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FROM MOSCOW 111515Z JUNE

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TO IMMEDIATE F C O

TELEGRAM NUMBER 711 OF 11 JUNE

INFO PRIORITY WASHINGTON, OTTAWA, TOKYO, PARIS, BONN, ROME AND
UKDEL NATO

INFO SAVING OTHER NATO AND EAST EUROPEAN POSTS, UKDIS
GENEVA, UKREP BRUSSELS, UKMIS NEW YORK AND UKIEL STOCKHOLM.

LONDON ECONOMIC SUMMIT : SOVIET COMMENT.

SUMMARY.

1. SOVIET PRESS COVERAGE HAS PLAYED UP DIFFERENCES AMONG THE PARTICIPANTS ON ECONOMIC ISSUES (THE INTENTION WILL BE TO PRESENT A CONTRAST TO THE EXPECTED SHOW OF UNITY AT THIS WEEK'S CMEA SUMMIT). PREDICTABLY THE POLITICAL STATEMENTS HAVE BEEN SOURLY DISMISSED. A MORE AUTHORITATIVE RESPONSE MAY EMERGE DURING THE CMEA SUMMIT, DUE TO START ON 12 JUNE.

DETAIL.

2. IN STRESSING THE ECONOMIC ILLS OF THE CAPITALIST WORLD, THE SOVIET PRESS HAS, IN REPORTS FROM LONDON CORRESPONDENTS, POINTED THE FINGER AT U S POLICIES (WHICH IN TURN ARE SAID TO BE LINKED TO HIGH DEFENCE EXPENDITURE). THE SUMMIT HAS BEEN UNABLE TO MAKE REAL PROGRESS OVER PROTECTIONISM OR THIRD WORLDS INDEBTEDNESS. PRAVDA EQUATED THE SUMMIT TO " A CONSULTATION HELD AT A SICKBED " : DEBATES ON WHAT TO PRESCRIBE, FEARS OF COMPLICATIONS, AND AGREEMENT THAT THERE WAS NO MIRACLE CURE.

3. THE POLITICAL STATEMENTS ARE PRESENTED AS AN ATTEMPT TO DISGUISE SERIOUS ECONOMIC DIFFERENCES WITH A DISPLAY OF POLITICAL UNITY, AND TO BOLSTER PRESIDENT REAGAN'S IMAGE IN AN ELECTION YEAR . COMMENTING ON THE DECLARATION OF DEMOCRATIC VALUES (" THIS HYMN TO THE SYSTEM OF CAPITALIST EXPLOITATION AND INJUSTICE "), PRAVDA SAID ITS TITLE WAS PRETENTIOUS. THE NEWSPAPER REPORTED YOU AS HAVING SPOKEN " IN A LENGTHY BUT RATHER CONTRADICTORY WAY " , ABOUT THE PERIODIC NEED TO RECONFIRM WESTERN IDEALS. A MEMBER OF THE U S DELEGATION HAD DESCRIBED THE DECLARATION AS TRIVIAL AND LACKING SUBSTANCE. BRITISH COMMENTATORS HAD POINTED TO THE FAILURE TO PRODUCE AN INITIATIVE WHICH WOULD DEMONSTRATE WESTERN WILLINGNESS TO END THE ARMS RACE THE WEST WAS ENGAGED IN. EVEN BOURGEOIS COMMENTATORS SAW THE DECLARATION AS OPEN DEMAGOGY.

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4. IZVESTIYA AND PRAVDA ALSO CRITICISED THE OTHER POLITICAL DOCUMENTS. THE EAST-WEST DECLARATION HAD REMAINED SILENT ABOUT U S AND NATO RESPONSIBILITY FOR THE BREAKDOWN OF THE GENEVA TALKS AS A RESULT OF INF DEPLOYMENT. IT WAS HYPOCRITICAL TO OFFER TO RENEW ARMS CONTROL TALKS WITHOUT PRECONDITIONS WHEN NATO INF DEPLOYMENT CONTINUED. THE DECLARATION ON TERRORISM DID NOT DISCUSS AMERICAN STATE TERRORISM, BUT PLANNED MEASURES WHICH COULD BE USED TO SUPPRESS NATIONAL LIBERATION MOVEMENTS AND THREATENED DEVELOPING COUNTRIES WHOSE POLICIES WERE NOT FAVOURED. YOU HAD BEEN OBLIGED TO 'TWIST AND TURN A GOOD DEAL' WHEN ASKED AT THE PRESS CONFERENCE HOW THE STATEMENT SQUARED WITH THE ARMING OF NICARAGUAN CONTRAS.

THE STATEMENT ON IRAN/IRAQ WAS IN THE SAME SPIRIT, WITH ITS HYPOCRITICAL CALL FOR A PEACEFUL SOLUTION AND ITS OMINOUS REFERENCE TO DOING EVERYTHING TO ASSIST STABILITY.

5. MASLENNIKOV IN A REPORT PUBLISHED IN PRAVDA ON 11 JUNE SUMMED UP THE SUMMIT AS A MOUNTAIN GIVING BIRTH TO A MOUSE

FCO PLEASE PASS TO SAVING ADDRESSEES.

SUTHERLAND

REPEATED AS REQUESTED

ECONOMIC SUMMIT			
LIMITED	PROTOCOL D	SIR C TICKELL	ADDITIONAL DISTN:
ERD	SEC D	SIR J BULLARD	ECONOMIC SUMMIT
ESID	MAED	MR RENWICK	
WED	PUSD	MR J THOMAS	
FED	DEF D	MR WILSON	COPIES TO:
NAD	ACDD	MR WRIGHT	
ECD's	PS	MR WESTON	
PLANNING STAFF	PS/LADY YOUNG	MR ADAMS	MR KEAY D/ENERGY
TRED	PS/MR RIFKIND	MR BARRINGTON	MR INGHAM -
ES&SD	PS/MR WHITNEY	MR EGERTON	NO 10 DOWNING STREET
SOV D	PS/MR RAISON	MR MILES	
EED	PS/PUS	BUCKINGHAM PALACE	
NEWS D			

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