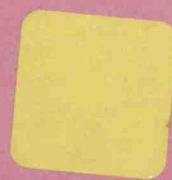


SECRET

10 DOWNING STREET

THIS FILE MUST NOT GO OUTSIDE 10 DOWNING ST



FILE TITLE:

*Quadripartite meetings (at
Ministerial level and PM level). Meetings of*

SERIES

*FOREIGN
POLICY*

Personal Reps. US/European Relations.

PART:

PART BEGINS:

PART ENDS:

CAB ONE:

January 1980

July 1991



PREM 19/3341

SECRET

file X

FROM: J N Powell
Policy Planning Staff

DATE: 12 July 1991

Mr Weston

QUAD SECURITY RULES

- / 1. I attach draft revised security rules for the Quad. I am afraid I should have issued these before but I have been waiting to see if we would come up with some new form of cover for the Ministerial meeting. This now seems unlikely. I would be grateful to know if you are content for me to circulate these to replace those circulated in May 1990 (copy attached).
- /

J-N Powell

J N Powell

Separate Copies:
(see attached
distribution)

FROM: J N Powell
Policy Planning Staff

DATE: 12 July 1991

QUADRIPARTITE FORUM: SECURITY RULES

1. The security rules for the Quad were last revised in May 1990 to take account of the negotiations on German unification. They now need tightening up to take account the end of those negotiations and the disappearance of Berlin cover. I attach a new set of security rules.

2. I would be grateful if you could ensure this circular and the security rules are seen by all those who need to see Quadripartite papers, including secretarial and registry staff. It remains the responsibility of Heads of Department (and Heads of Chancery abroad) both to maintain the secrecy of the forum by limiting the number of those in the know and to maintain efficiency by ensuring that those who do know are fully briefed.

J N Powell

Distribution

File copy (Policy Planning Staff)	Copy No 1
PS	Copy No 2
PS/Mr Hogg	" " 3
PS/Mr Garel-Jones	" " 4
PS/Lord Caithness	" " 5
PS/Mr Lennox-Boyd	" " 6
PS/PUS	" " 7
Mr Weston	" " 8
Mr Bayne	" " 9
Mr Broomfield	" " 10
Mr Fairweather	" " 11
Sir J Coles	" " 12
Mr Greenstock	" " 13
Mr Jay	" " 14
Mr Slater	" " 15
Mr Gore-Booth	" " 16
Mr Tait	" " 17
Mr Beamish	" " 18
Mr Burns	" " 19
Mr Goulden	" " 20
Mr Hemans	" " 21
Heads of:	
ACDD	Copy No 22
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CCD	" " 24
ISD(S)	" " 25
CSCE Unit	" " 26
NPDD	" " 27
EAD	" " 28
EED	" " 29
Economic Advisers	" " 30
ERD	" " 31
ECD(E)	" " 32
ECD(I)	" " 33
ESED	" " 34
FED	" " 35
LAD	" " 36
MED	" " 37
NENAD	" " 38
News Dept	" " 39
NAD	" " 40
Protocol Dept	" " 41
PUSD	" " 42
SCD	" " 43
Security Dept	" " 44
Sec Pol Dept	" " 45
SAD	" " 46
SEAD	" " 47
SED	" " 48

SPD	" "	49
Soviet Dept	" "	50
UND	" "	51
WAD	" "	52
WED	" "	53
Senior Resident Clerk	" "	54
Mr Tebbit, Washington	" "	55
Mr Macgregor, Paris	" "	56
Mr Budd, Bonn	" "	57
Mr Cresswell, UKDEL NATO	" "	58
Mr Cleghorn, UKDEL Vienna	" "	59
Mr Hum, UKMIS New York	" "	60
Mr Manning, Moscow	" "	61
Mr Mottram, DUS (P), MOD	" "	62
Mr H Griffiths, AUS (P), MOD	" "	63
Mr W Hopkinson, Head of DACU, MOD	" "	64
Mr C E V Hayne-Cole, Head of Sec (NATO/UK), MOD	" "	65
Mr L Appleyard, Cabinet Office	" "	66
Mr S Wall, No 10 Downing Street	" "	67

THE QUADRIPARTITE FORUM: SECURITY RULES

1. Since 1975 Foreign Ministers and Political Directors of the UK, US, Germany and France have met regularly to coordinate policy. The existence of this Quadripartite forum has been kept a closely held secret. Leaks would provoke Italian, Canadian and Dutch complaints and might endanger the continued existence of the forum. During the negotiations on German unification in 1990, when the Quad became the Western steering group for the 2 + 4 the rules were relaxed. Following the conclusion of these talks and the disappearance of Berlin cover they now need to be revised.

2. The purpose of this circular is to set out the ground rules. Please ensure that it is read by all those who need to see papers relating to the quadripartite forum, including secretarial and registry staff where appropriate. It is the responsibility of Heads of Department (and Heads of Chancery at posts authorised to receive quadripartite papers regularly) to ensure not only that as few people as possible know of the forum, but also that all who do so are properly briefed.

Germany

3. These rules apply to all papers and exchanges concerning quadripartite meetings of Foreign Ministers, Political Directors or senior officials except:

- (a) Meetings between the four Ambassadors in Moscow, which are classified confidential;
- (b) Meetings between chemical weapons experts of the Four, which are classified confidential;

- (c) Consultations between the four CFE Ambassadors in Vienna, which are classified confidential;
- (d) Meetings of the four Ambassadors at NATO discussing the NATO review, which are classified confidential and personal.

Any reference in documents issuing from these groups to meetings of the four Foreign Ministers or four Political Directors should be classified "Secret Burning Bush". The term "quadripartite" should not be used to describe such meetings. They should instead be described as "four-power", "four sided", "quadrilateral" etc.

Quadripartite Documents

4. Any papers which refer explicitly to or imply the existence of the quadripartite forum must:
 - a) be classified no lower than "Secret";
 - b) always be marked "Burning Bush";
 - c) have numbered pages and bear an individual copy number on the top right-hand corner of the first page;
 - d) be circulated to named individuals only (ie not to departments or posts), in envelopes marked "Secret and Personal" (ie not bearing the "Burning Bush" caveat).
5. The "Burning Bush" caveat should not appear on non-quadripartite covering documents, which might need to be registered on FCO files or copied to officials not authorised to receive quadripartite papers.
6. Policy Planning Staff, under the supervision of the Political Director, is the lead FCO department for the quadripartite forum, and the only department authorised to register "Burning Bush"

documents. The Head of Policy Planning Staff or the member of the department handling the Quad (Mr Clarke) should be included in the distribution list of all "Burning Bush" papers.

7. Private Offices, Under Secretaries, and FCO departments may temporarily keep copies of "Burning Bush" papers on subjects with which they are currently dealing. In departments whose subjects are frequently dealt with at quadripartite meetings and which therefore have a constant need to refer to "Burning Bush" papers, exceptionally, in addition to the file copy which will be registered in Policy Planning Staff, copies may be entered by departmental registries in a separate file cover clearly marked "Burning Bush". But there must be no reference to "Burning Bush" papers in the departmental file list, main File Record sheets, or inward and outward registers. All records relating to "Burning Bush" papers should be kept separately, reviewed regularly, and returned to Policy Planning Staff for destruction, together with the file, when the papers are no longer needed. It is the Head of Department's responsibility to make sure that the departmental Head of Registry and/or any other Registry officers likely to be involved are shown this circular and instructed accordingly. In other Departments whose dealings with Quadripartite meetings are less frequent, "Burning Bush" papers should be kept in the Head of Department's own security press, and returned for destruction to Planners as soon as possible.

8. There has been a tendency for the term "close allies" to be used increasingly as a synonym for the quadripartite group in papers lacking the "Burning Bush" classification. This has reached a stage where those not otherwise aware of the quadripartite framework could all too easily deduce that the "close allies" constitute a regular consultative group of the UK, US, FRG and France - ie precisely the secret which these security rules are designed to protect. Therefore:

- a) If the point of a paper cannot be got across without referring to or implying the existence of quadripartite

consultations it must be classified "Secret Burning Bush" without more ado and handled accordingly. (Sometimes a good device may be to draft a submission/telegram of lower classification with a shorter 'Burning Bush' piece attached under separate cover.)

b) In other cases where the substance of quadripartite discussions, can be referred to without giving away the essential procedural secret, drafters should make every effort to find some way of doing this that does not involve use of the expression 'close allies'. Alternative ways of referring to the event might include 'the meeting on X July' (without mentioning attendance); 'when Mr Weston last saw his US colleague'; 'recent discussions at Political Director level'; 'We received an authoritative account of French views on X on X July'; 'recent discussions on X show a divergence between US and German views', and so forth.

c) Wherever possible, and certainly in any case where the drafter is in doubt, advice on phraseology should be taken in advance from Mr Clarke (270 2915) in Policy Planning Staff.

Telegrams

9. All 'Secret Burning Bush' telegrams must in addition be marked 'DEDIP' and handled accordingly. (Special instructions on this point have been given to the posts at para 13). Outward telegrams should be addressed 'Personal for Head of Shift, COD'.

10. Outward 'Burning Bush' telegrams should be given a 'LIMITED' distribution to a short list of Heads of Department and named senior officials. The Head of Policy Planning Staff, to whom COD will send the top copy of the telegram, should invariably appear at the head of the distribution list even if another department has drafted the telegram.

11. Inward 'Burning Bush' telegrams will be referred quickly by COD to Policy Planning Staff for advice on distribution unless they bear distribution instructions in the text, or are the answer to a previous outward telegram. The Head of Policy Planning Staff should, again, appear at the top of the distribution list.

Sending 'Burning Bush' papers and telegrams outside the FCO

12. The following posts are authorised to receive 'Burning Bush' papers regularly:

- Washington
 - Paris
 - Bonn
 - Moscow
 - UKDel NATO
- In addition UKDEL Vienna may receive "Burning Bush" papers occasionally and UKMIS New York may receive them during the UNGA meeting.

13. Heads of Chancery at these posts are responsible for ensuring that 'Burning Bush' papers are handled in accordance with these rules, are not entered in their posts' normal files, are destroyed when no longer required, and that a record is kept of their destruction. Heads of Chancery should also ensure that all members of the post who have an operational need to know of the quadripartite forum are briefed on the basis of these security rules, which should be circulated annually.

14. Other posts may receive 'Burning Bush' papers only when there is a pressing operational reason for their doing so. The consent of Policy Planning Staff (which will consult the Political Director as necessary) must be obtained in advance on each occasion. It then becomes the responsibility of the FCO Department or Under Secretary concerned to make sure that the recipient understands the need for secrecy and that the papers are destroyed as soon as no longer

needed. If the Mission has not received such documents in the recent past a copy of this minute should accompany the document, or in the case of telegrams special handling instructions should precede or form part of the telegram, which will normally be marked 'Personal for Ambassador' or 'Personal for Head of Chancery' as well as 'Secret Dedip Burning Bush'. The advice of Policy Planning Staff (Mr Clarke) should be sought if the drafter is in any doubt.

15. 'Burning Bush' papers are sometimes sent to Number 10 and to a very small number of senior officials in the Cabinet Office and Ministry of Defence. Only in exceptional circumstances are they sent to other Whitehall Departments. FCO departments should obtain the consent of Policy Planning Staff on each occasion before sending 'Burning Bush' papers outside the FCO. They must be addressed to named senior officials, who must be told that papers should not be registered on departmental files but kept in their custody and returned to Planners' Registry for destruction.

Telephone security

16. The expressions 'quadripartite meeting' and 'Burning Bush' should not be used when speaking to posts abroad on an open telephone line. They should be avoided if possible when making telephone calls within the FCO. Guarded language and circumlocution (eg 'another meeting like the one in Washington on 10 October') should suffice.

Contacts with American, French and German officials

17. FCO officials should not discuss the quadripartite forum with their American, French or German opposite numbers, other than those few representatives from Foreign Ministries who are known to be regularly informed about quadripartite meetings. (Policy Planning Staff can advise if there is any doubt.) Knowledge of the quadripartite forum, and access to the records of the meetings, is a matter of considerable sensitivity in inter-agency and inderdepartmental relations in Washington, and to a lesser extent in

Bonn and Paris. Officials who appear to be in the know may be angling for British confirmation of something they merely suspect, or for detailed information about a meeting whose record they have not been shown. It goes without saying that British officials should express bafflement if anyone other than a French, German or American official should refer to the quadripartite grouping.

18. If you have any difficulties or questions about the application of these rules please consult Mr Clarke (270 2915) in Policy Planning Staff. Papers for destruction should be returned to the Policy Planning Staff Head of Registry (tel 270 2923).

Policy Planning Staff

July 1991





Circular Minute to Selected Senior Officials

THE QUADRIPARTITE FORUM: RULES FOR HANDLING PAPERS

1. The rules on handling papers which refer to the Quadripartite Forum were last circulated under my minute of 23 September 1982. There have been many staff changes since then, and a number of procedural queries received recently by Planning Staff suggest that there may be a need to draw attention again to the precautions that need to be observed in relation to this important and highly sensitive forum. The Quadripartite grouping remains central to the management of the Western Alliance and to the maintenance of Britain's role within it: leaks jeopardise its existence and must be avoided at all costs. The PUS will take a serious view of any future breaches of the guidelines.

... 2. The attached rules have been updated and amended on several points, to which the PUS would like to draw your special attention:-

- numbering the pages and copies of 'Burning Bush' documents (para 3(a));
- proper briefing of Registry Staff (para 3(b));
- changed telegram procedures (para 3(c));
- the need for discretion on the telephone (para 3(g));

3. There is a further way in which we can all help to ease the application of these rules and to prevent confusion: namely, to avoid using the term 'quadripartite' in any context other than those described in para 3(a) of the attached paper. Talks between other groups of four states, or between these four for a different purpose, can always be described as 'four-power', 'four-sided', 'quadrilateral', etc.

4. Please ensure that this circular and the attached rules are brought to the attention of all those who are likely to see papers relating to the Quadripartite Forum, including secretarial and registry staff where appropriate. It is the responsibility of Heads of Department to ensure not only that as few people as possible know of the forum, but also that all who do are properly briefed.

M H Jay
M H Jay
PS/PUS

2 May 1984

SECRET BURNING BUSH

Circular minute to
Selected Senior Officials

QUADRIPARTITE MEETINGS: RULES FOR HANDLING PAPERS

1. Quadripartite meetings are held regularly between the Political Directors of the Foreign Ministries of the United Kingdom, France, the Federal Republic of Germany and the United States, and less frequently between their Foreign Ministers. In addition there are Quadripartite Meetings of economic directors from time to time, and occasional meetings on specialised subjects. These meetings are of great value in coordinating policies among the major allies. The Secretary of State and our three partners consider it essential that the existence of these meetings is kept secret, since leaks could cause considerable embarrassment with other allies, particularly Italy. As more people in the FCO, in overseas posts, and in Whitehall Departments become aware of and are involved in Quadripartite Meetings, the risk of leaks grows.

2. The purpose of this minute is to draw attention to the continuing need for secrecy, and at the same time to up-date the ground rules for handling papers so as to take account of the increasing range of subjects discussed in quadripartite meetings.

3. Please ensure that the following revised rules are scrupulously observed:

(a) Any papers which refer explicitly to Quadripartite meetings of Foreign Ministers, Political Directors, or any other Quadripartite Ministerial or senior official grouping, should be classified no lower than Secret: and should normally be registered only in Planning Staff. They should in addition always be marked 'BURNING BUSH' and should have numbered pages and individually numbered copies. The only exception to this rule are papers for the Four Power Ministerial Talks which are held on the eve of the twice-yearly NATO Ministerial Council Meetings and are devoted to questions which relate to Berlin and Germany as a whole: the existence of these meetings is well known and need not be concealed, and papers relating to them are normally graded Confidential. The same applies to any other

SECRET BURNING BUSH

/meetings

SECRET BURNING BUSH

meetings or consultations held in preparation for or in consequence of these Ministerial meetings, or otherwise arising directly from the Quadripartite Agreement of 1972 on Berlin. The long-standing practice of quadripartite consultation between the US, UK, FRG and French Embassies in Moscow is another special case which need only be treated as Confidential.

(b) FCO Departments may keep copies of 'Burning Bush' papers relating to subjects with which they are currently dealing, but Heads of Department are responsible for ensuring that the 'need to know' principle is strictly applied. In departments whose subjects are frequently dealt with at Quadripartite meetings and who therefore have a constant need to refer frequently to 'Burning Bush' papers, exceptionally, in addition to the top copy which will be registered in Planning Staff, copies may be registered in departments but must be kept in a separate file cover clearly marked 'Burning Bush'. There should be no reference to 'Burning Bush' papers in the file list, main File Record sheets or inward and outward registers. All records relating to 'Burning Bush' should be kept separately and returned to Planning Staff for destruction, together with the file, when the papers are no longer needed. It is the Head of Department's responsibility to make sure that the Departmental Head of Registry and/or any other Registry officers likely to be involved are shown this circular and instructed accordingly. In other Departments whose dealings with Quadripartite meetings are less frequent, 'Burning Bush' papers should be kept in the Head of Department's own security press. Many 'Burning Bush' papers have been circulated recently and it would be useful if departments would now review the need to retain them. Any non-essential material should be returned to Planning Staff (Room K113) for destruction.

(c) Our Embassies in Bonn, Paris, Rome and Washington, and also UKDEL NATO in Brussels, regularly receive 'Burning Bush' papers and are aware of the need for care in handling them. The need has arisen and will continue to arise from time to time for

SECRET BURNING BUSH

other Missions to receive such papers for operational reasons. The consent of Planning Staff must always be obtained to this in advance. It then becomes the responsibility of the FCO Department concerned to make sure that the recipient understands the need for secrecy and that the papers are destroyed as soon as no longer needed. If the Mission has not received such documents in the recent past a copy of this minute should accompany the document, or in the case of telegrams special handling instructions should precede or form part of the telegram. All 'Burning Bush' telegrams, including those addressed to the five regular recipients listed above, should be marked DEDIP and should be given Limited distribution to named individuals (including Heads of Department as necessary) within the FCO.

(d) 'Burning Bush' papers are sometimes sent to Number 10 and to senior officials in the Cabinet Office. Less often they will need to be sent also to other Whitehall Departments: certain officials in the Treasury, the MOD and the DOT are aware of Quadripartite Meetings. FCO departments should consult Planning Staff before sending 'Burning Bush' papers to other Departments, who must be told that papers should not be registered on departmental files but kept in the custody of a senior official and destroyed when no longer needed.

(e) The caveat 'Burning Bush' should never itself appear on an envelope: instead the classification SECRET AND PERSONAL should always be used.

(f) In any papers likely to have more than a limited distribution, explicit reference to the Quadripartite forum should be avoided whenever possible so that the 'Burning Bush' classification need not be used. A reference to 'discussion with our closest allies' can often be used instead.

(g) The expressions 'quadripartite meetings' and 'Burning Bush' should never be used when speaking to posts abroad on an open telephone line. They should be eschewed, if at all possible, when making telephone calls within the FCO. Guarded language and circumlocutions,

SECRET BURNING BUSH

eg 'another special meeting of the kind we had on 10 September' will almost always suffice.

4. If you have any difficulties or questions about the application of these rules please consult Miss A J K Bailes (233 5605) or Mrs M E Blake-Pauley (233 3307) in Planning Staff.



Note: RFA
has written
to Mr Taylor.

10 DOWNING STREET

DMB
21/2

Prime Minister ⁽¹⁾

May I please show
the attached note
to the staff involved?

Yes - but
It would be very
nice if Robert would
write a special one
for the staff.
DMB
20/2
mb

070



Ref. A084/568

PRIME MINISTER

It was very good of you to allow me to entertain Personal Representatives in 10 Downing Street last weekend. We were beautifully looked after, and the ability to entertain them there added a great deal to the success and good atmosphere of the meeting.

2. The Personal Representatives asked me to convey the gratitude of all of them to you for allowing 10 Downing Street to be used for this purpose.

ROBERT ARMSTRONG

20 February 1984

SUPERVISOR, CUSTODY GUARDS

POLICE

cc, Mr. Taylor
Mr. Barclay
Duty Clerk -
Mr. Colvin
(Cabinet Office)

Official Dinners and Lunches - 17-19 February

Participants at meetings to be held in the Cabinet Office will be entertained in No. 10 as follows:

Friday, 17 February, 1930 hrs. - Dinner in Small Dining Room (10 persons).

Saturday, 18 February, 1300 hrs. - Lunch in State Dining Room (26 persons).

1930 hrs. - Dinner in State Dining Room (26 persons).

Sunday, 19 February, 1300 hrs. - Lunch in both the Small and State Dining Rooms (24 persons).

The Cabinet Office will make the necessary arrangements for opening and closing the No. 10/Cabinet Office interconnecting door. Nevertheless, a Custody Guard should be present near the door in case assistance is required. He should take with him one of the interconnecting door keys held in the Private Office.

On Sunday, weather permitting, the participants will return to the Cabinet Office through the No. 10 garden at about 1030 hours. The bars will be removed from the garden door at 1015 hours and will be replaced as soon as all the participants have entered the garden. A Custody Guard will remain near the door from 1015 hours until the arrival of the party. There will be no other movement through this door on Sunday.

P.S. Joce.
P. S. JOCE

17 February, 1984



pu
DMS
25/2

10 DOWNING STREET

PRIME MINISTER

mf

Just to remind you that this is the weekend when you have agreed that Sir Robert Armstrong should hold two dinners and a lunch in Downing Street in connection with the meeting of Personal Representatives for the Economic Summit.

DMS

17 February 1984

Discussed and
Difficulties resolved

MR BARCLAY

DMS
17/2

Some time ago, due to the casualty rate, it was deemed essential that our Messengers should rest during the weekends, even at the cost of reducing their earnings.

Our cleaning ladies leave home on weekdays before dawn; not only should they not be expected to give up their rest at the weekend, but as they all rely on Public Transport they would not be able to come in, even if weekend work was part of their contract.

Essential work is constantly postponed due to expense and yet I would have to engage Porters and Joiner throughout the weekend at premium rates if these functions take place.

Should not the Prime Minister's wish for continued economies also be borne in mind?

Mr Taylor

Can we not use volunteer Messengers and cleaners?

The PM, I am sure, accepts that there will necessarily be a cost attached to our preparations for hosting the Summit.

Mr. Barclay.

I have asked our volunteers from the messengers. I will have the return on Monday 6/2.

DMS
3/2

I have already stated that cleaners use Public Transport and cannot come in.

16/3/2.

2 February 1984

AB

Mr Taylor

MR. TAYLOR

We spoke. Can these difficulties be overcome, given the PM's clear wish that Sir Robert should have the use of the building? ^{Done 2/2}

Mr. Barclay.

There are a number of difficulties.

1. It would involve our messengers working overtime duties.
2. No Cleaners are employed at the weekends.
3. Porters etc would have to be employed yet furniture removals. all at Premium overtime rates.

The Prime Minister has agreed that Sir Robert Armstrong ^{R-1.2/2}

should host several lunches and dinners at No.10 over the weekend of 17-19 February. The meals will be associated with a meeting of Personal Representatives of Heads of State and Government which Sir Robert will be chairing, in preparation for the Economic Summit.

I attach an internal Cabinet Office minute which accurately sets out the arrangements to which the Prime Minister has consented. Mrs. Goodchild is content with this, and I hope that it will not cause you any difficulty.

David Barclay

1 February 1984

Mr Barclay None Any problems?
It seems I have been saved SQ
the trouble of writing you a memo!
Mrs Goodchild
DMSB
Rf 1/2

Mr Watt,
GHF

CATERING ARRANGEMENTS FOR THE MEETING OF PERSONAL REPRESENTATIVES 17-19 FEBRUARY 1984 (PR 2)

1. Sir Robert Armstrong has now agreed the catering arrangements for PR 2 as follows:-

Friday 17 February

Dinner for Personal Representatives plus 2 (total 10) in the Small Dining Room at No 10 Downing Street.

Two separate dinners for financial experts (8) and political directors (8) at Admiralty House.

Saturday 18 February

Lunch for 26 (one table for 10 and two tables for 8) in the State Dining Room at No 10 Downing Street.

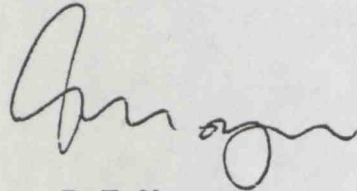
Dinner for 26 (one table for 10 and two tables for 8) in the State Dining Room at No 10 Downing Street.

Sunday 19 February

Lunch for Personal Representatives (8) in the Small Dining Room at No 10 Downing Street.

Lunch for financial experts and political directors at two separate tables for 8 in the State Dining Room at No 10 Downing Street.

2. The cost of these meals will be charged to the Cabinet Office but the bills should, in the first instance, be submitted to Mr L Attfield at the MPO.



30 January 1984

R E Morgan
ESAU
273 5375

cc: Mr Barrington
Mr P Martin, Cabinet Office



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21 FEB 1994



10 DOWNING STREET

From the Private Secretary

MR. HATFIELD
Cabinet Office

Personal Representatives Meeting
17-19 February, 1984

Thank you for your minute of 19 January. The Prime Minister agrees that the State Dining Room may be used for the meeting of Personal Representatives over the weekend of 17-19 February, in addition to the Small Dining Room. She understands that if the State Dining Room is to ^{be} used, it will be for lunch and dinner on Saturday, 18 February.

DAVID BARCLAY

20 January, 1984

RESTRICTED

R

Ref. A084/216

MR BARCLAY



- 1) Mr Butler
- 2) Prime Minister

Yes mb

Agree that Sir Robert Armstrong may if necessary use the State Dining Room on Saturday 18 Feb?

Personal Representatives Meeting: 17-19 February 1984 (You will be at Cheques).

The Prime Minister kindly agreed to Sir Robert Armstrong's request to use the Small Dining Room in No 10 to host a meal for Personal Representatives during their meeting which is being held from 17 to 19 February. I am now writing, at Sir Robert Armstrong's behest, to enquire whether the Prime Minister would be prepared to allow him also to use the State Dining Room that weekend. The reason for this additional request is that it seems likely that neither Admiralty House nor Carlton Gardens will be able to cater for the plenary sessions (lunch and dinner on Saturday) when we will have to seat 26-28. We are investigating other possibilities for these meals but it would be most helpful if, at this stage as a contingency only, we could know that the State Dining Room was available if needed.

DMS 19/1

2. I should therefore be most grateful if you would enquire whether the Prime Minister is content for the State Dining Room to be used for meals during the Personal Representatives meeting on 17-19 February.

mb

R.

R P HATFIELD

19 January 1984

1 Feb. Pol: Mtye's of Personal Ben's
Jan. 80



CONFIDENTIAL

pa

①.

Note: conveyed to RFA's office
by phone.

DMS
16/1

PRIME MINISTER

Sir Robert Armstrong has a meeting of Economic Summit colleagues over the weekend of 17-19 February. Your current plan is to be at Chequers for the weekend, leaving London on the Friday night. Sir Robert has enquired whether it would be possible for him to host a dinner in the small dining room on the Friday evening, plus one more lunch or dinner on either Saturday or Sunday.

Yes of course

May I say that you are content, except that it would be better to avoid Sunday night?

- it doesn't matter which -

DMS

I shall be in the flat if we return early on the Sunday evening no

13 January 1984

For PO1 Jan 80
Quadrupantite
MHGJ

SUPERVISORS, CUSTODY GUARDS

cc: Mr. Taylor
Duty Clerk -

Social Activities - 5/6 November

For your information, Sir Robert Armstrong will host, in the Small Dining Room, a dinner (2000 hours) on 5 November and a luncheon on 6 November. There will be 10 guests.

Sir Robert and his guests will enter and leave No. 10 through the No. 10/Cabinet Office interconnecting door.

P.S. Joce
P. S. JOCE

3 November, 1983



File.

Ref. A083/3101

~~MR JOCE~~ *J/11*

cc Mr Colvin
Mrs Naughton
Mr Beale
Mr Appleyard (FCO)
Duty Clerk (No 10)

Meeting of Personal Representatives: 5-6 November

In my minute to you of 26 October I asked if it would be possible for those dining in No 10 on Saturday 5 November to leave from the No 10 front door. Sir Robert Armstrong has now decided that he will conduct his guests back to the Cabinet Office after dinner. They will therefore leave from 70 Whitehall and there will be no need for cars to enter Downing Street.

R P HATFIELD

31 October 1983

cc DC PT 76 JL



10 DOWNING STREET

MR. HATFIELD
CABINET OFFICE

MEETING OF PERSONAL REPRESENTATIVES: 5-6 NOVEMBER

Thank you for your minute A083/3031 dated 26 October, a copy of which I have passed to Peter Taylor (because the dinner and lunch will be held in No. 10).

I shall need the names of the catering staff, estimated times of arrival and the registration number(s) of the supplies vehicle(s). If, however, as you indicate, GHF will be arranging the catering with one of the regular caterers, these details will be passed to me and to Peter Taylor automatically under existing procedures. Presumably the lunch will be about 1300 hours.

I should be grateful if you would give me, before 1600 hours on 4 November, the names of the drivers and the registration numbers of the cars which will require access to Downing Street on Saturday night.

(P.S. JOCE)
28 October 1983



Ref. A083/3031

MR JOCE

cc Mr Colvin
Mr Appleyard (FCO)
Duty Clerk (No 10)

Meeting of Personal Representatives:
5-6 November

The Prime Minister has very kindly agreed that Sir Robert Armstrong may use the Small Dining Room at No 10 to host a dinner on Saturday 5 November and a luncheon on the following day for the Personal Representatives of the Heads of Government participating in next year's Economic Summit. We spoke this afternoon about the necessary security arrangements.

2. On the Saturday night the Personal Representatives (a full --- list of those attending the dinner is attached) will foregather in Sir Robert Armstrong's office in the Cabinet Office before moving through to No 10 for dinner (set for 8.00 pm) via the connecting door. After dinner I hope it will be possible for all those involved to leave through the front entrance to No 10 and I understand that you would have no objection to this (although you will naturally wish to have details of the cars which will need access to Downing Street).
3. On Sunday the Personal Representatives will be meeting in Sir Robert Armstrong's room both before and after lunch and we will therefore arrange for their transport to deliver them to and collect them from 70 Whitehall rather than Downing Street.
4. The catering is being arranged through the Government Hospitality Fund who are, I believe, intending to use one of the regular No 10 caterers for the purpose.
5. I would be grateful if you would let me know if there is any further information you need at this stage.

R P HATFIELD

26 October 1983

Personal Representatives Meeting: 5/6 November 1983

Monsieur Jacques Attali, France
Signor Renato Ruggiero, Italy
Mr Allen Wallis, United States
Mr Moriyuki Motono, Japan
Monsieur de Montigny Marchand, Canada
Dr Hans Tietmeyer, Germany
Monsieur Durieux, Community
Sir Robert Armstrong, United Kingdom

Also attending
Mr Len Appleyard
Mr David Colvin

Foreign
Act



de v

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Economic Summit : Personal Representatives

Thank you for your minute of 19 October.
The Prime Minister has no objection to your
suggestion that you should give Personal
Representatives lunch in the Small Dining
Room on Saturday 5 November and Sunday
6 November.

A J

20 October 1983

NR

Time Limits

①

You are planning to be at Chryso
on the weekend of 5/6 November.

May Sir R. Armstrong give the
Sherpas lunch in the small dining
room on these days?

A.S.C. 27/10.

Yes
m

Ref. A083/2953

MR COLES ✓

Economic Summit: Personal Representatives

It has been customary for Personal Representatives to hold a one-day meeting some time towards the end of the calendar year, to "wash up" from the previous Summit and to consider the arrangements for preparations for the succeeding Summit. I had been thinking of holding this meeting in December or even early January, but I was asked to bring it forward to early November, when a number of Personal Representatives will be in Europe anyway for an OECD meeting. We shall therefore be holding a meeting of Personal Representatives on the evening of Saturday 5 November and all day Sunday 6 November.

2. Last time we had a meeting of Personal Representatives in London, we met (as I propose we should on this occasion) in my office; and, since we have no adequate catering facilities in the Cabinet Office, the Prime Minister very kindly allowed me to entertain the Personal Representatives in the Small Dining Room in 10 Downing Street.

3. I am writing to enquire whether she might consider allowing us to do so again on this occasion. I should not want to make such a request if she herself was going to be in London that weekend, and I am sure that we could use Admiralty House if need be; but obviously it would be excellent both in terms of prestige and convenience if we were able to use the Small Dining Room in 10 Downing Street.

4. There will in effect be two meals involved: dinner on Saturday 5 November and lunch on Sunday 6 November. If the Dining Room was available for either (or even both) of these meals, I should be much beholden to the Prime Minister.

RA

ROBERT ARMSTRONG

19 October 1983

F. P. [unclear]
TOP COPY

Hol/Manning Staff

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S E C R E T DEDIP

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OO UKDEL NATO (DESKBY 201200Z)
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SECRET
BURNING BUSH
D E D I P
DESKBY 201200Z UKDEL NATO
FM FCO 201000Z OCTOBER 82
TO IMMEDIATE UKDEL NATO
TELEGRAM NUMBER 276 OF 20 OCTOBER
AND TO WASHINGTON
INFO IMMEDIATE PARIS, BONN,

FOLLOWING PERSONAL FOR AMBASSADOR/MINISTER
QUADRIPARTITE MEETING OF POLITICAL DIRECTORS IN PARIS: 18
OCTOBER: POLAND

SUMMARY

1. THERE WAS LITTLE ENTHUSIASM FOR A REVIEW OF THE 3 CRITERIA:
AND NONE FOR RESCHEDULING: BUT THERE WAS GENERAL AGREEMENT
THAT NATO FOREIGN MINISTERS SHOULD REFER TO POLAND EITHER
IN THE COMMUNIQUE AFTER THE DECEMBER MINISTERIAL OR IN A SPECIAL
DECLARATION MARKING THE FIRST ANNIVERSARY OF MARTIAL LAW. (THE
NAC TO PURSUE.)

