes, which have become overgrown with pine trees. The elevated Baltic Ridge thrusts between these two lowland areas into the eastern and southeastern portions of the republic; its rumpled glacial relief includes a host of small hills and numerous small lakes. The Švenčionių-Naročias and the Ašmenos Hills—the latter containing Juozapinė, at 964 feet (294 metres) above sea level the highest point in the republic—are located in the extreme east and southeast.

Lithuanian soils range from sands to heavy clays. In the northwest, the soil is either loamy or sandy (and sometimes marshy) and is quite heavily podzolized, or leached out. In the central region, weakly podzolized, loamy peats predominate, and it is there that the most fertile, and hence most cultivated, soils are found. In the southeast, there are sandy soils, somewhat loamy and moderately podzolized. Sandy soils, in fact, cover a quarter of Lithuania, and most of these regions are blanketed by woodlands.

Lithuanian rivers drain to the Baltic and generally have the slow, meandering characteristics of lowland rivers. The Neman (Nemunas), cutting north and then west through the heart of the country, is the largest. Its main tributaries are the Merkys, Neris, Nevėžis, Dubysa, Jūra, Minija, and Šešupė. The rivers have a total length of some 1,700 miles (2,720 kilometres), nearly a fifth of which is navigable. Most of them can be used for floating timber rafts and for electric-power generation. A distinctive feature of the Lithuanian landscape is the presence of about 3,000 lakes, mostly in the east and southeast. The boggy regions produce large quantities of peat that, dried by air, is used in both industry and agriculture.

Climate. The climate of the republic is transitional between the maritime type of western Europe and the continental type found farther east. As a result, damp air masses of Atlantic origin predominate, alternating with continental Eurasian and, more rarely, colder Arctic air or air with a southern, tropical origin. Baltic Sea influences dominate a comparatively narrow coastal zone. The mean temperature for January, the coldest month, is 23.4° F (-4.8° C), while July, the warmest month, has an average temperature of 63° F (17.2° C). Average annual rainfall is 25 inches (630 millimetres), diminishing inland. Rainfall reaches a peak in August, except in the maritime strip, where the maximum is reached two to three months later.

Three di-
active
vegetatic
zones

The
central
lowland

Planning
pals

Emphasis
on live-
stock
breeding

Fascist or-
ganizations

(three distinctive vegetation zones)

Plant and animal life. The natural vegetation cover of Lithuania falls into three separate regions. In the maritime regions, pine forests predominate, and wild rye and various bushy plants grow on the sand dunes. Spruce trees add their colour to the hilly eastern portion. The central region is characterized by large tracts of oak trees, with elegant birch forests in the northern portions, as well as distinctive black alder and aspen groves. Pine forests again prevail in the south; indeed, about a quarter of the whole republic is forested, with a further quarter taken up by meadowlands. Swamps and marshlands account for about 7 percent of the total area.

Wildlife is very diverse, with about 60 mammalian species. There are wolves, foxes, otters, badgers, ermines, wild boars, and many rodents. The deep forests harbour elk, stag, deer, beaver, mink, and water rats. Common birds include delicate white storks, a variety of ducks, geese, and swans, cormorants, herons, hawks, and even an occasional bald eagle. There are many types of grouse and partridge, and the total number of bird species recorded approaches 300. The more than 50 species of fish include salmon, eel, bream, carp, and trout, with cod, plaice, and herring common off the coast.

The people. Ethnically, about 80 percent of the population are Lithuanians, but there are also Russians and Poles and lesser numbers of Belorussians, Ukrainians, Jews, Latvians, Tatars, Gypsies, and others. Urban dwellers make up over half the total population.

Natural increase, rather than any inward migration, has accounted for most of the recent population growth. Internally, however, there has been a modest but steady movement of people to the cities, accentuated in the case of the planned regional centres of Alytus, Kapsukas, Utena, Plungė, and Mažeikiai.

The economy. Resources. Lithuania possesses a good range of useful mineral resources, including sulfates, notably gypsum; chalk and chalky marl; limestones; dolomites; various clays, sands, and gravels; peat; some iron ore and phosphorites; and mineral waters. Oil deposits have been detected in the offshore regions. The power potential of the many rivers and the traditional resources of the great forests and the rich agricultural areas have added to the basic wealth of the republic, which is well placed geographically for trade purposes.

