



Foreign and Commonwealth Office

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28 March 1990

Dear Charles,

Telephone Conversation with Mr Gorbachev

Mr Gorbachev's telephone call with the Prime Minister at 12 noon today will provide an opportunity for the Prime Minister to renew her congratulations on Mr Gorbachev's election to the new post of Executive President on 14 March.

Mr Gorbachev will certainly wish to raise Germany. Except for their stand against German membership of Nato, the Russians have not yet shown their hand on the issues to be discussed in the 2 + 4 talks. There is also a good deal of coordination still to be done among the Western Four (this is in hand). At this stage there is little advantage in being drawn much further on Germany with the Russians. The Prime Minister might say:

- GDR elections a clear vote for unification. They were fairly conducted.
- Germans are saying that work on internal and external aspects should now run in parallel. That is right.
- Glad 2 + 4 talks underway.
- Convinced German membership of Nato in best interest of all concerned.
- [If other military issues are raised, eg size of Bundeswehr] For discussion in 2 + 4: have always said we are willing to take account of legitimate Soviet security concerns.
- [If raised] Welcome latest German position on Polish borders. Favour earliest Polish involvement in discussion of borders.
- [If Peace Treaty raised] Think a settlement is necessary. But need to be flexible on exact form. Discuss in 2 + 4.

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The Prime Minister should raise the Baltic States. She could say:

- We are taking great care not to complicate the situation in our public comments. Have made clear that any lasting solution must be acceptable to both Moscow and the Balts.
- But concerned that some Soviet actions have heightened tension and anxieties, making dialogue more difficult. Occupation of building by Soviet military and arrest of young Lithuanians who do not wish to serve in Soviet armed forces likely to fan emotions and make Lithuanian people less ready to approach negotiation constructively. Exclusion of foreigners from Lithuania will also reduce confidence.
- Can you now take a personal initiative to resume talks in a way which will meet justified Lithuanian aspirations for self-determination and independence, but also prevent instability and safeguard legitimate Soviet interests? How much will your new Council of the Federation be able to help you?
- Douglas Hurd will be talking to Zamyatin about all this this afternoon.

The Prime Minister may like to cover the following bilateral points:

- Visit to Soviet Union on 7-10 June. In view of the pace of events a well-timed opportunity to take stock of bilateral relations, developments in Europe and CSCE. Hope we can give renewed impetus to Anglo-Soviet relations, which are now marked by greater depth and confidence than ever before. Possibly settle question of using existing Embassy as Residence.
- British Month in Kiev: look forward to showing you the main exhibit on life in Britain. Also attend English National Opera's performance of Handel's Xerxes.
- Will then be visiting Armenia to open school which we are building as part of our programme for post-earthquake relief.
- Foreign Secretary's forthcoming visit (9-12 April).

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The Prime Minister may like to ask Mr Gorbachev how he would like to present the telephone call. She might propose that No 10 and the Soviet Presidency should inform the press that the conversation had taken place and that the two leaders had exchanged views on bilateral matters and key European questions. We would treat the details of the exchange as confidential but she would wish to mention the fact that she had raised Lithuania with him and stressed the need for an agreed solution.

The Prime Minister should bear in mind that the conversation will be on an open line.

Yours ever,
Richard Gozney

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Private Secretary

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