DETAIL

2. BULLARD (UK) SAID THE BANNING OF SOLIDARITY WAS OF GREAT
SYMBOLIC IMPORTANCE BUT OBVIOUSLY OF LESS LONG TERM SIGNIFICANCE
THAN THE IMPOSITION OF MARTIAL LAW LAST DECEMBER. THE SOVIET
UNION WOULD WELCOME THE MOVE, BUT MIGHT NEVERTHELESS BE CONCERNED
ABOUT PUBLIC PRESENTATION, GIVEN THE COMPARATIVELY LIBERAL TRADE
UNION STRUCTURE JARUZELSKI PROPOSED TO PUT IN SOLIDARITY'S PLACE.
THE REINFORCED NAC MEETING ON 20 OCTOBER WOULD PROVIDE AN
OPPORTUNITY TO REVIEW THE SITUATION. WE NEEDED TO DECIDE BOTH
ON A POLICY AND ON A PUBLIC ATTITUDE. THE LATTER MUST NOT BE
ALLOWED TO BE A SUBSTITUTE FOR THE FORMER, NOR TO DICTATE IT.

3. DISCUSSION THEN CENTRED ON:

(1) THE THREE CRITERIA: BULLARD SAID THE NAC SHOULD REVIEW THESE
AND DECIDE IF THEY NEEDED MODIFICATION IN THE LIGHT OF EVENTS.

1

S E C R E T DEDIP

1 FOR

FOR EXAMPLE, WAS THE CALL FOR A DIALOGUE BETWEEN THE AUTHORITIES AND SOLIDARITY ANY LONGER APPROPRIATE? IF THERE WAS A POSSIBILITY OF MARTIAL LAW BEING FORMALLY LIFTED, SHOULD WE SPEAK OF ENDING QUOTE MILITARY RULE UNQUOTE INSTEAD? BURT (US) SAID WE SHOULD BE VERY CAREFUL ABOUT MODIFYING THE THREE CONDITIONS. WE SHOULD DO NOTHING THAT MIGHT HELP THE POLISH AUTHORITIES DESTROY SOLIDARITY. PFEFFER (FRG) AGREED. BY STRESSING THE THREE CRITERIA WE GAVE HOPE TO THE POLISH PEOPLE. BULLARD SAID THAT IN CALLING FOR A REVIEW OF THE THREE CRITERIA HE WAS NOT ADVOCATING THAT THEY SHOULD BE WEAKENED, BUT ADJUSTED TO TAKE ACCOUNT OF DEVELOPMENTS. ANDREANI (FRANCE) AGREED THAT THIS MIGHT BE USEFUL. HE WAS VERY PESSIMISTIC ABOUT THE PROSPECTS FOR ANY IMPROVEMENT IN THE POLISH SITUATION IN THE NEXT 2-3 YEARS.

(II) THE ECONOMIC SITUATION: BULLARD SAID WE MUST DECIDE WHETHER OUR POLICY WAS DESIGNED TO PUNISH THE REGIME OR TO HELP REVIVE THE POLISH ECONOMY SO THAT POLAND COULD BEGIN TO SUPPORT HERSELF AND EVENTUALLY REPAY HER DEBTS. THERE WAS NO REASON WHY TALKS ON RESCHEDULING SHOULD BE SEEN AS DOING THE POLES A FAVOUR: RATHER THEY COULD BE PRESENTED AS CALLING POLAND TO ORDER. IN ANY CASE THERE MUST BE AN EARLY MEETING OF CREDITORS (MINUS THE POLES) TO DISCUSS THE SITUATION AND THE VARIOUS POSSIBLE FINANCIAL CONSIDERATIONS. BURT SAID THE US WAS NOT PLEASED THAT THERE WOULD BE A CREDITORS' MEETING ON 25/26 OCTOBER BUT WOULD, REPEAT WOULD PARTICIPATE. THE US WOULD CONTINUE TO OPPOSE ANY MEETING WITH THE POLES TO DISCUSS RESCHEDULING OF EITHER 1982 DEBT OR THE PROBLEMS WHICH HAD ARISEN OVER THE 1981 DEBT (ALREADY RESCHEDULED). THIS WOULD BE THE WRONG POLITICAL SIGNAL TO SEND THE POLISH AUTHORITIES. IT MIGHT ALSO GIVE FRESH AMMUNITION TO THOSE IN CONGRESS WHO WANTED POLAND FORCED INTO DEFAULT. BURT ADDED THAT THE US BELIEVED THE AUSTRIANS MIGHT ALREADY HAVE REACHED A PRIVATE RESCHEDULING AGREEMENT WITH THE POLES. BULLARD SAID THIS WAS AN EXAMPLE OF THE KIND OF POINT WHICH SHOULD BE PURSUED AT THE CREDITORS' MEETING. ANDREANI SAID RESCHEDULING MADE SOUND FINANCIAL SENSE, BUT BOTH HE AND PFEFFER AGREED WITH BURT THAT IT WOULD BE THE WRONG POLITICAL SIGNAL IN PRESENT CIRCUMSTANCES. HOWEVER THEY WERE BOTH IN FAVOUR OF HOLDING THE

CREDITORS' MEETING ON 25/26 OCTOBER. ANDREANI SAID THE AGENDA FOR THIS MEETING HAD BEEN CAREFULLY WORDED. THERE WAS NO INTENTION OF DISCUSSING DEFAULT. BURT SAID HE WAS GLAD TO HEAR IT. A DEFAULT WOULD HAVE SERIOUS CONSEQUENCES FOR WESTERN BANKS AND WOULD PROBABLY OPEN UP NEW DIVISIONS WITHIN THE ALLIANCE.

(III) NATO STATEMENT: BULLARD SAID THE REINFORCED NAC MEETING AND SUBSEQUENT WORK, SHOULD FOCUS ON THE NEED FOR A STATEMENT ON POLAND EITHER AS A PARAGRAPH IN THE COMMUNIQUE AFTER THE NATO MINISTERIAL, OR IN THE FORM OF A SPECIAL DECLARATION MARKING THE FIRST ANNIVERSARY OF MARTIAL LAW. ALL AGREED THIS WOULD BE USEFUL.

(IV) ADDITIONAL MEASURES: BURT SAID THE US WOULD WANT THE 20 OCTOBER NAC TO EXAMINE WHAT ADDITIONAL NATIONAL STEPS COULD BE TAKEN IN THE POLISH CONTEXT. WE MUST KEEP UP THE PRESSURE ON THE POLISH AUTHORITIES. THE US HAD ALREADY ANNOUNCED THE SUSPENSION OF MFN STATUS FOR POLAND: BURT EXPLAINED HOW THIS WAS PERMISSIBLE UNDER THE TERMS OF THE 1975 US TRADE ACT SECTION 125 (C) AND THE PROTOCOL UNDER WHICH POLAND HAD ACCEDED TO GATT. BULLARD SAID THE TEN FOREIGN MINISTERS AT THEIR WEEK-END MEETING IN DENMARK HAD NOT IDENTIFIED ANY OBVIOUS ADDITIONAL MEASURES THAT WOULD BE APPROPRIATE. THE TEN WOULD PROBABLY CONCENTRATE ON HUMANITARIAN AID AND OTHER FORMS OF CONTACT WITH THE POLISH PEOPLE. ANDREANI SAID FRANCE WAS NOT IN FAVOUR OF EXTENDING THE MEASURES AND WOULD NOT FOLLOW THE US LEAD ON MFN STATUS. IN RESPONSE TO A QUESTION FROM BULLARD, ABOUT WHAT PRESIDENT REAGAN HAD HAD IN MIND WHEN HE HAD SAID THAT THE US WOULD NOT STAND IDLY BY, BURT SAID THE US WERE CONSIDERING CLOSING SOME OR ALL OF THE TEN POLISH COMMERCIAL OFFICES IN THE UNITED STATES.

(V) INTERNATIONAL ORGANISATIONS AND CONFERENCES: THERE WAS AGREEMENT ON THE NEED TO RAISE THE POLISH TRADE UNION LEGISLATION IN A SUITABLE MANNER AT THE ILO AND AT MADRID WHEN THE OSCE REVIEW CONFERENCE RESUMES NEXT MONTH.

(VI) A QUOTE MARSHALL PLAN UNQUOTE FOR POLAND: QUESTIONED ABOUT PRESIDENT REAGAN'S HINTS OF POSSIBLE LARGE SCALE AMERICAN AID TO POLAND IF POLISH POLICIES CHANGED, BURT SAID THAT THIS

/MGANT

S E C R E T DEDIP

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MEANT NO MORE THAN WHAT HAIC HAD SPOKEN OF IN MADRID IN THE
SPRING. THE ROMAN CATHOLIC CHURCH'S IDEA FOR A SPECIAL PROGRAMME
OF AID FOR POLISH AGRICULTURE WAS NOT MENTIONED.

PYM

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HD/ PLANNING STAFF

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HD/ ERD

HD/ NAD

HD/ WED

PS

PS/PUS

MR EVANS

MR GOODISON

MR THOMAS

MR HANNAY

MR GILLMORE

COPIES TO:-

MR GOODALL CABINET OFFICE

4

S E C R E T DEDIP

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D E D I P : S E C R E T : B U R N I N G B U S H

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D E D I P

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TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 1852 OF 19 OCTOBER

INFO IMMEDIATE PARIS, BONN, UKDEL NATO, UKREP BRUSSELS.

FOLLOWING PERSONAL FOR AMBASSADOR/MINISTER

QUADRIPARTITE MEETING OF POLITICAL DIRECTORS IN PARIS, 18

OCTOBER: FOLLOW-UP TO LA SAPINIERE

SUMMARY

1. AN EXTENSIVE DISCUSSION AT THE END OF WHICH THE US AGREED TO CALL FOUR-POWER TALKS IN WASHINGTON LATER THIS WEEK TO DISCUSS HOW THE LA SAPINIERE PROCESS SHOULD BE CARRIED FORWARD.

DETAIL

2. DISCUSSION BEGAN WITH SOME FENCING BETWEEN ANDREANI (FRANCE) AND BURT (US). BURT SAID THE US WAS READY TO CALL A FOLLOW-UP MEETING IN WASHINGTON THIS WEEK BUT STILL AWAITED FRENCH REACTION TO SHULTZ'S QUOTE NON-PAPER UNQUOTE (IE. HIS ORAL SUMMING UP AT LA SAPINIERE, MY TELNO 260 TO UKDEL NATO, PARA 9, AS SUBSEQUENTLY AMENDED ON REAGAN'S INSTRUCTIONS, YOUR TELNO 3315). ANDREANI DENIED THAT THE FRENCH HAD UNDERTAKEN TO COMMENT ON A BILATERAL BASIS. THEY WOULD DO SO WHEN THE AMERICANS CALLED A FOLLOW-UP MEETING. BURT SAID THAT BEFORE CALLING SUCH A MEETING THE AMERICANS WERE LOOKING FOR ACCEPTANCE OF THE QUOTE GENERAL ORIENTATION UNQUOTE OF THE NON-PAPER, ALTHOUGH THIS DID NOT MEAN THEY EXPECTED THEIR PARTNERS TO AGREE TO QUOTE EVERY DOT AND COMMA UNQUOTE.

3. ANDREANI SAID HE WAS PREPARED TO DISCUSS WAYS OF TAKING THE DISCUSSION FORWARD BUT WAS NOT IN A POSITION TO GO INTO THE SUBSTANCE OF THE NON-PAPER. FRANCE AGREED WITH THE POINT ACCEPTED IN NEW YORK AND LATER AT LA SAPINIERE THAT IT WAS ESSENTIAL FOR THE WEST TO ADOPT A COHERENT, COMPREHENSIVE AND COORDINATED APPROACH TO RELATIONS WITH THE SOVIET UNION

/INCLUDING

D E D I P : S E C R E T : B U R N I N G B U S H

INCLUDING ECONOMIC RELATIONS. THE SHULTZ NON-PAPER PROVIDED A BASIS FOR THIS BUT IT NEEDED DEVELOPING AND ENRICHING, ESPECIALLY ITS OPENING SECTION. THE AIMS MUST BE SPELT OUT AS MUST THE ECONOMIC STRATEGY. THE FRENCH PREFERRED THEIR OWN THREE QUOTE CRITERIA UNQUOTE TO THOSE SUGGESTED BY SHULTZ, BUT THAT PROBLEM COULD BE SOLVED. ANDREANI BELIEVED THAT ECONOMIC STRATEGY TOWARDS THE TASK SHOULD DISTINGUISH BETWEEN THREE DIFFERENT AREAS OF ACTIVITY:

- (I) PROHIBITED CATEGORIES: ITEMS WHERE THE ALLIES WOULD AGREE THAT COORDINATION SHOULD BE COMPLETE, SO AS EG. TO EXCLUDE SUPPLY TO THE SOVIET UNION OF ITEMS PROHIBITED UNDER COCOM.
- (II) HARMONISED CATEGORIES: AREAS WHERE SOME COORDINATION WOULD TAKE PLACE, EG. IF POSSIBLE, CREDITS.
- (III) UNRESTRICTED CATEGORIES: WHERE DECISIONS WOULD BE TAKEN BY GOVERNMENTS INDIVIDUALLY BUT WHERE CONSULTATION MIGHT STILL BE DESIRABLE.

4. ONCE THIS SORT OF FRAMEWORK WAS AGREED, SPECIFIC STUDIES COUDD BEGIN, BUT ANDREANI WARNED THAT THE FRENCH WOULD HAVE GREAT DIFFICULTY ON THE QUESTION OF THE EXPORT OF OIL AND GAS TECHNOLOGY, AND ON CREDITS. ON THE LATTER HE SAW LITTLE OR NO PROSPECT OF MOVING BEYOND THE VERSAILLES FORMULA.

5. BULLARD (UK) SAID THAT I HAD BEEN ENCOURAGING SHULTZ TO PRESS AHEAD WITH FOLLOW-UP, AND THAT MANY OF MY COLLEAGUES IN THE TEN HAD ENDORAEAD THIS APPROACH AT OUR INFORMAL WEEK-END MEETING IN DENMARK. (THE DANISH PRESIDENCY MIGHT BE SENDING SHULTZ A MESSAGE IN THIS SENSE.) THE UK VIEW OF THE NON-PAPER WAS THAT IT PROVIDED A QUOTE GOOD AND USEFUL BASIS FOR FUTURE WORK UNQUOTE. BULLARD ENDORSED ANDREANI'S VIEW THAT IT NEEDED DEVELOPING AND SAID WE TOO MIGHT HAVE PROBLEMS ON POINTS AT WHICH SHULTZ'S SUMMING UP AT LA SAPINIERE HAD DIFFERED FROM THE TEXT WORKED OUT WITH SUCH CARE IN NEW YORK, EG. CREDITS AND OIL AND GAS TECHNOLOGY.

6. ON PROCEDURE BULLARD SAID WE THOUGHT:

- (I) A MEETING OF THE 7 WAS DESIRABLE, WITH THE PRESIDENCY AND COMMISSION ALSO PRESENT:
- (II) THE FOUR SHOULD CONTINUE TO MEET, EITHER IN THEM

OF THE WASHINGTON GROUP OR AT POLITICAL DIRECTOR LEVEL. IT WOULD BE USEFUL IF A MEETING OF THE FOUR COULD PRECEDE A MEETING OF THE 7:

(III) WORK SHOULD BEGIN ON THE BASIS OF THE SHULTZ NON-PAPER WITH EVERYONE FREE TO COMMENT AS THEY WISHED.

7. ANDREANI ENVISAGED A QUOTE REVOLVING TASK UNQUOTE, WITH THE PARTICIPANTS AGREEING AT EACH STAGE WHAT WE COULD ALL AGREE ON AND WHAT NEEDED TO BE DONE NEXT. THE AIM OF THE EXERCISE SHOULD BE TO DEMONSTRATE WESTERN RESOLVE TO COORDINATE POLICY TOWARDS THE EAST. NO FORUM EXISTED THAT WAS SUITABLE FOR EXPRESSING THIS. THE IDEAL WOULD BE NATO PLUS JAPAN. PERHAPS IDENTICAL DECISIONS COULD BE ADOPTED BY THESE GOVERNMENTS INDIVIDUALLY, ON THE MODEL OF THE LONDON GUIDELINES ON NON-PROLIFERATION. AS FOR ORGANIZING THE WORK, ANDREANI THOUGHT THE QUOTE COMPREHENSIVE STRATEGY UNQUOTE AND POLITICAL AIMS SHOULD REMAIN THE PROVINCE OF THE FOUR: ECONOMIC COORDINATION AND IMMEDIATE ACTIONS SHOULD BE THE CONCERN OF THE 7: AND INDIVIDUAL TECHNICAL STUDIES AND PIECES OF WORK SHOULD BE ALLOCATED ELSEWHERE AS APPROPRIATE (EG. TO OECD OR COCOM ETC). THE FOUR MIGHT MEET IN WASHINGTON: AND THE 7 IN WASHINGTON, AND SOMETIMES ALSO IN PARIS ON ACCOUNT OF THE OECD LINK. THE COMMISSION AND PRESIDENCY SHOULD BE PRESENT WHEN MATTERS IN THEIR COMPETENCE WERE DISCUSSED.

8. PFEFFER (FRG), WHO CONTRIBUTED LITTLE TO THE DISCUSSION, SAID THAT THE POSSIBLE ROLE OF ECONOMIC DIRECTORS WOULD HAVE TO BE CONSIDERED IF THERE WERE TO BE MEETINGS OF THE FOUR, OR MEETINGS OF THE 7 IN EUROPE.

9. BURT INTERVENED TO SAY THAT SHULTZ DEFINATELY DID NOT WANT THE SORT OF OPEN-ENDED PROCESS OF DISCUSSION AND CONSULTATION ANDREANI APPEARED TO ENVISAGE. THIS COULD TAKE MONTHS TO REACH ANY CONCLUSIONS. SUCH A FORMULA WOULD NOT BE ENOUGH TO GET US MEASURES LIFTED. TO SECURE THE LATTER, THE ELEMENTS IN SHULTZ'S NON-PAPER MUST BE AGREED QUOTE IN THE FORM IN WHICH THEY EXIST UNQUOTE, BUT THIS DID NOT MEAN THAT EVERY WORD OF THE NON-PAPER WAS SACRED. THERE COULD BE ENRICHMENT AND REFINEMENT AS ANDREANI HAD SAID BUT THIS MUST FOLLOW OVERALL AGREEMENT, NOT

/PRECEDE

PRECEDE IT. SHULTZ WANTED QUICK AGREEMENT ON A SHORT DOCUMENT WHICH WOULD BE MADE PUBLIC IN SOME FORM AND WOULD:

- (I) DEMONSTRATE THAT THE ALLIES WERE AGREED ON CERTAIN BASIC PRINCIPLES OF EAST/WEST ECONOMIC RELATIONS:
- (II) COMMIT THE ALLIANCE TO UNDERTAKE A LONG-TERM STUDY (SECURITY OF EUROPEAN ENERGY REQUIREMENTS ETC):
- (III) COMMIT GOVERNMENTS TO CERTAIN IMMEDIATE ACTIONS.

10. BURT SAID THAT WITHOUT SUCH OVERALL AGREEMENT THERE WOULD BE NO CHANGE IN AMERICAN POLICY QUOTE AND WE SHALL BE COMFORTABLE WITH THAT UNQUOTE. THE SITUATION WAS LIKELY TO BECOME MORE RATHER THAN LESS DIFFICULT IF THE PRESENT OPPORTUNITY WERE NOT GRASPED.

11. AFTER FURTHER SKIRMISHING BETWEEN ANDREANI AND BURT, BULLARD SUGGESTED THAT, WHATEVER THE DIFFERENCES, THERE WAS NOW SUFFICIENT AGREEMENT TO MAKE IT POSSIBLE AND APPROPRIATE FOR THE US TO CALL A MEETING OF THE FOUR IN WASHINGTON, AT WHICH EACH PARTICIPANT WOULD GIVE HIS ANSWER TO THE QUESTION: WHAT WOULD BE YOUR NATIONAL POSITION ON THE POINTS OF SUBSTANCE IN THE SHULTZ NON-PAPER IF THE US WERE TO CALL A MEETING OF THE 7 PLUS PRESIDENCY AND COMMISSION? UNQUOTE. BURT SAID HE WOULD TRY ARRANGE A MEETING OF THE FOUR IN WASHINGTON ON 21 OR 22 OCTOBER.

12. THIS SUGGESTION WAS ACCEPTED BY ALL.

13. INSTRUCTIONS FOR THE MEETING WILL FOLLOW.

PYM

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 HD/WED
 HD/NAD
 HD/DEFENCE
 PS
 PS/PUS

SIR J. BULLARD
 MR EVANS
 MR GOODISON
 MR HANNAY
 MR THOMAS

COPIES TO:
 MR GOODALL,
 CABINET OFFICE.

010
CONFIDENTIAL

Also copied to
Ottawa Policy

Ref. A05061

~~MR. ALEXANDER~~

an Ottawa
& N/S Summit

14

Foreign
Policy

I attach a report to the Prime Minister on last week's meeting of Personal Representatives. I have sent copies of the report to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, and the Secretaries of State for Trade and Energy.

2. This afternoon I had a talk with the American Personal Representative, Mr. Myer Rashish, who is in London on his way to meetings in Paris next week. He is proposing that, when Personal Representatives have their final pre-Summit meeting early next month, they should devote one session of it to discussing the approach of the seven countries concerned to the Cancun Summit, with a view to discovering how far it is possible to arrive at a common approach. He sees this, rightly I think, as being separate from (though related to) the report of the Aid Study and the preparation of draft communiqué language on relations with developing countries for the communiqué on the Ottawa Summit.

3. I think that we ought shortly to discuss with you and Mr. Whitmore various aspects of the arrangements for the Ottawa Summit - including what we ought to propose to the Prime Minister for bilaterals. I shall be getting in touch with you and with Sir Michael Palliser (to whom I am copying this minute) with a view to arranging a meeting shortly.

REA

ROBERT ARMSTRONG

12th June, 1981

CONFIDENTIAL

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2.

For Pd
Prime Minister.

JAW
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Ref. A04293

PRIME MINISTER

I have told you already how very grateful I was for your generosity in allowing me to use the small Dining Room in No 10 to entertain the Personal Representatives to dinner and lunch. I shall be minuting you separately about the details of our discussions and the progress of preparations for the Ottawa Summit. But I should say at once that it was a tremendous help that you allowed us to eat in your dining room, and above all that you came to meet us on Tuesday evening. It not only made a major contribution to the success of the meeting; it demonstrated to them the importance you attach to the Economic Summits. Thank you very much indeed.

ms

REA

ROBERT ARMSTRONG

20 February 1981

Ref. A04284

PRIME MINISTER

You very kindly agreed that I should use the Small Dining Room in No. 10 for entertaining the Personal Representatives. You know from last night how much we all appreciated both the opportunity of dining in No. 10 and your kindness in meeting and talking with us before the dinner. It got the meeting off to a very good start. Your advice about the length and structure of the communiqué was read, marked, learnt and inwardly digested.

2. I shall be tied up with the Personal Representatives until Thursday lunchtime. This means that I should be grateful if you would accept my apologies for being absent both from the meeting of the Economic Strategy Committee at 10.00 am on Thursday 19th February and from the meeting of the Cabinet which follows it. Mr. Le Cheminant will be in charge of the Secretariat for the E meeting and I have asked Mr. Franklin, as the senior Deputy Secretary in the Cabinet Office, to take my place at Cabinet.

RA

ROBERT ARMSTRONG

18th February, 1981



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Faint, illegible text at the bottom of the page, possibly a signature or footer.

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2.

Prime Minister.

AWJ
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Ref. A04284

PRIME MINISTER

You very kindly agreed that I should use the Small Dining Room in No. 10 for entertaining the Personal Representatives. You know from last night how much we all appreciated both the opportunity of dining in No. 10 and your kindness in meeting and talking with us before the dinner. It got the meeting off to a very good start. Your advice about the length and structure of the communiqué was read, marked, learnt and inwardly digested.

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AWJ

RA

ROBERT ARMSTRONG

AWJ

18th February, 1981

① Mr. Whitefore
② FILE.

ML
10:2



Rang today
P.M. wd lookin
therefore ed
hey please
make dinner a
little later.

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

RIA

CABINET OFFICE

A 82

9 FEB 1981

FILE INSTRUCTIONS

FILE No.

For Paul.

The Prime Minister will do her best to look in at your dinner for Personal Representatives on Tuesday 17 February but I must warn you that there is an audience that night and she may well not be back until about 8.00 which could be slightly inconvenient in that I assume you will be eating by then?

Caroline

I found that, if the Prime Minister was willing in principle, we would if necessary keep dinner waiting for a bit.
R.

9 February 1981

*P.A. has discussed with Foreign Secretary.**For. Sec. 17/2*Planning StaffQuadripartite: Secretary of State's Meeting
with Mr Eagleburger

During an informal discussion at which both Mr Vest and his successor, Mr Eagleburger, were present this morning, the following points arose:

TNF

Mr Eagleburger said that Haig was worried about German and Italian resolve on TNF, and would be working on them hard. He would like us to do the same. Lord Carrington asked for American help over ERW; Eagleburger got the point.

NATO Review

The Secretary of State said he would want to raise this during his talks with Haig. Vest reacted sceptically: he did not understand the purpose of a review, which could only be successful if it were 'fixed' in advance. Lord Carrington said that he would explain our thinking to Haig, and that meantime we would not be talking to the Germans or French about this.

Dr Luns

Both Vest and Eagleburger (and maybe by implication Haig) agreed that he must go, and that the Americans must give him the final shove. It would be personally difficult for Haig to do this, but Vest was convinced that it could be done decently; he did not say how. Lord Carrington said that it was difficult for us to do anything, given that we had a candidate to replace Luns.

G. G. H. Walden(G G H Walden)
Private Secretary

9 February 1981

cc: PS/LPS
PS/Mr Hurd
PS/PUS
Sir A Acland
Mr Bullard
Mr P Moberly
Defence Dept

Planning StaffQuadripartite: Secretary of State's Meeting
with Mr Eagleburger

During an informal discussion at which both Mr Vest and his successor, Mr Eagleburger, were present this morning, Eagleburger said that Haig would be grateful for British help in staving off African pressures over Namibia particularly during Lord Carrington's visit to Nigeria. Eagleburger hinted that given time US policy would mature. The Secretary of State was not sure that time would be given.

I. J. Walden

(G G H Walden)
Private Secretary

9 February 1981

cc: PS/LPS
PS/Mr Luce
PS/PUS
Mr Bullard
Mr Day
Sir L Allinson
SAf Dept

Planning StaffQuadripartite: Secretary of State's Meeting
with Mr Eagleburger

During an informal discussion at which both Mr Vest and his successor, Mr Eagleburger, were present this morning, Eagleburger implied that Haig would be grateful for an assurance that Europe would not stir the pot over the Middle East, while the President was forming a policy. He hinted that President Reagan's pre-conceptions could be diluted, given time. Lord Carrington said that the Israeli election would make it impossible for the Ten to push their initiative before July at the earliest.

J. F. Walden

(G G H Walden)
Private Secretary

9 February 1981

cc: PS/LPS
PS/Mr Hurd
PS/PUS
Sir J Graham
Mr Bullard
Mr J Moberly
NENAD
ECD(E)

35

10 FEB 1981



Foreign Policy

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hr

Prime Minister
To Mr. [unclear]



4
Ref. A07088

MR. ALEXANDER

Ottawa Summit: Meeting of Personal Representatives, London, 17th-19th February

In your minute of 12th January, you said that the Prime Minister had commented that for the forthcoming preparatory meeting for the Ottawa Summit to be held, as I had suggested, in Lancaster House, would give the wrong impression to the British public, and had suggested that it might be possible to hold the meetings in Admiralty House.

2. There are no facilities for meetings in Admiralty House; but, in view of the Prime Minister's comment, I have made arrangements to hold the meetings in the Cabinet Office, and to use Admiralty House for feeding the Personal Representatives. I think we can provide the necessary facilities for the meetings (including appropriate security arrangements) in the Conference Rooms near my own office.

RAA

ROBERT ARMSTRONG

mf

27th January, 1981

out

Foreign
Policy

BF

SIR ROBERT ARMSTRONG

MEETING OF PERSONAL REPRESENTATIVES

The Prime Minister has seen your minute of 9 January to me on this subject. She has commented that it would give the wrong impression to the British public for next month's meeting to be held in Lancaster House. She has asked whether it would not be possible to hold the meeting instead in Admiralty House.

M. O'D. B. ALEXANDER

12 January 1981

QB

Ref. A03957

MR. ALEXANDER

①
Prime Minister.
Lancaster House is very grand for an occasion of this kind. But it is convenient or it is free. It would not cost more than the alternatives. Agree? *RM*

As you know, the next meeting of Summit Personal Representatives, in the middle of next month, is to take place in London.

2. The most convenient and suitable place to hold the meeting would be Lancaster House. It has the conference facilities, including the possibility of providing lunch on the premises, which we could not readily do in the Cabinet Office or the Foreign and Commonwealth Office. Lancaster House is known to be free at the time.

3. The normal rule is that Lancaster House may be used only for conferences in which Ministers are involved. This rule has been stretched on occasion: for example, a couple of years ago the Commissioner of the Metropolitan Police held a conference there of capital city Police Commissioners. This was brought within the rule (or the rule was stretched to cover it) by inviting the Home Secretary to open the conference for ten minutes on the first day, though he took no other part in it and it was the Commissioner's conference.

4. I propose to ask the Property Services Agency whether they would be prepared to stretch the rule for the meeting of Personal Representatives on the grounds that I would be hosting it as the Prime Minister's Personal Representative. My chances of succeeding would obviously be greater if I could say that I have^d consulted the Prime Minister and she hoped that it would be possible to give favourable consideration to what was proposed. I could do this by saying something like: "The Prime Minister has authorised me to express the hope that, as I am hosting the meeting as the Prime Minister's Personal Representative, it could be regarded as coming within the rule covering conferences at Lancaster House".

5. I should be very grateful if the Prime Minister felt able to support my request in this way.

I think this would *RA*
give the wrong impression to the British public.
Whist about Admiralty House - that is a lot of free space, + excellent conference facilities *AS*.

9th January, 1981

ROBERT ARMSTRONG



1. CAW ^{had}
2. MOBA o/r
29 x 12
M.A.

CABINET OFFICE

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

M. O'D. B. Alexander, Esq.

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319



Foreign Policy

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet Sir Robert Armstrong KCB CVO

Ref. A03852

23 December 1980

I am sorry that it has taken me a little time to complete the preparation of my summary note for record of the meeting of Personal Representatives in Paris on 9th and 10th December.

I now enclose a note of the discussion on 10th December. I have already circulated reports of the discussion on 9th December of arrangements for the Ottawa Summit and political consultation, and I have written separately about the conclusions reached on the aid study and on energy.

I also enclose copies of three memoranda which were circulated by Ambassador Henry Owen at the end of our meeting on 10th December. We did not discuss these papers at all.

I also enclose copies of a message from Alan Gotlieb dated 16th December enclosing his revised version of the consolidated short list of questions for the aid study. We shall need to consider how we prepare our position paper, which I am due to circulate to my fellow Personal Representatives by 1st February.

I am sending copies of this letter and of the enclosures to Donald Maitland, Peter Preston and Ken Couzens.

ROBERT ARMSTRONG

Sir Michael Palliser, GCMG

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Ref. A03862

NOTE FOR RECORD

Meeting of Personal Representatives, Paris: Wednesday, 10th December

On the morning of 10th December we considered the aid study, on the basis of the message which the Canadian Personal Representative had sent on 28th November and the consolidated short list of questions attached as Annex A to that message.

2. Introducing his paper, Mr. Gotlieb (Canada) distinguished two kinds of questions in the list: those that were hard and specific and those that were more philosophical. It seemed to him that the report which Personal Representatives were due to make to Heads of Government would need to address itself to both sets of questions. He suggested that, if we could agree that the list of questions covered the issues to which the report would need to be addressed, the answers to the questions could be discussed at a further meeting.

3. Ambassador Henry Owen (USA) thought that the main interest in the discussion would centre on Questions 7 and 8 in the short list of questions (relating to aid for energy, agricultural development and population measures). The White House staff had discussed with President Carter whether to include in the United States approach for 1981-82 not only increased aid for energy production, agricultural development, food availability and population measures, but also a special provision for implementing the proposals in the Venice Communique.

4. Sir Robert Armstrong (United Kingdom) distinguished between the general questions in the list, such as those at the beginning and end of the list, and the specific questions in the context of which Heads of Government had commissioned the aid study. If the study was to range as widely as was suggested by the list of questions, it would be a very major piece of work, and one on which it might be difficult to reach agreement. He suggested that it would be both more likely to be successful and in the spirit of the Venice discussion to concentrate on the specific questions, and in particular on questions of aid distribution, by geographical countries and by economic sectors, and on the balance between multi-

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lateral and bilateral aid. He suggested that Personal Representatives should have in mind that whatever document was eventually submitted to Heads of Government might need to be published or might become public even if it was not published, though this should not inhibit Personal Representatives in preparing the framework for their report.

5. Mr. Crispin Tickell (European Commission) said that, though the conclusions proposed in the report should be specific and pithy, they would need to be based on wide-ranging and profound analysis, which should cover the questions addressed at the beginning and end of the Canadian list.