During the Soviet period, economic policy has emphasized industrialization; and, since the end of World War II, the machinery, shipbuilding, electronic, electrical- and radio-engineering, chemical, cement, and fish-processing industries have been completely overhauled. Traditional industries such as food processing and various branches of light industry have also expanded considerably. Since 1961 the Lithuanian power system has been part of the unified network covering the northwestern Soviet Union. Two major plants, one a hydroelectric station on the Neman and the other a thermal station at the town of Elektrėnai, increased output. Local resources have also stimulated building materials and construction industries to meet the demands of a growing and urbanizing population.

Agriculture. Lithuanian agriculture has maintained something of its traditional importance, with almost one-fourth of the economically active population still engaged in farming the approximately 740 collective and 310 state farms. The development of agriculture has been closely linked to land reclamation and swamp-drainage schemes. The chief agricultural trend is toward the production of meat and milk, together with the cultivation of flax, sugar beets, potatoes, and vegetables. Half the total production is made up of fodder crops; a large percentage consists of grain and leguminous crops; and most of the rest consists of potatoes and vegetables. Livestock breeding is still the leading branch of agriculture, however, with emphasis on dairy cattle and pigs. One feature of the Soviet period has been the injection of technology into agriculture, and most crop cultivation is mechanized, although at autumn harvest time large amounts of manual labour are still required.

Economic regions. Lithuanian planners, using as criteria environmental, economic, and transportation indexes, have divided the republic into four economic regions.

Occupying almost 30 percent of the total area, Eastern Lithuania, containing the capital, Vilnius, is characterized by a diversified and rapidly growing industry (primarily metalworking and mechanical engineering, woodworking, and branches of light industry) centred on the main cities and by a substantial rural economy. It also contains a number of well-sited health resorts, including Trakai and Ignalina, and is crisscrossed by highways linking the area with major Soviet cities.

Occupying slightly more than one-fourth of the republic's territory, the southern portion of central Lithuania contains more than half of the republic's developed water-power resources. Metalworking, mechanical-engineering, and food-processing industries predominate; farming is intensive, with a concentration on stock raising and the growing of sugar beets. Kaunas, Alytus, and Kapsukas are the main centres.

Sprawling over the northern portion of the middle Lithuanian lowland and the eastern slopes of the Žemaičių Hills, Northern Lithuania occupies almost 30 percent of the republic and is noted for its fertile soils and its dolomite, gypsum, and limestone reserves. Farming is intensive, with almost half the winter-wheat sowing and most of the sugar-beet and flax crops located here. Industry is not very well developed. The main centres are Šiauliai, Panevėžys, and Rokiškis.

Occupying the remaining 15 percent of the republic, Western Lithuania lies along the Baltic Sea shores and has a distinctive maritime quality. Shipbuilding, ship-repairing, fish processing, and oil refining are the main industries, with Klaipėda, Telšiai, Plungė, and Mažeikiai the main centres. There are many pastures, and horse breeding and the raising of dairy cattle and pigs, together with poultry farming and fishing, are well developed.

Transportation. Railways continue to be the main means of transport in Lithuania. Motor transportation has nevertheless increased sharply, and cars and buses account for almost all of the total number of people carried. Sea transport is an important factor, with freight transportation showing a rapid increase since World War II. River transport is also significant.

Vilnius is the main air-transportation centre, with links to other important Soviet cities and resort areas. The transportation network also includes a natural-gas pipeline that carries gas from the Ukraine and an oil pipeline that carries crude from Western Siberian oil fields to the refinery at Mažeikiai.

Administrative and social conditions. Government. The constitution of the Lithuanian Soviet Socialist Republic, adopted on August 25, 1940, states that political power resides in the workers and peasants of the republic, acting through the local soviets, or councils of workers' deputies. This political foundation rests on a socialist economic system, with communal ownership of the means of production.

The Supreme Soviet, elected for four years and acting through a Council of Ministers, is the highest legislative body of the republic. Its Presidium exercises executive power between sessions. Locally, power is vested in various levels of soviets, down to the smallest village unit; all are elected for two-year periods.

Justice is administered through the Supreme Court and a local network of people's courts, with members elected for five and two years, respectively. Law enforcement is in the hands of the Lithuanian S.S.R. procurator, who is appointed for five years.

The Lithuanian Communist Party, a constituent of the Communist Party of the Soviet Union, is the political organization of the republic. Its members and candidates for membership are supported by the activities of the Komsomol youth movement. As elsewhere in the Soviet Union, the trade unions play social and economic roles in formulating and implementing state policy.

Social services. Lithuanian society has benefitted from emphasis on the production of consumer goods and the improvement of social services, as well as on the building up of heavy industry. As a result, both average monthly income and the proportion of the national income set aside for social purposes have showed a steady expansion.

