

PRIME MINISTER

Press Conference

You agreed to give your usual press conference at the end of the Council, plus short news interviews for BBC TV; ITV; BBC Radio; and IRN. We have reserved a room (Salle E). The radio and television interviews will be done in the same room after the press conference.

The press conference is intended primarily for British journalists but it is impossible to restrict attendance and you should assume a range of nationalities.

The main points of questioning are likely to be:

Afghanistan (though the impact of this has been spoiled by a German leak last evening of Lord Carrington's visit to Moscow). I attach at Annex 1 Nick Fenn's note on this. Here the press will try and put flesh on the bone - where the conferences are to be held, who will preside, what is Russian reaction etc. It might be sensible, after your announcement of the initiative and visit to Moscow, to invite Lord Carrington to take questions on this topic.

Your meeting with M. Mitterrand, your impression of him and your view of his policies. (The press will be anxious to explore your views of Communists in the French Government.)

Economic/Social Affairs taking in Ottawa, Japan and US interest rates. Here the thrust of some journalists will be to demonstrate that you are isolated economically in Europe; that your policies are out of step with the majority; and that the advent of Mitterrand is giving encouragement to those who want reflation. (N.B. We managed last night to get over the point that in yesterday's discussion Germany and Italy were broadly sympathetic to your approach; that every country had a different mix of problems; and that no country

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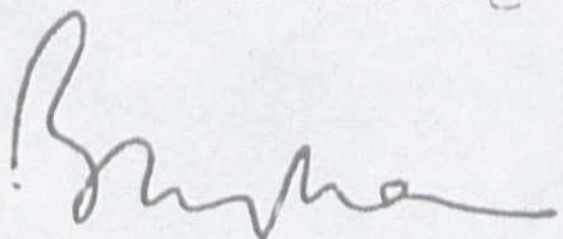
had much room for manoeuvre. (There may well be other journalists who will try to sustain the thesis that Europe collectively has not a clue how to concert action to revive the economy and that even if it had there is no prospect whatsoever of developing what M. Mitterrand calls a European dimension.) In short, the problem will be to present yourself positively.

The Mandate wrapped up with how you propose to handle this issue during your Presidency; your views of the Commission's proposals; and your hopes for reaching a budget settlement this year.

This will give you an opportunity on the eve of your Presidency to set out a positive view of the next six months while at the same time damping down over-optimism. I suggest you take a few minutes out to look forward positively to your Presidency and your agenda - budget restructuring, CAP reform, Afghanistan, Middle East, a Common Market in services (insurance) and air fares. A positive view of the Presidency could do something to dispell the negative atmosphere that surrounds the economic/social scene.

Middle East where some journalists will wonder whether, having acquired a new toy in the form of Afghanistan, much effort will be made on this front.

Although few decisions have been taken at the Council there is plenty to talk about. I suggest you call the conference to a halt after 30 minutes at the most. That, plus the radio and TV interviews, will give the media an hour - a generous use of your time. Can I take it that you propose to meet the press immediately after the Council, subject of course to a short briefing before?



30 June 1981

Afghanistan

Rationale of Proposal

- (a) Tragic situation in Afghanistan exists: 85,000 Soviet troops, 2 million refugees, continuing war, threatened stability in the region.
- (b) Efforts under UN auspices hamstrung because based on resolution which the Soviet Union voted against.
- (c) Regional negotiations (Pakistan/Iran/Afghanistan) show no prospect of success.

The Proposal

The two-stage conference, each stage being integral of the whole; *perhaps beginning in October/November.*

- (a) Stage 1. To work out international arrangements in which Afghanistan's independence and non-alignment can be assured. Participation: the five permanent members of the Security Council, Pakistan, Iran, India, Secretary General of the UN and Secretary General of the Islamic Conference.
- (b) Stage 2. To reach agreement on the implementation of the arrangements etc. Participation: as in Stage 1 plus "representatives of the Afghan people".

A serious attempt to promote a settlement, not a propaganda move. We have listened to what the Russians have been saying (eg Brezhnev on 23 February and at Tbilisi on 22 May).

Afghanistan Representation

Cannot be resolved at the outset. Better therefore to leave it to be settled in the light of progress in Stage 1. Do not elaborate or define "representatives of the Afghan people".

Further details

The press will probe on modalities - venue, chairmanship etc. We shall have some suggestions later, but it would not be sensible to encumber the proposal with too many controversial details at the outset.

Soviet Reaction

They have received the proposal (Keeble-Kornienko, 23 June) and have not rejected it. Lord Carrington going to Moscow to discuss it further.

/Visit to Moscow

Visit to Moscow

Lord Carrington will pay a one-day working visit to Moscow on 5-6 July at Soviet invitation.

The visit should be seen primarily in the context of the Community's proposal on Afghanistan which is a serious attempt to resolve the problem in which the Soviet Union has a key role. Lord Carrington will discuss Afghanistan on behalf of the Community in his capacity as President.

Since he will be going, he will naturally take the opportunity to discuss other matters, internationally and bilaterally. No set agenda but subjects are likely to include East/West relations (Poland), the Madrid Conference and arms control and the Middle East. On these subjects Lord Carrington will be representing Britain alone.

In reply to critical questions about going soft on the Russians, I recommend a robust reply. Never in favour of ostracism. Silly to pretend that Afghanistan can be solved without the Russians. Therefore necessary to talk to them. (Lord Carrington met Mr Gromyko in Vienna in May 1980 and in New York in September 1980.)

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