6. Mr. Horst Schulmann (Federal Republic of Germany) said that the language of the Venice Declaration did not fully reflect the strong feelings which had been expressed around the table at Venice. The aid study should not be focused solely on official development assistance (ODA). ODA was not going to make much difference to the world in the next 20 years. We had to remember that the industrialised countries were now all net borrowers, and that in effect every dollar, mark, franc or pound which they gave or lent in ODA had to be raised in international markets. There were many other ways besides ODA in which what the industrialised countries had to do would be of direct benefit to the less developed countries (LDCs). For example, the development of alternative sources of energy would reduce pressures on oil supplies and ensure that the prices which LDCs paid for oil would be less than they would otherwise be. For another example, LDCs should be encouraged to help themselves by means of expanding their trade, rather than being dependent on aid. This meant that for the industrialised countries to keep their markets open to the LDCs was a most important form of aid to the LDCs. In order to keep their markets open and at the same time maintain employment at home, the industrialised countries would need to restructure their own economies, often at great cost. There was not all that much room for global fights over shares of global GNP. All countries, industrialised and less developed alike, had a mutual interest in mutual development of the world economy with as few frictions as possible. The LDCs had to get used to the fact that there was unlikely to be much growth in per capita income in Europe, and that that meant little or no growth in ODA by Europe. The

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industrialised countries needed to embark on a major educational process, which had better begin at the Mexico North/South Summit, if it occurred. The discussion should not be conducted in terms of the demands of the South for a real transfer of wealth and power from the North. The industrialised countries should be asking themselves what was their political interest in the third world. It was notable that in the last ten years all the conflicts between East and West had in fact taken place in the "South". The actions and reactions of the Islamic countries had been very important in relation to Afghanistan as those of ASEAN had been in Kampuchea. The developing countries should be encouraged in self-help. The industrialised countries should not think of the LDCs as pawns on a global chessboard, but needed to co-operate with them in a spirit of partnership and equality. It was desirable to support efforts for greater regional co-operation. We should not try to distinguish between good and bad countries or large and small countries. If Personal Representatives could reach agreement on a general framework, then we could turn to discussion of specific priorities for aid, which should in his view be energy, agricultural development and population measures and should be directed towards the poorest countries.

7. Ambassador Henry Owen (United States) distinguished three main issues to be covered by the study:

- (a) The political interest of the industrialised countries in the Third World.
- (b) The non-aid policies of industrialised countries relevant to the Third World.
- (c) How ODA to the industrialised countries could be most effective.

Heads of Government would have to define the political interest; there was not much which Personal Representatives could do to help them on that. The second and third issues were very much for Personal Representatives.

Mr. Schulmann had usefully drawn attention to the problem how to focus ODA on the countries most in need.

8. Mr. Gotlieb said that he saw some difficulty in the approach which was being suggested. Should Personal Representatives set about drawing conclusions for Heads of Government about relationships of the industrialised countries with the Third World? The aid study had to be set in its broad context,

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and it needed to address itself to the central questions: what does the "South" want? how is the "North" failing to meet that? how do we deal with "North/South" in the broadest sense? The aid study should not just be a study of relations between the Third World and the West.

9. Signor Sergio Berlinguer (Italy) also spoke in favour of setting the aid study in a broader context. It was true that the mandate in paragraph 26 of the Venice Communique was precise and limited, but Heads of Government had referred in paragraph 20 to the wider political approach.

10. Mr. Tickell and Ambassador Owen both endorsed the idea of meeting the need for some wider context for the aid study, and suggested that it should take the form of a general introduction to a later section dealing with specific issues. They hoped that Mr. Horst Schulmann would agree to write the general introduction, on the lines of what he had said earlier in the meeting.

11. In further discussion it was suggested that the study ought to deal with the importance of trade measures; the distribution of aid within as well as among countries; and the refugee problem.

12. The meeting then went through the consolidated short list of questions one by one. The following points arose in discussion:

- (i) The subjects dealt with in Question 1 would be covered in the proposed general introduction.
- (ii) It would no doubt be necessary to discuss the issues raised by Questions 2 and 4, but the answers to the questions would certainly be no, so that it was not worth spending very much time on them.
- (iii) It was agreed to delete the second sentence of Question 5. In discussion Ambassador Owen suggested that we should beware of too easy a commitment to increasing bilateral as opposed to multilateral aid: the United States had been able to give more aid to certain countries because the aid had gone through international institutions.
- (iv) In Question 8, population measures were of sufficient importance to be treated separately from agricultural development and food availability. The aid study would need to define priorities for the sectoral

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distribution of aid: it seemed likely that the highest priority would be the development of indigenous sources of energy, the development of agriculture, and population measures. The relevance of food pricing policies in LDCs should be stressed.

- (v) In dealing with Question 9 it might be as well also to cover the question whether regional aid agreements should be encouraged.
- (vi) Question 10 should be divided into two separate questions; and the reference to transfer of technology should be expanded to cover scientific and technical co-operation.
- (vii) In this question the word "long-term" should come out.
- (viii) The last seven words of Question 12 should be omitted.
- (ix) The first sentence of Question 13 should be recast to read:

"Should changes be made in the international financial institutions in the interests of greater receptivity to the needs of the LDCs" or words to that effect.

- (x) There was considerable measure of agreement with the view that, though the last two questions were important, they were not really for the aid study committed to Personal Representatives. The Canadian Personal Representative showed some reluctance to accept that view.

13. The meeting noted that there had been a meeting about "Global 2000" in Washington on 14th October. The Group which met on that occasion wanted to have a further meeting to discuss the report which they were due to submit to Personal Representatives, before it was submitted. It was agreed that Personal Representatives should return to this subject once the 14th October Group had had their second meeting.

14. The meeting then turned to the procedure for taking the aid study further.

15. The Canadian Personal Representative agreed to revise the consolidated short list of questions in the light of discussion and circulate it to his colleagues before Christmas.

16. The meeting accepted a suggestion by Sir Robert Armstrong that each country should then prepare its own position paper on the issues raised in the list of questions. These papers should be circulated in time for a meeting in the

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middle of February at which they would be discussed. It would then be necessary to decide, on the basis of that discussion, how to set in hand the preparation of the report to Heads of Government. If a sufficient degree of agreement emerged, it might be possible to remit the preparation to one person; the alternative would be to remit it to a group of people.

17. Mr. Schulmann agreed to circulate a paper setting out more fully the thoughts which he had contributed to the discussion. This would not be a draft introduction to the report of the aid study, though it might serve as material from which an introduction could be drafted.

18. It was agreed that the February meeting should be held on 18th and 19th February. Personal Representatives could be accompanied by up to two experts, who could be but need not necessarily be those who would accompany them for their regular meetings. Sir Robert Armstrong hoped that it would be possible for him on this occasion to offer his colleagues the hospitality of London.

ROBERT ARMSTRONG

(Robert Armstrong)

22nd December, 1980

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Ref. A03878

NOTE FOR RECORD

Meeting of Personal Representatives: Paris, Wednesday, 10th December

On the afternoon of 10th December we turned to questions of energy.

2. The Canadian Chairman of the High Level Monitoring Group (HLMG) reported on the dinner of Energy Ministers which had taken place the previous evening and on the meeting of the HLMG that morning.

3. The HLMG had had a report from Mr. Lantzke on progress of the seven countries towards the energy objectives set out in the Venice declaration. Member countries would comment on the report to Mr. Lantzke, and the HLMG would meet again at the end of February or early in March to consider individual comments. This process would eventually lead to a report to Heads of Government at Ottawa.

4. Mr. Kikuchi (Japan) asked what arrangements there were for re-examining the objectives defined in the Venice declaration in the light of the French belief that the forecasts of OPEC production on which the Venice declaration was based were too optimistic. In discussion it was agreed that the HLMG should be asked to make a judgment as to whether the assumptions underlying the Venice goals were likely to be wrong; but it was suggested by Sir Robert Armstrong that, since the objectives were in terms of 1990, it would be premature to revise the assumptions unless some reason had emerged since the Venice Summit for thinking that they were fundamentally wrong: it was too early for "fine-tuning" revisions.

5. The Canadian Chairman of the HLMG said that the main probable shortfall which had been identified was in relation to the target for the doubling of coal production. There was not yet much movement to report on the development of nuclear energy, but it would be premature to suggest at this stage that the Venice objectives on nuclear energy would not be reached.

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6. The meeting then turned to the proceedings at the dinner of Summit Energy Ministers on 9th December, and the question how to deal with the new topics identified at that meeting. It was provisionally decided, subject to any reservations or views to the contrary being expressed to the Chairman (Mr. Gotlieb) within ten days, that the Canadian Government, being in the chair, should summon an ad hoc group to consider the proposals for setting up an international oil fund, and to report back to Personal Representatives in time for the meeting on 18th and 19th February.

7. It was agreed that the French proposal for a more positive attitude towards the energy problems of the LDCs would be dealt with in the course of the aid study.

8. As to the development of a coherent position in face of the OPEC long-term strategy, it was agreed that this was a matter which required further study. After discussion, it was decided not to commission further work on this subject for the present. Mr. Gotlieb (Canadian Chairman) invited each Personal Representative to consider what aspects of energy should be taken up at the Ottawa Summit, with a view to a further discussion when Personal Representatives met in London on 18th and 19th February.

Future business

9. It was agreed that the meeting of Personal Representatives on 18th and 19th February would need to decide what work should be commissioned on macro-economic issues, international monetary issues and trade for the Ottawa Summit. It would probably be advantageous to commission a study of macro-economic issues on the lines of that prepared by Mr. Charles Schultze for earlier Summits, though Mr. Schultze himself would no longer be in a position to undertake such reports. While it would not necessarily be appropriate to commission the report from Mr. Schultze's successor as Chairman of the Economic Policy Committee of OECD, it would probably be sensible to commission a report from some individual in that organisation, on a personal rather than a corporate basis.

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10. Personal Representatives would need to meet three or four weeks before the Ottawa Summit for final preparations; that meeting should take place after the North/South Summit in Mexico if that occurred. Personal Representatives would probably need one other meeting between February and June; it was suggested that this meeting should take place about the third week of May 1981, and the Canadian Representative said that the Canadian Government would be very happy to welcome Personal Representatives and their colleagues to Vancouver.

ROBERT ARMSTRONG

(Robert Armstrong)

23rd December, 1980

INTERNATIONAL AGREEMENT ON ILLICIT PAYMENTS

US paper

In the Venice communique, the Summit agreed:

"As a further step in strengthening the international trading system, we commit our governments to work in the United Nations towards an agreement to prohibit illicit payments to foreign government officials in international business transactions. If that effort falters, we will seek to conclude an agreement among our countries, but open to all, with the same objective."

No progress has been made on this initiative in the United Nations since an ECOSOC Committee completed work on a largely unbracketed draft agreement in the spring of 1979. Progress has been blocked by the insistence of the Group of 77 that a conference to conclude an agreement on illicit payments be tightly linked to a conference to adopt a general code of conduct for trans-national corporations.

President Carter informed the US Congress shortly after the Venice Summit meeting that the United States would make a further effort in this year's General Assembly to establish a schedule for concluding an agreement in the United Nations to prohibit bribery of government officials in international business. If the General Assembly could not agree to schedule a conference on the illicit payments agreement, the President said he would ask "the other heads of government at the 1981 Summit to direct the prompt negotiation of such an agreement among our seven nations but open to others."

The United States, in consultation with the other industrial countries, has just completed this effort to make progress in the UN. The US proposed a conference on illicit payments in the first half of 1981. We said the US could accept a conference on the general code of conduct for trans-national corporations later that year provided there was no linkage between the two. Most other industrial countries took the position the draft code of conduct is not yet ready for a conference. This effort failed just as previous efforts failed at ECOSOC in 1979 and 1980 and in the General Assembly in 1979, because the developing countries insist on linking the agreement on illicit payments to the code of conduct.

Thus, it is clear that the work on illicit payments in the UN has faltered and that if agreement is to be concluded in the near future, the Summit countries should now proceed in accordance with the Venice communique. The United States has advised the UN community that it does not intend to pursue the matter further in the UN; and the developing countries have not reacted badly. We are hopeful that if an agreement is concluded among the seven, some important developing countries eventually will accede to it.

Other advantages of concluding an agreement outside the UN are:

- a text can be developed which is satisfactory to the industrial countries;
- the negotiations will not have to confront the issue of southern Africa which is likely to impede success at any UN conference.

US page

Status of U.S. Efforts to Meet
Summit Commitment Objectives

Among the seven Summit members, the United States is well positioned to achieve the full range of commitments made at the Venice Summit in June 1980, i.e.:

- that no new baseload, oil-fired generating capacity should be constructed, save in exceptional circumstances, and that the conversion of oil-fired capacity to other fuels should be accelerated;
- to undertake measures to conserve oil in each sector of countries' economies;
- to increase non-oil energy production over the next 10 years by 15 to 20 MMB/D;
- to double coal production and use by the early 1990's;
- to accelerate the commercialization of new energy technologies such as synthetics;
- to aim to reduce the ratio of energy growth to economic growth over the coming decade to 0.6, to reduce the share of oil in total energy demand from 53 percent at present to 40 percent by 1990, and to reduce collective oil consumption significantly below current levels by 1990 to permit a market balance at tolerable prices; and
- to expand nuclear generating capacity while giving highest priority to health and safety.

U.S. efforts to discourage oil consumption and encourage the switch to non-oil fuels are embodied in a variety of U.S. programs:

- The crude oil price decontrol program is well advanced and is supported by a comprehensive set of legislative and administrative initiatives.
- The use of both oil and natural gas in new utility and industrial boilers is already prohibited by the Powerplant and Industrial Fuel Use Act.
- We have already undertaken numerous measures to conserve oil in each sector of our economy.

- In the transportation sector, we have mandatory fuel efficiency standards for automobiles for the period to 1985, a 55 mile-per-hour speed limit for our highways, a nationwide program to expand vanpooling/ carpooling and to improve driving habits, large R&D undertakings, and an annual \$3 billion program for urban mass transit funding coupled with a 10 percent energy credit for intercity buses to increase seating capacity.
- In the residential/commercial sector, legislation already enacted provides a wide range of tax credits and grants to encourage conservation. The Energy Security Act established a Solar Energy and Energy Conservation Bank to expand financial incentives for conservation. We are establishing energy performance standards for new residential and commercial buildings and encouraging local communities to develop conservation programs to meet their particular needs. Existing emergency legislation mandating temperature controls in non-residential buildings has been extended to January 1, 1981. We are also developing energy efficiency standards for new appliances.
- In the utility and industrial sectors, as noted, we have already enacted the Powerplant and Industrial Fuel Act which prohibits the use of both oil and natural gas in new utility and industrial boilers. Moreover, current law provides business tax credits for industrial investment in alternative energy equipment and cogeneration equipment. These economic incentives are working well. Since 1972, the ten most energy-intensive industries in the United States have boosted energy efficiency 14 percent providing a savings of about 1.2 MMB/D of oil equivalent.

On the supply side, the United States is strongly committed to increasing domestic energy production. Specifically:

- Coal, our most abundant energy resource, has been singled out for special production emphasis. Expanded use of coal is a key element of U.S. energy policy. Our coal production is projected to almost double by the early 1990's. To achieve this goal, the President has established a Coal Export Task Force to recommend actions to eliminate the constraints which impede increased coal utilization and hamper our ability to expand coal exports. In addition, the recently enacted Energy Security Act authorizes us to provide substantial financial incentives to private industry to spur the conversion of coal into synthetic fuel.

- Phased decontrol of crude oil and the incentives it offers coupled with an ambitious Federal leasing program in such areas as the Outer Continental Shelf have generated increased exploratory activity. More exploration rigs (3,200) are now drilling in the United States than at any time in the last 25 years, and the number of exploratory and development wells completed in 1979 was nearly double the 1973 level. As a result of high prices, the oil and gas industry has increased the number of crews involved in seismic exploration by nearly 35 percent in the last year.
- To stimulate natural gas production, we have taken steps toward replacement cost pricing by allowing the phased decontrol of new natural gas production.
- Nuclear power continues to be an important part of our energy program. By 1990, we expect nuclear's contribution to total U.S. energy supply to more than double from 1.3 MMB/D in 1979 to 3.5 MMB/D of oil equivalent in 1980. We are strengthening our efforts to assure that power plants are built and operated safely and that waste materials are handled and disposed of safely. Renewal of nuclear plant licensing is already underway.
- The commercialization and use of renewable energy and synthetic fuels will be enhanced by the Synthetic Fuels Corporation. With initial funding of \$20 billion, the Corporation will act as a banker both making and guaranteeing loans to produce oil from shale, to gasify and liquefy coal, to expand solar installations, and to demonstrate the future role of geothermal, biomass, wind, and other promising technologies. In addition, the United States was the principal sponsor of the International Energy Technology Group. This Group has an ambitious follow-up program to commercialize new alternative energy technologies.

Overall, the United States could contribute 45 percent, or about 8 MMB/D, to the collective Summit commitment to increase non-oil supplies by 15 to 20 MMB/D.

We are a key backer of increasing World Bank programs for hydrocarbon development in developing countries.

While these steps place us in an enviable position to fulfill our Summit objectives, the achievement of oil market balance at tolerable prices in 1990 may be unobtainable for the group since imported oil demand may not be matched by

sufficient OPEC supply or if greater than expected economic growth takes place. The prospect, therefore, is for either higher real prices or significantly reduced growth or both unless further measures are introduced. This is particularly true for the other Summit countries, some of which currently expect to increase demand for imported oil. For its part, the United States is reviewing possible new initiatives.

In response to a request from the Secretary and prior to starting the NEP III process, the Office of Policy and Evaluation has prepared a Vulnerability Reduction Study to explore additional measures to increase domestic energy production and reduce energy demand. The Administration is also exploring ways to increase oil exploration and development of offshore and frontier areas.

The attached papers provide details on the U.S. performance and programs in relation to the Summit objectives.

Attachments

Conservation

I. Utilities

A. Summit Commitment

"We are agreed that no new baseload, oil-fired generating capacity should be constructed save in exceptional circumstances, and the conversion of oil-fired capacity to other fuels should be accelerated."

B. U.S. Actions

The United States has already begun reducing oil used for electricity generation. Oil accounted for about 15 percent of net electricity production in 1979, while our latest figures indicate that such a contribution dropped to about 13 percent in the first 8 months of 1980.

The United States has already enacted the Powerplant and Industrial Fuel Use Act of 1978 which prohibits the use of oil in new electric utility generation facilities. It also provides authority to require existing coal capable facilities to use coal, and non-coal capable facilities to use coal-oil mixtures. We have already ordered 29 facilities to convert from oil and gas to coal resulting in a potential displacement of 164,000 B/D of oil.

In addition, the utility oil displacement plan submitted to Congress would accelerate the conversion of existing oil-fired generating plants thereby reducing consumption of oil and gas in electric power generation by up to 1 MMB/D by 1990. These conversions would result in a decline of oil's share from 15 to 6-9 percent of total generation. Oil use in the electricity sector was 1.2 MMB/D in the first 8 months of 1980. One version of this plan, which is aimed at reducing oil use by 300 MB/D by 1990 through conversions of oil-fired power plants to coal or other fuels has now passed the U.S. Senate. A slightly different version of the plan is currently being considered in the Subcommittee on Energy of the U.S. House of Representatives.

Conservation

II. Industry

A. Summit Commitment

"We will increase efforts, including fiscal incentives where necessary, to accelerate the substitution of oil in industry."

B. U.S. Actions

End-use industrial energy consumption in 1979 was below 1973 levels even though industrial output has increased by over 13 percent. Our dependence on oil for industrial energy consumption is among the lowest for Summit countries. By 1990 we expect to reduce oil's share in this sector from 32 to about 23 percent.

The United States has already undertaken major initiatives to accelerate the substitution away from oil in industry. The main features of U.S. policies to discourage the use of oil and gas in the industrial sector are:

- a prohibition against the use of oil or natural gas as a primary fuel in any newly constructed large industrial or utility facility;
- existing plants capable of burning coal may be ordered to convert to coal or an alternative fuel. For existing units, which are not able to burn coal, the United States may require the use of coal-oil mixtures, or mixtures using alternate fuels;
- business tax credits for industrial investment in alternate energy and conservation equipment;
- denial of the investment tax credit and accelerated depreciation for new oil and gas burners;
- improving the competitive economics of coal by correcting oil and gas price distortions through oil and natural gas price decontrol;
- programs to improve energy efficiency in industry through efficiency improvement targets, targets for recycling energy intensive products, studies of industrial efficiency, and a program to encourage more rapid adoption of energy conserving equipment and techniques.

In addition to existing measures, the Energy Security Act of 1980 authorizes up to \$40 million in each of the fiscal years 1981 and 1982 to accelerate research, development, and demonstration of energy productivity in industry.

Conservation

III. Residential/Commercial

A. Summit Commitments

"We will encourage oil-saving investments in residential and commercial buildings, where necessary by financial incentives and by establishing insulation standards. We look to the public sector to set an example."

B. U.S. Actions

U.S. oil consumption in the residential/commercial sector has declined since 1973. Between 1973 and 1979, oil consumption in the residential/commercial sector dropped by almost 300 MB/D or 8 percent. The United States expects oil use in this sector to decline from 3.4 MMB/D in 1978 to 2.4 MMB/D in 1990 when oil will represent only 26 percent of residential/commercial energy use.

Residential conservation is encouraged directly through decontrol of energy prices, tax credits, utility-supplied audits, loan subsidies, weatherization for low-income families, minimum state standards for new construction, demonstration/outreach to businesses which supply conservation materials and services, and mandatory temperature controls.

In the past year, the United States has:

- enacted the Conservation Energy Bank for loan subsidies;
- expanded the role of utilities in the provision of energy services;
- turned around the weatherization program for low-income individuals;
- conducted a highly successful Low-Cost/No-Cost information campaign in New England; and
- completed implementation of the Residential Conservation Service which will start offering residential audits nationally in January.

The United States is developing energy conservation standards for all new residential and commercial buildings and mandatory efficiency standards for all major home appliances under existing legislation. By 1981 we expect to have the Building Energy Performance Standards (BEPS) in place. BEPS will apply to all new residential and commercial buildings

and will be mandatory. The Energy Tax Act of 1978 provides a number of incentives to stimulate retrofitting. These incentives include tax credits of 15 percent of the cost of the investment (up to \$300 for residences), matching grants for schools and hospitals, and weatherization grants for low-income families. In addition, under the Energy Conservation and Policy Act of 1978 (EPCA), utilities are required to help consumers reduce fuel bills by providing information on energy-saving devices and practices, performing energy audits, and providing information on sources for financing and installation of energy-saving measures.

The Energy Security Act of 1980 has expanded EPCA's provisions. Under the new legislation, public utilities can provide financing at attractive interest rates as well as subcontract installations. Energy audits are provided at low cost. This service has also been expanded to include all residential and small commercial buildings.

The Federal program setting mandatory temperature controls in non-residential buildings has been extended until January 1, 1981. These restrictions limit heating, air conditioning, and hot water temperatures in about 3 million non-residential buildings. Temperatures, under the rules, are limited to 78 degrees Fahrenheit for air conditioning, 65 degrees for heating and 105 degrees for hot water. Compliance with these standards is monitored through periodic inspections.

Conservation

IV. Transportation

A. Summit Commitments

"In transportation, our objective is the introduction of increasingly fuel-efficient vehicles. The demand of consumers and competition among manufacturers are already leading in this direction. We will accelerate this progress, where appropriate, by arrangements or standards for improved automobile fuel efficiency, by gasoline pricing and taxation decisions, by research and development and by making public transportation more attractive."

B. U.S. Actions

The President has set a national gasoline target to limit consumption in 1980 to 7 MMB/D, a 5.6 percent decrease from the 1978 level. Gasoline consumption in the first ten months of 1980 was 7.0 percent below that for the same period of 1979.

One of the means for insuring that the U.S. reduces its gasoline consumption is the U.S. system of mandatory fuel economy standards. Under U.S. law, mandatory fuel economy standards have been established for each model year through 1985. Domestic auto manufacturers exceeded the standards for model years 1978, 1979, and 1980 and are projected to continue to do so through 1985. By 1985 domestic manufacturers are projected to achieve over 30 mpg as compared to the 27.5 mpg standard.

To support the 1980 gasoline consumption goal, the President has initiated a nationwide conservation awareness campaign to enhance transportation conservation through increased driver efficiency and ridesharing.

The United States plans to increase the substitution of alcohol fuels for oil in transportation. The United States now provides a \$17 per barrel tax subsidy for alcohol used in motor fuels. In addition, the Energy Security Act of 1980 established a 2-year financial assistance program, funded at \$500 million, for the production of alcohol fuels. The Act mandates that plans be developed to assure production of alcohol fuels in the amount of 60 MB/D by the end of 1982 and at a level equal to at least 10 percent of U.S. gasoline consumption in 1990.

In transportation R&D, the U.S. budget (now over \$110 million) is principally directed at improving automobile fuel efficiency and in developing alternatives to gasoline powered transportation.

Gasoline prices are being deregulated as a result of crude oil decontrol and will be completely deregulated, along with oil, by October 1, 1981. A special crude oil cost provision implemented by the U.S. government allows refiners to apply a disproportionate share of their refinery costs to gasoline.

Although U.S. gasoline prices will continue to increase, the percentage increase has already been substantial. Since the end of 1978, gasoline prices have increased by about 60 percent in real terms.

An extensive Federal grant program, financed by gasoline taxes, has been implemented since 1978 to expand urban transit systems. For each of the past three fiscal years, \$3 billion has been allocated for construction and operating expenses. Federal monies provide 80 percent of the costs and the states provide the remaining 20 percent.

Supply

V. Increases in Non-Oil Supplies

A. Summit Commitment

"We must rely on fuels other than oil to meet the energy needs of future economic growth. This will require early resolution and wide-ranging actions. Our potential to increase the supply and use of energy sources other than oil over the next 10 years is estimated at the equivalent of 15-20 million barrels daily of oil. We intend to make a coordinated and vigorous effort to realize this potential. To this end, we will seek a large increase in the use of coal and enhanced use of nuclear power in the medium term and a substantial increase in production of synthetic fuels, in solar energy and other sources of renewable energy over the longer term."

B. U.S. Actions

The U.S. commitment to increase production and use of coal, natural gas, nuclear power, synthetics, and renewable energy sources is unmatched. For example, we have embarked on a formidable array of programs to accelerate production from our vast coal reserves, and to develop and commercialize new technologies through the creation of a synthetic fuels industry. We believe the success in achieving our collective Summit goals will be a function of equally strong commitments from all Summit members.

Coal: U.S. coal production in 1979 reached a record level of 781 million tons, a 16.6 percent increase over 1978 production. Assuming domestic and foreign demand for steam coal remains buoyant, U.S. coal production could reach 1.2 billion tons in 1990. We expect domestic consumption to reach 1.1 billion tons by 1990, and approximately double the 1978 level by the early 1990's.

The principal focus of the U.S. coal program is to create additional demand for coal. Our program consists of five parts:

- A \$10 billion commitment over a 10-year period to reduce consumption of oil and natural gas in electric power generation by up to 1 MMB/D of oil equivalent primarily through greater use of domestic coal reserves. If enacted by the Congress, this plan will accomplish a greater number of powerplant conversions in an earlier timeframe than achievable under current law through provision of Federal financial assistance and streamlining of regulatory requirements. The Powerplant

Industrial Fuel Use Act of 1978 already prohibits use of oil and natural gas in new electric generation facilities and industrial boilers and provides authority to require the use of coal in existing coal-capable powerplants which now burn oil;

- A program to increase significantly coal exports by the end of the decade. To stimulate coal production to meet anticipated domestic and foreign demand, the President established in April 1980 an interagency Coal Export Task Force to identify and make recommendations for overcoming the constraints which currently hamper increased coal utilization, e.g. investor uncertainty regarding the market for coal, regulatory delays, high transportation costs, environmental concerns, inadequate infrastructure, and regional development problems. The Task Force will report to the President in December 1980 in time for recommendations to Congress by early 1981 on any necessary legislation for accelerating coal utilization.
- A synthetic fuels industry based on liquid, gaseous, and clean-burning solids derived from coal is already underway. Major demonstration projects are well along. A Synthetic Fuels Corporation has been established with initial funding of \$20 billion to provide financial incentives in the form of loan guarantees and price-purchase commitments for projects which have reached the commercialization stage; and
- Rapidly growing investment in coal research and development, which will exceed \$1 billion in fiscal year 1981. These funds will be used to assist coal conversion research, to continue the coal-oil mixture program, and to continue development of atmospheric fluidized-bed combustion systems capable of burning high-sulfur coals in an environmentally acceptable manner.

Natural Gas: Phased deregulation of natural gas wellhead prices is encouraging domestic gas production. Production of dry natural gas during 1979 totaled 19.5 trillion cubic feet, 2.0 percent more than in 1978, a significant reversal of previous declining production trends. Drilling rig utilization is now at an all-time high, indicating a substantial increase in domestic oil and gas exploration activity. The United States is proceeding toward construction of the Alaska natural gas pipeline which will increase domestic production by over 700 billion cubic feet. Construction has begun on the southern "prebuild" portion of the pipeline which will bring 200,000 barrels of oil equivalent of Canadian gas to the United States by the end of

1981. In June 1980 agreements were signed on the design, engineering, and cost estimates for the Alaskan segment of the pipeline and covering a commitment by companies to develop expeditiously a financing plan. Sponsors of the Alaskan pipeline and the North Slope gas producers have agreed to share the \$.5 billion cost of final design work and to negotiate a plan for financing construction of the Alaskan segment. Work on the financing plan and design is progressing well. As a result of these efforts and an increase in natural gas imports, we expect a small increase in domestic natural gas consumption in 1990 to nearly 10.0 MMB/D oil equivalent.

Nuclear Power: The President has reaffirmed the importance of the safe expansion of nuclear power. The Nuclear Regulatory Commission recently resumed nuclear plant licensing. Nuclear power provided an average of 11.4 percent of total electricity generation in 1979 compared to 4.5 percent in 1973. We expect nuclear power's role in energy supply to nearly triple by 1990 from 1.3 MMB/D of oil equivalent in 1979 to 3.5 MMB/D of oil equivalent in 1990.

Synthetics and Renewables: On June 30, 1980, the President signed into law the Energy Security Act of 1980 which provides for:

- A \$3 billion interim program to expedite synfuels production for national defense;
- A Synthetic Fuels Corporation with an initial budget of \$20 billion for the next five years to stimulate industry toward production goals of 500 MB/D of oil equivalent by 1987 and 2 MMB/D of oil equivalent by 1992;
- A 2-year, \$1.2 billion financial assistance program to expand the use of biomass, alcohol fuels and urban waste;
- A 3-year, \$10 million pilot program to demonstrate self-sufficiency through the use of renewable energy resources;
- A Solar Energy and Energy Conservation Bank to extend grants and subsidized loans for solar and conservation projects. Solar subsidies would total \$325 million through the fiscal year ending September 30, 1983, and conservation subsidies would total \$2.5 billion through fiscal year 1984; and
- Federal loans and loan guarantees to explore U.S. reserves of geothermal energy.

We already have numerous programs underway to stimulate the development and use of synthetics. The U.S. Department of Energy, in cooperation with the State of Kentucky and two major manufacturing firms signed agreements for the construction of a second large-scale synthetic fuels plant. When completed in 1984, the plant, using the SRC-I process, will convert high-sulfur coal into solid or liquid fuel equivalent to approximately 20 MB/D of oil. Moreover, the U.S., Japan and the Federal Republic of Germany recently signed agreements to build the first internationally sponsored commercial-scale synthetic fuels plant, employing the SRC-II process. This \$1.4 billion project will also process the equivalent of 20 MB/D of oil.

To further promote the use of synthetics, the United States has strongly urged OECD/IEA and other Summit governments to establish a High-Level Group for Energy Technology Commercialization. The objective of this Group is to enlarge the field of countries committed to the production and/or use of synthetic fuels and to ensure that no opportunity is missed to assist private industry in meeting its potential for synfuels production. This Group convened for the first time in September 1980.

U.S. programs currently in place to encourage the development and use of renewables include financial support for research, development, and demonstration activities to bring these technologies to the point of commercial readiness and incentives in the form of loans, tax credits, and grants to stimulate widespread use of these technologies. For instance, the National Energy Conservation Policy Act, a component of the National Energy Act of 1978, provides for:

- A program requiring utilities to offer energy audits to their residential customers that would identify appropriate energy conservation and solar energy measures and estimate their likely costs and savings; and
- A \$100 million program which will provide support for loans up to \$8,000 to homeowners and builders for the purchase and installation of solar heating and cooling equipment in residential units.

The Public Utility Regulatory Policies Act of 1978 provides a loan program to encourage the development of small hydroelectric facilities in existing dams which are not being used to generate electric power. This program, which provides for loans of up to 90 percent of the cost of a feasibility study and up to 75 percent of the project cost, is funded at \$100 million per year. Finally, the Energy Tax Act of 1978 provides, inter alia, residential solar tax credits and the exemption of gasohol from the Federal excise tax.

Domestic Supplies

VI. Hydrocarbon Exploration and Development

A. Summit Commitment

"We shall encourage the exploration and development of our indigenous hydrocarbon resources in order to secure maximum production on a long-term basis."

B. U.S. Actions

The United States is producing oil at a very low reserves to production ratio, indicating that we are depleting our proven reserves at a rate far faster than that of any of our principal IEA or Summit producing partners. The U.S. ratio is 9, well below that of Canada (13), Norway (46), and the United Kingdom (40).