The central lowland

Farming isals

emphasis on livestock breeding

The Lithuanian Communist Party

The latter provisions were important, as they augmented the standard of living by providing free education and medical services, as well as a range of ancillary services. The latter included the upkeep of kindergartens and day nurseries, sick leave, pension payments, and help in providing vacation and sanatorium accommodations. The urbanization process has meant a constant struggle to keep up with housing needs, and new techniques, including prefabrication, have been introduced.

Cultural life. As elsewhere in the Soviet Union, there is a high level of public interest in various forms of cultural life, exhibited in public libraries, museums, amateur cultural centres, theatres, and cinemas. The works of contemporary Lithuanian writers, poets, and playwrights are evolving in a milieu that blends a very old cultural tradition with the new social factors introduced over a relatively short period of Soviet life. Many Lithuanian critics feel that the poetry of Eduardas Mieželaitis, especially his collection *Zmogus* (1962; "Man"), illustrates a deep and optimistic human, as well as social, vision. Related concerns animate historical writing, as in the case of *Pardavtos vasaros* (1957; "Bartered Summers"), a novel by Juozas Baltušis, and also the writings about the World War II invasion, notably the heroic poem *Kraujas ir pelėnis* (1960; "Blood and Ashes"), by Justinas Marcinkevičius.

The great majority of Lithuania's newspapers and magazines, which enjoy high circulations, are published in Lithuanian, and there are a number of broadcasting services, including a television service that is part of the East European Interservice network. Yet, in spite of such modern incursions, Lithuanian folklore continues to hand down a rich and original heritage from generation to generation. Lithuanian songs and a remarkable collection of fairy tales, legends, proverbs, and aphorisms have their roots deep in a language and culture that are among the oldest in Europe. The folk songs—*dainos*—are melodious and lyrical, while the communal folk dances, often related to everyday activities, are characterized by an elegant symmetry of design and motion. Lithuanian folk art is mainly embodied in ceramics, leatherwork, wood carving, and textiles; its colouring (which tends to avoid gaudiness) and its original geometric or floral patterns are characteristic features.

The Vilnius drawing school, founded in 1866, has had a strong influence on the republic's fine-arts traditions, while the composer and painter M.K. Ciurlionis, who died in 1911, also had a considerable influence on contemporary forms. During the Soviet period, a realistic note has been introduced into sculpture and painting, and Lithuanian contemporary drawing, noted for the use of natural colour and a highly refined technique, has won international acclaim. The republic's architecture has been affected by a rich heritage in rich monuments and old buildings and by styles, ranging from the Gothic to the Neoclassical, that have acquired a distinctive local character. While much attention is given to preservation of historical monuments, much of the energy of Lithuanian architects goes into the designing of new buildings, both industrial and domestic, and especially to cultural and educational centres.

Music, too, has a strong tradition in the republic, a special feature being the dances and singing festivals held in the towns and villages every summer. These build to a climax every five years in national singing festivals during which as many as 40,000 persons may compete.

(K.A.M./Ed.)

HISTORY

Early history. Lithuanians belong to the Baltic group of nations, which included also the Prussians to the west and the Latvians to the north. The Prussians were exterminated by the Teutonic Order in the 13th century. The Latvians, together with the Finno-Ugrian Estonians, were conquered during the first three decades of the 13th century by the German Knights of the Sword, who in 1237 joined the Teutonic Order. The Lithuanians, protected by the primeval forest that almost entirely covered their land, resisted the German pressure. Samogitia (Lithuanian *Zemaitija*), the cradle of the Lithuanian people, lying between Prussia and Livonia, two lands already in the

hands of the Teutonic Order, was an object of German covetousness, however. Under this threat the Lithuanian tribes united in the middle of the 13th century under Mindaugas. He and his family were baptized in 1251, and two years later, in his capital (probably at Kernave on the Neris), he was crowned the first (and only) king in Lithuanian history by the authority of Pope Innocent IV. Mindaugas and his two sons were assassinated in 1263, and Lithuania remained officially pagan.

Traidenis, ruler of Lithuania from 1270 to 1282, was probably the founder of the dynasty known as that of Gediminas, who began to rule in 1315. Although shortly after the destruction of Kievan Russia by the Tatars Lithuania had already begun to expand eastward and southward to the lands inhabited by Belorussians, it was Gediminas who really built the empire later known as historic (as opposed to ethnic) Lithuania. He made Vilnius the capital, as his letters of 1323 show. When he died in 1341, Lithuania's frontiers extended across the upper Dvina in the northeast, to the Dnepr in the southeast and to the Pripiet Marshes in the south; the warlike but small Lithuanian nation could not colonize this vast territory but maintained control over it because the ruling class had shown an undoubted political talent and a spirit of religious toleration.

