

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE FEDERAL CHANCELLOR IN THE FEDERAL CHANCELLERY, BONN, AT 1115 ON WEDNESDAY 31 OCTOBER 1979

Present:

Prime Minister
Mr. C.A. Whitmore

Chancellor Schmidt
Dr. Jurgen Ruhfus

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The International Situation

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Chancellor Schmidt said that he was doubtful whether the United States would be able to provide the Alliance with the necessary leadership over the next 12 months. The Soviet Union would be as aware as the NATO allies of the predominance of American domestic issues in the period preceding the Presidential election. When he had spoken to President Carter the previous day, the President had said that the prospects for ratification of SALT II were difficult and he had said no more than that he hoped ratification would take place by Christmas. When the Prime Minister said that she thought that the President's handling of the recent crisis with the Soviet Union over the stationing of Soviet combat troops in Cuba had been bad, Chancellor Schmidt agreed and said that he should have either ignored the presence of Soviet troops or made much more of it. As it was, the President had blown hot and cold, and his crisis management had been poor. But the Alliance might well have to learn to live with this, for in his view President Carter had a better than evens chance of being re-elected. He thought that Senator Kennedy's past would prevent him from getting the Democratic nomination, and he did not believe that any of the Republican candidates was a really convincing runner for the Presidency. But President Carter's chances turned on the ratification of SALT II. He believed that President Carter might well be destroyed electorally if he failed to get the Treaty ratified. There were things about the Treaty which he did not like.

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He thought that the Americans had blundered over the non-circumvention clause and the Protocol, for they had received nothing in exchange for these concessions. It was essential that the Protocol was not extended, and he believed that the non-circumvention clause required an official statement of interpretation by the Americans. The Prime Minister said that such a statement existed, but it seemed to her that its language went flatly in the face of the Treaty language. The United Kingdom needed American help with the replacement of Polaris. There were certain things which technically we could do ourselves but which it would be immensely cheaper to do with American help.

Chancellor Schmidt said that looking ahead, he saw the worst-case situation for the Alliance as one where there was a failure to ratify SALT II and President Carter was re-elected. If this combination of events came about, American leadership of the Alliance would no longer be credible. At the same time the leadership of the Soviet Union would almost certainly be changing. President Brezhnev was obviously very ill, and there were no settled procedures, as far as he could see, for determining the succession. There was likely to be a rough period if the Soviet leadership sought to replace him while he was still alive or even to regulate the succession. Given President Brezhnev's state of health, other leaders must already be taking certain decisions, but it was difficult to know who they were and who would actually come to the top eventually. But he thought that a new leadership would have to build up its authority not only within the Soviet Union and its loyal allies but also with countries like Rumania and Yugoslavia. They would have to try to appear tough and self assured. If, at the same time, they were faced with a weak leadership in NATO, this could make them unduly self confident. We could thus rapidly find ourselves in a crisis of "the world's equilibrium system". Indeed he thought that we were already in the early stages of such a development. This raised the question

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whether the European allies would be steady and perceptive enough to provide some cooperative leadership in those fields where it was lacking most. This concerned not only subjects like the East-West balance in strategic and longer range Theatre Nuclear Weapons but also the Middle East and energy. The dependence of the West on Middle East oil was extremely dangerous, and if the supply was seriously disrupted, although the United States might somehow muddle through on the basis of a crash programme to develop their own resources, Germany, Italy and France would be in the gravest difficulties, not short of the collapse of their political and economic systems. The United Kingdom, with its North Sea oil, would be better placed but even so, would be bound to be affected. This was the crisis which he most feared might confront a West without leadership. The Soviet Union, on the other hand, could survive the interruption of oil supplies from the Middle East better than any country apart from the United Kingdom. If this crisis occurred, it would be of the utmost importance that France, the United Kingdom, the Federal Republic and other Western European countries found ways of living with each other and cooperating on a much more extensive basis than now, and this would require total mutual confidence.

C.A.W.

1 November 1979