Final approval of a 5-year planning schedule for oil and gas leasing on the Outer Continental Shelf (OCS) was announced by the U.S. Department of the Interior on June 18, 1980. The final program, which covers the period June 1980 through June 1985, includes a total of 36 potential sales or an average of over seven sales each year. The program provides for the earliest possible timing, based on compliance with applicable statutes, of informed decisions on sales in frontier areas, principally in Alaska, where OCS leasing has not previously occurred. The schedule includes 11 sales in the Gulf of Mexico, 6 in the Atlantic, 4 off California, 10 off Alaska, and 5 reoffering sales in other parts of the country.

U.S. oil exploratory and production work remains at record levels. The number of exploratory wells completed in the United States increased by 87 percent between 1973 and 1979 and the number of feet drilled increased by 75 percent over the same period. The number of rotary rigs in operation in November 1980 was 2.7 times the 1973 average. These historically high levels of exploration and production will assist in slowing the decline in U.S. production, which we expect will decrease by 1 to 2 percent annually through the 1990's.

With regard to exploration in Alaska, the Administration's announced policy, stated by the President on April 5, 1979, is to accelerate leasing on Federal lands. Delays in increasing Alaskan exploration result from taxing decisions made at the state level and difficulties in reaching a consensus between energy and environmental considerations not from a U.S. Government policy decision to slow down exploration efforts. Production of crude oil in Alaska is 1.6 MMB/D, up from 1.4 MMB/D in 1979.

The recently enacted Alaska Lands Bill will permit oil and gas exploration in 95 percent of the total highly favorable onshore areas (approximately 36 million acres possessing a potential 9.5 to 14.0 billion barrels of oil). The 1 to 2 million acres of coastal plain in the Arctic National Wildlife Range (ANWR) is the only high potential onshore oil and gas area where development will be prohibited; this area accounts for only 5 percent of the highly favorable onshore areas.

Supply

VII. Coal

A. Summit Commitment

"Together we intend to double coal production and use by early 1990. We will encourage long-term commitments by coal producers and consumers. It will be necessary to improve infrastructures in both exporting and importing countries, as far as is economically justified, to insure the required supply and use of coal. We look forward to the recommendations of the international coal industry advisory board. They will be considered promptly. We are conscious of the environmental risks associated with increased coal production and combustion. We will do everything in our power to insure that increased use of fossil fuels, especially coal, does not damage the environment."

B. U.S. Actions

Increased coal consumption and the encouragement of steam coal exports remain the key elements of the U.S. strategy to encourage increased domestic production. To accomplish this strategy we have developed a multifaceted program to accelerate the exploitation of our coal reserves.

Among the principal elements of our program is the creation of an Interagency Coal Export Task Force to analyze the problems and prospects of expanded coal exports and report to the President in December 1980. The Task Force is studying the logistical constraints which currently impede our ability to expand exports, e.g., port handling facilities, and shallow harbor drafts. The Task Force plans to recommend in its report to the President specific actions to alleviate or eliminate these constraints. The Task Force is also actively considering the environmental impact of increased coal usage. In the meantime, we have invited officials from other countries to visit the United States for discussions on expanded bilateral coal trade. Thus far we have received delegations from France, Spain, the Republic of Korea, Denmark, Italy, the Netherlands, and Austria.

Other elements of the U.S. strategy to promote increased coal utilization are:

- Vigorously implementing regulations that prohibit the use of oil and gas in utility and large industrial boilers;
- The development of improved emission control technologies;
- Enhancing the capability to produce synthetic liquids and natural gas from coal;

- Improving the competitive economics of coal by correcting oil and gas price distortions; and
- Support for the work of the IEA Coal Industry Advisory Board which is chaired by Mr. N. Camicia, President of the Pittston Coal Company (the largest U.S. coal producer).

Supply

VIII. Nuclear Power

A. Summit Commitment

"We underline the vital contribution of nuclear power to a more secure energy supply. The role of nuclear energy has to be increased if world energy needs are to be met. We shall, therefore, have to expand our nuclear generating capacity. We will continue to give the highest priority to insuring the health and safety of the public and to perfecting methods of dealing with spent fuels and disposal of nuclear waste. We reaffirm the importance of insuring the reliable supply of nuclear fuel and minimizing the risk of nuclear proliferation."

B. U.S. Actions

The United States has moved promptly to solve regulatory and waste disposal problems in order to assure the continued and increasing contribution of nuclear power to our generating capacity:

- The President has accepted the recommendations of the Kemeny Commission and the Nuclear Regulatory Commission. The industry is now undertaking steps to implement the recommendations. The U.S. Government is also carrying out additional nuclear safety R&D, and a restructuring of the Nuclear Regulatory Commission is underway.
- In February 1980 the President proposed a comprehensive waste management program to Congress.
- Nuclear plant licensing has resumed. Four plants have been granted start-up licenses and several are scheduled to receive permits in the near future. By 1985 we expect U.S. nuclear capacity to increase about 60 percent and nuclear electricity generation by about 80 percent over 1979 levels.
- We pursue international cooperation through participation in the IAEA, the NEA, and the IEA.

IX. Synfuels

A. Summit Commitment

"We will actively support the recommendations of the International Energy Technology Group, proposed at the Tokyo Summit last year, for bringing new energy technologies into commercial use at the earliest feasible time. As far as national programs are concerned, we will by mid-1981 adopt a two-phased approach: first, listing the numbers and types of commercial scale plants to be constructed in each of our countries by the mid-1980's, and, second, indicating quantitative projections for expanding production by 1990, 1995, and 2000, as a basis for future actions."

"As far as international programs are concerned, we will join others in creating an international team to promote collaboration among interested nations on specific projects."

B. U.S. Actions

The United States has a comprehensive domestic synthetic fuels program. We look to the High-Level Group on Commercialization (HLG) to carry out the recommendations of the IETG and as a means by which other governments can demonstrate a similar commitment to develop synthetic fuels. We will play an active role in the HLG.

The objectives of this Group are: (a) to develop reliable data on approved and planned synfuels plants (through 1990) in order to develop quantitative projections for expanding production to the year 2000; (b) to identify incentives (financial and regulatory) for commercialization of new high risk technology; (c) to identify prospects for international cooperation in order to broaden international commitments in synfuels production and use; and (d) to continue monitoring new technology commercialization efforts. Technologies we consider high priority are:

- direct and indirect coal liquefactions;
- extraction and processing of heavy oil, tar sands, and/or shale;
- fuels from biomass;
- high caloric gas from coal;
- production of liquid fuels from natural gas; and
- coal combustion.

The Group convened in September and unanimously elected U.S. Under Secretary of Energy Worth Bateman to chair the High-Level Group. The Group then developed and established its agenda for fiscal year 1981.

Objectives of Comprehensive Energy Strategy

X. Energy/GDP Ratio of .6; Reduction of Oil's Share to 40 percent; and Market Balance

A. Summit Commitment

"Our comprehensive energy strategy is designed to meet the requirements of the coming decade. We are convinced that it can reduce the demand for energy, particularly oil, without hampering economic growth. By carrying out this strategy we expect that, over the coming decade, the ratio between increases in collective energy consumption and economic growth of our countries will be reduced to about 0.6, that the share of oil in our total energy demand will be reduced from 53 percent now to about 40 percent by 1990 and that our collective consumption of oil in 1990 will be significantly below present levels so as to permit a balance between supply and demand at tolerable prices."

B. U.S. Actions

Under current forecasts for 1990, the United States makes a dominant and critical contribution to the Group's collective achievement of the ratio of .6 between growth in energy consumption and economic growth. By 1990, we expect the U.S. ratio to be close to .4. The Group's ability to achieve its target rests both on the U.S. performance and equally strong actions by other Summit members to achieve similar levels of performance individually.

In terms of reducing the share of oil in total primary energy from 53 percent to 40 percent by 1990, the United States again makes the dominant contribution to the collective goal given the predominance of the U.S. share in total Summit consumption. In 1979, in the United States, oil's share in total primary energy was 47 percent. Based on existing programs and policies and a modest GDP growth rate, oil's role in the U.S. energy balance is expected to fall to about 35 percent by 1990.

The U.S. contribution to reducing oil consumption will be a major determinant of the group's success in achieving a market balance at tolerable price levels. We remain optimistic regarding the energy conservation potential of the U.S. economy and the effectiveness of the programs recently implemented. We forecast a reduction in oil consumption of about 2.5 MMB/D from about 18.5 MMB/D in 1979 to about 16 MMB/D in 1990.

US paper

ENERGY

These ideas should be studied by working groups for possible consideration at Ottawa:

Short-term

(1) An international agreement to amplify and extend the benefits of oil stocks at times of shortage, through a contingent commitment of a portion of national stocks to a pool accessible through fractional drawing rights, along the lines suggested by Minister Giraud. The agreement presumably would be open to countries other than IEA members, including developing countries able to commit stocks; management by the IEA secretariat is desirable. Drawings and replenishments would be through diversion of fresh supplies on the market. The scheme might build on current work in the IEA on emergency stock policy, including consideration of measures to strengthen IEA/EEC stock objectives and to assure greater uniformity of national costs and benefits from oil stockpiling.

(2) Industrial nations' response to any reiteration of the OPEC Long Term Strategy, provided private consultations with key OPEC governments and the climate of the UN Global Negotiations on energy indicate that a public response would serve the industrial nations' interests.

Medium-term

(1) Pursuant to an evaluation at Ottawa of progress toward Venice Summit oil-substitution goals, agreement on national targets for reducing the use of oil in generation of electricity by 1985 and 1990. This would leave full scope and flexibility for national and private choices among nuclear and coal generation and conservation.

(2) A political push, if required, to definitive action to accelerate or complete the dismantling of remaining price controls on oil and gas in all countries.

(3) Announcement of firm support for establishment of the World Bank Energy Affiliate and for additional concentration of bilateral and multilateral aid programs on energy resource development in the developing nations. Particular stress should be placed on fuelwood programs in the low-income countries.

Long-term

(1) Announcement of plans for cooperative international funding of one or more demonstration projects in synfuel and unconventional hydrocarbon development, based on the report of

the High-Level Group on Energy Technology and on follow-up to that report immediately before the Summit. The Summit Declaration should recognize and encourage private innovative action in this field.

(2) A Summit pronouncement on the findings of an international scientific seminar on technologies for disposal of high-level nuclear waste. This seminar should be convened under appropriate auspices in the late spring. The Summit Declaration also should summarize the plans of Summit governments, including any joint plans, for nuclear waste disposal.

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MESSAGE TO PERSONAL REPRESENTATIVES FROM MR ALAN GOTLIEB OTTAWA DECEMBER 16.

At our Meeting last week in Paris we reviewed the list of key questions we would want to examine in preparation of our conclusions on North/South issues for our leaders. In the light of that discussion I have redrafted the list and it is attached. I hope it reflects accurately our various points of view on which I think we reached a consensus in most cases. You were good enough to say that there should be no need to review the questions again but obviously, if you believe there is an important point I may have missed, changes could still be made.

I trust we will be able to meet our agreed deadline of having our initial replies to these questions circulated by the end of January (with some leeway to the United States because of its special circumstances). I think it important that we have an opportunity to study each others views in advance of our meeting in February.

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AID AND OTHER CONTRIBUTIONS TO DEVELOPING COUNTRIES
CONSOLIDATED SHORT LIST OF QUESTIONS

1. The South is demanding a real transfer of wealth and power from the North. Is it in the short and long-term interests of the Industrial World to respond to these demands? If so, how do we convince our publics? Can the South be expected to exercise power in a responsible way?
2. Should we try to get greater political credit from the developing countries for our efforts; and if so, how?
3. What should be our approach to the conduct of the North/South dialogue? what processes should be pursued to promote a constructive dialogue? is it in the interest of Summit Members to stimulate greater East European participation in the dialogue?
4. Should we try to "Reward Friends" and "Punish Enemies" in our aid policies?
5. Can the Summit Members make a joint commitment to an ODA target?
6. Are there initiatives we can take to improve the help being given to the least developed countries and the poorer less developed countries? Can ODA be orientated more in their direction either as a percentage of total volume or of any increase? Are there particular needs in Black Africa or other regions in which special responses can be made?
7. Can the Summit endorse possible mechanisms for automatic aidflows?
8. What weight should be given to multilateral aid as compared to bilateral aid, taking account their relative effectiveness?
9. Are further measures required or possible to ensure aid reaches those parts of society it is intended to benefit?

10. What should be our priorities in the distribution of aid among energy, agriculture, population and other sectors?
11. What can we do to improve the energy supply of non-oil producing less developed countries? Can the summit endorse a world bank energy affiliate? Commit funds?
12. Can we suggest effective steps to improve agricultural development and food availability in the developing world?
13. What further steps need to be taken to encourage population measures?
14. What can we do to encourage surplus revenue OPEC countries to increase their participation in aid and long-term financing, and otherwise help to alleviate energy costs in non-oil producing less developed countries?
15. Are there additional steps that we can take to help the International Capital Markets deal with the acute financial needs of the non-oil producing less developed countries? Are there new ways of satisfying the need for longer term financing of the newly industrializing countries?
16. What more can be done to increase and safeguard investment flows?
17. How can we more effectively promote scientific and technological co-operation, including the transfer of technology and the support of indigenous technology?
18. What should be our response to the growing refugee problem?
19. Can and should commitments be made at the Summit to provide greater and more stable access to our markets, to encourage long-term structural adjustment and to resist protectionism in our economies?

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20. Given the real needs and variety of circumstances of developing countries, how can we differentiate more effectively in our economic policies?

21. Should changes be made in the International Financial Institutions to increase their receptivity to the needs of the less developed countries and to permit the less developed countries a greater say in the operation of these institutions? Can such changes be made without inhibiting access to official financial resources and the capital markets? And without affecting the ability of these Institutions to maintain discipline and stability?

CONFIDENTIAL

foreign policy

Foreign and Commonwealth Office

London SW1A 2AH

h.g. - 23/12/80

22 December 1980

*Dear Michael,*Political Consultations

In your minute of 17 December to Sir Robert Armstrong you recorded the views of the Prime Minister on his minute of 16 December about the discussion among Personal Representatives in Paris last week on political consultation.

The Foreign and Commonwealth Secretary recalls that the Prime Minister agreed last spring that responsibility for the political side of these Summits should be assumed by the Foreign and Commonwealth Office and that Sir Michael Palliser, or as occasion warranted, the Political Director, should be her representative for that purpose. It would be his wish that Sir Michael Palliser should participate in the next discussion of this subject - which could, I gather, happen at the next meeting of Personal Representatives in February - and that, where discussion of the Aid Review is concerned, Sir Peter Preston should also take part.

I am copying this letter to David Wright (Cabinet Office).

*Yours GW**Paul*

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION



22 DEC 1980

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For Pd

SP

10 DOWNING STREET

From the Private Secretary

Sir Robert Armstrong

Political Consultation

The Prime Minister has seen your minute to me of 16 December about the discussion among Personal Representatives in Paris last week on political consultation. The Prime Minister agrees that, should the agenda make it desirable, a representative of the Foreign and Commonwealth Office, presumably Mr. Bullard, should accompany you to one or more of the meetings of Personal Representatives before the next Summit meeting.

On the question of the continuation of Summits after Ottawa, the Prime Minister has said that she is "agnostic".

I am sending a copy of this minute to George Walden (Foreign and Commonwealth Office).

M. O'D. B. ALEXANDER

52

17 December, 1980.

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020



(1)

Prime Minister

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Ref. A03810

MR. ALEXANDER

Yes
 Agree (a) that it would be appropriate for Mr
 Boullard to accompany Sir R. Armstrong if political
 matters are going to be discussed at a pre-Ottawa
 meeting (paras 2+3); +
 Am "cynostic" (b) that the Economic Summit should continue?
 no

During the meeting of Personal Representatives in Paris last week, we had some discussion (as foreshadowed in Mr. Trudeau's message to the Prime Minister) of crisis management and political consultation.

2. The Canadian Personal Representative, Mr. Gotlieb, said that, if the seven industrialised countries did not "get their act together", they would be in disarray, and they could find themselves unintentionally undermining each other. It seemed very likely that the next Economic Summit would need to discuss political matters as the Venice Summit had done. The seven Summit countries did not have adequate mechanisms for private consultation on political matters. The Personal Representatives might not be the right people to do this. The Canadian Government saw a need for improved consultation on a continuing basis, as an aid to crisis management, but were not at this stage pressing that point. They thought, however, that there would need to be consultation on political matters before the Ottawa Summit. They suggested that political directors might accompany the Personal Representatives to their last meeting or two before the Summit.

3. I reminded Personal Representatives that before the Venice meeting there had been a meeting of political representatives in Rome, to prepare the political aspects of the Venice discussion. It might make sense to repeat that precedent in 1981. It was in my view premature to reach decisions, because it was too soon to say what part political matters might play in the discussions at Ottawa and what political matters were likely to need to be discussed.

4. The discussion that followed was inconclusive, and no clear consensus emerged. In the end it was left that each of us would seek instructions from his Head of Government, and that we would resume discussion of this matter at our next meeting.



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5. The French Personal Representative reminded us that the Ottawa Summit would be the end of the first cycle of Economic Summits: there would have been seven Summits, each hosted by one of the member countries. It would be for consideration whether Heads of Government committed themselves to a continuing pattern of Economic Summits. We did not discuss this in any detail, but I think that the general consensus was that the Summits were useful, and that it would be disadvantageous, as well as probably politically impracticable, to discontinue them or make them less frequent.

6. I am sending a copy of this minute to George Walden.

(Robert Armstrong)

16th December, 1980



Copied to :-
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Prime Minister For Pol.
Agree line at X?
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Ref. A03769
MR. WHITMORE

There is to be a meeting of Personal Representatives of the seven Heads of Government of the Economic Summit in Paris tomorrow evening and on Wednesday 10th December. If the Prime Minister is content, I shall be absent tomorrow afternoon and on Wednesday for the purpose of attending this meeting. Provided there are no holdups on account of weather, I expect to be back in time for Cabinet on Thursday 11th December.

2. We shall be mainly concerned with making progress on the aid study which Heads of Government commissioned at the Economic Summit in Venice last June; but we shall also have a first discussion of preparations for discussion at Ottawa of other economic matters, and also a discussion of the arrangements for Ottawa.

attached 3. In the message which Mr. Trudeau sent the Prime Minister on 4th December, he suggested that there might be merit in considering whether Personal Representatives should look at ways in which the process of consultation among the seven on crisis management could be made. I doubt whether we shall make very much progress on this subject, partly because the new American Administration will not be represented and partly because a number of the Personal Representatives for the purposes of economic matters would not be those who would be engaged in political consultation. My line will be that the Ottawa Summit is likely to have to deal with political subjects, just as the Venice Summit did, and that there will need to be consultation among the seven beforehand; but that this group of Personal Representatives is probably not the right group for the purpose. I shall make it clear that we shall not be in favour of institutionalising the seven-power group for the purpose of consultation on crisis management, but that we favour leaving it to the established diplomatic processes (including political directors).

REA

ROBERT ARMSTRONG

T235/80
P. Trudeau

Subject on: -
POLAND: P42

Thank you very much for your message about Poland. I agree that the situation has been deteriorating and that a Soviet military intervention would be a calamity. You will have seen that the European Council has issued a statement about this. Peter Carrington has handed a copy to the Soviet Charge d'Affaires in London, and stressed the importance which we attach to it. I welcome the idea that you also should convey your concern to President Brezhnev. The line you propose to take seems admirable. I hope there may now be a period of relative calm, during which the Poles themselves can be left to sort out their problems.

I fully agree about the importance of consultations between us - I was so pleased to receive your letter about your message to Brezhnev. I hope there will be a good discussion about Poland at the NATO Ministerial meeting next week. Another meeting next week - that of our Personal Representatives in Paris - will provide the opportunity to discuss the role in all this of the Summits of the Seven.

M. Thatcher

5.12.80

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T235/80

Canadian High Commission



Haut Commissariat du Canada

Original on: -
POLAND: P22

T 233/80

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T233/80

Macdonald House
1 Grosvenor Square
London, W1X 0AB

December 4, 1980

copy upy into
PM (attached to
A03769)
8/12

My dear Prime Minister,

I have been requested to convey to you the following message from my Prime Minister:

Dear Margaret,

I am deeply worried by the deterioration in the Polish situation and, in particular, the increased danger of a Soviet military intervention and all the consequences we would have to face if this took place. I am therefore proposing to send a personal appeal to President Brezhnev in which, in addition to emphasizing that the Polish situation is a strictly internal affair to be resolved by the Poles themselves, I would strongly assert that there is not on our part any intention of interfering in Polish affairs. I would also convey that we expect the Soviet Union and its Warsaw Pact allies to act likewise in the full awareness that any outside interference would cause irreparable damage to detente and destroy the CSCE process.

I would propose to send this message within the next two days unless you have marked reservations. I am consulting with you in this way because Poland is a shared concern and also because I strongly hold to the view that we must devise means to improve our concentration and

.../2

The Rt. Hon. Margaret Thatcher, M.P.
Prime Minister of the United Kingdom
10 Downing Street
London, SW1

consultation in the face of crises of this nature. The changes in procedure which have been agreed to for the forthcoming NATO Ministerial Meeting should help to achieve this objective. We might also examine the advisability of improved consultations in other forms, for example among political directors of our respective Foreign Ministries. Furthermore, there may be merit in considering whether personal representatives, in preparing for the Summit, should not also be looking at ways in which our consultative process could be improved.

Yours sincerely,

Pierre Elliott Trudeau

Yours sincerely,

Jean Casselman Wadds
Jean Casselman Wadds
High Commissioner

CONFIDENTIAL



file

cc: MOD
JMT
CO

For Ad.

JLS

10 DOWNING STREET

From the Private Secretary

25 November 1980

Dear Gerge,

Conversation with Chancellor Schmidt

As you know Chancellor Schmidt telephoned the Prime Minister in the morning of Sunday 23 November to tell her about the outcome of his visit to the United States the previous week.

Chancellor Schmidt said that he had talked to Mr. Reagan for an hour and to his advisers for another two hours. He had the impression that Mr. Reagan was seeking to open a dialogue with his European partners. It was not yet clear whether or not he had in mind a number of bilateral talks or some other kind of meeting. But Mr. Reagan's purpose was clearly to prevent any new surprises between Europe and the United States. He wanted closer co-operation and consultation.

Mr. Reagan had also made it plain that he was prepared to carry on with arms control negotiations with the Soviet Union. He would carry out the negotiations with commitment and with great patience but evidently considered that he would negotiate harder than his predecessor. Chancellor Schmidt said that he had told Mr. Reagan that it would be important to ensure that the Kremlin had a clear idea of his intentions before the Communist Party Conference which would be held in Moscow at the end of February next year. Chancellor Schmidt said that he thought Senator Percy's visit to Moscow would be important. He thought that Senator Percy would be travelling "in connection with the Governor". It also seemed likely that Mr. Reagan would try to limit the transfer of technology from the West to the Soviet Union.

Chancellor Schmidt thought that there were still considerable differences of emphasis in the Republican camp on East/West questions. Senator Baker, the new majority leader in the Senate, had told him that the United States did not want an arms race and did not want "superiority". They wanted "adequacy". But others had, of course, spoken in different terms earlier in the campaign. There was also much interest among Mr. Reagan's advisers in the situation in Poland. Chancellor Schmidt said that he had told them that he was as much in a fog as everyone else. His judgement was that the situation was still dangerous and that we were far from out of the wood as regards possible international difficulties. Finally, on the international front, Chancellor Schmidt said that he thought Mr. Reagan would try to improve America's relations with their immediate neighbours in Canada and Mexico.

CONFIDENTIAL

/ On domestic

BK

On domestic affairs, Chancellor Schmidt said that Mr. Reagan's team were conscious of the need to resolve the contradictions between the various economic targets which had been set during the campaign. They had promised lower taxation immediately; they had promised to increase defence expenditure; and they had promised to bring inflation down. Fitting these together would give them a good deal of trouble. There was likely to be more discussion and dispute on these questions than on foreign policy. He expected the economists in the new Administration would have a considerable fight with those who wished to step up defence expenditure rapidly. The Prime Minister agreed. She said that she thought Bill Simon (whom Chancellor Schmidt had earlier said was likely to go to the Treasury) would insist that public spending, taxation and the money supply were got under control first.

Chancellor Schmidt said that in talking to Mr. Reagan, he had said that he had the feeling that both the Prime Minister and President Giscard were like himself looking forward with confidence to co-operating with the new American Administration. The Prime Minister confirmed that this was very much her position. She thought that the policy of the new Administration would be steadier and would put an end to the previous uncertainty. She thought that Mr. Reagan would be firm, that he would make a cool and calculated assessment of the Soviet position, but that he would be as concerned as other Heads of Government to negotiate genuinely on arms reductions. She was optimistic and had been further encouraged by what Chancellor Schmidt had told her.

On personalities, Chancellor Schmidt told the Prime Minister that Mr. Reagan had given him no hints at all but he had picked up various suggestions from other contacts. It seemed likely that the State Department would go to General Haig; that, as noted above, the Treasury would go to Mr. Simon; and that neither Dr. Kissinger nor Mr. Schultz would have positions in the new Administration. Both the Prime Minister and Chancellor Schmidt expressed regret about the possibility that Mr. Schultz would be omitted. Chancellor Schmidt said that it seemed that he was being left out for reasons connected with his views on the Middle East. The Prime Minister commented that it might be possible for him to join later. The new Administration would obviously have problems in the first few months because of undertakings they had given during the election campaign. But in due course the facts of the situation itself would take over.

I am sending copies of this letter to Brian Norbury (Ministry of Defence), John Wiggins (H.M. Treasury) and David Wright (Cabinet Office).

Yours ever

Nehal Alexander

George Walden, Esq.,
Foreign and Commonwealth Office.

Original filed on:-
Germany: Anglo/German Relations: July 79.
12/11
M W
✓
PRIME MINISTER'S TELEPHONE CONVERSATION WITH CHANCELLOR SCHMIDT
ON SUNDAY 23 NOVEMBER 1980 AT 1115 HOURS

PM: Goodmorning, First, can I say how very much we enjoyed last weekend. I've written to you, but it won't have arrived yet.

CS: Thank you very much. Let me tell you a few of the impressions I had in Washington the day before yesterday. I have the feeling that Ronald Reagan, whom I talked for about 1 hour, and another 2 hours with some of his advisers and my advisers, that Reagan is quite open for a dialogue with the European partners and that he is seeking that.

PM: What does that mean? You mean that he would like a number of bilateral talks.

CS: I don't know what he really means, I think it's just too early to specify for himself. But I have the feeling and he expressed himself quite clearly that he does want, as he put it, to prevent any new surprises between the allies and the United States. So he made it very clear that he wanted closer cooperation or consultation. Secondly I would like to convey a few impressions as regards appointments. He has not given a single hint but other friends to whom I have talked made it rather likely that the Foreign Office, State Department will go to Alexander Haig.

PM: We heard that rumour last Monday.

CS: In that context it seems to me that we have an interest in making it clear for our public that Al Haig is not just a military but an all-round political animal. It looks likely that George Schultz will not join the administration at all.

PM: I'm sorry about that.

CS: So am I. It seems to have something to do with Near East policies but this is not quite clear to me. The personal relationship between the new President and Kissinger seems to be OK. But for the foreseeable number of months I would not reckon with any role of Kissinger within the inner circle.

/ PM:

PM: I'm a bit surprised because he seemed to do quite a lot during the election campaign.

CS: It seems to me that other people in the Reagan camp have great misgivings about Kissinger and that Reagan right now is taking precautions so far.

PM: It's a personal thing, is it.

CS: I think so. It looks likely that finance will go to Bill Simon.

PM: Well I know Bill Simon well and he did it very well last time. He'll be very orthodox, you know, he will get things under control.

CS: Yes, he will be conservative. I heard from Simon himself and also from Arthur Burns and my impression also by Greenspan who ..

PM: Yes, I know him.

CS: ... that they are conscious of the necessity to clear up the different economic targets which have publicly been voiced during the campaign. Number one, they have promised to lower taxation immediately. Number two they are promising to enlarge defence expenditure and number three they want to bring inflation down. How this fits in together will give them quite some trouble for digestion I guess.

PM: Well it just depends. If lower taxation means lower direct taxation, then they can do it by putting up the indirect and switch to the lowering the direct.

CS: My feeling is that, about these economic questions, there will be lots of talks and disputes over the next 8 or 12 weeks in Washington. We might possibly hear more about that and about foreign policy in the near future. Coming back to Ronald Reagan himself. The central point in our talk was that he gave the very clear impression, intentionally gave the very clear impression that he

is prepared to sit down with the Russians on arms control negotiations with great patience but also with engagement and also that to think of himself he would negotiate harder than his predecessors. I have told him that in my view it is important to have the Kremlin get a clear cut profile of his intentions right in time before the Communist Party Conference which will be held in Moscow at the end of February, oncoming February. I have the feeling that a trip of Senator Chuck Pursey, who is going to become the Chairman of the Foreign Relations Committee on 1 January, that a trip of Chuck Pursey to Moscow, I think he'll be travelling tomorrow is of some important. I think he is travelling in connection with the Governor. Obviously for the advisers of Governor Reagan, economic relations with the Soviet Union are a subject of importance, I think they will lay more stress on the questions of the doubts they have as regards transfer of technology.

PM: What, they will try to limit it more?

CS: I think so. It is obvious that in the Republican camp you have different degrees of emphasis on all these questions. For instance, Senator Baker who is the new majority leader in the Senate, said to me they did not want an arms race, they did not want superiority. He just used the term adequacy. Others have, as you may remember, used other terminology earlier on. So I think they are just in a situation of forming their policies. They were very much interested in Poland and were asking what the foreseeable developments could be in Poland. My answer was that as far as I could judge, of course I was in a fog like anybody else as well, as far as I could judge that still the situation in Poland was rather dangerous and that we were not over the top of the hill as regards international difficulties. I got the impression that Reagan will try to improve American relationships with their immediate neighbours in Ottawa and Mexico City.

PM: That'll be marvellous.

CS: I think so.

PM: Did you put that into their minds?

/ CS:

CS: I made remarks to that extent and I had the feeling that they themselves had at least been thinking of whether and how it could be done.

PM: Any news on the defence front? About defence advisers.

CS: No, no. No clear cut or concrete news except that I do think that the economists in the new administration will fight those who want to step up defence expenditure quickly and considerably.

PM: Yes, I think they will. They will insist that they get public spending and taxation under control and the money supply first. Certainly Bill Simon will.

CS: Yes, that's my feeling too. Greenspan was not that outspoken but I had the feeling that they were preparing for quite a fight within the new administration. At the very subject a feeling of mine. The farewell visit to President Carter was nice and kind. He was greatly concerned about the present oil supply in the market and obviously they tried to have the International Energy Agency to pull the trigger. I have contradicted that.

PM: ~~XXXXXXXXXXXXXX~~ They can/^{be}most unwise, I agree.

CS: I have contradicted that. I said regulations will only lead to new regulations and to national domestic regulations. I made it very clear that I don't like that idea but they seem to be rather decided and I, after my return to Bonn, hear that they have started talks in the realm of the International Energy Agency. I have, to some degree, in talks with Governor Reagan, Margaret, mentioned that I had the feeling from listening to you and from listening to Giscard that both you and the French President were like I myself looking forward with confidence to the cooperation with the new government.

PM: Very much so. I think it will be much better, I think it will be much firmer and I think it will be much more widely discussed and I have known Governor Reagan for quite some time and I don't think he got a fair deal from the press in his country.

/ CS:

CS: And not from the press in Europe.

PM: And not from the press in Europe. And I'm really quite optimistic because I think they'll take a hold of things and I think it will be the end of uncertainty and the fact is that no government wants war. Every government wants peace and the question is how do you best go about getting it. And he will be firm, I don't think he'll change his views, he'll make a very cool calculated assessment of the Russian position but he'll be the first to negotiate genuinely on reductions in armaments, as we all are. So I really am quite optimistic and very encouraged, Helmut, by what you've told me. The only thing is I'm sorry George Schultz won't be in.

CS: So am I. I'm really sorry. Because the Middle East thing and the Near East thing must not be dealt with only in terms of military power.

PM: No. He might join later you know. They've obviously got an immediate problem now, as I feared they would have because I think undertakings during the election campaign will limit what they can do for a few months. After that, it'll be the facts and the situation itself which will take over. And then they will look at it with a different view.

CS: Yes, that's possible.

PM: You felt quite cheered by your talks, did you Helmut?

CS: I felt relieved and in a way I had the feeling, well there might be differences as always but the United States will again be on a steady and calculable course after a couple of months.

PM: Yes, I'm sure they will. I think they're taking immense trouble now to get their main strategy line laid down before he comes in.

CS: Yes. He is rather careful now not to commit himself any further in any direction.

PM: I think that's right. And I think that is an optimistic sign too. Well, that's marvellous. And you enjoyed it very much?

CS: I did.

PM: Well, it's very very valuable. I'm off to Rome this afternoon.

CS: Wish you a good trip Margaret.

PM: Thank you very much. Well, if it's as nice as last week and as valuable it'll be wonderful. But, unfortunately the government topples there about every six months and you don't know where you are.

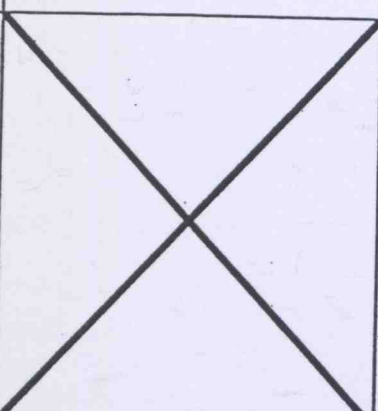
CS: I hope you have good weather in the Holy City and see some of the marvellous things which Rome has to offer.

PM : Well, there'll not be much time. Our Chancellor of the Exchequer is making a big statement in the House on Monday afternoon so I have to be back for that. But still, we can do a lot in a little time. Well, I'm so pleased to have heard from you and thank you very much. I hope you're feeling and keeping fit. Thank you for phoning Helmut.