Gediminas divided his empire among his seven sons. Soon, however, only two remained to continue their father's policy of expansion: Algirdas, with Vilnius as his capital, succeeded to the title of grand prince and undertook the defense of Lithuania against the Tatars and Muscovy; and Kestutis, with his seat at Trakai, reigned over ethnic Lithuania and defended it against the Teutonic Order. When Algirdas died in 1377 he left to his son Jogaila (Jagiello) an empire including Kiev, which had come under Lithuanian suzerainty in 1362; but Kestutis drove Jogaila from Vilnius in 1381 and proclaimed himself grand prince of Lithuania. Jogaila, however, captured Kestutis and his son Vytautas in 1382, and Kestutis died in prison; but Vytautas escaped and found sanctuary in the territory of the Teutonic Order. The German danger had become, moreover, especially serious because the knights had taken Kaunas in 1362, and Jogaila had promised them the whole of Samogitia to the Dubysa River in 1382. His Orthodox elder brothers tried, therefore, to convince him that Lithuania's interests lay in alliance with Muscovy and accession to the Orthodox Church, but his pagan younger brothers recommended a pro-Polish policy with acceptance of Roman Catholicism.

Polish-Lithuanian union. On August 14, 1385, at Krivavas (Krewo), Jogaila concluded with Polish ambassadors an agreement that he would forever unite Lithuania and Kievan Russia with the Polish crown if he could marry the 12-year-old queen Jadwiga of Poland and become king of Poland himself. He went to Kraków, was baptized on February 15, 1386, receiving the name Władysław, married Jadwiga, and, on March 4, was crowned king of Poland.

The Lithuanians outside the German-devastated Samogitia were baptized in 1387, and Jogaila granted the newly baptized boyars, or gentry, great privileges. In 1392 a reconciliation took place between Jogaila and Vytautas, who became lieutenant governor of Lithuania.

The claim of the Teutonic Order to be combating Polish-Lithuanian "pagans" deceived many a western European knight into moving east to save Christianity; but in the decisive Battle of Grunwald (Tannenberg), on July 15, 1410, the Polish-Lithuanian forces inflicted a crushing defeat on the Order. German supremacy in the Baltic countries was broken, though the first Treaty of Torun (Thorn), concluded on February 1, 1411, was a moderate one. Samogitia was returned to Lithuania until the death of Jogaila and Vytautas. On September 27, 1422, however, the Order was forced to agree that Samogitia, by then Christian, was Lithuanian forever.

In the meantime, at Horodlo, on October 2, 1413, a new pact of union was concluded between Poland and Lithuania. The principles of the union remained unchanged, but the autonomy of the grand principality was made permanent. Later in the century a crisis arose in Polish-Lithuanian relations because the Lithuanian boyars elected one Alexander as grand prince, while the Poles chose

The first and only king

The country's folk heritage

Russification

Battle of Grunwald

his brother John Albert. The Polish-Lithuanian personal union lapsed, but, on the death of John Albert in 1501, the Lithuanians insisted that their grand prince should be king of Poland too. The Poles agreed, and the senates of the two countries decided at Piotrkow that thenceforth the king of Poland should always be grand prince of Lithuania. The Teutonic Order was no longer a menace, but in the east there appeared another and greater danger. Ivan III, the grand prince of Muscovy, in 1480 assumed the title of sovereign of all Russia; and the major part of historic Lithuania was Belorussian-speaking.

On July 1, 1569, at Lublin, a common Polish-Lithuanian Sejm, or Parliament, transformed the personal union into a real one. In the course of the ensuing two centuries, both the Lithuanian and Belorussian nobilities of historic Lithuania became Polonized, but the two peasantry continued to use their own languages.

Russian rule. While at the first (1772) and the second (1793) partitions of Poland only the Belorussian lands of the grand principality of Lithuania were annexed by Russia, at the third partition (1795) ethnic Lithuania suffered the same fate, the only exception being the province of Suwalki (Suwalki), the northern part of which was Lithuanian-speaking, which became part of the Kingdom of Prussia. In 1806 Suwalki was incorporated into the Duchy of Warsaw, which in 1815 was annexed by Russia. The Congress of Vienna added to the style of the Russian emperors the titles of king of Poland and grand prince of Lithuania.

