PARTIAL RECORD OF THE PRIME MINISTER'S DISCUSSIONS WITH THE FEDERAL GERMAN CHANCELLOR, HERR SCHMIDT, AT 10 DOWNING STREET ON 11 MAY 1979 AT 1030

Present:

Prime Minister HE Herr Helmut Schmidt
Foreign and Commonwealth Secretary Herr Hans-Dietrich Genscher

Chancellor of the Exchequer Secretary of State for Defence Lord Privy Seal and officials HE Herr Helmut Schmidt
Herr Hans-Dietrich Genscher
(Foreign Minister)
Herr Matthofer (Minister of Finance)
and officials

Nuclear Matters

Following a discussion of SALT II, <u>Chancellor Schmidt</u> initiated a substantial exchange of views on Theatre Nuclear Forces in Europe and asked, at its conclusion, that it should not be recorded. <u>The Prime Minister</u> endorsed this and directed that the record should show only that "there was a discussion on nuclear weapons".

Chancellor Schmidt said that, under the umbrella of talks on Theatre
Nuclear Forces (TNF) modernisation, discussions were proceeding within the
Alliance at official level on the future of nuclear weapons in Western Europe.
Initially, this assessment had been confined to the high level military group which was considering what type or types of tactical and medium-range (which in Europe meant strategic) weapons should be stationed in Western Europe. These discussions had now been complemented by the meeting of the Special Group which was considering the arms control aspects of the question: and he thought it essential that these two sets of discussions should proceed in parallel. Defence Ministers had met recently in Florida and had envisaged a procedure by which, before the end of 1979, the NATO Council could take an integrated decision based on the conclusions of the high level and special groups. This was satisfactory but it needed to be given a political dimension. For example the military would always argue that GLCMs were more reliable than SLCMs but they ignored the fact that politically the latter might give rise to lesser problems.

Chancellor Schmidt went on to say that it would be difficult to help the United States, in any clearly defined way, to identify the goals of SALT III without a co-ordinated European view. It should be borne in mind that if the US/ Soviet Summit were to take place soon /news arrived during the meeting of the American announcement that the Summit was to take place in Vienna on 15/18 June/ President Carter and President Brezhnev might well cover a wide range of subjects including SALT III, MBFR, the CSCE follow-up meeting in Madrid, Vietnam, Laos, Cambodia, the Middle East and Southern Africa. For his own part, he would welcome it if MBFR were to be given a push during the next few weeks. So far as SALT III was concerned, the FRG intended to ensure that she should not be singled out for the stationing of a new kind of nuclear weapon on her soil which would present a threat to the Soviet Union unless another non-nuclear weapon state within the Alliance did the same. Since 1945, there had been no nuclear weapons stationed on German soil which could reach Moscow. them on German soil alone would amount to a qualitative change in the FRG's defence procedure. The FRG already had 500,000 troops, well trained and of high quality, under arms, and was quite prepared to modernise this force further. The FRG would not, however, like anything to be done which would divide the FRG from her non-nuclear allies or create the misapprehension that the FRG was embarking on participation in the nuclear weapons field.

Lord Carrington said that the British Government shared the FRG view that there should be no public criticism of SALT II and that nothing should be done which could make things difficult for President Carter. The main UK interest was in the transfer of nuclear technology and the Government would be studying the final text of SALT II from that point of view. Lord Carrington said that he agreed that SALT III would be of vital importance to the West and to Europe in particular. He had been given the impression in Washington that SALT III would be a continuation of the long bilateral negotiation between the United States and the Soviet Union and this could become a permanent process. Europe should seriously consider whether it would be right to accept this. Lord Carrington said that he saw every advantage in the closest co-operation between the UK and the FRG in order to safeguard the European interest. He fully recognised the FRG's problems on the stationing of nuclear weapons. The Defence Secretary said that the urgent question

was TNF. Unless modernisation had been agreed upon it was pointless to discuss arms control measures. Serious risks would arise if the problem of TNF modernisation was not solved by the end of 1979. He had considered Chancellor Schmidt's suggestion that the work of the high level and special groups should be brought closer together and this was an interesting idea; but he still believed that it would be right to allow the high level group to reach its conclusions first. Perhaps the UK and the FRG should put Ministerial weight behind the high level group's activities and then endeavour to carry the Belgians, the Dutch and the Americans along with them. It would be important to consider very clearly the public opinion aspects of the TNF problem. Mr. Pym suggested that the Prime Minister and Chancellor Schmidt might instruct their Defence Ministers to take a more direct interest in the technical/military decisions of the high level group so that they would be in a stronger position in the special group.