CS: Yes, all the best.

PM: Goodbye.

A The National Archives

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12.



Prime Minister
This is covered in the Bonn briefs.

to Paul
Foreign and Commonwealth Office

London SW1A 2AH

12 November 1980

Paul - 12/11

Dear Michael,

Possible Quadripartite Meetings at Ministerial and Prime Ministerial Level

When Sir Robert Armstrong met Jacques Wahl at the time of the Anglo-French summit in September, Wahl said that President Giscard would like to see another quadripartite summit on the model of the one he called in Guadeloupe in January 1979. Wahl implied that the President thought the UK should take the initiative next time, after the US Presidential elections.

Lord Carrington's view is that a quadripartite summit at the right time would be valuable, but that one held prematurely could be counter-productive. He believes the chances of a successful meeting would be greater after Mr Reagan has been in office for a while. Otherwise he may be at a considerable disadvantage vis-à-vis his more experienced European colleagues.

Lord Carrington considers that a quadripartite meeting of Foreign Ministers soon after the Reagan administration takes office should be a prior objective.

Those being spoken of as likely choices for the post of Secretary of State in the Reagan administration are very experienced people, with whom it would be fruitful to have an early exchange of views on the issues before the Atlantic Alliance. The idea of an eventual summit could be discussed at this meeting. The brief on 'Consultation Procedures' for the Prime Minister's use in the Anglo-German consultations later this week covers these ideas.

A quadripartite summit would have to be public and a Foreign Ministers' meeting would almost certainly become known. This would provoke vigorous complaints from the Italians, and perhaps others, which would be especially directed at us if we were hosts. But Lord Carrington believes that the benefits would outweigh this disadvantage.

I am copying this letter to David Wright in the Cabinet Office.

GGH Walden

(G G H Walden)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

Foreign Policy

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TO IMMEDIATE FCO

TELEGRAM NUMBER 568 OF 15 OCTOBER

INFO PRIORITY WASHINGTON BONN AND PARIS

Read in full.

MIPT

SECRETARY OF STATE'S TALK WITH ITALIAN FOREIGN MINISTER

ms

FOLLOWING FROM PRIVATE SECRETARY

ITALIAN VIEWS ON QUADRIPARTITE CONSULTATIONS

1. SIGNOR COLOMBO RAISED THE QUESTION OF QUADRIPARTITE CONSULTATIONS AT THE END OF HIS TALK WITH LORD CARRINGTON THIS AFTERNOON. SPEAKING WITH EVIDENT FEELING HE SAID THAT THERE WAS STILL A GENERAL PROBLEM ABOUT CONSULTATIONS. THESE TOOK PLACE BETWEEN 4,5,6,7,9 AND 15. SOME FRIENDS OF ITALY WISHED TO EXCLUDE HER FROM FOUR-POWER CONSULTATIONS. HE WAS CONCERNED NOT ONLY WITH PRESTIGE, BUT WITH THE CONSIDERABLE POLITICAL PROBLEM THIS POSED FOR THE ITALIAN GOVERNMENT. THE ITALIAN DOMESTIC POLITICAL POSITION WAS THE MOST DIFFICULT OF ALL THE WESTERN ALLIES. THE OPPOSITION PRESENTED AN ALTERNATIVE POLICY, WHICH WAS NOT IN THE WESTERN MOULD AT ALL, DESPITE RECENT MODIFICATIONS IN THE POSITION OF THE COMMUNISTS. IF THE ITALIANS DID NOT GET FULL SUPPORT FROM THEIR ALLIES, THEIR POSITION WAS MADE VERY DIFFICULT. THEY COULD NOT AFFORD TO BE "MADE FOOLS OF" VIS-A-VIS THE OPPOSITION.

2. THE ITALIANS HAD BEEN UNABLE TO CONVINCED THE FRENCH OF THIS POINT, THOUGH HE THOUGHT THAT THE AMERICANS UNDERSTOOD. LORD CARRINGTON SUGGESTED THAT SIGNOR COLOMBO WAS TALKING TO THE WRONG PERSON SEMICOLON COLOMBO SAID HE HOPED THAT THE WRONG PERSON WOULD TELL THE RIGHT ONE. LORD CARRINGTON SAID THAT THE PLAIN FACT WAS THAT THE FRENCH WERE NOT PREPARED TO DISCUSS EG ECONOMIC OR COMMERCIAL POLICY WITH THE SOVIET UNION IN THE NINE, LET ALONE NATO. IT WAS ONLY IN THE QUADRIPARTITE FORUM THAT THE FRENCH COULD BE PERSUADED, WITH SOME DIFFICULTY, TO TALK OF THE BIGGER ISSUES. THEY WOULD NOT DO SO IN A FIVE-POWER FORUM. HE ENTIRELY SAW THE ITALIANS' POINT. BUT THERE WERE DIFFICULTIES ABOUT ANY COMBINATION ON CONSULTATIONS.

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/3. COLOMBO SAID

SECRET

3. COLOMBO SAID THAT IF THIS WERE SO, HE WOULD PREFER THAT THE FOUR-POWER CONSULTATIONS SHOULD NOT TAKE PLACE AT ALL. IF CONSULTATIONS WERE NEEDED WE SHOULD USE THE PROPER HEADQUARTERS, WHETHER IT WAS NATO, THE COMMUNITY, OR THE ECONOMIC SUMMIT. LORD CARRINGTON SAID THAT THIS COULD BE DISCUSSED WITH THE FRENCH AND THE GERMANS, BUT REPEATED THAT THE FRENCH WERE NOT PREPARED TO DISCUSS POLICY PROPERLY IN OTHER FORUMS. COLOMBO SAID THAT THEY WOULD CONTINUE TO RAISE THIS WITH THE FRENCH. HE HAD ALSO HEARD A REPORT THAT THE FOUR AMBASSADORS WERE NOW MEETING REGULARLY IN WASHINGTON. HE HOPED THIS WAS NOT TRUE SEMI-COLON IT WOULD BE VERY BAD IF IT WERE. LORD CARRINGTON DID NOT REPLY DIRECTLY, AND REFERENCE WAS MADE TO FOUR POWER FUNCTIONS ON BERLIN. COLOMBO SAID THAT BERLIN SEEMED TO HAVE EXPANDED TO COVER THE WHOLE WORLD.

4. LORD CARRINGTON SAID THAT THERE COULD NOT BE FIVE-POWER CONSULTATIONS IF ONE OF THE FIVE WOULD NOT TAKE PART. IT WOULD BE TERRIBLE FOR THE WEST IF, AS THE ITALIANS SEEMED TO BE SUGGESTING, FOUR-POWER CONSULTATIONS WERE TO CEASE BECAUSE OF THIS PROBLEM. SIGNOR COLOMBO REPEATED THAT MEETINGS OF THIS TYPE SHOULD BE AVOIDED. IF THEY HAD TO TAKE PLACE, THE RIGHT NUMBER WAS FIVE.

5. COD PLEASE CONSULT PRIVATE OFFICE ON DISTRIBUTION.

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SIR R ARMSTRONG CABINET OFFICE

CONFIDENTIAL

FM WASHINGTON 252145Z JUL 80

TO PRIORITY F C O

TELEGRAM NUMBER 2589 OF 25 JULY 1980

INFO EC POSTS

MEETING OF COMMUNITY AMBASSADORS WITH SECRETARY OF STATE MUSKIE

1. WE HAD OUR FIRST MEETING OF COMMUNITY AMBASSADORS WITH SECRETARY OF STATE MUSKIE TODAY AND IT PROVED USEFUL. MUSKIE SAID THAT THERE HAD BEEN CONSIDERABLE DISCUSSION, AND EVEN CONTROVERSY, ABOUT WHETHER OR NOT THERE HAD BEEN ADEQUATE CONSULTATION BETWEEN THE U S AND THE EUROPEAN COUNTRIES. HE LOOKED UPON THIS MEETING WITH THE AMBASSADORS OF THE NINE AS AN IMPORTANT EVENT IN THE PROCESS OF CONSULTATION. HE ADDED THAT HIS INTENTION, WITHIN THE U S ADMINISTRATION, WAS TO INCREASE THE ROLE OF AMBASSADORS. HE THOUGHT IT WRONG THAT SO MUCH SHOULD BE LEFT TO MINISTERS, HE BELIEVED THAT AMBASSADORS SHOULD BE LOOKED UPON TO PERFORM THE ROLE FOR WHICH THEY WERE INTENDED. HIS MEETING WITH THE AMBASSADORS OF THE NINE SHOULD ALSO BE CONSIDERED IN THE LIGHT OF THIS VIEWPOINT.

2. WE THEN DISCUSSED SEVERAL BURNING TOPICS, INCLUDING THE UN EMERGENCY SPECIAL SESSION ON PALESTINE, EAST/WEST RELATIONS, THE THREAT TO THE PERSIAN GULF ETC, AND I SHALL BE REPORTING UPON THESE SEPARATELY. I THINK THAT MUSKIE FOUND IT SOME RELIEF TO BE ABLE TO LET OFF STEAM AS HE DID ON THE PALESTINE ISSUE: THERE WERE MOMENTS I THOUGHT WHEN WE WERE HEARING THE END OF HIS REPUTEDLY SHORT FUSE. HE HOPES, I AM SURE, THAT WHAT HE SAID WILL BE REPORTED BACK FULLY TO GOVERNMENTS OF THE COMMUNITY AND MAY HAVE AN INFLUENCE UPON THEIR DECISIONS. WE LEARNT A GOOD DEAL FROM HIM AND I THINK THAT WE MANAGED TO GET ACROSS A CERTAIN SENSE OF COMMON EUROPEAN PURPOSE AS WELL AS TO SHOW THAT THE MOTIVES OF OUR ACTIONS WERE NOT AS IRRESPONSIBLE OR ILL-CONSIDERED AS HE HAD FIRST THOUGHT.

3. REVEALING SOMETHING OF HIS GENERAL PHILOSOPHY ON FOREIGN AFFAIRS, MUSKIE TOLD US OF THE IMPORTANCE HE ATTACHED TO AID. AS SECRETARY OF STATE HE WOULD SPREAD THE MESSAGE THROUGHOUT THE WORLD ABOUT THE NEED FOR MORE AID. HIS, IF NECESSARY, WOULD BE A ONE-MAN CRUSADE.

4. MUSKIE AGREED THAT WE SHOULD HAVE FURTHER MEETINGS OF THIS KIND, WHICH SHOULD BE KEPT VERY INFORMAL. WE SHOULD AVOID GIVING THE PRESS DETAILS OF WHAT HAD BEEN DISCUSSED (THOUGH I EXPECT THAT MUSKIE MAY WELL REVEAL SOMETHING OF HIS INVECTIVE TO US ON PALESTINE).

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TO IMMEDIATE F C O

TELEGRAM NUMBER 2508 OF 12 JULY 1980

INFO PRIORITY PARIS, BONN, MOSCOW, ROME, UKDEL NATO, TOKYO, PEKING.

INFO SAVING OTHER NATO POSTS, DUBLIN.

M I P T

LONGER TERM CONSEQUENCES OF THE PRESENT DIFFICULTIES IN THE

WASHINGTON / PARIS / BONN RELATIONSHIP

LONGER TERM CONSEQUENCES OF THE PRESENT DIFFICULTIES IN THE WASHINGTON/PARIS/BONN RELATIONSHIP.

1. LOOKING AHEAD IT IS REASONABLE TO WONDER WHETHER THE U.S.A.'S ANNOYANCE WITH FRANCE AND GERMANY COULD, IF IT TRANSLATES ITSELF INTO SOME NEW DIRECTIONS OF U.S. POLICY, BE DELETERIOUS TO EUROPE.

2. AS REGARDS THE POLITICAL ASPECT OF THE TRANS-ATLANTIC RELATIONSHIP, IT IS DIFFICULT TO BELIEVE THAT THINGS CAN GO ON JUST AS THEY WERE BEFORE. SCHMIDT GIVES EVERY IMPRESSION OF HAVING ADOPTED GISCARD'S BELIEF IN THE NEED TO RESTORE EUROPE'S PLACE IN WORLD AFFAIRS, AND, IN THE PROCESS TO BELITTLE THE U.S.A. THIS IS OF COURSE IN PART A REFLECTION OF THE CHANGE IN THE TRANSATLANTIC BALANCE OF POWER, A SHIFT THAT HAS BEEN GOING ON FOR SOME TIME AND THAT HAS BEEN HIGHLIGHTED BY RECENT INDICATIONS OF U.S. IMPOTENCE AND FAILURES OF LEADERSHIP. THE UNDERLYING FACT IS, HOWEVER, THAT WHEREAS SOME 10 TO 15 YEARS AGO THE G.N.P. OF THE NINE WAS NOT MUCH MORE THAN HALF THE G.N.P. OF THE U.S.A. THEY ARE NOW ROUGHLY EQUAL, THIS, COUPLED WITH U.S. DEPENDENCE ON IMPORTED OIL AND THE WEAKNESS OF THE DOLLAR, HAS LED THE EUROPEANS TO DISPLAY A GREATER DEGREE OF SELF CONFIDENCE. THE AMERICANS WILL NOT ENJOY THE GREATER POLITICAL ASSERTIVENESS OF THE EUROPEANS, YET I CONSIDER THAT THE RELATIONSHIP SHOULD BE PERFECTLY MANAGEABLE, AS IT WAS FOR INSTANCE OVER THE PALESTINIAN INITIATIVE, PROVIDED NATIONAL, AND FOR THAT MATTER PERSONAL, DIGNITY IS NOT AFFRONTED.

3. THE MILITARY CONSEQUENCES ARE MUCH MORE DIFFICULT TO GAUGE, AS INDEED THEY ARE POTENTIALLY MUCH MORE IMPORTANT. THERE ARE REALLY TWO MAIN ISSUES: WHETHER THE U.S. WILL FEEL THAT THEY HAVE GOT TO DO ANYTHING IN PARTICULAR TO JACK UP THEIR OWN STRENGTH BEYOND THE PRESENT SCALE OF IMPROVEMENT IN ORDER TO MEET CRITICISMS OF INADEQUACY BOTH FROM POTENTIAL ENEMIES AND AVOWED ALLIES, SECONDLY, WHETHER, AS A CONSEQUENCE OF THE EUROPEAN ATTITUDE, U.S. DEPLOYMENTS AND MILITARY POLICY TOWARDS WESTERN EUROPE COULD UNDERGO A CHANGE.

4. I RATHER DOUBT WHETHER THE U.S. GOVERNMENT WILL THINK THAT THEY HAVE IMMEDIATELY TO DO ANYTHING MORE OVER THEIR DEFENCE ON ACCOUNT OF OVERSEAS DENIGRATION. BRZEZINSKI HAS TOLD ME FOR EXAMPLE THAT THERE IS NO INTENTION OF REVERSING THE PRESIDENT'S CANCELLATION OF THE B-1 BOMBER. AS REGARDS THE NEUTRON BOMB, THE U.S.A. ARE IN MORE OR LESS THE SAME POSITION AS THE FRENCH, THOUGH FURTHER FORWARD. THE R AND D HAS ALREADY BEEN DONE, THE PIECES ARE THERE, IT IS JUST A QUESTION OF ASSEMBLY, WHICH COULD BE ACCOMPLISHED WITHIN THREE MONTHS IF NECESSARY. (AFTER HE HAD TOLD ME THIS I SAID TO BRZEZINSKI THAT I THOUGHT THE U.S. GOVERNMENT'S DECISION NOT TO PROCEED WITH THE NEUTRON BOMB HAD BEEN ONE OF THE CAUSES OF EUROPEAN LOSS OF

THAT I THOUGHT THE U.S. GOVERNMENT'S DECISION NOT TO PROCEED WITH THE NEUTRON BOMB HAD BEEN ONE OF THE CAUSES OF EUROPEAN LOSS OF CONFIDENCE IN THE U.S. GOVERNMENT, TO WHICH BRZEZINSKI SAID THAT HE COMPLETELY AGREED - IT HAD BEEN A BAD DECISION).

5. AS REGARDS THE U.S./EUROPEAN MILITARY RELATIONSHIP, IT IS REASONABLE TO SUPPOSE THAT RESENTMENT WILL GROW HERE OVER THE IDEA THAT THE EUROPEANS ARE TAKING THE U.S.A. FOR GRANTED, THAT THEY ARE ASSUMING THAT IT IS IN AMERICA'S OWN INTEREST TO DEFEND EUROPE, WHICH THEY WILL DO WHATEVER THE EUROPEANS SAY OR DO THEMSELVES. I DO NOT GO SO FAR AS TO SAY IN PRESENT CIRCUMSTANCES THAT THE U.S.A. MAY IN FUTURE THREATEN TO WITHDRAW TROOPS FROM EUROPE, AND INDEED CARRY OUT SUCH A THREAT. A LOT WILL, I THINK, DEPEND UPON HOW EUROPE DEPORTS ITSELF. AT THE MOMENT THERE IS NO SNIFF OF MANSFIELDISM IN THE AIR ON CAPITOL HILL. NOR, I AM SURE, IS ANYTHING OF THIS KIND LIKELY TO HAPPEN VERY SOON. BUT I CANNOT BELIEVE THAT THE FRENCH AND F.R.G. LEADERS CAN CONTINUE TO ADOPT A DETACHED, AND EVEN OFFENSIVE TONE TOWARDS THE U.S. LEADERSHIP, AND TO PURSUE A RATHER DIFFERENT LINE FROM THE AMERICANS ON THE KEY QUESTION OF HOW BEST TO RESPOND TO THE SOVIET THREAT, WITHOUT SOME REACTION FROM WASHINGTON. THERE COULD BE A RE-APPRAISAL OF WHAT THE U.S. IS GETTING FROM ITS ALLIES IN RETURN FOR THE U.S. COMMITMENT TO THEIR DEFENCE. THERE COULD BE A MORE STRIDENT U.S. DEMAND FOR A GREATER EUROPEAN CONTRIBUTION TO EUROPE'S DEFENCE. THERE COULD, AS I HAVE INDICATED, THOUGH IT IS IMPOSSIBLE TO BE CATEGORICAL ABOUT IT NOW, BE THE HINT OR THREAT OF ACTUAL WITHDRAWALS OF U.S. TROOPS FROM EUROPE. I CAN IMAGINE THE U.S. AUTHORITIES SAYING THAT THE EUROPEANS ARE RIGHT TO DEPEND UPON THE U.S. DEFENCE COMMITMENTS, THEY ARE RIGHT TO THINK THAT IT IS IN THE U.S.A.'S INTEREST THAT EUROPE SHOULD NOT FALL TO THE SOVIETS, BUT THEY ARE NOT RIGHT TO THINK THAT THEY CAN TELL AMERICA HOW THIS COMMITMENT IS GOING TO BE CARRIED OUT EG. WHETHER A DIFFERENT DEPLOYMENT OF U.S. FORCES OVERSEAS, WITH LESS IN THE EUROPEAN THEATRE, MAY NOT BE THOUGHT APPROPRIATE IN FUTURE CIRCUMSTANCES.

6. THERE IS ANOTHER MORE NEBULOUS DANGER WHICH COULD IN THE LONG TERM POSE A THREAT TO THE COHESION OF THE ALLIANCE. SCHMIDT HAS IGNORED OR OVER-RIDDEN AMERICAN VIEWS ON A KEY ASPECT OF THE CONDUCT OF RELATIONS WITH THE SOVIET UNION: BECAUSE GERMAN INTERESTS SO DICTATE HE HAS GIVEN PRIORITY TO DETENTE OVER THE DETERRENCE OF SOVIET EXPANSIONISM IN SOUTH WEST ASIA. FUTURE U.S. ADMINISTRATIONS MAY WELL CONSIDER THIS A PRECEDENT FOR IGNORING THE VIEWS OF THEIR ALLIES WHEN THEY TOO WISH TO STRIKE A DEAL AND CEMENT A RELATIONSHIP IN MOSCOW. THE DANGER COULD BE REAL IN THE SALT III NEGOTIATION AND IT COULD COME UP IN OTHER WAYS. WHAT IS SAUCE FOR THE GERMAN GOOSE COULD BE SAUCE FOR THE AMERICAN GANDER. THE NOTION OF ALLIANCE

COULD BE SAID FOR THE AMERICAN GANDER. THE NOTION OF ALLIANCE SOLIDARITY HAS BEEN STRETCHED TO ACCOMMODATE THE CONDUCT OF TWO DIFFERENT POLICIES VIS-A-VIS THE SOVIET UNION BY TWO DIFFERENT POWER CENTRES WITHIN THE ALLIANCE. IT IS A PRECEDENT WHICH THE GERMANS COULD COME TO REGRET.

7. YOU MAY WELL BE ASKING HOW FAR THIS SHOULD AFFECT BRITISH POLICY. YOU WILL BE AWARE THAT WE ARE LARGELY SPARED THE ODIUM THAT SCHMIDT AND GISCARD ENJOY HERE AT THE MOMENT. IT IS NATURALLY DIFFICULT TO QUANTIFY HOW FAR THIS HELPS US POLITICALLY, ECONOMICALLY OR MILITARILY. BUT I AM IN NO DOUBT ABOUT THE IMPORTANCE TO US OF OUR MILITARY RELATIONSHIP WITH THE U.S.A., SUCH AS NO OTHER POWER HAS, AND THIS WOULD NOT BE COMPATIBLE WITH THE KIND OF CHILLING AND SUPERCILIOUS TONE THAT THE FRENCH AND GERMAN LEADERS NOW AFFECT IN THEIR PUBLIC ATTITUDE TOWARDS THE U.S. GOVERNMENT. BUT PROVIDED WE COULD AVOID ADOPTING SUCH A TONE, I DO NOT BELIEVE THAT OUR INTERESTS WOULD NECESSARILY SUFFER HERE MERELY BECAUSE WE BECAME MORE IDENTIFIED WITH EUROPE IN THE WAY SIR OLIVER WRIGHT SUGGESTS. NONE OF HIS PROPOSALS GIVEN IN PARAGRAPH 5 OF BONN TELNO 559 FOR IMPROVING RELATIONS WITH BONN WOULD NECESSARILY DO US ANY HARM IN WASHINGTON. INDEED IN MANY WAYS I BELIEVE THAT THE AMERICANS WOULD LIKE US TO SECURE THE PLACE IN THE EUROPEAN TRIANGLE THAT HAS CONTINUED TO ELUDE US, AND THAT IF WE WERE TO DO SO IT WOULD IN SOME WAYS MAKE THEIR RELATIONSHIP WITH US MORE STRAIGHTFORWARD. I DO NOT THINK THAT THEY ARE HAPPY AT THE IDEA THAT THEIR POLICIES CAN BE CONSTRUED IN EUROPE AS PROMOTING THE SEPARATION OF THE U.K. FROM EUROPE. SURELY THE PURSUIT OF A WHOLEHEARTED EUROPEAN POLICY SUCH AS BONN SUGGESTS SHOULD NOT MEAN THAT WE HAVE TO ADOPT LANGUAGE OR TACTICS THAT ARE OFFENSIVE TO THE U.S.A. - FOR THE FRENCH THESE ARE NECESSARY, AND INDEED PLEASURABLE, AND IT RATHER LOOKS AS THOUGH SCHMIDT FEELS THE SAME, FOR A VARIETY OF REASONS, MANY TO DO WITH PARTICULAR GERMAN NEEDS. BUT WE SHOULD BE ABLE, WITHOUT INCOMPATIBILITY, TO RIDE BOTH THE EUROPEAN AND AMERICAN HORSES, AND, AS I SUGGEST, I BELIEVE THAT THE U.S.A. WOULD POSITIVELY FAVOUR IT, BELIEVING, AS THEY DO, THAT OUR INFLUENCE IN EUROPE WILL BE HEALTHY.

FCO PASS SAVING ANKARA, ATHENS, BRUSSELS, COPENHAGEN, LISBON, LUXEMBOURG, OSLO, OTTAWA, REYKJAVIK, THE HAGUE AND DUBLIN.

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TELEGRAM NUMBER 2507 OF 12 JULY

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U.S./EUROPEAN RELATIONS

1. SIR OLIVER WRIGHT'S END OF TERM REPORT ON FRG FOREIGN POLICY (BONN TELEGRAMS NUMBERS 552 TO 556) RAISES ISSUES OF U.S./GERMAN RELATIONS THAT I WOULD LIKE TO COMMENT UPON FROM HERE WHERE, IT SEEMS, TERM NEVER ENDS AND SPEECH DAY GOES ON FOR EVER. THE FOLLOWING ARE AMONG THE QUESTIONS PROVOKED:

TO WHAT EXTENT ARE THE U.S. AUTHORITIES CONCERNED ABOUT THE CURRENT STATE OF RELATIONS BETWEEN PARIS AND BONN ON THE ONE SIDE AND WASHINGTON ON THE OTHER, ARE THEY GOING TO DO ANYTHING ABOUT IT, AND WHAT ARE THE LONG TERM CONSEQUENCES LIKELY TO BE FOR THE ALLIANCE.

Mr. Paul

Read in full.

PS
PS/LAS
PS/MR HURO
PS/MR RIDLEY
PS/RS
SIR E. YONDE
HOLD BRIDGES
MR FERGUSSON
MR DAY
MR HARDING
Hd/WED
Hd/NAD
Hd/PLANNING & CS
Hd/EN SV SD
Hd/DEF. D

ALLIANCE.

2. IT IS TOO EARLY TO GIVE AUTHORITATIVE ANSWERS TO THESE QUESTIONS AND IN ANY CASE THERE IS NOT LIKELY TO BE A COMPREHENSIVE VIEW ON THE SUBJECT, WHICH IS ONE OF THE REASONS FOR THE STATE OF AFFAIRS THAT HAS PROMPTED THEM.

3. THE U.S. ADMINISTRATION AND INFORMED OPINION WERE WORRIED ABOUT THE MUCH-PUBLICISED RIFT IN THE ALLIANCE BEFORE THE VENICE SUMMIT. BUT THERE IS RELUCTANCE TO FOCUS ON POST-VENICE DEVELOPMENTS: ON THE SIGNIFICANCE OF SCHMIDT'S VISIT TO MOSCOW, THE INTENSIFIED FRG/FRENCH LOVE-FEST AND SCHMIDT'S AND GISCARD'S MODEST CLAIMS TO LEADERSHIP OF THE ALLIANCE. IN PRESENT PRE-ELECTION CIRCUMSTANCES I DO NOT THINK THAT THE U.S. GOVERNMENT WANTS TO GIVE PROMINENCE TO THE DIFFICULTIES THAT THESE SELF-APPOINTED COLOSSI ARE CAUSING THEM, LET ALONE, OF COURSE, TO DRAW ATTENTION TO THE HUMILIATING COLOURS IN WHICH THEY ARE DEPICTING U.S. LEADERSHIP. I MIGHT INTERJECT THAT WHILE HALF THE AMERICAN PEOPLE UNDERSTAND EUROPE'S CONTEMPT FOR PRESIDENT CARTER, AND WHILE THE OTHER HALF SYMPATHISE WITH EUROPE'S CONCERN ABOUT HIS PRESIDENTIAL OPPONENT, BOTH HALVES NATURALLY COME TOGETHER IN RESENTING ANY TENDENCY IN EUROPE TO TALK ABOUT THE USA IN THE SAME BREATH AS THE USSR, WHICH IS WHAT CHANCELLOR SCHMIDT IS APT TO DO IN FREQUENT, INDISCREET, TALK, MUCH OF WHICH GETS BACK HERE AT THE SPEED OF SOUND.

4. I DOUBT WHETHER THOSE RESPONSIBLE FOR FORMULATING U.S. FOREIGN POLICY VIEW SCHMIDT AND GISCARD'S ACTIVITIES SYMPATHETICALLY. THEY PROBABLY BELIEVE THAT WHAT THEY ARE DOING MUST GIVE THE IMPRESSION TO THE RUSSIANS THAT THE WESTERN ALLIANCE IS DIVIDED, THEY SENSE A SLOWNESS ON THE PART OF THE EUROPEAN COUNTRIES TO PERCEIVE THAT THEIR VITAL INTERESTS ARE AT STAKE IN DETERRING FURTHER SOVIET EXPANSION IN SOUTH-WEST ASIA AND THAT UNITED WESTERN ACTION IS NEEDED TO WARD OFF THE DANGER - SOMETHING MORE THAN STRONG WORDS ABOUT AFGHANISTAN OR ECONOMIC AID FOR FRIENDLY COUNTRIES, SOMETHING WHICH BEARS DIRECTLY ON THE SOVIET GOVERNMENT'S VIEW ON HOW BEST TO PURSUE ITS GLOBAL INTERESTS.

5. I AM NOT SURE THAT, SPEAKING VERY GENERALLY, THE AMERICANS ARE SUFFICIENTLY AWARE OF THE PARTICULAR GERMAN PROBLEMS THAT AFFECT SCHMIDT'S ATTITUDE - OST-POLITIK, DETENTE, POPULATION MOVEMENTS, TRADE, GAS AND THE DIFFICULTIES OF A DIVIDED COUNTRY LIVING CHEEK-BY-JOWL WITH THE SOVIET UNION. THEY ARE MORE WORRIED ABOUT GERMANY THAN ABOUT FRANCE, THE PARADIGM OF DISSIDENCE, THOUGH BRZEZINSKI HAS TOLD ME THAT HE THINKS THE FRENCH ARE BEING SHORT-SIGHTED IN ENCOURAGING TENDENCIES IN GERMANY THAT COULD

SHORT-SIGHTED IN ENCOURAGING TENDENCIES IN GERMANY THAT COULD PROMOTE THE PROCESS OF RE-UNIFICATION.

BUT MY IMPRESSION IS THAT, FOR THE TIME BEING AT ANY RATE, THE U.S. ADMINISTRATION WILL TRY TO PLAY DOWN THE DIFFERENCES. THEY WILL SEEK TO AVOID A DEBATE OR TO BRING MATTERS TO A HEAD, KNOWING THAT A PUBLIC DISPUTE WILL NOT HELP THE PRESIDENT ELECTORALLY AND HOPING THAT, IF CARTER WINS IN NOVEMBER, SCHMIDT AND GISCARD, WITH A FURTHER FOUR YEARS OF THE PRESIDENT TO CONTEMPLATE, WILL SETTLE DOWN TO MAKING THE RELATIONSHIP WORK MORE SATISFACTORILY. THEIR STANCE AS A SUPERPOWER WILL BE DETACHED RATHER THAN INDIGNANT. THEY WILL SEEK TO PURSUE WHAT THEY BELIEVE TO BE THE LINE AGREED BY ALL PARTICIPANTS AT VENICE AS FOLLOWS:

(A) AFGHANISTAN SHOULD BE REGARDED AS THE CRIME IT IS, IN THE IMMEDIATE FUTURE EVERYTHING SHOULD BE DONE TO BLACKEN THE OLYMPICS (BRZEZINSKI HAS SUGGESTED TO ME THAT THEY SHOULD BE BRANDED QUOTE THE GULAG GAMES UNQUOTE).

(B) WE SHOULD PROCEED WITH THE PROGRAMME FOR NEW TNF DEPLOYMENTS.

(C) THE U.S. SHOULD BE WILLING TO NEGOTIATE ON THEATRE NUCLEAR FORCES. (BRZEZINSKI SAID THAT THE RUSSIANS HAVE NOT MADE ANY CONCESSION ON THIS SUBJECT, WHERE THE MOTIVE FOR GETTING INVOLVED IN NEGOTIATIONS AT THIS STAGE IS OF COURSE LARGELY POLITICAL FROM THE WESTERN STANDPOINT. THE SOVIETS HAVE MERELY ACCEPTED THE WESTERN OFFER OF DECEMBER WHILST INSERTING FBS S. BUT, HAVING IN THE MEANTIME IMPOSED CONDITIONS, THEY CAN APPEAR TO MAKE A CONCESSION BY DROPPING THEM, A CHARACTERISTIC SOVIET PLOY.)

7. PLEASE SEE M.I.F.T. FOR SOMEWHAT LONGER TERM REACTIONS TO THE PRESENT WASHINGTON/PARIS/BONN RELATIONSHIP.

FCO PASS SAVING ANKARA, ATHENS, BRUSSELS, COPENHAGEN, LISBON, LUXEMBOURG, OSLO, OTTAWA, REYKJAVIK, THE HAGUE, DUBLIN.

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QUADRIPARTITE FOREIGN MINISTERS' DINNER, ANKARA, 24 JUNE, 1980

Present:

Federal Republic of Germany

Herr Genscher, Foreign Minister
 Herr Blech, Political Director
 Interpreter

France

M. François-Poncet, Foreign Minister
 M. Dupont, Deputy Political Director
 M. Errera, Private Secretary

United Kingdom

Lord Carrington, Secretary of State
 Mr Bullard, Deputy Under-Secretary
 Mr Lever, Private Secretary

United States of America

Mr Muskie, Secretary of State
 Mr Vest, Assistant Secretary (Europe), State Department
 Mr Billings, Executive Assistant to Secretary of State

Energy Matters

1. Lord Carrington asked how the outcome of the Venice economic summit had been received in France. M. François-Poncet said that the general reaction had been positive, although the discussion on Afghanistan had overshadowed the economic side, which was perhaps a pity. Mr Muskie said that the reaction in the US had been positive as well. He wondered, however, whether communiqués might be eliminated from such meetings in future. Heads of government had wasted a good deal of time in drafting. M. François-Poncet agreed. Lord Carrington said that the references in the summit to increasing coal production had caught the headlines in the British press. Mr Muskie asked about other countries' coal reserves. M. François-Poncet said that in France they were negligible: there was no question of France doubling coal production. Lord Carrington said there were considerable reserves in Britain but hitherto bad labour relations and low productivity had inhibited coal extraction. Nevertheless the rise in the price of oil would make coal production attractive in the future. Mr Muskie asked if there was an 'acid rain' problem in Britain. Lord Carrington said that because of prevailing winds it was the Norwegians who suffered. Mr Muskie also referred to the 'greenhouse' effect of atmospheric screening which arose from the use of coal. Herr Genscher commented that,

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even from an environmental point of view, the most sensible solution to the energy problem was the route which the French had chosen, nuclear energy.