When the Poles rose against Russia in 1830-31 the insurrection extended to the Lithuanian provinces before it was suppressed. The Polish rising of 1863 also spread into Lithuania, and its repression there was particularly severe, 180 insurgents being hanged and 9,000 deported to Siberia.

On March 25, 1839, the Uniates were forced to join the Orthodox Church, and the next year the Lithuanian statute was replaced by Russian codes. The tsarist government treated the Territory of the Northwest—as historic Lithuania was called after 1832—as an integral part of Russia. From 1864 to 1905 the policy of russification extended to every domain of public life. It was forbidden to publish newspapers, periodicals, or books in Polish or Belorussian, while books in Lithuanian could be printed only if the Russian alphabet was used. Russian was the only language of teaching in the schools. The Roman Catholic religion was persecuted.

When the manifesto of October 30, 1905, granted freedom of speech to the peoples of the Russian Empire, two daily newspapers appeared at Vilnius, one Polish (*Kurier Litewski*) and one Lithuanian (*Vilniaus Zinios*). On December 4-5, 1905, a congress of about 2,000 delegates was held in Vilnius. The congress demanded territorial autonomy for Lithuania with a democratically elected *saime*. The frontiers of the national Lithuanian state were to be drawn according to the freely expressed wish of the peoples concerned. Soon afterward, the teaching of the Lithuanian language in schools was permitted.

Independence. During World War I the Germans occupied a great part of historic Lithuania. On September 18, 1915, the German armies entered Vilnius. The German government authorized the gathering at Vilnius, on September 18-22, 1917, of a congress of 214 Lithuanian delegates and the election of the 20-member *Lietuvos Taryba*, or Council of Lithuania. The congress called for an independent Lithuanian state within the ethnic frontiers and with Vilnius as capital. On February 16, 1918, the Taryba proclaimed an independent Lithuanian state and the dissolution of all political connections that had existed with other nations.

Lithuania was still under German occupation when, on November 5, Augustinas Voldemaras was chosen prime minister of independent Lithuania. After the German troops had evacuated Vilnius, the city was entered on January 5, 1919, by the Red Army, and a Communist Lithuania government, appointed by the All-Russian Central Executive Committee on December 23, 1918, was installed. It was headed by Vincas Mickevicius-Kapsukas. The Voldemaras government moved to Kaunas, which, on January 17, however, was also occupied by the Red Army.

The Germans remained in western Lithuania, which from the end of October to December 15, 1919, was controlled by the German Army under Rüdiger von der Goltz.

The Polish-Lithuanian dispute. Józef Piłsudski, the head of the restored Polish state, proposed two alternatives for Lithuania. Either an independent state might be set up within purely ethnographic frontiers (that is, without Vilnius and its region, which was largely Polish), or a larger state might be set up including Vilnius; but in the latter case, some sort of a federal link with Poland would be indispensable. On April 20, 1919, the Polish Army led by Piłsudski took Vilnius from the Red Army, which enabled the Lithuanians to reenter Kaunas. In the following summer the Polish forces moved to the Western Dvina River in the north and to the Berezina in the east. Against Lithuania they occupied the demarcation line fixed by the Inter-Allied Committee presided over by Marshal F. Foch. This Foch line, "adopted by the Supreme Council on July 27, 1919, ran to the west of the Grodno-Vilnius-Daugavpils railways and more or less coincided with the eastern ethnic frontier of Lithuania. On July 12, 1920, when the Polish Army was retreating, the Kaunas government concluded in Moscow a peace treaty by which the Soviet Union "ceded" to Lithuania not only Vilnius but also Lida and Grodno. After Piłsudski's final victory, the Red Army, which occupied Vilnius on July 14, left it on August 26 while the Lithuanian Army entered the city. On September 5, 1920, the Warsaw government appealed to the League of Nations. A Polish-Lithuanian conference met at Suwalki, and a partial armistice was signed on October 7. Nevertheless, Piłsudski ordered Gen. Lucjan (Lucien) Żeligowski to seize Vilnius, and this was done on October 9. Żeligowski set up a government of central Lithuania. A new armistice, restoring the Foch line, was signed on November 29, 1920.

Meanwhile the Council of the League of Nations had made many attempts to settle the Polish-Lithuanian dispute and, at last, on February 3, 1923, adopted a final resolution fixing a Polish-Lithuanian line of demarcation almost identical with the Foch line, leaving the decision as to the frontier to the Conference of Ambassadors in Paris. On March 15, 1923, the Conference of Ambassadors recognized the line of February 3 as the final frontier between the two states. Lithuania, however, refused to accept this decision.