The Prime Minister commented that the West had suffered a psychological defeat over the neutron bomb. She also found it hard to understand how the West had fallen from superiority to parity, and even inferiority, in the nuclear weapons field without really being aware of this. The full extent of the Soviet military build-up was now much more widely recognised in the UK and this would enable the Government to spend more on defence. The fact remained that NATO has no counter to the SS20 missile. The Government would be considering the question of a successor to the UK Polaris force. The Prime Minister asked Chancellor Schmidt if his position was that the FRG would not agree to the stationing of any new nuclear systems on her soil.

Chancellor Schmidt replied that if the Alliance were to decide that it would be necessary to have long-range ground-launched missiles as part of the TNF modernisation programme, the FRG could not agree to these being stationed only on Federal German soil. It would not be sufficient that these missiles might be stationed in the UK as well since nuclear weapons with the capacity to reach Moscow had always been deployed on British territory. It was essential that the FRG should not be the only non-nuclear power to have these weapons on her territory. Turning to the neutron bomb, Chancellor Schmidt

SECRET said that he would like Lord Carrington and Mr. Pym to study exactly what had happened during that episode. He suggested that they should have a private talk with their German opposite numbers. Chancellor Schmidt added that he was not entirely persuaded by Mr. Pym's preference for allowing the high level group to reach its decisions on TNF modernisation before an integrated decision was attempted: and Lord Carrington agreed that Foreign Ministers had to be involved from the arms control aspect also. It was noted that Mr. Pym and Herr Apel would meet in Brussels on 14 May: and it was agreed that both Mr. Pym and Lord Carrington would remain in close touch about these matters with their opposite numbers. Chancellor Schmidt repeated if the outcome of TNF was proposals for deploying GLCMs or Pershing IIs this must be an Alliance decision and if Germany was to be involved in deployment she would want another non-nuclear weapon state involved also. No MRBMs under NATO control had been stationed on European soil since the late 1950s/early 1960s: they had been scrapped by the agreements between President Kennedy and Mr. Kruschev and Europe had thus had two decades without them. This reinforced the need to pay very close attention to the public opinion aspects of the question. The Soviet Union would do its best to arouse European opinion against the reintroduction of ground launched missiles, just as it had done with such success on the neutron bomb issue. The Prime Minister agreed that the psychological battle was of great The climate of opinion had now improved in the UK and, she importance. thought, in the US: there had, however, been no such improvement in Belgium. The discussion then turned to the political aspects of East/West relations. 11 May 1979 -4-

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Ref. A09562

MR. CARTLEDGE

With your minute of 11th May you sent me your draft note of the Prime Minister's discussion with Chancellor Schmidt on nuclear matters.

I have a number of amendments to suggest. I think most of them are selfexplanatory and do not affect the sense of the discussion. Some of them are purely technical (e.g. sometimes Schmidt used the phrase "ground launched missiles" clearly intending it to include Pershing IIs as well as GLCMs). interesting points to get over are

- (i) the continued insistence on another non-nuclear weapon state being involved in deployment;
- (ii) the fact that Schmidt did not rule out SLCMs and indeed saw some political attraction in them;
- (iii) no mention however of ALCMs.

If however you have any doubts about my amendments, perhaps we could have a word.

Because my writing is messy in places I have had your note retyped: but I attach the original also so that you can see where the changes are.

