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10 DOWNING STREET

From the Private Secretary

18 July 1978

Dear George,

Bonn Summit, 16/17 July:
Exchanges on political topics

Apart from his call on Chancellor Schmidt at the Chancellor's bungalow on the evening of 15 July, the Prime Minister had no formal bilateral meetings with other Heads of State or Government attending the Economic Summit in Bonn on the margin of the meeting. There were, however, a number of opportunities for informal bilateral discussion, including Chancellor Schmidt's dinner for heads of delegation at Schloss Gymnich on 16 July, the quadripartite breakfast at the Chancellor's bungalow on 17 July and President Scheel's lunch for heads of delegation on the same day. The following is a summary of the main points on political topics which were made during the Prime Minister's various conversations with his fellow participants in the Summit, based on the Prime Minister's recollection.

East/West Relations

Chancellor Schmidt told the Prime Minister that the Russians clearly did not understand the United States' Administration's posture and that he was himself concerned by it; President Carter appeared to think that he could talk co-operatively to the Russians in private and be rude to them in public. The Russians were perplexed and sensitive: they had recently sent a Bulgarian emissary to see him to try to persuade him to express to President Carter, during the Bonn Summit, Soviet concern over the possibility that Soviet technology might be transferred to China. The Chancellor said that he had told the emissary that the Russians were too sensitive. The Prime Minister told Chancellor Schmidt of the possibility of a sale of Olympus marine engines by the United Kingdom to China and of Chinese interest in the UK Harrier aircraft, on which the UK had not reached a decision. The Chancellor commented that these were both defensive items and mentioned the French intention to sell an anti-tank missile to the Chinese.

There was discussion between several Heads of Government about Mrs. Shcharansky's attempts to make personal appeals to them on behalf of her husband, Anatoly Shcharansky. Chancellor Schmidt said that he had declined to see her. There was general agreement that Heads of Government should keep in touch with each other to avoid being played off against each other during campaigns of this sort.

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Following their quadripartite breakfast, the four Foreign Ministers reported to the four Heads of Government that they had agreed - Herr Genscher with considerable reluctance - that the preparatory group for the CSCE Scientific Forum should not fix a date for a meeting of the Forum prior to the CSCE meeting in Madrid. There was general agreement among Foreign Ministers that a distinction should be drawn between dealings on strategic and economic issues with the Soviet Union on the one hand and contacts in the field of science, technology and sport on the other; and that action designed to express Western hostility to the Soviet Union's internal policies should be confined to the latter field.

SALT and CTB

President Carter indicated to the Prime Minister that if a meeting at the highest level could take place, the remaining differences between the United States and Soviet Union over SALT could probably be settled in half an hour. So far as the CTB was concerned, the President said that the United States would probably go for a three-year rather than a five-year duration for the Treaty but that he would not move above the level of 100 lbs for permitted explosions, despite strong pressure from his Chiefs of Staff. The Prime Minister strongly emphasised the UK concern that there should be no announced intention of resuming nuclear tests at the end of the CTB Treaty's term.

Cyprus

As you know, it was agreed informally between the Heads of Government concerned who were present at Bonn, as well as between Foreign Ministers, that an attempt should be made to make progress towards a settlement of the Cyprus problems by adopting the same Five-Power approach as had proved successful in Namibia. The Foreign Ministers reported to the four Heads of State/Government at the quadripartite breakfast on 17 July that they had agreed that the involvement of the Contact Group in Cyprus should be announced after the passage of the Security Council Resolution on Namibia and after the final vote in Congress on the Turkish arms embargo.

Rhodesia

There was general concern among the Heads of Government over the deteriorating situation in Rhodesia and President Carter had urged that all Governments should consider very seriously how they would react to a blood-bath there if the search for a settlement failed. Chancellor Schmidt, who said that he attached importance to the Five Power Contact Group continuing in being, said that there could perhaps be a role for the Group in the Rhodesia situation as well as in Cyprus.

Angola

Several Heads of Government agreed that it was right to develop relations with Angola and to improve contacts with President Neto, although President Giscard took the view that President Neto could not survive without Soviet support.

CONFIDENTIAL

- 3 -

South Africa

President Giscard, in particular, expressed deep pessimism about the future of South Africa; he compared the situation there with that which had existed in Algeria before the French withdrawal. He expressed the view that the white population in South Africa would inevitably be obliged to leave the country in due course. The Prime Minister informed his colleagues of the British Government's consultations with UK firms about future investment in South Africa.

UN

At their quadripartite breakfast the four Foreign Ministers agreed that Norway and Portugal should be sponsored to replace the FRG and Canada on the Security Council; and that Italy should await the expiry of Portugal's term.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

*Yours ever,
Roger Carleton.*

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

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