From : D J E Ratford Date : 4 December 1987

Copied to:
Private Secretary
PS/Mr Mellor
Sir J Fretwell
Soviet Section,
Research Department

Mr Hemans, Soviet Department

## GORBACHEV : DISCUSSIONS WITH AUSTRALIAN PRIME MINISTER

- 1. The Australian Deputy High Commissioner called this afternoon to give an account of Mr Hawke's recent visit to Moscow. He based himself on a telegram recording a briefing given to the US Ambassador in Canberra.
- 2. The Soviet leadership had been very generous with their time: Mr Hawke had spent more than three hours with Gorbachev, of which two were tete-a-tete. He had also had six and a half hours with Ryzhkov. Mr Hawke characterised his reception as "friendly and cordial" and the discussions as "frank and warm". Gorbachev did not bridle when he raised human rights questions. He found Gorbachev engaging and intelligent.
- 3. On glasnost' and perestroika, Mr Hawke's conclusion was that there was no doubt about the strength of the leadership's commitment. They had spoken of the economy as being in "a pre-crisis condition". Ryzhkov had dropped the remark that "he and Gorbachev had been thinking about the need for reform for years before coming into power". Mr Hawke had concluded that the leadership had decided that the "system must be changed". Gorbachev clearly understood the dimensions of his problems. Ryzhkov said that "it was not a question of groups of opponents mobilising against perestroika but the general reluctance of some groups to accept new ideas". Mr Hawke felt that opposition both from the bureaucracy and from consumers might well build up before the benefits of economic reform came through. The leadership had perhaps not understood what market forces might bring about. Ryzhkov had spoken of the Soviet Union's wish "to become and organic part of the international division of labour". That prompted Mr Hawke to doubt whether the Soviet leadership fully understood the implications of what they were saying.

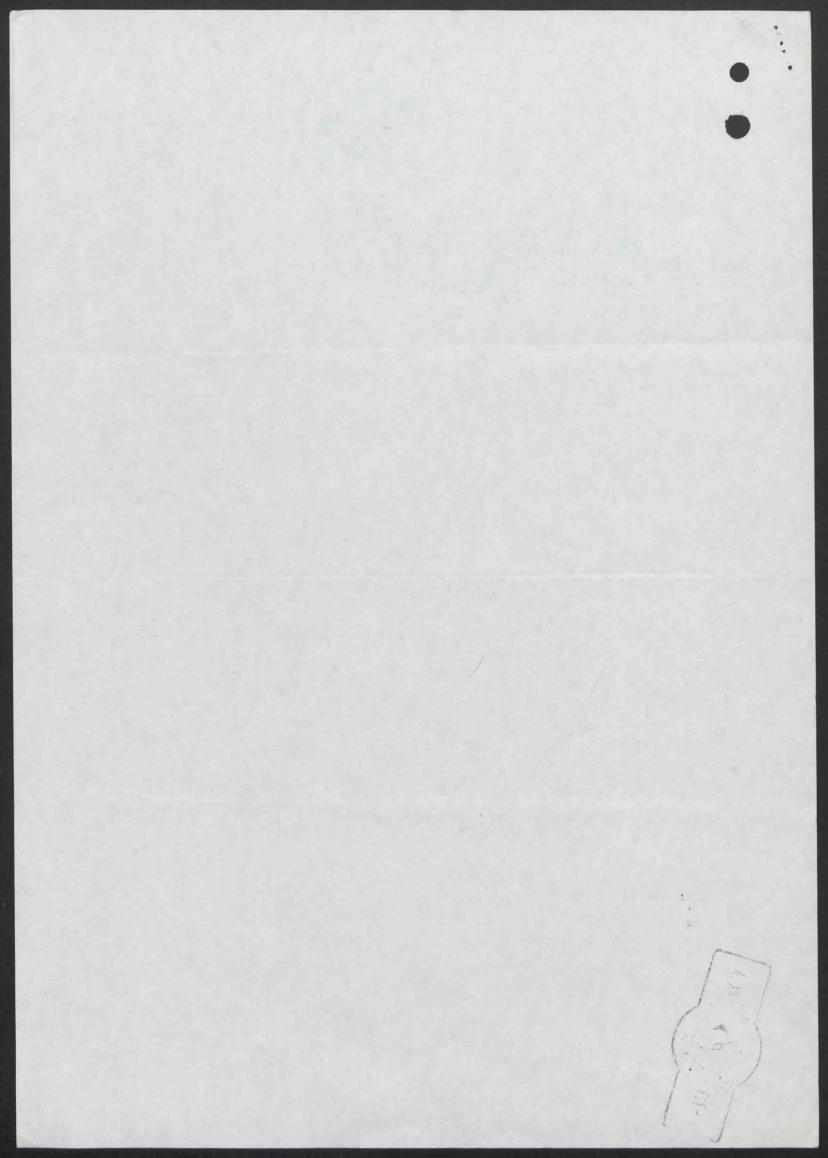
## COCOM

10. Ryzhkov had made a strong pitch on COCOM, arguing that it was disruptive of Soviet economic plans and contradicted Western statements about our desire for a more open economic relationship.

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4 December 1987

D J E Ratford



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2. Fourier of State Copied to: "63"
Mr Hemans, Soviet Department

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Private Secretary

GORBACHEV : STOPOVER

1. I attach a copy of an account of the Australian Prime Minister's recent meetings with Gorbachev and Ryzhkov. The Australians, whom we had briefed in detail before Mr Hawke's visit, specially expedited this account so that it should be on hand before the Gorbachev stopover. It does not tell us anything about the Soviet leadership which we do not already know. But out of courtesy to the Australians you may perhaps like to pass the copy to Mr Powell before Monday.

4 December 1987

D J E Ratford