Foreign and domestic relations, 1919-39. Lithuania was received into the membership of the League of Nations on September 22, 1921. On September 28, 1926, a Soviet-Lithuanian treaty of nonaggression was signed in Moscow. On September 12, 1934, at Geneva, a treaty of good will and cooperation was concluded by Lithuania, Latvia, and Estonia. Lithuania's relations with Germany were jeopardized by Nazi propaganda in the Klaipeda (Memel) territory.

In March 1935, at a trial of Klaipeda Nazis, most of the accused were found guilty of high treason. On March 17, 1938, Poland demanded of Lithuania the immediate opening of the frontier, acceptance of the cession of Vilnius, and the establishment of normal diplomatic relations. Lithuania yielded to these demands. In February and May 1938 the Lithuanian government released the convicted Nazis and in October abolished marital law in the Klaipeda territory. On December 11, at the election of the Klaipeda Landtag, the Nazis won 25 seats out of a total of 29. On March 21, 1939, Lithuania was presented with another ultimatum, which meant the loss of its only port.

Meanwhile, the period of 1927-38 was that of restricted democracy. A new constitution, adopted on February 12, 1938, was to provide the basis for a return to parliamentary institutions. A coalition government was formed with the inclusion of the Christian Democrats and Liberals, but it had not enough time to reorganize the republic on a more solid basis.

Independence lost. A secret protocol to the German-Soviet treaty of nonaggression of August 23, 1939, stipulated that in the event of a territorial and political rearrangement in the areas belonging to the Baltic states, the northern boundary of Lithuania should represent "the

The first
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-ism

Battle of
Grunwald

The Foch
Line

German-
Soviet
protocol

boundary of the sphere of influence of Germany and the U.S.S.R." When they began World War II, the Germans made frantic efforts to induce Lithuania to attack Poland so that the former might thus become their ally and protégé. Lithuania chose to remain neutral, and the secret protocol to the German-Soviet treaty of September 28, 1939, revised the previous agreement by deciding that the territory of Lithuania fell within the sphere of influence of the U.S.S.R.

On October 10, 1939, a mutual assistance treaty was signed in Moscow, in accordance with which Lithuania was compelled to admit Soviet garrisons and to grant air bases. On June 15, 1940, Lithuania was confronted with an ultimatum demanding immediate formation of a "friendly" government. On the same day, the country was occupied by the Soviet Army. Many Lithuanian leaders either fled to the West or were arrested and deported to Siberia. An obscure journalist, Justas Paleckis, became premier. On July 21, a subservient Parliament unanimously requested the incorporation of Lithuania into the Soviet Union. On August 3, 1940, the Moscow Supreme Soviet readily acceded to the request, and Lithuania was declared a constituent republic of the U.S.S.R. In the night of June 14-15 the next year, 30,455 members of the Lithuanian intelligentsia (members of the national guard, civil

servants, etc.) were deported to Siberia. Including other deportees and about 5,000 political prisoners executed at the time of the hasty departure of the Soviet forces, the country suffered during the first Soviet occupation a loss of about 45,000 people.

A few days after the German attack on the Soviet Union (June 22, 1941), the whole of Lithuania was in German hands. On July 17, 1941, Hitler announced the creation of the Ostland province including the three Baltic states and Belorussia.

Vilnius was taken by the Soviet Army on July 13, 1944, and Lithuania was again under Soviet occupation by the middle of October. All non-Communist organizations were immediately dissolved. The period of methodical Sovietization and russification started. Fleeing before the Soviet armies, about 80,000 Lithuanians reached the western zones of Germany, but about 60,000 were rounded up in the eastern zone and sent to Siberia. In Lithuania, during 1945-46, about 145,000 Lithuanians were removed from their native land. The third mass deportation, ordered in connection with the forced collectivization of agriculture, took place on March 24-27, 1949, when about 60,000 Lithuanians were sent to northern Russia or Siberia. Lithuania had become a Soviet Socialist republic.

(K.M.S./M.G./Ed.)

Soviet
occupation

CAUCASUS

The great historic barrier of the Caucasus Mountains rears up across the wide isthmus separating the Black and Caspian seas, at that extreme southern portion of the European section of the Soviet Union where Europe and Asia converge. If the ranges are placed in Europe, then Mt. Elbrus, at 18,510 feet (5,642 metres) their highest peak, is also the highest point in Europe; but the environment of the whole region is so subject to Asian influences that there is a good case for assigning the Caucasus to southwestern Asia. Traditionally, the watershed of the Great Caucasus Range (Bolshoy Kavkaz), the backbone of the system, is regarded as part of the line dividing the continents.