Non-proliferation

2. Mr Muskie asked whether the Europeans had any answers to the problem of nuclear waste. M. François-Poncet replied that the French answer was one to which the Americans had objected, namely recycling and the introduction of fast breeder reactors. There would be a short period of overlap while the existing thermal nuclear reactors, whose life span was around 20 years, were still in use producing the plutonium which fast breeders would need. But in the long run the problem of plutonium storage could be eliminated. Lord Carrington said that his understanding was that fast breeder reactors could be regulated so as to be virtually self-sufficient and that there need be no excess production of plutonium at all. Mr Muskie asked about the need for controls on plutonium. M. François-Poncet acknowledged that this was a problem which needed to be discussed. The French had made some proposals in INFCE, but no real conclusions there had been reached. Non-proliferation generally was an issue which had deteriorated in the last few years and which needed to be tackled better, not least by the US government. There was no point in concentrating exclusively on the issue of recycling. Proliferation was occurring through other means. Pakistan, for example, had not chosen the plutonium route, but was going for centrifuge and Iraq seemed likely to opt for the Canadian reactor system which was probably the most dangerous of all in proliferation terms. Non-proliferation moreover was a touchy north/south issue. France was prepared to tackle it seriously, provided France's own energy requirements were taken adequately into account. Mr Muskie asked what proportion of French energy requirements would be provided by the French nuclear programme. M. François-Poncet replied that nuclear energy would account for around 50 per cent of French electricity by 1985 and 90 per cent by 1990. The latter would be equivalent in effect to half Britain's North Sea oil resources. Mr Muskie referred to the French experimer with tidal power on the Rance river and asked whether this was contemplated elsewhere, for example at Mt St Michel. M. François-Poncet replied that experiments were continuing but the results so far were not promising: the state of the technology was not such as to make tidal power an economically attractive proposal by comparison with other options.

Somalia

3. Mr Muskie referred to the brief discussion in Venice about possible US military aid for Somalia. Lord Carrington said that the advisability of this would surely depend on the scale of aid envisaged. If sophisticated weapons were supplied to Somalia this would be a source of anxiety to the Kenyans. Somalia had never renounced her claims to a part of Kenyan territory, any more than to the Ogaden. President Moi ought to have a greater affinity for

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Somalia than Ethiopia but, as a result of the Kenyans' concern about Somali intentions, they had reached an arrangement with the Ethiopians. M. François-Poncet suggested that the supply of certain items of defensive equipment, for example for the air defence of Mogadishu or anti-tank weapons, ought not to cause the Kenyans such concern.

4. Mr Muskie said that in addition to the rent they were seeking for Berbera (on which the American offer of \$40 million might in the end prove acceptable) the Somalis were also asking for guarantees on the supply of oil and finance from Saudi Arabia, for the US to put pressure on the Europeans to provide economic and other aid, and for a visit by President Siad Barre to Washington. There was however a problem over the Ogaden. The Americans did not know whether it would be possible to secure from the Somalis any guarantee that they would not resume military activities there. If they were to do so, and the Ethiopians and Cubans were to attack the US installations to Berbera as a result, the US Government would be faced with a difficult dilemma.

5. Herr Genscher said that if the United States were to decide to support Somalia, the Europeans ought to take some collateral action themselves. The European Community could provide economic aid, and the Europeans would try to reassure Somalia's neighbours, including Ethiopia. The European countries had reasonable contacts with the Somalis, and it ought to be possible to influence them to behave in an acceptable way. He himself thought President Siad Barre could be trusted. He had reacted very positively at the time of the Lufthansa hi-jack at Mogadishu. M. François-Poncet added that there was an east/west aspect also. The time would come eventually when the Americans might want to talk to the Russians about mutual restraint in the region. In this situation the Americans would need something to draw on: at present they had nothing, whereas the Russians already had their feet in Ethiopia. He had been struck by the reference Mr Muskie had made in Venice to Vietnam. He hoped that the United States would soon get over the psychological aftermath of Vietnam. The Americans could not for ever shrink from involvement overseas. To do so would be to cut off an arm of their policy. Of course rashness should be avoided. But some risks had to be taken and sooner or later the Americans would need to get rid of the ghosts from their cupboard. It was understandable that they should not wish to be involved alone.

6. Mr Muskie agreed that the renunciation of risk-taking by the United States would be bad. The Russians would in any case push the Americans into taking risks. What he was seeking to do was to consult his allies in advance of coming to a decision. Lord Carrington said that Mr Muskie had originally implied that the need for facilities in Berbera was purely military. If so, the Americans surely needed to decide just how badly they required these facilities and whether the risks involved were justified. Mr Muskie replied that it was not as simple as this. The purely

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military requirements for facilities in Berbera, in addition to those in Kenya and Oman, were not so great as to justify taking political risks. But it would be necessary to consider their value in deterrent terms on the Ethiopians and the Cubans. Moreover the Saudis and other Gulf states regarded this as something of a test of American determination, even if on purely military grounds three, rather than two, bases were perhaps not needed. If the Americans backed off now they might lose credibility. Already the Kuwaitis seemed to be thinking in terms of lessening their connections with the west and seeking some closer accommodation with the power they regarded as the stronger in the area, namely the Soviet Union.

7. Herr Genscher agreed that there were strategic implications. American involvement in Somalia would serve as a signal that after South Yemen and Ethiopia there was a limit to the West's tolerance of Soviet incursions. The problems over Kenya and the Ogaden ought to be resolvable. Germany had only modest resources but was determined, in the light of the Mogadishu hi-jack incident, to help Somalia. The Federal German Minister of the Interior would be flying there on 29 June with a team of experts and technicians to offer relief and assistance.

8. Lord Carrington said that he had not understood previously that the Americans' prime concern was with the strategic and deterrent effect. Mr Muskie said that this concern was part of the whole problem of projecting America's power into the Middle East. Over-flight and landing rights as well as facilities and a naval presence were involved. At present the United States was planning to spend an extra billion dollars a year on this capability. But was this the right policy? There had been criticism in the American press about an alleged lack of US leadership. The United States was now offering a clear policy but wanted some confirmation from its allies that they supported it. Lord Carrington said that his answer to this would be 105% yes. There had indeed been criticism of the Americans for an apparent abdication of responsibility. But the Americans had given a good lead on Afghanistan. In mentioning the Kenya aspect, he had merely sought to point out that there were cons, as well as pros, in assisting Somalia. M. François-Poncet said that he thought that the chances of restraining Siad Barre were good. The Europeans who talked to him often could help on this. The comparison of Vietnam with Afghanistan was not valid. The Cubans had taken over Africa with a mere 40,000 men. French involvement in Africa, including Chad, had not exceeded 2,000 men, and not one had yet been killed. The criticism now most recently heard of the United States was not of foreign entanglement but of having let the Shah down. He personally had no criticism as regards the Shah; he could not see what else the Americans could have done. But it would be wrong to let Vietnam deter them from their responsibilities. Lord Carrington agreed that Africa was not Asia, but none the less it was a very political continent. The Organisation for African Unity could cause a lot of trouble.

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9. M. François-Poncet said that there appeared to be a problem over the reference in the draft NATO communiqué to a European Disarmament Conference. At the last NATO meeting the alliance had endorsed this idea. What had happened since then? Mr Muskie replied that the US Administration faced a political problem, following the Soviet invasion of Afghanistan, in pursuing disarmament initiatives. What was currently envisaged was that in September of this year, the US and its allies should commit themselves to a conference on confidence building measures. This would inevitably impact on the Presidential election campaign. It would seem odd to American public opinion for the Administration to be at one moment asking for increased funds to build up US defence capabilities and at another moment to be taking a disarmament initiative. He was not trying to be obstructionist on the substance, but there was a problem over timing. Herr Genscher said that this was surely a presentational problem. It ought to be possible to explain to public opinion that confidence building measures extending to the whole area of European Russia would be a means of forestalling a surprise Soviet attack in Europe along the lines of their invasion of Afghanistan. There was little chance of the Russians accepting such a proposal but in domestic political terms it ought surely to be a positive element.
10. M. François-Poncet said that there had been some differences of view over the holding of the Madrid Meeting. He personally had felt there was a good case for not going to Madrid following the Soviet intervention in Afghanistan. He was not convinced by Dr Brzezinski's contention that such a meeting would be helpful. Nevertheless, it had been decided to go ahead and it was inevitable that the Russians would present propaganda proposals, including a proposal for some kind of disarmament conference. The neutrals and non-aligned would be disposed to go along with the idea of a conference; the Romanians and Yugoslavs were particularly keen. The West must therefore have something to propose itself. CBMs applying up to the Urals would be a genuine security benefit - not that there was any chance of the Russians accepting this. It was of cardinal importance however that the West should insist on the inclusion of all of European Russia. It was out of the question to contemplate the mere 250 kms which had been accepted at Helsinki.
11. Lord Carrington said that he was nervous about Madrid. The Americans seemed to be speaking with different voices about it. On the one hand they seemed to want a thorough-going review of implementation which would be highly critical of the Soviet Union. On the other hand they seemed to be floating a number of gratuitous initiatives mainly in Basket III. It was essential that the Madrid meeting should not be seen to be a propaganda victory for the Russians. But the West should not tout initiatives simply for the sake of looking busy. We should not for example waste time in putting forward purely cosmetic ideas on human rights. Any western initiatives should be geared to serve the West's genuine interests. The French proposal for confidence building measures up to the Urals

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met this criterion. It would be a real gain if the Russians could agree to this; and putting it forward would help to balance the emphasis on Basket III matters. Mr Muskie said that he found these arguments persuasive. He was under a Presidential directive on the matter, as he knew M. François-Poncet was also, and would have to consult. Meanwhile the experts on the NATO communiqué drafting group could look at forms of words. Lord Carrington said that the extension of the area to the Urals was a bull point. The West must not be bumped off it. Herr Genscher said that it might be possible to emphasise this more in the communiqué.

Soviet Troop Withdrawals from the GDR

12. Herr Genscher said that the Americans had given an intelligence briefing in NATO the previous week on the re-structuring of the Soviet forces in the GDR and had suggested that there could, even after the current withdrawals of certain units, be more Russian troops in the GDR than beforehand. Moreover the strike force capability of Soviet forces would also be improved. He wondered whether, if this was the case, more use should not be made of this: for example, the facts could be publicly released by NATO immediately after the Foreign Ministers' meeting. Mr Muskie said that he would look into this.

Zimbabwe

13. Lord Carrington said that Mr Mugabe had expressed disappointment at the current level of western financial aid. He was in a difficult position: the level of expectations after independence was high and the problems were daunting. Mugabe was genuinely trying to steer a moderate course and was amenable to western influence. Zimbabwe offered a particularly important opportunity for the west. It would obviously not ally itself to western interests, but there was a possibility of it emerging as a non-aligned country on good terms with the west. Lord Carrington hoped therefore that other western countries would look sympathetically at Zimbabwe's needs and try to improve their present levels of aid. Herr Genscher and M. François-Poncet said they sympathised and would do what they could. Mr Muskie said that he too was sympathetic, but that it was extremely difficult in present circumstances to secure congressional approval for new aid commitments.

Afghan Resistance Leaders

14. Lord Carrington said that Gailani, the leader of one of the Afghan resistance groups, had asked to see him and the Prime Minister. Gailani had a religious background and western connections but Aga Shahi's advice had been that it would not be wrong to receive him. It would not be appropriate for the Prime Minister to see Gailani but Lord Carrington was inclined to do so himself. He would be disinclined to do so however if none of the other Ministers present would receive Gailani if asked. Herr Genscher said that he would himself see Gailani.

/M. François-Poncet

M. Francois-Poncet said that he would be inclined to do so but would need to consult President Giscard. The Directeur d'Asie in the Quai had standing instructions allowing him to receive Afghan resistance leaders. Mr Muskie said that he would need to consult his experts on the subject.

Namibia

15. Herr Genscher said that the UN Secretary-General had now prepared his position and his letter to P W Botha had evoked positive echoes in Namibia. It was important however not to let the initiative peter out. He had invited Nujoma to Germany. He realised Nujoma's limitations: he was not a Mugabe. But the South Africans had put all the potential Mugabes in gaol and Nujoma was all there was left. Lord Carrington said that he was disturbed by the apparent lack of enthusiasm in the Contact Group for a conference on Namibia. The South Africans, SWAPO and the Front Line States all seemed keen on such a Conference, but the Contact Group had set itself against it. The Contact Group seemed to have developed something of a life of its own and to regard itself as an independent actor on the scene. If all the parties directly concerned wanted a conference, why should the Contact Group object? Herr Genscher suggested that there should be a meeting of the Ministers of the Five on the following day to give political impetus in support of Dr Waldheim's initiative. This was agreed.

Theatre Nuclear Force Modernisation

16. Herr Genscher doubted whether the Russians would be interested in discussing Afghanistan seriously with Chancellor Schmidt. It was likely therefore that the TNF issue would dominate his conversations in Moscow. It was interesting that the Soviet Ambassador in Brussels, in a discussion with M. Harmel, the former Belgian Foreign Minister, had suggested that there should be contacts on TNF at the beginning of 1981 designed to establish the factual situation as regards the balance between the two sides. While these contacts were taking place there should be no production or deployment of TNF. If the process of verifying the factual situation produced agreement, negotiations on reductions would follow. If not, then the contacts would be broken off and each side would be free to resume its programmes. In other words the Russians were asking for a freeze. It would be necessary to make clear in the communiqué on the following day that such a proposal was quite unacceptable. Mr Muskie agreed: by 1981 the Russians would have deployed most if not all the systems they had currently in the works. Herr Genscher commented that even now with the systems currently deployed the Russians were in a strong position.

Greece/Turkey

17. Mr Muskie said that he had had meetings that day with both the Greek and Turkish Foreign Ministers. The Greeks had shown a greater sense of urgency about their re-integration into NATO and

/had

had emphasised the difficulties which would be caused if the issue was still pending during their election campaign. The Turks had endorsed the idea of Greek re-integration. The only problem was over command boundaries. General Rogers was seeking to find a military solution which would obviate the political difficulties. Lord Carrington asked whether there was anything which other countries could do to help. Mr Muskie suggested that it might be worth underlining the importance of reaching agreement. Herr Genscher said that the Turks would probably react badly to the announcement which the German Government expected to make on the following day about the imposition of a visa regime on Turks wishing to enter Germany. Such a regime would enter into force after three months, the time required for abrogating the visa abolition agreement between the two countries. He regretted having to reintroduce visas, but the Federal Government had no choice: at the moment Turks were entering Germany at the rate of 3,000 a month, all claiming to be political refugees. Perhaps 2% of those entering had some valid claim to this status. The implications of this flow of alleged political refugees were damaging in alliance terms. M. François-Poncet agreed that the Federal German Government had little choice. France was re-introducing visas everywhere: her whole policy was being changed. Before too long the only country outside Europe whose citizens would not need a visa to enter France would be the United States (despite the fact that French citizens needed a visa to enter America). This question would be a real problem in the future. Recent movements of population in South-East Asia and elsewhere suggested that the West might have to re-think its ideas on the right to emigrate. Western countries could not cope with a massive influx of refugees and he wondered whether it made sense to encourage the notion that people should be free to leave their country in whatever numbers.

Publicity

18. Mr Muskie suggested that the press should be told that the four Ministers had held the usual meeting on questions connected with Berlin and Germany as a whole, and that it was possible that other subjects had come up. This was agreed.



I see no purpose
for these
meetings
etc.

10 DOWNING STREET

Premier Minister.

You will wish to be aware of
the arrangement described in the final
paragraph (page?). I can see that
Sir R. Armstrong is in a difficult
position. But I find it ~~is~~ hard to
reconcile the institutionalisation of these
meetings of Personal Representatives
with your earlier decision that the
primacy of the Foreign Secretary & the
Foreign Office in these matters should
be absolute. If officials are to discuss,
as they did on this occasion, Afghanistan,
Somalia, SE Asia, Libya & the Middle East,
your spokesman should surely be Sir
N. Pallerin or Mr. Kullard. This may mean
that this particular form is still born: this would be
a pity but not necessarily a tragedy. And

Prime Minister

②

16

Amul - 25/6

fa Amul

Also copied:
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PE 4.

NOTE of a Meeting at the Hotel Cipriani, Venice
on Monday 23 June 1980 at 7.30 am

PRESENT

Sir Robert Armstrong (United Kingdom)
Dr Zbigniew Brzezinski (United States)
Herr Bernd von Staden (Federal Republic of Germany)
Monsieur Jacques Wahl (France)

Dr Brzezinski started the discussion by telling us how he had been invited to go and hear Mass in the Pope's private chapel in the Vatican three days before. After the Pope had said Mass, he had invited Dr Brzezinski to stay for breakfast. He then invited Dr Brzezinski to return later in the day. When Dr Brzezinski said he could not do so, the Pope invited him to continue their talk there and then. Dr Brzezinski said that he had an appointment to see the Sistine Chapel. The Pope told Dr Brzezinski not to mind about that, and in the end Dr Brzezinski talked with the Pope through the morning, had lunch with him, and was then given by the Pope a personally conducted visit to the Sistine Chapel. The proceedings were conducted entirely in Polish, and Dr Brzezinski was clearly extremely impressed by the Pope's qualities, as well as flattered by the attention which he had received.

Afghanistan

Dr Brzezinski then asked us for our views about Soviet intentions on withdrawal from Afghanistan. Monsieur Wahl embarked on a long and defensively worded account of dealings with the Russians over President Giscard's meeting with Mr. Brezhnev in Warsaw, in which he was concerned to emphasise that the President had made it clear that nothing less than total and permanent withdrawal of Soviet troops and a change of regime would be acceptable. He said that the Russians, including Mr. Brezhnev, had talked about the

BURNING BUSH

possibility of withdrawal based upon a political solution, but it was clear that the political solution they envisaged included the continuance of the Babrak Karmal regime and negotiations between it and the Governments of Iran and Pakistan. President Giscard had made it clear that not only was the Babrak Karmal regime unacceptable but any political solution would have to be more widely based than that.

Monsieur Wahl said that French intelligence suggested that recent Soviet troop arrivals in Afghanistan consisted of sections of divisions rather than complete divisions. This suggested that the Russians were creating nuclei in Afghanistan, on which they could base a rapid build up if the situation demanded it.

Herr von Staden said that the Germans were extremely sceptical about anything that was said by the Russians about withdrawal from Afghanistan this side of the Olympics. They were still keeping up pressure on the West German Government and West German athletes to change their minds about going to the Olympics. He was not personally optimistic about the prospects for Soviet withdrawal.

Sir Robert Armstrong said that the British Government knew of no reason for thinking that the Russians had any intention of early withdrawal from Afghanistan.

Dr Brzezinski did not suggest that the United States assessment was any different, and he threw out a number of ideas for keeping up the pressure on the Russians in Afghanistan.

- (a) It would be important to keep up the strength of feeling on Afghanistan in the Islamic countries in the Third World.

BURNING BUSH

- (b) The more that Western Press and television teams could go into Afghanistan and report what was going on there, the better.
- (c) The more that Western Governments talked about the Afghanistan opposition to the Russians as "forces of national liberation", the better.
- (d) Western Governments should have no truck with the Babrak Karmal regime, but he did not view with displeasure the attempts by the mission set up by the Islamic Conference to talk both to the regime and to representatives of the rebels, since that tended to put the two sides on the same plane and to legitimise the "freedom fighters" in the eyes of the rest of the world.
- (e) It was important to get results on the COCOM front.

Somalia

Dr Brzezinski said that the Americans were negotiating with the Government of Somalia for facilities at Berbera. President Barre was at present demanding conditions which the United States had no intention of fulfilling, but he would in the end come to an agreement without those conditions, if the United States wanted to have one. The question was whether it was right to persist. The United States wanted facilities at Berbera to complement those in Oman and Mombasa, but they feared that the presence of United States facilities in Berbera would encourage the Somalis to a more aggressive policy against the Ethiopians in the Ogaden. Fighting in the Ogaden could draw in not only Ethiopian but Cuban troops; and, if the Somalis got the worst of the fighting, the Somalis might call on the Americans for support, and the Cubans might be tempted to invade Somalia and advance on Berbera. There was thus a real danger of the Americans being drawn in to active confrontation with the Ethiopian and Cuban forces, if not with their Soviet allies, in that part of the world, if they went ahead with facilities in Berbera.

BURNING BUSH

In the discussion that followed there was general agreement that the stationing of United States facilities in Berbera would carry risks of destabilisation in the region - and in this context Sir Robert Armstrong reminded those present that there was a long standing border dispute between Somalia and Kenya, though that was quiet for the moment. On the other hand there was a possibility of considerable benefit: not only would United States facilities in Berbera be valuable for handling situations that might arise in the Gulf or elsewhere in South West Asia; it also seemed unlikely that the Cubans would risk a confrontation which might draw in United States forces in Somalia, and, if it became clear in the region that they were not prepared to risk such a confrontation, or if there was an exchange of fighting in which they came off worse, the West would gain considerably in terms of prestige and influence in that region of Africa, and the Soviets would correspondingly lose it. To sum up the conclusion of the discussion, the stationing of United States facilities in Berbera could produce some immediate destabilisation in the region, but held out the prospect of longer term stability, provided that the United States held firm.

South East Asia

Dr. Brzezinski asked what interpretation the rest of us put on events in South East Asia; was this another area where the Russians were trying to bring pressure to bear upon the West? In discussion it was agreed that Russian support of Vietnamese activities in the area was consistent both with a policy of keeping up pressure on the West along "the arc of crisis" and with keeping up pressure on China.

Libya

Herr von Staden said that German intelligence suggested that the recent Soviet arms sales to Libya amounted to something like \$7.5 billion, twice the amount of their sales to India and significantly more than their sales to Syria. He

SECRET AND PERSONAL
BURNING BUSH

asked how the Americans interpreted this: did they see a measure of "pre-positioning"?

Dr Brzezinski was unfamiliar with the figures. He said that one would need to know where the arms were placed and how they were stored and positioned, before one could interpret the purpose for which they might be intended. He agreed that they might be connected with President Qadhafi's antagonism against Egypt, or even with domestic political uncertainties in Libya, from which President Qadhafi might be wishing to divert attention by some form of external adventure. But he thought that it was also necessary to allow for the possibility that President Qadhafi's actions and decision allowed of no rational explanation: President Sadat, who knew him well, had said that he was an irrational man.

Middle East

Dr. Brzezinski said that it would be the intention of the United States Administration to play the Camp David process slow and low key through the United States election. He personally had welcomed the European Community initiative. If it had gone further, it would have been difficult for the United States not to condemn it; as it was, they had been able to avoid doing so, and he personally had thought it useful. If the European Community's emissary decided to go to Washington, he would be received for discussions. Dr Brzezinski asked who the Community's emissary was likely to be, and suggested that he should be somebody who was not regarded as pro-Arab. The rest of us said that it should be assumed that the emissary would be the President of the Council of Ministers for the time being. This would, from 1st July, be the Foreign Minister of Luxembourg, Mr Gaston Thorn. It was regrettable that during this period the Foreign Minister of the smallest country in the Community

SECRET AND PERSONAL
BURNING BUSH

would be in the chair, and he might need to be supported by one or two other political colleagues from other countries in the Community.

Dr Brzezinski said that King Hussein was not now objecting to talks with Palestinian leaders, though it would be difficult for the United States to talk to the PLO as such, unless it recognised the right of Israel to exist within secure boundaries.

Dr Brzezinski said that he thought that the political situation in Israel was beginning to change, and to move more in favour of a more accommodating attitude in relation to the Arab world generally and the Palestinians in particular. He had interpreted the killing of the Arab mayors as a sign that the hard men thought that they were losing influence and control and needed to proceed to desperate measures to restore their prestige and try and prop up their position. Dr Brzezinski did not, however, see any prospect of an early fall of the Begin Government, and said that the United States Government were not working to bring that about: though they had many contacts with the opposition in Israel, it was on the whole his view that Begin would be more trouble in opposition than in power. So far as the Americans were concerned, he had not outlived his usefulness.

Dr Brzezinski said American support for Israel was less strong than it had been. But the Jewish community remained an important force to be reckoned with in American politics, and presented a major problem for the Administration in this election year: both Governor Reagan and Senator Kennedy were making statements which sought to detach Jewish supporters from President Carter.

*BURNING BUSH*Future meetings

There was general agreement that it was desirable to continue quadripartite discussion and co-ordination at all levels. The meetings of political directors and the meetings of ambassadors in Washington were both useful, and should be continued. Meetings between the four "Personal Representatives" of the kind now in progress were no substitute for that process. Nonetheless they had proved useful. The Heads of State and Government could not themselves meet without publicity and the creation of expectations; and, though Foreign Ministers met, and should continue to meet when they could, some of the same problems arose. The meetings of the four "Personal Representatives" provided a means of contact between people close to the Heads of State and Government concerned and had proved to be useful. It was agreed that the four should meet regularly - say, twice or three times a year - usually in Europe - and could be prepared to meet at short notice, if a particular situation suggested that the opportunity might be useful. Sir Robert Armstrong said that he would welcome his colleagues in London after the summer break, in the latter part of September or early October.

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24 June 1980

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FM VIENNA 161351Z MAY 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 166 OF 16 MAY

INFO IMMEDIATE WASHINGTON, TEHERAN, ROME, UKREP BRUSSELS

INFO PRIORITY PARIS, BONN, UKMIS NEW YORK,

FOLLOWING FROM PRIVATE SECRETARY

QUADRIPARTITE MEETING: IRAN SANCTIONS

IMMEDIATE

ADVANCE COPY

1. THIS WAS RAISED BY MUSKIE AT THE END OF THE QUADRIPARTITE BREAKFAST TODAY.

2. HE SAID IT WAS NECESSARY TO STRENGTHEN BOTH THE ALLIANCE AND THE PUBLIC PERCEPTION OF IT. THE MEETINGS IN NATO HAD BEEN HELPFUL AND THE GERMAN VOTE ON THE OLYMPIC GAMES WOULD HELP TOO, SPECIALLY IF THE EXAMPLE WERE FOLLOWED BY OTHERS. SIMILARLY THE WEEKEND MEETING OF FOREIGN MINISTERS OF THE NINE IN NAPLES WOULD HELP IF IT PRODUCED A MEANINGFUL DECLARATION ON SANCTIONS AGAINST IRAN. MUSKIE HOPED THAT AN EFFORT WOULD BE

MADE AT NAPLES TO PRESENT THE DECISION IN AS STRONG TERMS AS POSSIBLE. THE AMERICAN PRESS AND ESPECIALLY CONGRESS WOULD BE LOOKING FOR WEAKNESSES. IT MUST BE BROUGHT HOME TO THEM THAT THE ALLIANCE WAS BASICALLY SOUND.

3. HE SAW NOTHING TO SUPPORT THE IDEA THAT A REVIVAL OF THE UN COMMISSION MIGHT NOW BE A PRACTICAL POSSIBILITY. BUT THE UNITED STATES WAS WILLING TO EXPLORE THIS AND ANY OTHER POSSIBILITY. THIS WAS THE ONLY WAY. THE CONCEPT OF PATIENCE NOW HAD TO BE REHABILITATED. AMERICAN FRUSTRATION HAD BEEN PARTLY VENTED BY THE RESCUE ATTEMPT BUT IT COULD EASILY REVIVE. MUSKIE DID NOT KNOW HOW FAR SANCTIONS WOULD REALLY HELP TO GET THE HOSTAGES OUT. BUT THEY WERE ESSENTIAL QUOTE TO BUY TIME AND SELL PATIENCE UNQUOTE. THE UNITED STATES COULD NOT FULLY DISCOUNT OTHER METHODS IN PUBLIC, BUT HE WAS FAIRLY SURE THAT THE DIPLOMATIC ROAD WOULD BE AMERICAN POLICY UNTIL THE PROBLEM WAS RESOLVED. IF THERE WERE ANY TENDENCY IN ANY OTHER DIRECTION, THERE WOULD BE FULL CONSULTATION.

4. FRANCOIS-PONCET SAID THAT EUROPE WAS WITH THE UNITED STATES, BUT HE PERSONALLY THOUGHT THAT EUROPE'S DECISION ON SANCTIONS HAD BEEN RIDICULOUS AND STUPID. SANCTIONS WERE A POWERFUL WEAPON, BUT THEY WERE GOING TO BE INTRODUCED AT A MOMENT IN THE IRANIAN SITUATION WHEN THEY COULD NOT HAVE ANY EFFECT. THIS WAS THE RESULT OF CHOOSING A DATE WHICH SUITED THE CALENDAR OF THE NINE RATHER THAN THAT OF IRAN. BUT FRANCE WAS WILLING TO TAKE THIS DECISION FOR THE SAKE OF FRIENDSHIP WITH THE UNITED STATES.

5. THE SECRETARY OF STATE WAS IN TWO MINDS ABOUT THE EFFECTIVENESS OF SANCTIONS. BUT HE ASKED MUSKIE NOT TO UNDERESTIMATE HOW FAR EUROPE HAD GONE, IN DEFIANCE OF PAST STATEMENTS. LORD CARRINGTON HIMSELF WAS ON RECORD FOR 15 YEARS AS BELIEVING SANCTIONS IN OTHER CONTEXTS TO BE USELESS. THIS WAS STILL HIS VIEW. HE WAS HAVING TO EAT HIS WORDS, THERE WAS POLITICAL DIFFICULTY ON BOTH SIDES OF PARLIAMENT. IF THE DECISION IN NAPLES FELL SHORT OF THE AMERICANS WISHES, HE HOPED THAT AMERICA WOULD UNDERSTAND THE REASONS AND MAKE THE MOST OF THE SITUATION.

6. MUSKIE CONCEDED THAT THE ONLY EVIDENCE THAT SANCTIONS WOULD WORK WAS THAT WHEN THEY WERE POSTPONED LAST TIME THE DIPLOMATIC SOLUTION FELL THROUGH. HE WAS NOT PREPARED TO SAY THAT LORD CARRINGTON WOULD NOT PROBE PROVED RIGHT, BUT HE REMAINED CONVINCED THAT SANCTIONS WERE ESSENTIAL IN ORDER TO BUY TIME.

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S E C R E T

GRS 675

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FM VIENNA 161235Z MAY 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 162 OF 16 MAY

AND TO IMMEDIATE PARIS, BONN, WASHINGTON, MOSCOW

FOLLOWING FROM PRIVATE SECRETARY

QUADRIPARTITE BREAKFAST: AFGHANISTAN

1. MUSKIE SAID THAT TALK ABOUT WITHDRAWAL WAS AN INTERESTING NEW ELEMENT IN THE SOVIET PROPOSALS, BUT THESE WERE AMBIGUOUS, THEY LEGITIMIZED THE REGIME AND THE INVASION, AND WITHDRAWAL WAS TOO FAR DOWN THE LINE. SOME PARTS OF THE SOVIET PROPOSALS COULD BE BUILT ON - BUT NO MORE. FRANCOIS-PONCET THOUGHT THERE WAS LITTLE NEW IN THE SOVIET PROPOSALS. ALL THE RUSSIANS WANTED WAS TO LEGITIMIZE THE BABRAK KARMAL GOVERNMENT AND PERPETUATE THEIR RIGHT TO INTERVENE. THE TIME HAD COME FOR THE WEST TO PUT DOWN ITS OWN PROPOSALS. LORD CARRINGTON SAID THAT THE FRENCH IDEA OF A CONFERENCE WAS INTERESTING, THOUGH WE SHOULD SEE WHAT THE ISLAMIC CONFERENCE COULD DO FIRST. HERR GENSCHER THOUGHT WE SHOULD CONCENTRATE IN PUBLIC ON GETTING SOVIET TROOPS OUT.

2. MUSKIE THOUGHT THAT THE RUSSIANS WERE HAVING DIFFICULTIES ON THE GROUND IN AFGHANISTAN. FRANCOIS-PONCET QUESTIONED THIS, AND ASKED BLUNTLY WHY U. S. SUPPORT FOR THE FREEDOM FIGHTERS WAS SO SMALL. MUSKIE SAID THAT IT WAS MORE THAN CONGRESS THOUGHT AND INCREASING (HE GAVE SPECIFIC EXAMPLES). BUT AMERICAN OPINION HAD NOT YET OVERCOME THE EFFECTS OF VIETNAM. THE AMERICANS WANTED TO AVOID A QUOTE SPANISH CIVIL WAR UNQUOTE AND ACCUSATIONS THAT THEY WANTED TO GET THE RUSSIANS OUT AND THE U. S. IN. THE RUSSIANS HAD ALREADY RUN INTO MORE DIFFICULTIES THAN THEY HAD EXPECTED, THOUGH HE AGREED THAT IT WAS IMPORTANT TO KEEP UP THE PRESSURE ON THEM. IF IT SEEMED THAT THE RUSSIANS WERE BENT ON ESTABLISHING A LAUNCHING PAD IN AFGHANISTAN FOR EXPANSION SOUTHWARDS, THAT WOULD BE A NEW FACTOR. BUT AT PRESENT IT WAS IMPORTANT TO ESTABLISH WHETHER THE RUSSIANS WERE ALREADY SUFFICIENTLY CONCERNED ABOUT THEIR EXPOSURE TO PULL BACK. FRANCOIS-PONCET THOUGHT THAT THE ONLY WAY TO GET THE RUSSIANS OUT WAS TO /GIVE

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GIVE MATERIAL AID TO THE FREEDOM FIGHTERS, SCRUPULOUSLY AVOIDING TALK OF QUOTE REBELS UNQUOTE--(HE HAD INFURIATED GROMYKO BY TALKING OF A QUOTE POPULAR RESISTANCE MOVEMENT UNQUOTE) AND TO COMBINE THIS WITH DIPLOMATIC PRESSURE.

