IMMEDIATE

PS/IPS PS/MR BLAKER PS/MR LUCE PS/MR HURD PS/PUS SIR A ACLAND SIR E YOUDE MR BULLARD MR FERGUSSON MR DONALD

D. GILLMODE MR AUST (LEGAL ADVISER)

HD/FED HD/FUSD (2) HD/UND HD/SEAD HD/SAD (4) HD/EESD

HD/NAD HD/DEF D HD/MED HD/NENAD HD/NEWS D RC

NO 10 DOWNING STREET

ASSESSMENTS STAFF CABINET OFFICE

UNCLASSIFIED FM MOSCOW 061645Z JUL 81 TO IMMEDIATE F C O TELEGRAM NUMBER 423 OF 6 JULY INFO IMMEDIATE UKDEL NATO, WASHINGTON, BONN, PARIS, PRIORITY ROME, PEKING, ISLAMABAD, DELHI, TEHERAN, KABUL, UKMIS NEW YORK, BIS NEW YORK, UKREP BRUSSELS, WARSAW.

MIDT

FOLLOWING FROM HEAD OF NEWS DEPARTMENT

SECRETAR OF STATE'S STATEMENT :

BEGINS

IN ALL MR GROMYKO AND I TALKED TOGETHER FOR 5 HOURS.

WE SPENT THE MORNING TALKING ABOUT AFGHANISTAN AND PERHAPS I COULD CONCETRATE ON THAT. THE SOVIET UNION DIDN'T ACCEPT THE PROPOSAL WHICH I PRESENTED ON BEHALF OF THE HEADS OF GOVERNMENT OF THE TEN BUT NEITHER DID THEY SAY THAT THEY REJECTED IT. WHAT THEY DID WAS TO DESCRIBE IT AS UNREALISTIC IN ITS PRESENT FORM, I MUST SAY I FIND THE ARGUMENTS ADVANCED FOR THIS UNCONVINCING. THEY SAID THAT THE MAIN PROBLEM WAS

FOR THIS UNCONVINCING. THEY SAID THAT THE MAIN PROBLEM WAS
EXTERNAL INTEVENTION IN THE AFFAIRS OF AFGHANISTAN BUT DIDN'T
INCLUDE THE SOVIET UNION AMONG THE INTERVENERS. I SAID THAT
THE SOVIET INTERVENTION WAS THE ROOT OF THE PROBLEM, BUT OUR
PROPOSAL WAS DESIGNED TO DEAL WITH EXTERNAL INTERVENTION FROM
ANY SOURCE. THEY SAID THAT THE PRESENT AFGHAN REGIME MUST BE
REPRESENTED IN STAGE ONE, BUT THAT IN POINT OF FACT IS THE
PROBLEM WHICH HAS STOPPED NEGOTIATIONS GETTING OFF THE GROUND
IN THE PAST, AND OUR PROPOSAL OVERCOMES IT. THEY DESCRIBE
THE COMPOSITION OF THE CONFERENCE AS UNREALISTIC. I SAID
IT WAS ONLY A SUGGESTION. BUT THE PERMANENT MEMBERS OF
THE REGION WHO ARE MOST CONCERNED AFTER ALL IN THE MATTER, SEEMED
TO BE A REASONABLE COMPOSITION. BUT I ALSO SAID OF COURSE THAT
THAT WASN'T IMPUTABLE. NOT THE LAST WORD.

- BETWEEN US. BUT I DON'T THINK EITHER MY COLLEAGUES IN EUROPE OR I EVER EXPECTED EARLY SOVIET ACCEPTANCE. WE WANTED TO GIVE THE SOVIET UNION SOMETHING TO REFLECT ON. AND I HOPE THAT WE HAVE, AND I HOPE THAT THEY WILL. CERTAINLY IN MY JUDGEMENT THE PROPOSAL PROVIDES THE BEST HOPE OF A NEGOTIATED SETTLEMENT WHICH WE WANT AND THE SOVIET UNION HAS ALSO SAID THAT THEY WANT. IT IS A SERIOUS PROPOSAL AND I HOPE THAT ON REFLECTION HERE IN MOSCOW ITS MERITS WILL BECOME CLEARER.
- 3. IT ISN'T A MATTER BETWEEN THE U.K. AND THE SOVIET UNION. THE PROPOSAL WAS MADE BY THE TEN EUROPEAN HEADS OF GOVERNMENT AND HAS EVOKED MUCH WIDER SUPPORT AND INTEREST EVEN THAN THE TEN. WE YHALL NOW CONSIDER ACTIVELY WAYS IN WHICH THE PROPOSAL CAN BE DEVELOPED. IT WILL BE A NATURAL TALKING POINT IN THE MONTHS AHEAD. FOR EXAMPLE AT THE UN GENERAL ASSEMBLY WHEN I SHALL BE MEETING MR GROMYKO AGAIN. I MADE IT CLEAR THAT WE WERE PREPARED TO DISCUSS THE PROPOSAL FURTHER AND THAT'S WHY THE COMMUNIQUE REFERS TO OUR INTENTION TO CONTINUE THE DIALOGUE. THAT IS TO SAY, TO CONTINUE THE DIALOGUE ABOUT AFGHANISTAN. UNILESS WE MAKE PROGRESS ON THIS PROBLEM THE PROSPECT FOR IMPROVED RELATIONS, EAST WEST AND BRITAIN/SOVIET AREN'T GOOD. SO THE PROPOSAL REMAINS ON THE TABLE AND WE SHALL GO ON WITH IT, WITH OUR COLLEAGUES IN THE TEN WE SHALL CONTINUE TO SEEK THE SUPPORT OF THE WIDER INTERNATIONAL COMMUNITY WHOSE FIRST REACTIONS HAVE GIVEN US A VERY GREAT DEAL OF ENCOURAGEMENT.

HOGE FIRST REACTIONS HAVE GIVEN US A VERY GREAT DEAL OF ENGULRAGEMENT.

THIS AFTERNOON WE DISCUSSED OTHER PROBLEMS THAN AFGHANISTAN.
WE DISCUSSED THE PROBLEM OF THEATRE NUCLEAR FORCES, AT SOME
LENGTH. WE DISCUSSED THE MADRID CONFERENCE, THE CDE PROPOSAL.
THE MIDDLE EAST, IRAN/IRAQ. I THINK THAT'S ABOUT ALL. WE
DIDN'T DISCUSS POLAND IN THE OPEN CONFERENCE, BUT I DISCUSSED
OVER LUNCH A NUMBER OF MATTERS WITH MR GROMYKO.

END3

KEEBLE

MIMIN