The name Caucasus is a Latinized form of "Kaukasos," which the ancient Greek geographers and historians used, and the Russian "Kavkaz" is of the same origin. The ultimate derivation is thought to be from "Kaz-kaz," the Hittite name for a people living on the southern shore of the Black Sea. This ancient nomenclature reflects the historical importance of the region: the Greeks made the mysterious range the scene of the mythical sufferings of Prometheus, and the Argonauts sought the Golden Fleece in the land of Colchis, nesting against the range on the Black Sea coast. The ranges also filtered cultures of the ascendant civilizations of the Middle Eastern "fertile crescent" through to the north, besides nurturing their own distinctive societies. The peoples of the region have exhibited an extraordinary variety since early times: the Colchians, for example, as described by the 5th-century-B.C. Greek historian Herodotus, were black skinned, and the subsequent centuries witnessed successive waves of peoples migrating across Eurasia, adding to, and being molded by, the Caucasian cultural heritage. Not surprisingly, a larger quantity of different languages is spoken in Caucasia than in any other area of similar size in the world.

Caucasia is defined as the region including not only the soaring mountain ranges of the Caucasus proper but also the country immediately north and south of them. The northern country is called Ciscaucasia (Predkavkaz; i.e., Hither Caucasia); the southern is Transcaucasia (Zakavkaz, or Farther Caucasia). The whole region, which has an area of 170,000 square miles (440,000 square kilometres), is nevertheless predominantly mountainous. It extends from the lowlands of the Kuma and Manych basins southward to the political frontiers separating the Soviet Union from Turkey and from Iran and so comprises the southernmost divisions of the Russian S.F.S.R. (including Dagestan), the Georgian S.S.R., the Armenian S.S.R., and the Azerbaijan S.S.R., besides several minor administrative units constituted on an ethnic basis.

Physical and human geography

THE LAND

Relief. The Great Caucasus extends for approximately 750 miles (1,200 kilometres) southeastward across the Caucasus from the Taman Peninsula (Tamansky Poluostrov) thrusting between the Black Sea and its northern extension, the Sea of Azov, to the Apsheron Peninsula (Apsheronosky Poluostrov), which juts into the Caspian past the oil-rich port of Baku. The vast plains and uplifted areas of Ciscaucasia stretch from its northern foothills to the Kuma-Manych depression lying west of the huge Caspian delta of the Volga. Western Ciscaucasia consists largely of plains: from the lowland north of the Kuban River, the delta of which adjoins the broad, low ridges of the Taman Peninsula, a plain slopes gradually southward up to the foothills of the mountains. Central Ciscaucasia comprises not only the Stavropol Highland (Stavropol'skaya Vozvyshennost), mainly characterized by tablelands of limestone or sandstone and by deep valleys, but also the Mineralnye Vody-Pyatigorsk zone to the southeast (where Mt. Beshtau rises to 4,593 feet [1,400 metres] from a surrounding plateau) and, still farther southeastward, beyond the middle Terek River, the highlands backing the Terek and the Sunzha, with the Alkhan Churt Valley between them. Eastern Ciscaucasia is lowland traversed by the lower Terek and, to the north beyond the sands of the vast Nogay Steppe, by the Kuma. Both rivers flow into the Caspian.

The northern slopes of the Great Caucasus are not as steep as the southern. The middle of the system is comparatively narrow, but its western and eastern ends have widths of 100 miles (160 kilometres) or more. The watershed and a lateral range to the north of it, which together constitute the axis of the system, contain, in addition to Mt. Elbrus itself, such magnificent lofty peaks as Mt. Dombay-Ulgen, 13,274 feet (4,046 metres), in the western sector; Mts. Shkhara, Dykhtau, and Kazbek, all well over 16,000 feet (4,875 metres), in the central sector; and Mt. Tebulos-Mta and Mt. Bazar-Dyuzi, both over 14,000 feet (4,265 metres), in the east. Spurs tonguing north and south from the main axis in places reach heights approaching 10,000 feet (3,000 metres).

South of the Great Caucasus, on the Black Sea coast, lies the alluvial plain of Kolkhida (ancient Colchis). On the Caspian side, in the basin of the Kura River, plains and such uplands as the long Shirak Steppe (Shirakskaya Step) succeed one another till the level falls sharply into an extensive depression, in the centre of which the Kura receives

The
ethnic and
linguistic
heritage

The Great
and Little
Caucasus

Rocks of
the Great
Caucasus

CONFIDENTIAL



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

1 June 1990

Dear Richard,

PRIME MINISTER'S VISIT TO THE SOVIET UNION

I have seen Moscow tel. no. 1046 about the arrangements for the Prime Minister's visit. I agree it would be better if we could slightly expand the line-up of military (the Prime Minister has an ambition to meet Gromov). I might mention this to Kossov on Monday, suggesting also the navy and air force commanders. It would be helpful if Sir R. Braithwaite were also present since Uspensky is there: could you please suggest that.