3. LORD CARRINGTON EMPHASISED THE IMPORTANCE OF KEEPING THE SOVIET INVASION IN THE PUBLIC EYE, EG THROUGH TV. THE QUESTION WAS HOW TO ACHIEVE A SITUATION WHERE BABRAK KARMAL WAS NOT THE INEVITABLE SUCCESSOR GOVERNMENT FOLLOWING A SOVIET WITHDRAWAL. WE THEREFOR NEEDED A SOLUTION INVOLVING BOTH THE EXTERNAL AND INTERNAL POLITICAL GROUP, WHICH HE HAD DISCUSSED WITH CHANCELLOR KREISKY. PERHAPS THIS COULD BE COMBINED WITH FRENCH IDEAS ON A CONFERENCE? FRANCOIS-PONCET STRESSED THE NEED FOR THOROUGH AND COMPLETELY CONFIDENTIAL DISCUSSION AMONGST THE FOUR ON THE OBJECTIVES OF WESTERN POLICY ON AFGHANISTAN, AND THE RIGHT MIX OF PRESSURES AND POLITICAL ACTION. HE HAD DOUBTS ABOUT ULTIMATE AMERICAN OBJECTIVES. DID THEY WANT THE RUSSIANS OUT OF AFGHANISTAN OR WERE THEY RECONCILED TO THEIR STAYING, PROVIDED THEY DID NOT USE THE COUNTRY AS SPRINGBOARD FOR FURTHER AGGRESSION? IF THE AMERICANS' ALLIES WERE NOT CLEAR ABOUT THIS, THEY WERE BEING CALLED UPON TO DO THINGS THEY DID NOT UNDERSTAND (GENSCHER NODDED AGREEMENT).

4. MUSKIE EXPLAINED THE DIFFICULTIES WITH CONGRESS OVER INCREASED MILITARY EXPENDITURE AND SALES OF ARMS ABROAD. HE ACKNOWLEDGED HOWEVER THAT THE U.S. SHOULD NOT BE TOO SENSITIVE. FRANCOIS-PONCET SAID THAT THE RUSSIANS WOULD ACCUSE THE AMERICANS OF INTERFERENCE ANYWAY, . UNATTRIBUTABLE AMERICAN HELP TO THE FREEDOM FIGHTERS WAS AN ESSENTIAL COUNTER-BALANCE TO PROPOSALS FOR A POLITICAL SOLUTION, OF WHICH BRITISH IDEAS ON NEUTRALITY WERE ONE ELEMENT.

5. FRANCOIS-PONCET ALSO EMPHASISED THE NEED FOR PROPER CONSULTATION OVER E.G. THE DEVELOPMENT OF U. S. BAES IN THE REGION. THE FRENCH WOULD HAVE BEEN PREPARED TO SUPPLEMENT AMERICAN EFFORTS WITH E.G. THE SOMALIS, WHO HAD TOLD GISCARD THAT THEY WERE DISSATISFIED WITH 40 MILLION AMERICAN DOLLARS IN EXCHANGE FOR FACILITIES. THE SOMALIS WERE READY TO TIE THEMSELVES IN WITH THE WEST. THERE SHOULD BE A JOINT POLICY TO ENCOURAGE THEM, OTHERWISE THEY THE GOVERNMENT COULD COME UNDER INTERNAL PRESSURE.

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6. LORD CARRINGTON SUGGESTED THAT IT WAS NOT A CASE OF DIFFERENT OBJECTIVES, BUT DIFFERENT MEANS. FRANCOIS-PONCET RECALLED HOWEVER THAT HE HAD BEEN TOLD BY MR VANCE IN DECEMBER LAST YEAR THAT HE AMERICANS EXPECTED THE RUSSIANS TO MOVE INTO AFGHANISTAN: BUT THAT THIS SHOULD BE TAKEN COOLLY , WITHOUT FUSS.

7. LORD CARRINGTON SAID THAT THERE HAD BEEN A SPURT OF QUADRIPARTITE CONSULTATION AFTER THE INVASION. DECISIONS HAD BEEN ON A DIVISION OF LABOUR ABOUT WESTERN COUNTER-MEASURES E.G. IN THE PDRY. THESE MILLS SEEMED TO BE GRINDING SLOW AND SMALL AND NEEDED GALVANIZING. MUSKIE AGREED.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 150 OF 16 AMY

INFO IMMEDIATE WASHINGTON, PARIS, BONN, CAIRO, TEL AVIV,
UKMIS NEW YORK

FOLLOWING FROM PRIVATE SECRETARY
QUADRIPARTITE MEETING: MIDDLE EAST.

1. THIS WAS DISCUSSED AT THE QUADRIPARTITE BREAKFAST GIVEN HERE BY THE SECRETARY OF STATE TODAY FOR MUSKIE, GENSCHER AND FRANCOIS-PONCET.

2. THE SECRETARY OF STATE EXPLAINED THAT HE FORESAW A VERY UNPLEASANT HIATUS DEVELOPING AFTER THE END OF THE AUTONOMY TALKS AND BEFORE THE UNITED STATES WAS BACK IN BUSINESS FOLLOWING THE PRESIDENTIAL ELECTIONS. BRITAIN HAD SUPPORTED THESE TALKS BUT HAD ALWAYS BELIEVED THAT EVEN THEIR SUCCESSFUL CONCLUSION WOULD NOT BE ADEQUATE. HE BELIEVED HE WAS SPEAKING FOR HIS COLLEAGUES IN SAYING THAT THERE WAS SOMETHING THAT EUROPE COULD DO DURING THIS VERY DANGEROUS PERIOD. VARIOUS POSSIBILITIES WERE OPEN, BUT NONE HAD BEEN SELECTED: THE MATTER HAD NOT YET BEEN DISCUSSED IN DETAIL IN THE NINE. MR VANCE HAD SAID IN FEBRUARY THAT HE WOULD HAVE NO OBJECTION TO A EUROPEAN INITIATIVE PROVIDED IT WAS DELAYED UNTIL AFTER 25 MAY AND WAS NOT IN A FORM WHICH THE UNITED STATES WOULD HAVE TO OPPOSE.

SOMETHING ON THESE LINES COULD FILL IN A DIFFICULT PERIOD AND PERHAPS POINT THE WAY TO AN EVENTUAL SOLUTION. IF THE CHOICE WERE FOR ACTION IN NEW YORK, A EUROPEAN RESOLUTION MIGHT BE BETTER THAN THE KIND OF DRAFT WHICH OTHERS WOULD PUT FORWARD.

3. GENSCHER STRONGLY AGREED. HE SAID THAT HOWEVER 25 MAY MIGHT BE TREATED BY THE UNITED STATES, EGYPT AND ISRAEL, THE ARAB REJECTION FRONT WOULD REGARD IT AS A DEADLINE. IT WAS NECESSARY TO SHOW THE ARAB AND ISLAMIC STATES THAT THE WEST WAS AS CONCERNED ABOUT THE MIDDLE EAST AS WE WANTED THEM TO BE ABOUT AFGHANISTAN. THE LATEST ISRAELI MOVES ON THE STATUS OF JERUSALEM WOULD INTENSIFY PRESSURE ON SAUDI ARABIA AND OTHER MODERATE ARAB STATES TO TAKE UP MORE RADICAL ATTITUDES. GENSCHER WANTED TO KNOW WHETHER THERE WAS AN UNDERSTANDING BETWEEN THE UNITED STATES AND ISRAEL THAT RESOLUTION 242 SHOULD NOT BE TOUCHED SO LONG AS THE ISRAEL-EGYPT NEGOTIATIONS CONTINUED.

SECRET

S E C R E T

4. FRANCOIS-PONCET ALSO AGREED. THE PROCESS OF RADICALISATION WAS ACCELERATING, AND NO-ONE KNEW WHAT ARAB LEADERS WE SHOULD BE FACE D WITH IN A FEW MONTHS TIME. ARAFAT SEEMED TO BE LOSING GROUND IN THE PLO. EUROPE NEEDED TO TAKE A POSITION. THIS WAS AS MUCH A FACT AS THE DOMESTIC POLITICAL SITUATION IN THE UNITED STATES. THE TASK FOR EUROPE WAS TO WORK OUT WHATEVER INITIATIVE WOULD LEAST DISTURB AMERICA. EVEN IF EUROPE TABLED NO RESOLUTION OF ITS OWN, DRAFTS MIGHT BE TABLED BY OTHERS WHICH WOULD BE VERY DIFFICULT FOR FRANCE NOT TO VOTE FOR. WAS IT THE CASE THAT THE UNITED STATES WOULD BE OBLIGED TO VETO ANY RESOLUTION MODIFYING OR SUPPLEMENTING RESOLUTION 242?

5. MUSKIE SAID THAT BEFORE TAKING OFFICE HE HAD ALSO BEEN UNDER THE IMPRESSION THAT THE AUTONOMY TALKS WERE GRINDING TO A HALT. THIS WAS NOT HIS VIEW NOW. HE WAS NOT GLOWING WITH HOPE, BUT HE BELIEVED THAT THE TALKS HAD A CHANCE, AND HE COULD SEE NO OTHER APPROACH. MUSKIE PRODUCED A CHART SHOWING WHAT HAD BEEN ACHIEVED ALREADY AND WHAT REMAINED TO BE DONE: THE LATTER OCCUPIED ONLY A SMALL PART OF THE PAGE, BUT COMPRISE D THE SIX KEY ISSUES:-

- (A) LAND AND SETTLEMENTS
- (B) WATER
- (C) SECURITY
- (D) THE POWERS OF ANY AUTONOMOUS AUTHORITY
- (E) ECONOMIC ARRANGEMENTS
- (F) PARTICIPATION OF ARABS IN EAST JERUSALEM.

MUSKIE EXPRESSED CONFIDENCE IN LINOWITZ. WHETHER SUCCESS COULD BE ACHIEVED WITH BEGIN WAS A VERY SERIOUS QUESTION. BUT BEGIN WAS NOT LIKELY TO BE UPSET IN THE NEXT FEW MONTHS.

SADAT TOO HAD HIS DOUBTS ABOUT BEGIN, BUT HE WANTED THE TALKS TO CONTINUE. ANY ALTERNATIVE APPROACH WOULD AMOUNT TO STARTING A DIFFERENT ROAD WHICH WOULD EVENTUALLY LEAD BACK TO THE SAME SIX POINTS. A BROADER POLITICAL APPROACH WOULD MERELY GENERATE MORE RESISTANCE AND PROLONG THE AGONY. IF EYGPT AND ISRAEL COULD AGREE, THERE WOULD STILL BE THE PROBLEM OF BRINGING IN THE MODERATE ARABS, BUT IT COULD BE SOLVED. IT WOULD TAKE PATIENCE- THE SAME PATIENCE THAT WAS BEING URGED ON THE UNITED STATES IN OTHER CONTEXTS.

/6.

S E C R E T

6. AS TO A EUROPEAN INITIATIVE, MUSKIE ENDORSED WHAT HIS PREDECESSOR HAD SAID IN FEBRUARY. HE HOPED THAT ANY INITIATIVE WOULD NOT QUOTE GO TO RESOLUTION 242 UNQUOTE, IMPLY THAT THE UNITED STATES WAS A CO-SPONSOR OR REPRESENT 26 MAY AS A TERMINAL DATE. THE UNITED STATES HAD BUILT UP THIS DATE IN ORDER TO BRING PRESSURE ON THE PARTIES, BUT WAS NOW SEEKING TO MINIMISE IT. OBVIOUSLY THERE WOULD BE NO SETTLEMENT BY THEN. IN ANSWER TO GENSCHER'S QUESTION, MUSKIE SAID THAT HE WAS NOT AWARE OF ANY EXPLICIT AGREEMENT WITH ISRAEL. BUT IN THE AMERICAN JUDGEMENT, ANYTHING THAT TOUCHED RESOLUTION 242 WOULD ACT AS SUCH A SHOCK TO THE CAMP DAVID PROCESS THAT THE UNITED STATES WOULD BE OBLIGED TO OPPOSE IT. HE WAS NOT SURE THAT A MORE MODERATE EUROPEAN RESOLUTION WOULD NECESSARILY BE EASIER FOR THE UNITED STATES TO HANDLE THAN A CLEARLY OFFENSIVE RESOLUTION.

7. AT ANOTHER POINT, MUSKIE EXPRESSED REGRET THAT THE UNITED STATES WAS THE ONLY COUNTRY WHICH SUPPORTED ISRAEL OPENLY IN THE UN. THE RESULT WAS THAT THE UNITED STATES WAS THE ONLY COUNTRY WHICH HAD CREDIBILITY WITH ISRAEL. THINGS WOULD BE EASIER IF THE BASIS OF ISRAEL'S SUPPORT WERE BROADER. THE SECRETARY OF STATE SAID THAT HAVING RECENTLY TALKED TO THE ISRAELI FOREIGN MINISTER FOR AN HOUR AND A HALF HE DID NOT FIND IT POSSIBLE TO SUPPORT ISRAEL'S POLICIES.

8. CONCLUDING, MUSKIE URGED THAT QUOTE AT THE MOMENT AND FOR AS LONG AS POSSIBLE YOU NOT CONSIDER ANY INITIATIVE THAT GOES TO 242 UNQUOTE. IF AND WHEN EUROPE DEVELOPED A FORMULA IN WHATEVER FORUM, THE UNITED STATES WOULD LOOK AT IT. BUT THEY COULD NOT SUPPORT IT OR APPEAR TO BE ITS ORIGINATORS.

9. SUMMING UP, THE SECRETARY OF STATE EMPHASISED THAT THE EUROPEAN COUNCIL'S DECISION OF 29 APRIL HAD COMMITTED THE NINE TO TAKING UP THE SUBJECT IN MID JUNE. THE NINE WOULD KEEP CLOSELY IN TOUCH AND LET THE UNITED STATES KNOW THEIR COLLECTIVE THOUGHT.

10. COD PLEASE CONSULT PRIVATE OFFICE ON DISTRIBUTION.

GORDON

F I L E S

HD/NENAD
PS
PS/LPS
PS/MR HURD
PS/PUS
SIR D MAITLAND

MR J MOBERLY
MR BULLARD
HD/MED
HD/WED
HD/PLANNING STAFF

COPIES TO

MR ALEXANDER
~~NO 10 DOWNING STREET~~
PS/SIR R ARMSTRONG
CABINET OFFICE

3
S E C R E T

Copy for PPS
to PM

Foreign
Affairs

12 ^{may}/_{7/5}

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SECRET

FM F C O 071745Z MAY 80
TO FLASH BELGRADE
TELNO 103 OF 7 MAY 80
INFO PRIORITY PARIS, BONN, ROME, VIENNA.

PLEASE PASS FOLLOWING MESSAGE FROM ME TO GENSCHER AND
FRANCOIS-PONCENT.

QUOTE. I HAD INTENDED TO FLY TODAY TO BELGRADE, WHERE I COULD
HAVE GIVEN YOU AND JEAN FRANCOIS-PONCET/ HANS DIETRICH GENSCHER
SOME IMPRESSIONS OF MY VISIT TO WASHINGTON TO AMPLIFY WHAT I TOLD
THE AMBASSADORS OF THE NINE ON MONDAY EVENING. BUT AFTER THREE
DAYS IN THE UNITED STATES AND WITH VARIOUS TRIPS IN PROSPECT FOR
NEXT WEEK IT SEEMED MORE SENSIBLE FOR ME TO STAY HERE. THIS MEANS
THAT I HAVE TO CONSULT YOU THROUGH OUR AMBASSADOR ON A POINT
OF SOME URGENCY.

WHILE IN WASHINGTON I INVITED SENATOR MUSKIE TO JOIN THE
QUADRIPARTITE BREAKFAST IN VIENNA ON 16 MAY TO WHICH YOU AND JEAN
FRANCOIS-PONCET/HANS DIETRICH GENSCHER HAVE ALREADY ACCEPTED MY
INVITATION. HE EXPRESSED KEEN INTEREST, SAYING ONLY THAT HE MUST
OBTAIN THE PRESIDENT'S APPROVAL, AND I HAVE TODAY RECEIVED A
MESSAGE FROM WARREN CHRISTOPHER SAYING THAT SENATOR MUSKIE WILL
DEFINITELY BE PRESENT.

HOWEVER, CHRISTOPHER ADDS THE HOPE THAT I WILL ALSO INVITE
SIG COLOMBO, ON THE GROUNDS THAT THE LATTER WILL OTHERWISE BE THE
ONLY NATO FOREIGN MINISTER IN VIENNA NOT TO BE PRESENT AT THIS
BREAKFAST, THAT NOW IS A TIME TO DISPLAY MAXIMUM HARMONY WITHIN
THE ALLIANCE, THAT INVITING THE ITALIAN THIS TIME WOULD NOT
NECESSARILY SET A PRECEDENT FOR THE FUTURE, AND THAT SIG COLOMBO,
(WHO ACCORDING TO CHRISTOPHER IS AWARE THAT SUCH A MEETING IS
PLANNED) HAS INDICATED THAT IF HE IS NOT ASKED TO THE BREAKFAST
HE WILL NOT GO TO VIENNA AT ALL.

IF WE WERE TO DECIDE TO KEEP THE BREAKFAST QUADRIPARTITE,
WE SHOULD NO DOUBT TELL THE ITALIANS THAT WE WANTED TO LOSE
NO TIME IN INTRODUCING THE NEW AMERICAN SECRETARY OF STATE
TO THE LONG-STANDING FOUR-POWER GROUP COMPRISING THE FEDERAL
REPUBLIC OF GERMANY AND THE THREE WESTERN ALLIES WITH SPECIAL
RESPONSIBILITY FOR BERLIN AND GERMANY AS A WHOLE. THEY WOULD
NOT BE CONVINCED BY THIS EXPLANATION, BUT THEY MIGHT ACQUIESCE
IN IT IF IT WERE COMBINED WITH A SHOW OF SPECIAL ATTENTION BY
SENATOR MUSKIE TO SIG COLOMBO IN VIENNA.

I AM IN TWO MINDS WHAT TO DO ABOUT THIS, AND WOULD VALUE
YOUR EARLY ADVICE.

I AM SENDING A SIMILAR MESSAGE TO JEAN FRANCOIS-PONCENT/
HANS DIETRICH GENSCHER. UNQUOTE.

CARRINGTON

C FOR PONCENT READ PONCET

NNNN

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SECRET

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1828/7

Gen Prl (Summits)
PB

CONFIDENTIAL

For PD



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen your minute of 21 April about the establishment of some form of continuing machinery for consultation between Summits of the Seven. She has also discussed the matter with the Foreign and Commonwealth Secretary.

The Prime Minister is not enthusiastic about the development foreseen in your minute. She is concerned about the possibility of a new diplomatic network being established. She believes that foreign policy must remain, under her direction, the exclusive responsibility of the Foreign and Commonwealth Secretary and that our partners should be under no illusion about this.

The Prime Minister would therefore wish the emergence of the sort of group described in your minute to be discouraged. If, because of the wishes of our other partners, the establishment of the group were to prove unavoidable, the Prime Minister would wish her representative to be a senior member of the Foreign and Commonwealth Office. She would however have no objection to his being accompanied to meetings of the group by a member of the Cabinet Office if this should seem desirable.

I am sending a copy of this minute to George Walden (Foreign and Commonwealth Office).

Handwritten signature

23 April 1980

CONFIDENTIAL

Handwritten initials

Ref: A01965

pe Scan of (minutes) 2 Pt 3
This would amount to a new mini-foreign office and

MR. ALEXANDER

would soon cause trouble
AB

Prime Minister: It may well be inevitable that we move in this direction & there are some obvious attractions in doing so. One consequence will be a consolidation of the trend towards the creation of a completely new diplomatic network. This causes no great difficulties for us since, happily, relations between the FEO & No 10 are excellent. But in other capitals eg. Washington & Paris this is not the case & the dangers of two, contradictory, voices being heard are greater.

In the margins of last week's meetings of Personal Representatives preparing for the Venice Economic Summit, there was some discussion of the problems which had arisen between the United States and her allies in Europe and elsewhere about Iran and Afghanistan. In the course of these discussions it was made clear to the American representatives that, though the Europeans, the Canadians and the Japanese understood the problems which President Carter faced with his domestic public opinion because of the continued detention of the American hostages in Iran, and though America's allies wanted in principle to support her in her time of trouble, there was considerable feeling both that the crisis was not being handled in the best possible way and that the Americans were failing to consult their allies in advance in the way and extent they should if they wanted to carry their allies with them and have their support. The allies had received a series of communications from the White House, often announcing measures on which there had been no prior consultation and demanding support from the allies; and it was not always clear by what process of reasoning particular measures had been decided upon or policy had changed over time.

2. All concerned felt that there was a need for some machinery of consultation in advance, of a kind which might prevent this sort of situation developing as it had on this occasion. Meetings among Ambassadors in Washington did not meet the requirement. Meetings of Foreign Ministers could not be held without attracting a great deal of publicity. What was needed, it was suggested, was some machinery of consultation on political matters among Personal Representatives, parallel with that which had now been established for the Economic Summits. The Personal Representatives for this purpose would, at any rate in some countries (including the United States and France) be different from the Personal Representatives for the Economic Summits. They should not meet just in times of crisis; it would

ce Ewan P57
Summits - Pt 3.



CONFIDENTIAL

be advantageous for them to meet regularly - the frequency was left open - so that the habit developed and the Heads of State or Government came to regard them as a valuable and dependable form of contact. It would be for each Head of State or Government to decide by whom he should be represented, just as it is for the purpose of the Economic Summits.

3. Clearly this was not a matter which could be decided, or even taken any further, among the Personal Representatives in Italy last week. But we agreed that each of us should report the discussion which we had had on this matter to our own Principal.

4. I am sending a copy of this minute to Mr. Walden, FCO.

RA

(Robert Armstrong)

21st April 1980

SECRET



Sent by the Prime Minister

PA.

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KW

16.11

Foreign Policy

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

15th April, 1980

Ref. A01939

cc. Econ Pol. Summit Pt 3.

Quadripartite Meeting

The enclosed minute records the main points of yesterday's quadripartite meeting here between representatives of the White House, Elysee, Bundeskanzleramt, Cabinet Office and the four Foreign Ministries; and of the dinner which Robert Wade-Gery and I had with David Aaron the night before.

It also, I think, updates your and my brief for Sardinia on the idea of a political day at the Venice Summit a 7. No collective discussion of this subject will be possible in Sardinia because the American, French and German Sherpas will not be briefed or qualified to handle it. Since you and I are (by contrast) so qualified, it will fall naturally to us to explain this privately to the Canadian, Italian and Japanese Sherpas. If you agree, we might add that the question of whether there should be a political day and how to stage-manage it will no doubt need to be pursued on a very discreet basis between the right people in the seven Governments nearer the time; and we could ask who would be the right contact for this purpose in Ottawa, Rome and Tokyo.

I am sending a copy of this letter and its enclosure to Clive Whitmore at No. 10.

ROBERT ARMSTRONG

Prime Minister.

The attachment is interesting and well worth reading once you are past the bureaucratic stuff of the first few paragraphs.

Sir Michael Palliser, GCMG

SECRET

KW
15.11.1

SIR ROBERT ARMSTRONG

Four-Power Consultations

Mr Braithwaite is preparing a record of this morning's quadripartite meeting here. As you know, it was set up at White House instigation and was attended by Mr Aaron, Mr Vest, M Lele^zcq, M Dupont, Herr von der Gablenz, Herr Schenk, Mr Braithwaite and myself. The following main points emerged.

2. Political discussion at Venice Summit a 7

a. The French made clear that they had not agreed to this (pace paragraph 2e of Mr Bullard's minute of 12th March recording the quadripartite meeting of Political Directors on 10th/11th March); that they did not know what President Giscard's views on it might be; and that they were without instructions. Herr von de Gablenz told me afterwards, however, that President Giscard had recently intimated to Chancellor Schmidt that he was in fact in favour of a political day at Venice.

b. The Americans, supported by the Germans and French, made clear that the Sardinia meeting of "Economic Sherpas" on 16th April would not be the right forum in which to consider the idea of a political element in the Venice Summit. In all three cases, their representatives would not be qualified to go beyond consideration of the normal economic agenda. The French representative would simply refuse to discuss anything else.

c. I explained that our position was simpler in that you and Sir Michael Palliser were (jointly) both our representatives on the Economic Sherpa group and the right people on our side to consider political discussion at Venice. There was general agreement that embarrassment might be spared if, in view of your dual role, you were able and willing privately to warn the Italians, Japanese and Canadians against trying to raise the political discussion issue in Sardinia.

d. I then said that you had previously been intending to float in Sardinia the idea of the political discussion focussing on "Western foreign policy following Afghanistan"; and that we would be willing to prepare a paper on this, covering both substance in outline and procedure, which we would wish to discuss quadripartitely before circulating it to the Seven. It was agreed

that we should now do this (the Foreign Office are preparing a draft). We were asked to circulate it only on the direct link between the four Heads of Governments' offices and specifically to Mr Aaron, M Wahl and Herr von Staden, who would show it on a very restricted basis to their Foreign Ministries.

e. It was agreed that views on this draft should be exchanged on the same network. A further quadripartite meeting could be arranged to consider it if that proved necessary, which everyone hoped would not be the case. Assuming the French had by then agreed to the principle of a political discussion, our paper might be circulated to the full Seven in mid-May (which would involve first identifying appropriate "Political Sherpas" in Rome, Tokyo and Ottawa). Everyone stressed the need to restrict to an absolute minimum the number of people who knew that the idea of a political discussion was even being considered.

f. It was recognised that there would be a problem over the lesser allies, who would resent exclusion from political discussion even more than from a purely economic Summit. Mr Aaron thought that something might be done for them by previous consultation in NATO (eg if there was a meeting of Foreign Ministers in May as well as one of Defence Ministers) and in the EC (eg at the Luxembourg European Council on 27th-29th April). But he and Mr Vest argued strongly that the political discussion at Venice should be openly reflected in the communiqué. No one would believe that the leaders of the Seven could in fact meet in mid-1980 and avoid political discussion. So the suspicions of non-participants would simply be exacerbated if the communiqué referred only to economic subjects.

g. It was agreed that it would not be appropriate for President Jenkins to participate in any political discussion at Venice.

3. The Arc of Crisis. As planned, this part of the meeting resumed discussion of topics broached at the Paris quadripartite meeting on 8th February. It was largely a monologue by Mr Aaron. The French hardly spoke at all. Mr Aaron avoided sensitive operational issues arising out of the 8th February meeting (which he ^{had} told me privately he was content should be followed up bilaterally when Mr Carlucci come to London later this month). His main points were as follows.

- a. Afghanistan. Guerilla resistance would continue at a satisfactory level. The Russians could quell it only if they doubled the number of their troops, which seemed inconceivable. The guerillas were being adequately supplied with arms, mainly from internal sources eg defecting Afghan Army units. More could be done to publicise Russian atrocities and other events in Afghanistan, particularly in the Third World. The Americans would contact the other three Governments bilaterally about this. Britain's neutrality idea was welcome as an instrument of political warfare.
- b. Iran. The Russians were building up their forces on the Caucasus frontier, presumably in case disintegration in Iran offered them scope for intervention eg in support of a pro-Soviet separatist government which might emerge in Azerbaijan. Such intervention would be easier for the Russians if the Western response to Afghanistan had been less robust than the Americans wanted. Khomeini was very ill. The hostages had now become a major political factor in President Bani-Sadr's struggles both with the left and with the clerics. Iran was ~~definitely~~ drifting leftwards. United Western sanctions might ~~actually~~ halt this by playing on the moderates' fears of being left friendless apart from the Russians. The moderates had been signalling to Washington that tough measures against Iran would actually strengthen their own hand.
- c. N. Yemen and Saudi Arabia. In both cases the Americans seemed somewhat less worried than before, at least about the immediate future.
- d. US facilities. Negotiations with Oman and Kenya were going well. Those with Somalia were trickier. The Americans were willing to provide the Somalis with an air defence system, but not to support operations against the Ogaden.
4. General. At no point did the Americans ask what had passed between President Bani-Sadr and the European Ambassadors on 12th April. Nor during the meeting itself did they call for more allied support over Afghanistan or over Iran. But as you know Mr Aaron repaired this omission at the subsequent working lunch over which you and Sir M Palliser presided. He was sharply counter-attacked by Herr von de Gablenz, who said that Germany had done much more than the Americans recognised, would do more still (eg coming out for an Olympic boycott) but inevitably disliked economic measures against the Soviet Union and Eastern Europe, where she had much more at stake than any of her allies.

5. After lunch I asked Mr Vest privately about Mr Vance's dislike of this particular quadripartite forum, about which he had spoken to Mr Bullard on 1st April. I made clear that we had no wish to champion it but had merely responded to White House prompting. Mr Vest said that Mr Vance was now quite relaxed on the subject and he himself was no longer worried about wire-crossing. But our exchange was a hurried one, and he may only have been being polite.

6. Dinner with Mr Aaron As a tail piece it may be convenient if I record the main points which Mr Aaron made when he dined privately with you last night.

i. Germany Chancellor Schmidt's visit to Washington had been "a disaster". The Chancellor had spoken to the President with apparent sympathy and friendliness but had then told the American press representatives that the President was an impossible idiot. Worse, the Chancellor's obsession with "mini-detente" in Central Europe seemed to take priority over his loyalty to the Alliance, from which he was perhaps preparing to distance himself. That way lay Finlandisation. The Germans always claimed to be doing their best to lessen France's reservations about Alliance solidarity and American leadership; but it was beginning to look as though the Germans were actually more hostile than the French and egging them on.

ii. Detente was not working as intended. It was meant to inhibit ~~the~~ Russian misbehaviour. All it was actually inhibiting was a robust reaction by the Allies, particularly the Germans.

iii. NATO Summit President Carter had disliked getting identical replies from the Chancellor and Mrs Thatcher to his original proposal. The White House were also annoyed that the Chancellor's office had told the German Foreign Ministry about the proposal (by implication, the White House had not told the State Department, at least at that stage); and that either the Germans or the British appeared to have told the Italians (we have since established that it was not us). As regards the current proposal for a NATO Foreign Ministers' meeting in May, Mr Aaron favoured the British idea that they should meet without Defence Ministers present, in order to make it possible for the French to be there.

- iv. Quadripartite consultation. Mr Aaron was unimpressed with my suggestion that there was particular value in the quadripartite forum now established in Washington between Mr Christopher and the three Ambassadors. Inside the State Department, circles of knowledge widened too quickly, leading to leaks. No one in Washington had much confidence in the German Ambassador. In any case, it was not Ambassadors the Americans needed to consult about policy matters but those who were directly involved in national decision-taking. US policy-makers would need to travel more in search of such consultation. They should learn from the growing frequency and intensity of consultation meetings within the EC framework.
- v. US-EC relations. Mr Aaron had come to the Ditchley Conference on 11th-13th April under instructions to complain about the difficulty the US found in consulting EC members, who would not express any views until they had consulted their Community partners, and were thereafter unwilling to alter a comma of whatever formula they had managed to hammer out at 9. This was a real problem. But he had not meant to provoke Sir M Palliser into believing that the Americans were now hostile to the development of the Community.
- vi. Political discussion at Venice. Dr Brzezinski was determined to keep preparations for this under his own control. He would not want Mr Owen involved and would not be willing to hand the subject over to the State Department.
- vii. Iran. President Carter's television reference (on 13th April) to a date by which united action by the allies against Iran would be needed had referred only to the view set out in his message of 25th March that there was little time left and would be none at all by about mid-May.

14th April 1980

R L Wade-Gery

R L WADE-GERY

15 APR 1960



GRS
SECRET

S E C R E T

For PD

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FM PARIS 11164Z MAR 80
TO PRIORITY FCO
TELEGRAM NUMBER 283 OF 11 MARCH 1980
INFO SAVING TO WASHINGTON AND BONN

MY TELNO 260: US/EUROPEAN CONSULTATIONS

1. I ASKED THE SECRETARY-GENERAL OF THE QUAI D'ORSAY TO COMMENT ON THIS QUESTION YESTERDAY. AT FIRST HE SEEMED TO WANT TO PRETEND THAT THERE WAS NOTHING WORTH COMMENTING ON. THERE WAS NO PROBLEM. THE US SECRETARY OF STATE COULD INVITE WHOM HE LIKED TO COME TO SEE HIM IN WASHINGTON AND THE FRENCH WOULD TAKE PART AS BEST THEY COULD. IT WAS UP TO THE AMERICANS WHETHER THEY INVITED A GROUP WHICH COULD DO USEFUL WORK TOGETHER. FRANCE WOULD BE PRAGMATIC AND HAD NO PARTICULAR DOCTRINE TO ADVANCE ON SUCH MATTERS.
2. I SAID THAT THE UK ATTACHED IMPORTANCE TO EFFECTIVE CONSULTATION BETWEEN WASHINGTON AND THE WESTERN EUROPEAN COUNTRIES AND I HAD UNDERSTOOD HITHERTO THAT THE FRENCH ATTITUDE WAS THAT SUCH CONSULTATION COULD NOT BE EFFECTIVE UNLESS IT WAS RESTRICTED IN NUMBERS AND STRICTLY CONFIDENTIAL IN FORM. LEUSSE FINALLY ADMITTED THAT THERE WAS A POINT OF SUBSTANCE AND SAID THAT OF COURSE AS FAR AS FRANCE WAS CONCERNED THE QUADRIPARTITE FORUM WAS THE FUNDAMENTAL ONE IN DEALING WITH THE UNITED STATES, AND TRIPARTITE CONCERTATION WAS WHAT THEY WANTED IN EUROPE. BOTH QUADRIPARTITE AND TRIPARTITE CONTACTS SHOULD BE CONDUCTED PERSISTENTLY, EFFICIENTLY AND CONFIDENTIALLY. THE FRENCH GOVERNMENT WOULD BE CONTENT TO LET THE FRENCH AMBASSADOR IN WASHINGTON TAKE PART IN OTHER SORTS OF MEETINGS WHICH THE US GOVERNMENT CARED TO ORGANISE, BUT THEY WOULD NOT EXPECT MUCH FROM SUCH MEETINGS AND THEY WOULD WANT THE ESTABLISHED QUADRIPARTITE CONTACTS TO CONTINUE UNINTERRUPTEDLY AND TO PROVIDE THE MAIN SOURCE OF EFFECTIVE CONSULTATION BETWEEN WASHINGTON AND THE WESTERN EUROPEAN COUNTRIES.
3. I TOLD LEUSSE THAT THIS SEEMED TO ME VERY CLOSE TO THE BRITISH VIEW WHICH HAD BEEN CONVEYED TO THE STATE DEPARTMENT. HE DID NOT SEEM PARTICULARLY PLEASED TO RECEIVE THIS ACCOLADE.

