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cc Master  
Afghanistan Sit<sup>n</sup> Pt 3  
Saudi Arabia Sit<sup>n</sup>  
Sport: 1980 Olympics  
Turkey: Internal Sit<sup>n</sup>.

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE UNITED STATES SECRETARY OF STATE MR CYRUS VANCE AT 10 DOWNING STREET ON THURSDAY, 21 FEBRUARY 1980 AT 19.45 HRS

Present:-

Prime Minister

Mr Cyrus Vance

Foreign & Commonwealth  
Secretary

HE Mr Kingman Brewster

Mr M O'D B Alexander

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Mr Vance said that he had found his trip to Europe extremely useful. So far as he could see there was a common assessment of the threat and a common assessment of the objectives which the allies should be pursuing. There were, however, still some differences about the precise way those objectives should be achieved. The Prime Minister said that she was concerned lest the reaction to the invasion of Afghanistan should be a 9-day wonder. It was essential that the West's response should be sustained and should not dwindle after six months as it had done in the case of the invasions of Hungary and Czechoslovakia. Mr Vance said that President Carter entirely agreed with the Prime Minister on this point.

Saudi Arabia

The Prime Minister asked Mr Vance for his impressions of the situation in Saudi Arabia. She recalled her conversation with King Hussein in January. The King had been very gloomy about the role being played by the Royal Family. They seemed unable to create any feeling of involvement with their people. Mr Vance said that he also was concerned about Saudi Arabia. The root problem was corruption which was now worse than ever and threatened to destroy the country. A small number of people in the Royal Family had been trying to pull things together since the incident at the Great Mosque.

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Olympic Games

The Prime Minister said that if the boycott of the Olympic Games was to be effective, it would be essential that there should be alternative events in which the athletes could compete. Mr Vance agreed and said that the American Government had this much in mind. It looked as though Montreal would in many ways be a more satisfactory venue than Los Angeles. Although the defeat of Mr Clark in the recent Canadian election had created a problem, it seemed likely that Mr Trudeau's view would not be so very different from that of Mr Clark. He had rung President Carter earlier in the day to indicate that it was his intention to withdraw from the position he had taken on this issue during the election as quickly as possible. The Prime Minister said that Her Majesty's Government would be prepared to find some money to finance alternative games. Mr Vance said that in his view the key to the situation lay in the hands of the International Federations dealing with the respective sports rather than with Olympic committees. He said that it was not the intention of the American Government to stage national games in the United States. He commented that President Moi had said that he would like to stage one or two events in Kenya. The Foreign and Commonwealth Secretary said that not too much attention should be paid to the disagreements at the Political Co-operation Meeting in Rome. The Germans had made it clear that they would not go to Moscow if the United States did not go. It was very probable that the French would stay away if the Americans and Germans were absent. M. Francois Poncet had hinted that France's attitude in Rome had been connected with the fact that the American

/deadline



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deadline for Soviet withdrawal from Afghanistan expired the day after the Rome meeting.

Turkey

Mr Vance said that the need to support the Turkish economy had become extremely urgent. So severe were their balance of payments and cash flow problems that unless the Turkish Government could be given \$600 million within the next 4 - 6 weeks, the country might well go bankrupt, i.e. they would default on existing loans, and would be unable to pay for any further imports. It seemed likely that the Germans and the Bank of International Settlements would put up \$300 million. Unfortunately the American bureaucratic machine was so cumbersome that there could be no question of the United States offering help within any timescale that was relevant. In response to a comment from the Prime Minister about Turkey's lack of success in managing their economy, the Foreign and Commonwealth Secretary said that Mr Demirel was a great improvement on Mr Ecevit. Unfortunately it seemed unlikely that Mr Demirel would remain in office for very long. Since, under the Turkish system, no election would be possible until 1982, the alternatives if he fell from power would be either a military government or a further period in office for Mr Ecevit. It was not clear which would be worse.

The discussion ended at 20.15 hrs.

*Handwritten signature*

22 February 1980

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