We must not devote too much time to the British-Soviet Trade Centre: I would have thought 15/20 minutes plenty.

On the briefing, it would be helpful to have a much more detailed note on the outstanding issues in CFE. Something ready-to-wear would do very well. We may want someone to come over next week to go through it.

*Yours sincerely,
Charles Powell*

CHARLES POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

VISIT TO THE SOVIET UNION

I attach the briefs for your visit to the Soviet Union, prepared by the FCO. There will be further material next week, when we have the results of the US/Soviet Summit.

You will clearly need more detail on some points, particularly the position on conventional force reductions. I will obtain this early next week, and we can also get someone over from FCO and MOD to talk it through.

C.D.P.

CHARLES POWELL

1 June 1990

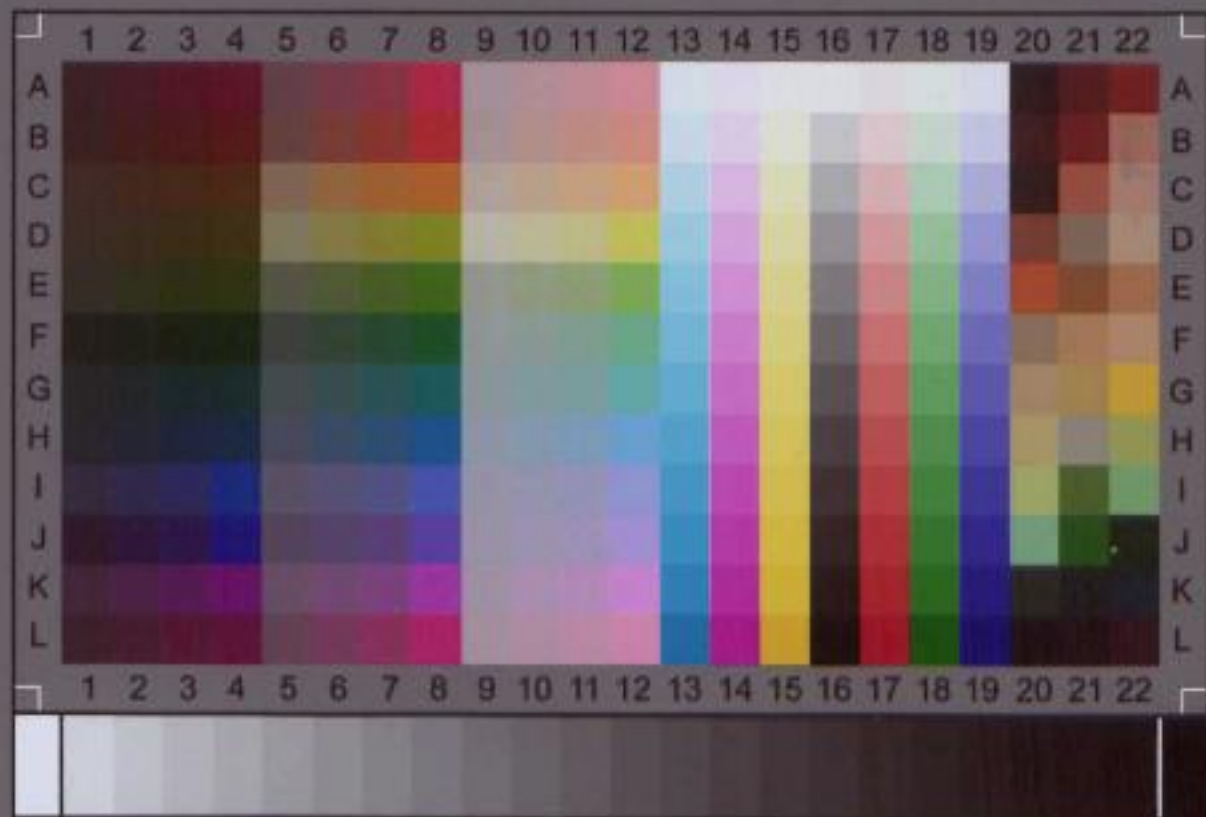
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CDP to Health 31-5-90

PART 4 **begins:-**

CDP to PHU 1-6-90



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