FCO PLEASE PASS SAVING.

HIBBERT

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FILES

[REPEATED AS REQUESTED]

PLANNING STAFF

PS

PS/LPS

SIR D MAITLAND

MR BULLARD

LORD BRIDGES

[NOT ADVANCED]
S E C R E T

SECRET

GRS 260
SECRET
FM PARIS 061152Z MAR 80
TO PRIORITY FCO
TELEGRAM NUMBER 260 OF 6 MARCH 1980
INFO PRIORITY WASHINGTON AND BONN

mm

MY TEL NO 244: US/EUROPE CONSULTATIONS

1. I TOOK THE OPPORTUNITY OF A TALK YESTERDAY WITH THE SECRETARY GENERAL OF THE ELYSEE TO ASK HOW THE ELYSEE VIEWED MR VANCE'S SUGGESTION FOR PERIODIC MEETINGS WITH THE FRENCH, GERMAN AND BRITISH AMBASSADORS AT WASHINGTON. WAHL SAID THAT THE FRENCH WOULD HAVE NO DIFFICULTY ABOUT SUCH MEETINGS PROVIDED THEY WERE KEPT CONFIDENTIAL AND WERE NOT USED AS A LEVER IN ANYONE'S FOREIGN POLICY (AN ALLUSION TO THE TIMING OF THE ABORTIVE BONN MEETING TO COINCIDE WITH THE DEADLINE FOR SOVIET WITHDRAWAL FROM AFGHANISTAN) AND PROVIDED ALSO THEY DID NOT CUT ACROSS THE CONTINUING BUT IRREGULAR PROCESS OF FOUR-POWER CONSULTATIONS BETWEEN POLITICAL DIRECTORS, FOREIGN MINISTERS AND, WHEN POSSIBLE, HEADS OF GOVERNMENTS.

2. WAHL DID NOT SEEM TO HAVE HEARD OF MR VANCE'S SUMMONING OF FIVE INSTEAD OF THREE AMBASSADORS. HE TELEPHONED WHILE I WAS THERE TO FIND OUT HOW MATTERS STOOD AND LEARNED THAT NO FRENCH REPLY HAD YET BEEN SENT TO THE MESSAGE FROM WASHINGTON ABOUT MEETINGS OF THE FOUR (I.E. MR VANCE PLUS THREE AMBASSADORS). WAHL COMMENTED THAT THE ITALIAN AND CANADIAN GOVERNMENTS COULD NOT BE REGARDED AS CARRYING THE SAME RESPONSIBILITIES OR HAVING EXACTLY THE SAME INTERESTS AS THE GERMAN, FRENCH AND BRITISH GOVERNMENTS. IF MR VANCE CALLED THE ITALIAN AND CANADIAN AMBASSADORS IN WITH THE OTHER THREE, NOTHING COULD BE DONE ABOUT IT, BUT SUCH ACTION WOULD ONLY MAKE IT MORE DIFFICULT TO ENSURE A SATISFACTORY UNDERSTANDING ABOUT MEETINGS A QUATRE WHICH WERE THE ONLY REALLY SATISFACTORY FORMULA BY WHICH TO ENSURE THAT US CONSULTATIONS WITH WESTERN EUROPE FLOWED SMOOTHLY.

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[THIS TELEGRAM WAS NOT ADVANCED]

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SIR D MAITLAND
MR BULLARD
LORD BRIDGES

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FM FCO 051750Z MAR 80
TO PRIORITY WASHINGTON
TELEGRAM NUMBER 453 OF 5 MARCH
AND TO PARIS
INFO PRIORITY BONN TOKYO

YOUR TELNO 941 (NOT TO ALL): US/EUROPEAN RELATIONS.

1. STREATOR, THE MINISTER AT THE AMERICAN EMBASSY HERE, TODAY EXPRESSED SURPRISE TO BULLARD THAT MR VANCE SHOULD HAVE HELD THE MEETING WITH THE 5 AMBASSADORS DESCRIBED IN YOUR TELNOS 925-927 IN THE WEEK BEFORE THE VISIT OF SCHMIDT, WHOSE RATHER DIFFERENT PROPOSAL FOR PERIODIC MEETINGS WITH THE AMBASSADORS OF BRITAIN, FRANCE AND GERMANY ONLY HAD (STREATOR THOUGHT) BEEN ACCEPTED BY ALL CONCERNED.

2. BULLARD, SPEAKING PERSONALLY, SAID HE SHARED THIS SURPRISE. IT HAD BEEN OUR CLEAR UNDERSTANDING FROM MR VANCE'S VISIT THAT SCHMIDT'S PROPOSAL WAS ACCEPTED AND WOULD BE PUT INTO PRACTICE. BRITISH MINISTERS THOUGHT HIGHLY OF THE QUADRIPARTITE FORMAT. IF NUMBERS WERE TO BE ENLARGED FROM 4 TO 6 THERE MIGHT BE SOMETHING TO BE SAID FOR ADDING JAPAN. IT COULD BE EASIER TO JUSTIFY GRAFTING A POLITICAL ELEMENT ON TO THE VENICE GROUP, WHICH BY NOW HAD A LONG PEDIGREE, THAN INSTITUTIONALISING THE SIX, WHOSE MEETING IN LONDON ON 31 DECEMBER HAD BEEN OCCASIONED BY SPECIAL CIRCUMSTANCES AND HAD AROUSED SOME CRITICISM.

3. THE MEETING IN PARIS NEXT WEEK TO WHICH NEWSOM REFERRED (YOUR PARAGRAPH 1) WILL PROVIDE AN OPPORTUNITY TO PURSUE THIS SUBJECT, INCLUDING THE QUESTION OF A POSSIBLE MEETING BY FOREIGN MINISTERS OF THE FOUR AS SUGGESTED BY BLECH (BONN TELEGRAM NO 215, PARAGRAPH 4).

4. FOR PARIS, YOUR TELNO 244 AND TELECON YOUNG/BULLARD: YOU HAVE DISCRETION WHETHER TO APPROACH THE QUAI ON THIS SUBJECT OR LEAVE IT TO BE PURSUED AT NEXT WEEK'S MEETING.

CARRINGTON

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HD|PLANNING STAFF
PS
PS|LPS
PS|PVS
SIR J. MAITLAND
MR BULLARD

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MR ALEXANDER NO 10 DOWNING STREET

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USA

GR 300

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FM WASHINGTON 041815Z MAR 80
TO PRIORITY FCO
TELEGRAM NUMBER 941 OF 4 MARCH
INFO PRIORITY TO BONN AND PARIS.

Read in full

mb

YOUR TELEGRAM NO. 138 TO BONN : U.S./EUROPEAN RELATIONS.

1. I EXPLAINED TO NEWSOM ON 3 MARCH WHAT YOU HAD IN MIND TO IMPROVE U.S./EUROPEAN COORDINATION. HE READILY AGREED TO PUT THIS TO VANCE. HE ACCEPTED THAT THE MEETINGS WHICH VANCE PLANS TO HAVE WITH THE FIVE AMBASSADORS IN WASHINGTON WOULD NOT ENTIRELY MEET THE NEED WHICH WE SEE FOR FRANK AND CONFIDENTIAL CONSULTATION BETWEEN THE UNITED STATES AND EUROPE, BUT WAS UNCERTAIN ABOUT HOW THAT ARRANGEMENT COULD BEST BE COMPLEMENTED. HE REFERRED TO THE EXISTING ARRANGEMENTS BETWEEN POLITICAL DIRECTORS, INCLUDING THE FORTHCOMING MEETING IN PARIS, AS A VALUABLE FORUM FOR THE SORT OF DISCUSSION WE WANT.

2. NEWSOM WAS WORRIED ABOUT THE DIFFICULTY OF MAINTAINING SECRECY OVER MEETINGS OF THE FOUR POWERS IN WASHINGTON AT AMBASSADORIAL LEVEL. (GIVEN THE INTENSIVE PRESS COVERAGE OF THE STATE DEPARTMENT AN EARLY LEAK IS UNAVOIDABLE.) I SUGGESTED THAT ONE POSSIBILITY MIGHT BE TO HOLD MEETINGS AT A LOWER LEVEL, FOR INSTANCE BETWEEN THE MINISTERS OF THE THREE EMBASSIES AND VEST. SUCH MEETINGS WOULD BE LESS LIKELY TO LEAK. THEY WOULD NOT CUT ACROSS THE ARRANGEMENT VANCE HAS MADE FOR MEETINGS WITH THE FIVE AMBASSADORS, WHICH COULD BE VALUABLE IF HE CONTINUES TO TALK AS OPENLY AS HE DID ON THE FIRST OCCASION.

3. VEST SUBSEQUENTLY TELEPHONED ME TO DISCUSS YOUR IDEA FURTHER. HE MENTIONED THE EXISTING QUADRIPARTITE POLITICAL DIRECTORS FORUM BUT SAID THERE WERE PRACTICAL DIFFICULTIES IN HIS CONSTANTLY FLYING THE ATLANTIC. HE ECHOED NEWSOM'S WORRY ABOUT SECRECY BUT SAID THAT HE WOULD BE THINKING ABOUT THE WHOLE PROBLEM.

4. I HAVE ALSO

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4. I HAVE ALSO DISCUSSED THIS QUESTION OF MACHINERY AT THE WHITE HOUSE WHERE I HAVE AGAIN EMPHASISED THE IMPORTANCE OF A FOUR-POWER FORUM, RATHER THAN ANYTHING WIDER.

HENDERSON

FILES

PLANNING STAFF

PS

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PS/PUS

SIR D MAITLAND

MR BULLARD

LORD BRIDGES

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FM BONN 031619Z FEB 80
TO PRIORITY FCO
TELEGRAM NUMBER 215 OF 3 MARCH
INFO PRIORITY PARIS AND WASHINGTON

Read in full

YOUR TELEGRAM NO. 139 : US/EUROPEAN RELATIONS.

1. MINISTER CARRIED OUT THESE INSTRUCTIONS WITH GABLENTZ (FEDERAL CHANCELLERY) AND SEPARATELY WITH BLECH (POLITICAL DIRECTOR) TODAY. WHILE EXPRESSING APPRECIATION, BOTH GABLENTZ AND BLECH COMMENTED THAT THE IDEA HAD BEEN EFFECTIVELY OVERTAKEN BY VANCE'S INITIATIVE IN CALLING TOGETHER THE REPRESENTATIVES OF THE FIVE (WASHINGTON TELEGRAM NO. 925).
2. GABLENTZ SAID THAT THE FEDERAL CHANCELLOR WOULD BE SERIOUSLY UPSET BY VANCE'S ACTION, AS A RESULT OF WHICH IT WOULD CLEARLY NOT NOW BE POSSIBLE TO GO AHEAD WITH THE EARLIER IDEA OF CONSULTATIONS WITH THE AMBASSADORS OF THE THREE. GISCARD WOULD BE EVEN MORE PUT OUT. HIS DOUBTS ABOUT THE PRACTICABILITY OF HAVING EFFECTIVE, CONFIDENTIAL CONSULTATIONS WITH THE US (THE NEXT TWO WORDS ARE UNDERLINED) A QUATRE WOULD BE CONFIRMED AND THE WORK WHICH THE GERMANS HAD DONE IN PERSUADING HIM TO THE CONTRARY WOULD BE UNDERMINED. A FORUM WHICH INCLUDED ITALY AND CANADA WOULD NOT HAVE THE SAME VALUE OR FULFIL THE SAME PURPOSE AS THE ORIGINAL IDEA NOR WOULD IT BE POSSIBLE FOR THE FIVE TO CONCERT POSITIONS IN ADVANCE AS HAD BEEN THE INTENTION AMONG THE THREE. THIS PARTICULAR ASPECT OF THE IDEA, WHICH HAD BEEN SUGGESTED BY VON STADEN, WAS ONE TO WHICH THE FEDERAL CHANCELLOR HAD ATTACHED IMPORTANCE. THERE WAS NOW NOTHING TO BE DONE EXCEPT TO MAKE THE BEST OF A BAD JOB: BUT IT WAS DIFFICULT TO UNDERSTAND WHY VANCE HAD ACTED SO PRECIPITATELY AND INCONSISTENTLY WITH WHAT HAD BEEN DISCUSSED.
3. BLECH WAS MUCH MORE PHILOSOPHICAL. HE SAID THAT THERE WOULD BE NO POINT IN ASKING VANCE TO HAVE SEPARATE MEETINGS WITH THE THREE IN ADDITION TO THOSE WHICH HE WAS GOING TO HAVE WITH THE FIVE. WHAT WAS IMPORTANT WAS TO MAKE SURE THAT THE EXISITING MACHINERY FOR QUADRIPARTITE CONSULTATION WAS NOT OBSTRUCTED. THE ESSENTIAL ELEMENT IN THIS WAS THE REGULAR CONTACT BETWEEN THE FOUR POLITICAL

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DIRECTORS AND, AT LONGER INTERVALS, BETWEEN THE FOUR FOREIGN MINISTERS. THIS FRAMEWORK COULD BE SUPPLEMENTED E.G. BY VEST CALLING IN THE THREE AMBASSADORS IN WASHINGTON OR THEIR REPRESENTATIVES FROM TIME TO TIME, IN ORDER TO MAINTAIN CONTINUITY AND TO FOLLOW UP QUESTIONS RAISED AT THE MEETINGS OF POLITICAL DIRECTORS. MEETINGS BETWEEN VANCE AND THE THREE AMBASSADORS COULD IN ANY CASE NOT HAVE BEEN QUOTE OPERATIONAL UNQUOTE IN THE SAME WAY AS THE MEETINGS OF THE FOUR POLITICAL DIRECTORS. NOR HAD HE (BLECH) BEEN ENTHUSIASTIC ABOUT THE SUGGESTION THAT THE THREE AMBASSADORS MIGHT CONCERT A COMMON POSITION BEFORE THEIR MEETINGS WITH VANCE: THAT SAVOURED TOO MUCH OF CONSTRUCTING A TRIPARTITE FRONT AGAINST THE AMERICANS.

4. BLECH WENT ON TO REFER TO THE NEED FOR THE FOUR FOREIGN MINISTERS TO GET TOGETHER AGAIN BEFORE THE VENICE SUMMIT. ON THE IDEA OF A QUADRIPARTITE MEETING IN VENICE ITSELF IMMEDIATELY BEFORE THE SUMMIT, HE SAID THAT GERMAN THINKING NOW WAS THAT THIS WOULD BE DIFFICULT TO SET UP ON ITALIAN SOIL. A BETTER IDEA MIGHT BE TO GO FOR A MEETING OF THE FOREIGN MINISTERS OF THE SEVEN IN VENICE THE DAY BEFORE THE ECONOMIC SUMMIT, AND IN THE MARGINS OF WHICH THE FOREIGN MINISTERS OF THE FOUR COULD PERHAPS MEET INFORMALLY AND RELATIVELY UNOBTRUSIVELY, EITHER FOR BREAKFAST OR LUNCH.

WRIGHT

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PS/FUS
SIR D. MAITLAND
MR BULLARD
LORD BRIDGES
MR BRAITHWAITE
PLANNING STAFF

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FM FCO 291900Z FEBRUARY 1980

TO PRIORITY BONN

TELEGRAM NUMBER 138 OF 29 FEBRUARY

AND TO PRIORITY PARIS AND WASHINGTON

US/EUROPEAN RELATIONS

Fa. Hunt

1. DURING MR VANCE'S TOUR OF EUROPEAN CAPITALS LAST WEEK, AND AGAIN DURING MY TALKS IN BONN ON 26 FEBRUARY, THERE WAS SOME DISCUSSION OF CHANCELLOR SCHMIDT'S IDEA THAT AMERICAN/EUROPEAN COORDINATION COULD BE MUCH IMPROVED IF THE AMBASSADORS OF BRITAIN, FRANCE AND THE FRG IN WASHINGTON COULD HAVE REGULAR PRIVATE MEETINGS WITH MR VANCE OR HIS DEPUTY.

2. PLEASE TELL CHANCELLOR SCHMIDT AND HERR GENSCHER THAT THE PRIME MINISTER AND I HAVE CONSIDERED THIS SUGGESTION AND ARE VERY MUCH IN FAVOUR OF PUTTING IT INTO PRACTICE WITHOUT DELAY. IF THE FRENCH ARE ALSO AGREED, WE COULD LEAVE IT TO OUR 3 AMBASSADORS IN WASHINGTON TO APPROACH THE STATE DEPARTMENT AND MAKE THE ARRANGEMENTS FOR THE FIRST AND SUBSEQUENT MEETINGS. IT WOULD BE ESSENTIAL FOR THE 3 EUROPEAN CAPITALS TO HAVE SUFFICIENT NOTICE OF THE DATE AND AGENDA OF EACH OF THESE MEETINGS TO ALLOW TIME TO CONCERT OUR POSITIONS IN ADVANCE IF WE SHOULD WISH TO DO SO.

3. HM EMBASSY PARIS SHOULD MAKE A PARALLEL APPROACH TO M FRANCOIS PONCET. HE WILL ALREADY BE AWARE OF THE IDEA AND WILL I HOPE FAVOUR IT.

4. SIR N HENDERSON SHOULD MEANWHILE TELL THE AMERICANS WHAT WE ARE DOING. HE COULD ADD THAT MEETINGS OF THE 7 ECONOMIC SUMMIT COUNTRIES OF THE KIND ENVISAGED IN WASHINGTON TELEGRAM NO 891 WILL NO DOUBT BE DESIRABLE AS PART OF THE PROCESS OF GIVING A POLITICAL DIMENSION TO THE VENICE SUMMIT: BUT THAT THIS GROUP OF 7 WOULD BE BOTH TOO CUMBOUS AND TOO LEAKY FOR THE SORT OF REGULAR, FRANK AND ABSOLUTELY CONFIDENTIAL CONSULTATIONS WHICH MR VANCE AND I AGREED LAST WEEK TO BE SO NECESSARY.

CARRINGTON

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MR BULLARD

LORD BRIDGES

MR BRAITHWAITE, PLANNING STAFF.

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MR ALEXANDER, NO 10 DS.

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FM WASHINGTON 282334Z FEB
TO PRIORITY F C O
TELEGRAM NUMBER 891 OF 28 FEB 80.
INFO UK DEL NATO, BONN, PARIS AND ROME.
INFO SAVING MOSCOW, TOKYO, OTTAWA AND OTHER EC POSTS.

Read in full.
(I have pointers on to F.C.O. that you & Chancellor Schmidt were discussing meetings between Vance & 3 ambassadors, not 6.)

US/EUROPEAN RELATIONS.

1. IN A GENERAL DISCUSSION WITH NEWSOM IN THE STATE DEPARTMENT THIS MORNING I ASKED HIM ABOUT CO-ORDINATION OF U.S. AND EUROPEAN VIEWS AND THE FOLLOW-UP TO VANCE'S VISITS. I REFERRED TO AN INVITATION I HAD RECEIVED FROM VANCE TO AN INFORMAL DISCUSSION ON FRIDAY 29 FEBRUARY. NEWSOM SAID THAT VANCE'S IDEA WAS TO INVITE AMBASSADORS OF THE SEVEN ECONOMIC SUMMIT COUNTRIES TO MEET HIM FROM TIME TO TIME. THIS WOULD CONSTITUTE A FORUM FOR CONSULTATION ALTHOUGH IT WOULD NOT BE DESCRIBED AS SUCH. THE AMERICANS WOULD PRESENT THE MATTER ON THE BASIS THAT VANCE WAS INVITING COLLEAGUES IN FOR A DRINK. THIS WAS NOT ENTIRELY SATISFACTORY BUT THE AMERICANS COULD THINK OF NO OTHER WAY. THE SCHEME WAS PURELY EXPERIMENTAL AND WOULD BE LIMITED TO AMBASSADORS ONLY. THE AIM WOULD BE TO ANALYSE AND TO REVIEW ACTION RELATING TO AFGHANISTAN. VANCE WOULD SPEAK IN GENERAL TERMS IN THE GROUP: THE AMERICANS WOULD CONTINUE TO DEAL WITH SPECIFIC POINTS OF ACTION BILATERALLY. NEWSOM MENTIONED IN THIS CONTEXT THE POSSIBILITY OF FURTHER BRITISH FLEET DEPLOYMENTS EAST OF SUEZ.
2. NEWSOM SAID THAT THE NEW EXTENSION OF SOVIET MILITARY POWER WAS A SIGNIFICANT FACT WHICH NO U.S. PRESIDENT COULD IGNORE. WHATEVER THE ORIGINAL INTENTION IT HAD BROUGHT THE RUSSIANS CLOSER TO THE GULF AND THE USE OF SOVIET ARMED FORCE HAD LONG RANGE IMPLICATIONS. THE RUSSIANS WERE MAKING SOME NOISES ABOUT WITHDRAWAL. HE ASSUMED THAT IF THE RUSSIANS PROVED TO BE THINKING SERIOUSLY ABOUT WITHDRAWAL A PROCESS OF BARGAINING WOULD ENSUE. AS YET THE RUSSIANS HAD CONVEYED NO INDICATION THAT THEY WERE THINKING OF EXTENDING ANY SUCH BARGAINING TO COVER OTHER STRATEGIC FACTORS IN THE AREA, OUTSIDE AFGHANISTAN.

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3. I ASKED HIM ABOUT THE STATE DEPARTMENT'S EVALUATION OF VANCE'S TALKS IN EUROPE. NEWSOM SAID THAT IN GENERAL THERE HAD BEEN DEEP DISAPPOINTMENT WITH THE EUROPEAN REACTION TO AFGHANISTAN. THE U.S. HAD BEEN REPROACHED IN THE PAST FOR THE WEAKNESS OF ITS RESPONSE TO SOVIET PROVOCATIONS, BUT NOW THE MINIMUM RESPONSE WHICH COULD BE CONSIDERED SERIOUS IN RELATION TO AFGHANISTAN WAS CALLED AN OVERREACTION. THE U.S. HAD MADE SACRIFICES AND RUN POLITICAL RISKS, AS OVER THE GRAIN EMBARGO, BUT EUROPE HAD SAID ONLY THAT IT WOULD NOT RUSH IN TO REPLACE U.S. SUPPLIES. THERE HAD BEEN LITTLE INDICATION OF READINESS TO TAKE ACTION IN PARALLEL. THE COMING WEEKS WOULD DEMONSTRATE WHETHER AGREEMENT WAS POSSIBLE ON COCOM AND ON MAJOR PROJECTS IN THE SOVIET UNION. IF NOT, THERE WAS A RISK OF A SERIOUS EFFECT ON THE U.S. ATTITUDE TO THE ALLIANCE PER SE. EUROPEAN INTERESTS WERE MORE AT STAKE THAN THOSE OF THE U.S. IN THE GULF.

5. I SAID THAT I WAS AWARE OF U.S. CONCERN OVER THE WEAK EUROPEAN ATTITUDE: AND OF THE EFFECT THIS MIGHT HAVE ON U.S. POLICY TOWARDS EUROPE. BUT, SPEAKING PERSONALLY, I WAS NOT SURE THAT THIS WAS GENERALLY RECOGNISED IN EUROPE. IT WAS RELEVANT TOO THAT THERE WERE DIFFERING VIEWS IN WASHINGTON ABOUT THE SOVIET ACTION AND ABOUT THE RIGHT WESTERN RESPONSE. THE AMERICAN PRESS HAD IN GENERAL ADOPTED A REMARKABLY DOVEISH TONE. IT WAS NOT SURPRISING IF THE REACTIONS OF DIFFERENT EUROPEAN GOVERNMENTS VARIED TO SOME EXTENT. I SUGGESTED THAT THERE WAS A PROBLEM IN SECURING A COORDINATED RESPONSE IF THERE WAS NO AGREEMENT ABOUT THE IMPLICATIONS OF THE SOVIET INVASION.

6. I ASKED NEWSOM WHETHER THE AMERICANS WERE USING THE HOT LINE TO COMMUNICATE TO THE RUSSIANS ON THE PRESENT SITUATION. HE REPLIED THAT MESSAGES WENT BACK AND FORTH ON THE HOT LINE BUT IT HAD NOT BEEN USED "IN ITS IMMEDIATE APPLICATION" SINCE THE ACTUAL SOVIET INVASION.

FCO PSE PASS SAVING MOSCOW, TOKYO, BRUSSELS, COPENHAGEN, DUBLIN,
LUXEMBOURG, THE HAGUE AND UK REP BRUSSELS.
HENDERSON

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Foreign⁴ Policy

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ref. A01489

21st February, 1980

Dear Michael,

fs. [initials] - 26/2

I enclose a copy of the message from Sir Robert Armstrong to Dr. Brzezinski which you requested in your letter of 18th February.

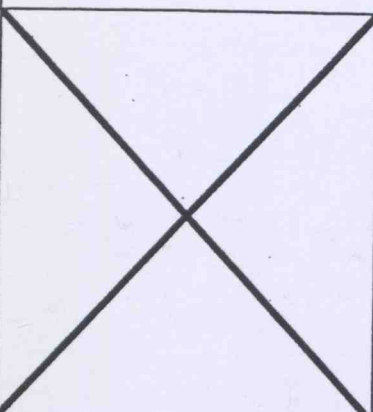
Yours ever,
David

(D.J. Wright)
Private Secretary

M. O'D. B. Alexander, Esq.

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A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3341</i> (one piece/item number)	Date and sign
Extract details: <i>Telegram dated 21 January 1980</i>	
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Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.

This should be an indication of what the extract is,

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Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

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For Post. *deg*

~~B/F 21.2.80~~

18 February 1980

I should be grateful if you could let me have a copy of the message which Sir Robert Armstrong recently sent to Dr. Brzezinski setting out our concerns over French security (Mr. Wade-Gery's minute of 11 February to Sir Robert Armstrong refers).

M. O'D. B. ALEXANDER

David Wright, Esq.,
Cabinet Office.

AB



R Whitehouse 15/2/80

g

Hf: [Signature]

CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

12th February, 1980

Ref. A01390

Quadripartite Meeting on South West Asia

I attach a note by Robert Wade-Gery on the meeting in Paris on 8th February, to which is annexed a fuller record by Rodric Braithwaite.

As regards next steps, you will see that the Americans do not regard any of the balls as being in our court. But we are invited to contribute such further thoughts as we may have on the internal problems of Saudi Arabia; and to prepare ourselves for substantive approaches in other fields (support for Pakistan, action against the PDRY, military contingency planning, and a study of what happens if Gulf oil is cut off). Unless I hear otherwise, I shall assume that the Foreign and Commonwealth Office will act as lead Department on all this, including (as in the case of Yugoslavia) aspects on which you will want to involve the Ministry of Defence.

We are agreed, I think, that it was from our point of view satisfactory to have achieved a meeting of Heads' of Government representatives at which the four Foreign Ministries were also represented. We will try to keep it that way.

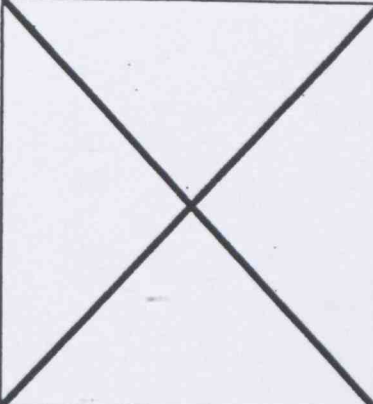
I need hardly stress that, not least because of French susceptibilities and also because of the potential resentment of those not invited, the existence of the meeting should be held very close indeed. You will no doubt restrict the circulation of these papers accordingly.

I am copying to Michael Alexander.

ROBERT ARMSTRONG

Sir Michael Palliser, GCMG

A The National Archives

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>3341</i> (one piece/item number)	Date and sign
Extract details: <i>Wade-Gery to Armstrong dated 11 February 1980 with attachment</i>	
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Enter the department and series,
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Enter the piece and item references, .
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 Mr. Ballard (47)
 Secretary of State
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Private Secretary

QUADRIPARTITE MEETING OF POLITICAL DIRECTORS
 24/25 JANUARY

Letter (E/W relations) H.S. 11/1/80 28

1. This meeting was brought forward from March twice, once because Mr Vance wanted to discuss a stronger European presence in the Gulf after the Mecca incident, and the second time because the Americans wanted to talk urgently about Pakistan. In consequence the French were represented only by a rather silent substitute, M Dupont, for their Political Director who is in Delhi with President Giscard.
2. Mr Braithwaite, who is new to these meetings, agrees with me that the discussion was far-reaching, frank and constructive. It naturally concentrated on the implications of Afghanistan for the West. There was wide agreement on the analysis and on the need for Allied unity; and a rueful acceptance that unity could not be absolute, and that effective action will cost money. The group will meet again soon, probably in March in France.

Main Points

3. The following main points emerged:

a. Allied Unity

We all agreed on the need for unity. The Americans argued strongly that Congress would be difficult to hold if the Europeans did not fully support the US over Iran and Afghanistan. The Frenchman retorted that we too had Parliaments, and it was easier to support American measures if we were consulted in advance rather than simply reading about them in the papers. The German (Blech) and I spoke similarly, though more mildly. The Americans took the point. We all concluded that, though Western reactions to Afghanistan would inevitably be diverse, they should not be contradictory.

b. Crisis Management

We agreed on the need to take a long view of the crisis. We must continue pressure on the Russians if they were to understand the message. The tone of East/West relations had undergone a definitive change. But in the end we would have to find a new basis for a stable East/West relationship. In the meanwhile, channels for East/West negotiations, on arms

control and the approach to Madrid, should be kept open. I tried out the idea that Madrid should be scrapped now that the Soviet Union had violated all ten of the Helsinki principles: it got no support.

c. Action in Afghanistan

We agreed on the prime importance of sustaining the Third World's condemnation of the Russians. M Dupont said firmly that he was in favour of supplying the Afghan patriots with more sophisticated weapons. The Western hand in this should not be seen: Pakistan and China might be the channels. While all agreed with this, I commented that military aid for the patriots and the Western connection would of course become public - as would the Chinese, if they also supplied arms.

The French also made an interesting suggestion that the Afghan patriots should set up an organisation like the PLO, which could achieve outside recognition and participate in Islamic or non-aligned bodies.

d. Pakistan

The Americans produced suggestions for more economic aid, involving substantial increases in contributions now being made by the Consortium. Britain would be expected to double its present contribution and the German one would go up four times. This brought a strong protest from Herr Blech, redoubled after telephone consultation with Bonn, and I was duly cautious. But we agreed to study the proposal.

We also discussed with Mr Bartholomew and his military experts the kind of military assistance that might go to the Pakistanis. Mr Moberly is pursuing this separately.

e. Iran

The Americans reiterated their belief that graduated economic sanctions could lead to the release of their hostages. They pressed very hard for European support. But despite their strong advocacy, I detected some uncertainty: they have finally grasped the need to

play this longer since Afghanistan.

f. China

The Americans said that they would now supply military equipment, but not actual weapons. We all felt that further political lurches in China could not be excluded, and agreed that though China's interests and ours might temporarily coincide, they were not the same. Prudence was still needed.

g. The Olympic Games

Over lunch, when no record was being taken, the French and Germans launched a frontal attack on the American decision over the Olympic Games. They believed that it would cause the Russian people to rally behind their government, and that if the Americans were not widely followed the outcome would be an evident defeat for the West. M Dupont said that the French had decided not to support the Americans; the German implied that his government were swinging unhappily in the American direction.

h. Soviet Counter-moves

We considered the range of Soviet choices from action through the European Communist parties to subversion in the Third World. It was thought that the Russians were not at present likely to act in Europe, including Berlin and Yugoslavia; though the Finns were jumpy. But the West remained vulnerable especially in Southern Africa and the Caribbean. The Frenchman hopefully suggested that the West might now look for ways to undermine Soviet entrenched positions in the Horn of Africa, Angola and elsewhere, but he had no specific ideas about how this might be done.

i. Eastern Europe

It was felt that there was little scope for playing up differences between the Eastern Europeans and the Russians, though these certainly existed. There were

some signs that the Russians were moving to impose discipline lest the differences became too obvious.

J L Bullard

25 January 1980

J L Bullard

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PS/Mr Hurd

PS/PUS

Sir D Maitland

Mr Murray

Mr J Moberly

Mr P Moberly

Mr Fergusson

Mr White, SAD

Mr Mallaby, EESD

Mr Braithwaite, Planning Staff

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