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FM MOSCOW 020715Z

TO IMMEDIATE DESKBY 020845Z FCO

TELNO 451 OF 2 JULY 80

RPTD PRIORITY TO BONN WASHINGTON AND UDEL NATO

AND INFO ROUTINE TO PARIS, OTTAWA, ANKARA, OSLO, COPENHAGEN,

THE HAGUE, LUXEMBOURG, ROME, ATHENS, LISBON REYJAVIK, BMG BERLIN

AND KABUL.

*2 ltr: read it
full***MY TELNO 446: VISIT OF CHANCELLOR SCHMIDT**

1. SCHMIDT'S TALK WITH BREZHNEV CONTINUED THROUGHOUT 1 JULY. HE LEFT IN THE EVENING. ACCORDING TO THE TASS ACCOUNT, THEY WERE "BUSINESSLIKE" AND CONCENTRATED ON ARMS CONTROL. "ATTENTION WAS DEVOTED TO THE PROSPECTS OF REACHING AN AGREEMENT ON MEDIUM-RANGE NUCLEAR MISSILES." THE TWO SIDES ALSO EMPHASISES THE NEED OF RATIFICATION OF SALT 2. BREZHNEV SUBSEQUENTLY DESCRIBED THE TALKS AS "NECESSARY AND USEFUL". VIEWPOINTS HAD DIFFERED BUT IT WAS IMPORTANT TO KNOW EACH OTHERS, POSITIONS BETTER. SCHMIDT WAS QUOTED BY THE SOVIET PRESS AS SAYING THAT HIS VISIT HAD FULFILLED EXPECTATIONS, AND HAD CONFIRMED THE NECESSITY OF MEETING AND TALKING FRANKLY.

2. SCHMIDT AND GENSCHER ALSO HAD A SEPARATE TWO-HOUR MEETING WITH USTINOV AND OGARKOV.

3. THE LONG TERM PROGRAMME OF ECONOMIC COOPERATION WAS SIGNED DURING THE VISIT AT AMBASSADORIAL LEVEL IE. BY SEMENOV AND WRECK.

4. SCHMIDT GAVE A PRESS CONFERENCE BEFORE HIS DEPARTURE. HE SAID THAT THERE HAD BEEN NO SHIFT IN THE SOVIET POSITION ON AFGHANISTAN AND SUGGESTED THAT THE SOVIET LEADER HAD STUCK RIGIDLY TO THEIR PUBLIC LINE. ON TNF, HE CLAIMED THAT HIS BELIEF THAT NEGOTIATIONS WERE POSSIBLE HAD BEEN STRENGTHENED BY THE TALKS, BUT DECLINED TO GIVE DETAILS. THE FRG'S ALLIES NEEDED TO BE BRIEFED FIRST. HE REPORTED THAT HE HAD RAISED WITH THE SOVIET LEADERS THE IDEA OF A 3 YEAR FREEZE ON DEPLOYMENT, BUT WITHOUT SUCCESS: THE SOVIET LEADERS HAD POINTED OUT THAT THIS WOULD AFFECT THEIR DEPLOYMENT BUT NOT THE NATO PLANS (SCHMIDT ADDED DRILY THAT THIS SEEMED A FAIR ASSESSMENT). HE SAID THAT HE HAD USED HIS MEETING WITH USTINOV TO EXPRESS CONCERN ABOUT THE SS20 AND BACKFIRE. IN CONCLUSION HE ARGUED THAT HIS TALKS, AND OTHER EAST-WEST MEETINGS HAD BROUGHT A SLIGHT IMPROVEMENT IN THE SITUATION AND THAT HE WAS SATISFIED WITH THE RESULTS.

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5. A JOINT COMMUNIQUE WAS PUBLISHED IN TODAY'S PRESS. THE MAIN POINTS WERE:

(A) BILATERAL. STRESS ON ADHERENCE TO SIGNED TREATIES, AND ON THE DEVELOPMENT OF COMMERCIAL AND ECONOMIC RELATIONS.

(B) DETENTE. THE SIDES REGARDED DETENTE AS NECESSARY, POSSIBLE AND USEFUL, AND EXPRESSED THEIR WILL TO ENSURE THAT IT REMAINED THE LEADING TREND IN INTERNATIONAL AFFAIRS.

(C) CSCE. THE PROCESS SHOULD BE CONSISTENTLY DEVELOPED.

THE SIDES HAD EXCHANGED VIEWS ON CBM'S AND AGREED THAT THE QUESTION OF A SPECIAL CONFERENCE SHOULD BE DISCUSSED AT MADRID.

(D) ARMS CONTROL. EFFORTS TO ACHIEVE CONCRETE RESULTS SHOULD BE CONTINUED AND INTENSIFIED. THE SIDES HAD PUT FORWARD THEIR VIEWS ON MEDIUM RANGE MISSILES AND PAID ATTENTION TO THE PROSPECTS OF ACHIEVING AN AGREEMENT. THEY REAFFIRMED THEIR WILL TO CONTRIBUTE TOWARDS THE SUCCESS OF MBFR.

(E) AFGHANISTAN. "BEING AWARE OF THE NECESSITY OF SECURING THE EARLIEST POSSIBLE POLITICAL SETTLEMENT OF THE SITUATION THAT HAS FORMED IN CONNECTION WITH AFGHANISTAN, THE SIDES STATED THEIR RESPECTIVE VIEW POINTS THOROUGHLY AND WITH GREAT FRANKNESS."

6. FROM THE PUBLISHED DOCUMENTS MY IMPRESSION IS THAT SCHMIDT'S PRINCIPAL SUCCESS HAS BEEN IN MAKING A FORTHRIGHT STATEMENT OF THE WESTERN POSITION ON THE MAJOR CURRENT ISSUES. ON AFGHANISTAN HE APPEARS TO HAVE BEEN MET WITH AN INFLEXIBLE SOVIET POSITION AND THIS IS REINFORCED BY AN EDITORIAL IN TODAY'S PRAVDA WHICH MERELY RESTATES ALL THE MORE NEGATIVE ASPECTS OF SOVIET POLICY ON THIS QUESTION (MY TELNO 452 REFERS).

THE INTERESTING AREA IS OF COURSE TNF. THE PUBLISHED DOCUMENTS AND THE PRESS CONFERENCE GIVE NO INDICATION OF ANY MOVE ON POINTS OF SUBSTANCE BY EITHER SIDE, BUT BREZHNEV'S STATEMENT AT DINNER THAT HE LOOKED FORWARD TO A "FRUITFUL DIALOGUE" ON MEDIUM RANGE MISSILES, SCHMIDT'S SEPARATE MEETING WITH USTINOV AND HIS CLAIM TO HAVE DETECTED SIGNS OF MOVEMENT IN THE SOVIET POSITION COULD SUGGEST THAT THE RUSSIANS HAVE SAID SOMETHING WHICH SCHMIDT FEELS HE MUST TAKE SERIOUSLY. I SHALL BE SEEING MY GERMAN COLLEAGUE LATER TODAY AND WILL REPORT AS SOON AS POSSIBLE THEREAFTER.

KEEBLE

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