Montaine. Mil joi CONFIDEN.

De ps/LPS
PS/Mr Hurd
PS/PUS
Mr Bullard/Mr Fergusson
Mr Braithwaite
Mr Mallaby
Mr White
News Dept

Mand Lord Carrington
Mand Lord Carrington
Mr Mand Lord Carrington
Mr Mand Lord Carrington
Mand Lord Carrington
Mand Lord Carrington
Mand Lord Carrington
Mr Mand Lord Carrington
Mand Lord Carrington

versation with President Giscard that he had liaised with Chancellor Schmidt. Giscard had expressed the same concerns, though in a more sophisticated way. He had not specifically asked Mr Fraser to call in at Washington on his way back, but Mr Fraser's impression was that Giscard expected him to do this. On the Olympics, Giscard had said that there would be less likelihood of the French participating in the Games if the Russians were still in Afghanistan. /This passage was unclear.7

Lord Carrington said that it seemed rather humiliating for the French and Germans to have to ask others to take their messages to Washington for them. He was surprised they did not simply pick up the telephone. Mr Fraser said that he had made this point himself. However, the French had told him that there had been so many arguments on currency, inflation and nuclear proliferation (eg in Brazil) that they were loathe to start another one. There seemed to be a communication block between Washington on the one hand, and Bonn and Paris on the other. Lord Carrington commented that Mr Fraser seemed to have no option but to go.

Mr Fraser said that there were obviously some differences between Paris and Bonn /he did not elaborate/. He had been in touch with President Carter, and would go to Washington unless the Americans objected. He agreed it was all rather odd. As the leader of a small nation, who believed in the wisdom, coordination and consultation of the big Four, he felt that the prospects were distressing. It would be important to get the public presentation of his visit right. This would be something on the lines that he would be calling in at Washington to continue the discussions he had had on the way over to Europe. Giscard had said that he could take the line that the Chancellor had proposed this, and that the French President had acquiesced. Lord Carrington expressed the opinion that this might be putting it a bit high. Mr Fraser agreed, and said that it might raise other questions which would be difficult to answer. Lord Carrington said that it was not as if there were appalling dissension between the Americans and the Europeans; things were not as bad as they seemed. Schmidt had been in something of a state for some time. Mr Fraser said that he assumed that the British, if asked, would say that we assumed that he had gone to Washington to continue his discussions with the Americans, and imply that we approved.

Mr Fraser said that he had sent a message calling for a temporary halt to any announcement about our initiative on the Olympics. There should be consultation to arrange a meeting, before any announcement was made.

J. & yell (G G H Walden)

Sir D Maitland

Afghanistan

The Australian Prime Minister telephoned the Secretary of State on an open line from Paris this morning.

Mr Fraser said that during his visit to London he had not had time to describe fully to Lord Carrington the concern he felt about American policy on Afghanistan. In Washington Mr Fraser had found a great sense of determination but no sign of a co-ordinated strategy.

Mr Fraser had had three hours with Chancellor Schmidt in Bonn yesterday. Schmidt shared Mr Fraser's deep concern about the dangerous lack of co-ordination in Washington, and between the Americans and the Europeans. Mr Fraser described the Chancellor's approach to him as "almost a cry from the heart": Schmidt had been very emotional. The Chancellor was worried that where the Americans had a number of options they were likely to go direct from step one to step ten, and without consulting their allies.

Chancellor Schmidt had suggested that Mr Fraser should stop in the United States on his way home to impress on President Carter the need for caution and the vital importance of consulting the allies of the United States. Mr Fraser wanted Lord Carrington's advice on whether he should do this. He found it curious that a distant and relatively unimportant country like Australia should be asked to broke between France, the FRG and the United States.

Lord Carrington said that in response to the Soviet invasion of Afghanistan the co-ordination between Western Europe and the United States had not worked well from either end. The Europeans had been at fault in not rapidly reaching an agreed position between themselves. And, having called one meeting, the Americans had then gone ahead with unilateral action. Lord Carrington suggested that Mr Fraser should discuss Chancellor Schmidt's suggestion with the French Government (with whom he would be having talks today). It was important not to cross wires. The French and Germans had recently discussed the idea of holding an early meeting with the Americans on this subject. Mr Fraser said that Cyrus Vance had told him of the German proposals to hold a special meeting of Foreign Ministers before the Venice Summit. Lord Carrington said that the French and Germans were now thinking of a smaller meeting at a much earlier date. He urged Mr Fraser to discuss this with the French. If the French supported Chancellor Schmidt's request that Mr Fraser should approach the Americans, Lord Carrington could see no harm in the idea.

Mr Fraser indicated that he might telephone later today after speaking to the French.

CONFIDENTIAL PMLyne

ccs:-PS

PS/LPS Mr Bullard

(R M J Lyne) Mr Mallaby