(John Hunt)

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Prime Minister
Foreign and Commonwealth
Secretary
Chancellor of the Exchequer
Secretary of State for Defence
Lord Privy Seal
and officials

H.E. Herr Helmut Schmidt
Herr Hans-Dietrich Genscher
(Foreign Minister)
Herr Matthöfer
(Minister of Finance)
and officials

Nuclear Matters

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Chancellor Schmidt said that, under the umbrella of talks on Theatre Nuclear Forces (TNF) modernisation, an assessment was proceeding within the Alliance on the future of nuclear weapons in Western Europe. Initially, this assessment had been confined to the high level military group which was considering what type or types of tactical and medium-range (which in Europe meant strategic) weapons should be stationed in Western Europe. These discussions had now been complemented by the meeting of the Special Group which was considering the arms control aspects of the question: | Finally, Defence Ministers had met recently in Florida and had envisaged a procedure by which, before the end of 1979, the NATO Council could take an integrated decision based on the conclusions of the high level and special groups. This was savifactory but it headed to be given a provided divisoria. For example 14 hillowy but always aspe that GLCM's were him reliable that SLCM's but

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Lord Carrington said that the British Government shared the FRG view that there should be no public criticism of SALT II and that nothing should be done which could make things difficult for President Carter. The main UK interest was in the transfer of nuclear weapons, e.g. the Cruise Missile, and the Government would be studying the final text of SALT II from that point of view. Lord Carrington said that he agreed that SALT III would be of vital importance to the West and to Europe in particular. He had been given the impression in Washington that SALT III would be a continuation of the long bilateral negotiation between the United States and the Soviet Union and this could become a permanent process. Europe should seriously consider whether it would be right to accept this.

/Lord Carrington

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Lord Carrington said that he saw every advantage in the closest co-operation between the UK and the FRG in order to safeguard the European interest. He fully recognised the FRG's problems on the stationing of nuclear weapons. The Defence Secretary said that the crucial area was that of the TNFs. | Serious risks would arise if the problem of TNF modernisation was not solved by the end of 1979. He had considered Chancellor Schmidt's suggestion that the work of the high level and special groups should be brought closer together and this was an interesting idea; but he still believed that it would be right to allow the high level group to reach its conclusions first. the UK and the FRG should put Ministerial weight behind the high level group's activities and then endeavour to carry the Belgians, the Tutch and the Americans along with them. It would be important to consider very clearly the public opinion aspects of the Mr. Pym suggested that the Prime Minister and TNF problem. Chancellor Schmidt might instruct their Defence Ministers to take a more direct interest in the technical/military decisions of the high level group so that they would be in a stronger position in the special group.

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Chancellor Schmidt replied that if the Alliance were to decide that it would be necessary to have ground-launched MRBMs as part of the TNF modernisation programme, the FRG could not agree to these being stationed only on Federal German soil.

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It would not be sufficient that these missiles might be stationed in the UK as well since nuclear weapons with the capacity to reach Moscow had always been deployed on British territory. It was essential that the FRG should not be the only non-nuclear power to have these weapons on her territory. Turing to the neutron bomb, Chancellor Schmidt said that he would like Lord Carrington and Mr. Pym to study exactly what had happened during that episode. He suggested that they should have a private talk with their German opposite numbers. Chancellor Schmidt added that he was not entirely persuaded by Mr. Pym's preference for allowing the high level group to reach its decisions on TNF modernisation before an integrated decision was attempted:

It was agreed that Mr. Pym and Herr Apel would meet in Brussels on 14 May: It was agreed that hot 11. By the land their Congress we remain in older than about these waters we their

Chancellor Schmidt went on to say that the main issue was that of whether the Alliance needed a greater number of sealaunched missiles (SLFMs) or ground-launched ballistic missiles (GLBMs) with a longer range. If the Alliance had to rely on the latter, no country would volunteer to have them deployed on its territory. No MRBMs under NATO control had been sationed on European soil since the late 1950s/early 1960s: they had been scrapped by the agreements between President Kennedy and Mr. Kruschev and Europe had thus had two decades without them. This reinforced the need to pay very close attention to the public opinion aspects of the question. The Soviet Union would do its best to arouse European oponion against the re-introduction of GLBMs, just as it had done with such success on the neutrom bomb issue.

The Prime Minister agreed that the psychological battle was of great importance. The climate of opinion had now improved in the UK and, she thought, in the US: there had, however, been no such improvement in Belgium.

The discussion then turned to the political aspects of ${\sf East/West}$ relations.

11 May 1979

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